POLYTRONICS TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR26000023

To the Board of Directors and Shareholders of Polytronics Technology Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Polytronics Technology Corp. and subsidiaries (the "Group") as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Li, Tien-Yi	Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

May 6, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

POLYTRONICS TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	March 31, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 635,781	16	$ 710,252	18	$ 817,403	18
1136	Current financial assets at amortised cost	6(2) and 8	392,462	10	429,345	11	652,617	15
1150	Notes receivable, net	6(3)	133,812	3	116,592	3	93,329	2
1170	Accounts receivable, net	6(3)	639,549	16	537,713	14	464,998	11
1180	Accounts receivable - related parties, net	6(3) and 7	-	-	91,818	2	98,316	2
1200	Other receivables		24,615	1	15,398	-	25,701	1
130X	Inventories	6(4)	631,478	16	568,338	14	609,892	14
1410	Prepayments		52,323	1	56,501	1	63,307	1
1470	Other current assets		9,558	-	6,271	-	1,549	-
11XX	**Total current assets**		2,519,578	63	2,532,228	63	2,827,112	64
	Non-current assets							
1535	Non-current financial assets at amortised cost	6(2) and 8	31,580	1	30,816	1	31,226	1
1600	Property, plant and equipment	6(5) and 8	1,012,417	25	996,142	25	1,089,885	25
1755	Right-of-use assets	6(6)	176,102	4	179,171	4	198,759	5
1760	Investment property, net	6(8) and 8	98,128	2	98,767	2	100,682	2
1780	Intangible assets		107,735	3	109,778	3	128,609	3
1840	Deferred income tax assets		18,249	1	19,071	1	18,583	-
1900	Other non-current assets		44,390	1	43,072	1	17,770	-
15XX	**Total non-current assets**		1,488,601	37	1,476,817	37	1,585,514	36
1XXX	**Total assets**		$ 4,008,179	100	$ 4,009,045	100	$ 4,412,626	100

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POLYTRONICS TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	March 31, 2025 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(9)	$ 633,794	16	$ 550,380	14	$ 470,879	11
2130	Current contract liabilities	6(18)	7,361	-	2,811	-	12,063	-
2150	Notes payable		10,832	-	5,427	-	1,654	-
2170	Accounts payable		200,739	5	206,248	5	197,666	5
2200	Other payables	6(10)	404,299	10	319,418	8	424,707	10
2230	Current income tax liabilities		77,646	2	62,346	2	87,957	2
2280	Current lease liabilities		12,116	1	12,068	-	10,897	-
2320	Long-term liabilities, current portion	6(12)	-	-	70,000	2	62,961	1
2399	Other current liabilities, others	6(11)	243,187	6	244,076	6	275,740	6
21XX	**Total current liabilities**		1,589,974	40	1,472,774	37	1,544,524	35
	Non-current liabilities							
2540	Long-term borrowings	6(12)	35,000	1	135,000	3	320,444	7
2570	Deferred income tax liabilities		7,536	-	7,170	-	-	-
2580	Non-current lease liabilities		163,530	4	166,535	4	185,968	4
2600	Other non-current liabilities		30,059	1	31,466	1	28,748	1
25XX	**Total non-current liabilities**		236,125	6	340,171	8	535,160	12
2XXX	**Total liabilities**		1,826,099	46	1,812,945	45	2,079,684	47
	Equity							
	Equity attributable to owners of parent							
	Share capital	6(14)						
3110	Common stock		856,453	21	856,453	21	856,453	19
	Capital surplus	6(15)						
3200	Capital surplus		465,240	11	528,724	13	528,724	12
	Retained earnings	6(16)						
3310	Legal reserve		636,525	16	636,525	16	628,813	14
3320	Special reserve		209,752	5	209,752	5	33,220	1
3350	Unappropriated retained earnings		227,788	6	216,192	6	396,956	9
	Other equity interest	6(17)						
3400	Other equity interest		(174,465)	(4)	(215,273)	(5)	(180,573)	(4)
3500	Treasury stocks	6(14)	(48,208)	(1)	(48,208)	(1)	-	-
31XX	**Equity attributable to owners of parent**		2,173,085	54	2,184,165	55	2,263,593	51
36XX	**Non-controlling interests**		8,995	-	11,935	-	69,349	2
3XXX	**Total equity**		2,182,080	54	2,196,100	55	2,332,942	53
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the reporting period	11						
3X2X	**Total liabilities and equity**		$ 4,008,179	100	$ 4,009,045	100	$ 4,412,626	100

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

POLYTRONICS TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three months ended March 31			
			2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	$ 713,234	100	$ 717,171	100
5000	Operating costs	6(4)	(482,719)	(68)	(490,807)	(69)
5950	Net operating margin		230,515	32	226,364	31
	Operating expenses	6(23)(24)				
6100	Selling and marketing expenses		(55,223)	(8)	(62,608)	(8)
6200	General and administrative expenses		(75,020)	(10)	(84,850)	(12)
6300	Research and development expenses		(55,788)	(8)	(56,785)	(8)
6450	Expected credit (losses) gains	12(2)	(1,931)	-	577	-
6000	Total operating expenses		(187,962)	(26)	(203,666)	(28)
6900	Operating profit		42,553	6	22,698	3
	Non-operating income and expenses					
7100	Interest income	6(19)	3,116	-	4,177	1
7010	Other income	6(20)	24,735	4	26,600	4
7020	Other gains and losses	6(21)	3,131	-	1,786	-
7050	Finance costs	6(22)	(6,051)	(1)	(6,891)	(1)
7000	Total non-operating income and expenses		24,931	3	25,672	4
7900	**Profit before income tax**		67,484	9	48,370	7
7950	Income tax expense	6(25)	(17,642)	(2)	(28,511)	(4)
8200	**Profit for the period**		$ 49,842	7	$ 19,859	3
	Other comprehensive income					
	Components of other comprehensive income that may be subsequently reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(17)	$ 41,944	6	$ 30,783	4
8360	Components of other comprehensive income that may be subsequently reclassified to profit or loss		41,944	6	30,783	4
8300	**Other comprehensive income for the period, net of income tax**		$ 41,944	6	$ 30,783	4
8500	**Total comprehensive income for the period**		$ 91,786	13	$ 50,642	7
	Profit (loss) attributable to:					
8610	Owners of parent		$ 53,918	8	$ 37,047	5
8620	Non-controlling interests		(4,076)	(1)	(17,188)	(2)
	Total		$ 49,842	7	$ 19,859	3
	Total comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 94,726	13	$ 66,225	9
8720	Non-controlling interests		(2,940)	-	(15,583)	(2)
	Total		$ 91,786	13	$ 50,642	7
9750	Basic earnings per share (in dollars)	6(26)	$ 0.64		$ 0.43	
9850	Diluted earnings per share (in dollars)	6(26)	$ 0.63		$ 0.43	

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

POLYTRONICS TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent													
			Capital surplus				Retained earnings			Other equity interest					
	Notes	Common stock	Additional paid-in capital	Treasury stock transactions	Employee stock options	Share options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Other equity, others	Treasury stocks	Total	Non-controlling interests	Total equity
Three months ended March 31, 2025															
Balance at January 1, 2025		$ 856,453	$ 471,197	$ 14,924	$ 30,563	$ 12,040	$ 628,813	$ 33,220	$ 509,788	$ 62,697	($ 272,448)	$ -	$ 2,347,247	$ 84,932	$ 2,432,179
Profit (loss) for the period		-	-	-	-	-	-	-	37,047	-	-	-	37,047	(17,188)	19,859
Other comprehensive income	6(17)	-	-	-	-	-	-	-	-	29,178	-	-	29,178	1,605	30,783
Total comprehensive income (loss)		-	-	-	-	-	-	-	37,047	29,178	-	-	66,225	(15,583)	50,642
Distribution of 2024 earnings:	6(16)														
Cash dividends		-	-	-	-	-	-	-	(149,879)	-	-	-	(149,879)	-	(149,879)
Balance at March 31, 2025		$ 856,453	$ 471,197	$ 14,924	$ 30,563	$ 12,040	$ 628,813	$ 33,220	$ 396,956	$ 91,875	($ 272,448)	$ -	$ 2,263,593	$ 69,349	$ 2,332,942
Three months ended March 31, 2026															
Balance at January 1, 2026		$ 856,453	$ 471,197	$ 14,924	$ 30,563	$ 12,040	$ 636,525	$ 209,752	$ 216,192	$ 24,775	($ 240,048)	($ 48,208)	$ 2,184,165	$ 11,935	$ 2,196,100
Profit (loss) for the period		-	-	-	-	-	-	-	53,918	-	-	-	53,918	(4,076)	49,842
Other comprehensive income	6(17)	-	-	-	-	-	-	-	-	40,808	-	-	40,808	1,136	41,944
Total comprehensive income (loss)		-	-	-	-	-	-	-	53,918	40,808	-	-	94,726	(2,940)	91,786
Distribution of 2025 earnings:	6(16)														
Cash dividends		-	-	-	-	-	-	-	(42,322)	-	-	-	(42,322)	-	(42,322)
Cash distributed from capital surplus	6(15)	-	(63,484)	-	-	-	-	-	-	-	-	-	(63,484)	-	(63,484)
Balance at March 31, 2026		$ 856,453	$ 407,713	$ 14,924	$ 30,563	$ 12,040	$ 636,525	$ 209,752	$ 227,788	$ 65,583	($ 240,048)	($ 48,208)	$ 2,173,085	$ 8,995	$ 2,182,080

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

POLYTRONICS TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 67,484	$ 48,370
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss (gains)	12(2)	1,931	(577)
Depreciation	6(23)	36,028	49,978
Amortisation	6(23)	6,295	7,000
Interest expense	6(22)	6,051	6,891
Interest income	6(19)	(3,116)	(4,177)
Losses on disposal of property and equipment	6(21)	-	1
Foreign exchange net gain or loss		836	101
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(17,220)	(5,916)
Accounts receivable		(103,766)	85,253
Accounts receivable - related parties		91,818	13,688
Other receivables		(8,570)	(3,803)
Inventories		(63,140)	15,114
Prepayments		5,498	368
Other current assets		(3,287)	314
Changes in operating liabilities			
Contract liabilities		4,550	8,548
Notes payable		5,405	(2,508)
Accounts payable		(5,509)	(36,082)
Other payables		(19,870)	(8,550)
Other current liabilities		(889)	(1,912)
Defined benefit liabilities		(655)	144
Other non-current liabilities		(752)	(124)
Cash (outflow) inflow generated from operations		(878)	172,121
Interest received		3,116	4,177
Interest paid		(6,051)	(6,891)
Income tax paid		(3,109)	(2,120)
Net cash flows (used in) from operating activities		(6,922)	167,287

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POLYTRONICS TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		($ 155,727)	($ 206,595)
Proceeds from disposal of financial assets at amortised cost		198,982	185,000
Acquisition of property, plant and equipment	6(27)	(35,556)	(19,561)
Proceeds from disposal of property, plant and equipment		23	4
Acquisition of intangible assets		(2,485)	(3,213)
Increase in refundabale deposits		(196)	(128)
Net cash flows from (used in) investing activities		5,041	(44,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		460,444	288,738
Repayment of short-term borrowings		(382,392)	(237,286)
Repayment of long-term borrowings		(170,000)	(64,491)
Repayment of lease liabilities		(2,992)	(2,757)
Net cash flows used in financing activities		(94,940)	(15,796)
Effect of exchange rate		22,350	19,649
Net (decrease) increase in cash and cash equivalents		(74,471)	126,647
Cash and cash equivalents at beginning of period	6(1)	710,252	690,756
Cash and cash equivalents at end of period	6(1)	$ 635,781	$ 817,403

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

POLYTRONICS TECHNOLOGY CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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

1. HISTORY AND ORGANISATION

Polytronics Technology Corporation (the "Company") was incorporated on December 18, 1997 and commenced operations on August 1, 1999. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the research, development, manufacture and sale of polymeric positive temperature coefficient thermistors, overvoltage protective devices and its production related semi-finished goods, modules and dies, thermal conductive boards, thermal module, heat dispersing materials and LED lightings and modules.

2. THE DATE OF AND PROCEDURES FOR AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issuance by the Board of Directors on May 6, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

None.

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

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

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

(2) Basis of preparation

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

Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The same basis of consolidation have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2025.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiaries	Main Business Activities	Ownership (%) March 31, 2026	Ownership (%) December 31, 2025	Ownership (%) March 31, 2025	Note
Polytronics Technology Corporation	Polytronics (B.V.I.) Corporation	Investments and general business operations	100	100	100	
Polytronics Technology Corporation	TCLAD Technology Corporation	Manufacturing of the thermal conductive board	83.21	83.21	80.94	
TCLAD Technology Corporation	TCLAD Inc.	Manufacturing of the thermal conductive board	100	100	100	
TCLAD Technology Corporation	TCLAD Europe GmbH	Manufacturing of the thermal conductive board	100	100	85	Note
TCLAD Technology Corporation	Suzhou TCLAD Electronic Technology Co., Ltd.	Manufacturing of the thermal conductive board	100	100	100	
Polytronics (B.V.I.) Corporation	Kunshan Polystar Electronics Co., Ltd.	Production and sale of varistor and potentiometer	100	100	100	
Kunshan Polystar Electronics Co., Ltd.	PolyStellar Electronics Co., Ltd.	Production and sale of resistors, discrete semiconductor devices and other resistive elements	100	100	100	

Note: During the year 2025, the Group acquired a 15% equity interest in the subsidiary TCLAD Europe GmbH for cash consideration of $1,042 and has completed the registration of the change.

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

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

E. Significant restrictions: None.

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

As of March 31, 2026, December 31, 2025 and March 31, 2025, the non-controlling interests amounted to $8,995, $11,935 and $69,349, respectively. The information of non-controlling interests and respective subsidiaries is as follows:

		Non-controlling interests March 31, 2026		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Description
TCLAD Technology Corporation	Taiwan	$ 8,995	16.79%	

		Non-controlling interests December 31, 2025		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Description
TCLAD Technology Corporation	Taiwan	$ 11,935	16.79%	

		Non-controlling interests March 31, 2025		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Description
TCLAD Technology Corporation	Taiwan	$ 69,349	19.06%	

Balance sheet:

	TCLAD Technology Corporation and Subsidiaries		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 657,562	$ 576,014	$ 657,281
Non-current assets	523,160	523,960	631,282
Current liabilities	(921,796)	(821,961)	(693,127)
Non-current liabilities	(205,362)	(206,940)	(228,502)
Total net assets	$ 53,564	$ 71,073	$ 366,934

Statement of comprehensive income:

	TCLAD Technology Corporation and Subsidiaries	
	January 1, 2026 to March 31, 2026	January 1, 2025 to March 31, 2025
Revenue	$ 275,043	$ 266,791
Loss before income tax	(24,148)	(88,905)
Income tax expense	(126)	(333)
Loss for the period	(24,274)	(89,238)
Other comprehensive income, net of income tax	6,766	8,567
Total comprehensive loss	($ 17,508)	($ 80,671)
Total comprehensive loss attributable to non-controlling interests	($ 2,940)	($ 15,583)
Dividends paid to non-controlling interests	$ -	$ -

Statement of cash flows:

	TCLAD Technology Corporation and Subsidiaries	
	January 1, 2026 to March 31, 2026	January 1, 2025 to March 31, 2025
Net cash used in operating activities	($ 198,296)	($ 12,642)
Net cash used in investing activities	(6,042)	(2,166)
Net cash provided by financing activities	243,287	59,032
Effect of exchange rates	4,452	15,298
Decrease in cash and cash equivalents	43,401	59,522
Cash and cash equivalents, beginning of period	90,010	129,837
Cash and cash equivalents, end of period	$ 133,411	$ 189,359

(4) Employee benefits

Defined benefit plans

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

(5) Income tax

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

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes for the three months ended March 31, 2026. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and revolving funds	$ 404	$ 401	$ 402
Checking accounts and demand deposits	516,851	382,869	435,372
Time deposits	118,526	326,982	381,629
	$ 635,781	$ 710,252	$ 817,403

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

(2) Financial assets at amortised cost

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Time deposits	$ 392,462	$ 429,345	$ 652,617
Non-current items:			
Time deposits	$ 31,580	$ 30,816	$ 31,226

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

	Three months ended March 31,	
	2026	2025
Interest income	$ 787	$ 3,667

B. Details of the Group’s financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group’s investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 133,812	$ 116,592	$ 93,329
Accounts receivable	$ 644,454	$ 541,316	$ 469,220
Accounts receivable - related parties	-	91,818	98,316
Less: Loss allowance	(4,905)	(3,603)	(4,222)
	$ 639,549	$ 629,531	$ 563,314

A. The ageing analysis of accounts receivable and notes receivable is as follows:

	March 31, 2026		December 31, 2025	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 585,189	$ 133,812	$ 547,892	$ 116,592
Up to 30 days	49,862	-	52,698	-
31 to 90 days	3,958	-	25,050	-
91 to 180 days	1,033	-	3,876	-
Over 180 days	4,412	-	3,618	-
	$ 644,454	$ 133,812	$ 633,134	$ 116,592

	March 31, 2025	
	Accounts receivable	Notes receivable
Not past due	$ 494,130	$ 93,329
Up to 30 days	52,499	-
31 to 90 days	15,386	-
91 to 180 days	1,066	-
Over 180 days	4,455	-
	$ 567,536	$ 93,329

The above ageing analysis was based on past due date.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to $754,084.

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collaterals held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes receivable were $133,812, $116,592 and $93,329, respectively, and accounts receivable were $639,549, $629,531 and $563,314, respectively.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had outstanding discounted accounts receivable amounting to $27,580, $27,462 and $0, respectively. The Group has payment obligation when the drawers of the accounts refuse to pay for the accounts at maturity. However, in general, the Group does not expect that the drawers of the accounts would refuse to pay for the accounts at maturity. The liabilities arising on discounted accounts receivable were presented as short-term borrowings.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$ 210,613	$ 188,578	$ 192,396
Work-in-progress	185,097	167,311	173,731
Finished goods	235,768	212,449	243,765
	$ 631,478	$ 568,338	$ 609,892

The cost of inventories recognised as expense for the period:

	Three months ended March 31,	
	2026	2025
Cost of goods sold	$ 478,523	$ 487,846
Loss on decline in market value	4,196	2,961
	$ 482,719	$ 490,807

(5) Property, plant and equipment

	2026									
	Land	Buildings	Machinery equipment	Office equipment	Transportation equipment	Computer and communication equipment	Leasehold improvements	Other equipment	Construction in progress and equipment under inspection	Total
At January 1										
Cost	$ 2,400	$ 1,076,029	$ 981,072	$ 14,117	$ 8,348	$ 31,098	$ 23,310	$ 252,833	$ 10,880	$ 2,400,087
Accumulated depreciation and impairment	-	(507,928)	(660,990)	(11,280)	(5,345)	(23,777)	(15,978)	(178,647)	-	(1,403,945)
	$ 2,400	$ 568,101	$ 320,082	$ 2,837	$ 3,003	$ 7,321	$ 7,332	$ 74,186	$ 10,880	$ 996,142
Opening net book amount	$ 2,400	$ 568,101	$ 320,082	$ 2,837	$ 3,003	$ 7,321	$ 7,332	$ 74,186	$ 10,880	$ 996,142
Additions	-	5,174	22,271	280	-	779	-	815	4,059	33,378
Disposals	-	-	(4)	(19)	-	-	-	-	-	(23)
Reclassifications	-	13,997	18,677	-	-	-	-	(18,677)	(13,997)	-
Depreciation	-	(7,273)	(19,747)	(291)	(323)	(818)	(239)	(3,347)	-	(32,038)
Net exchange differences	44	7,761	6,532	72	149	20	-	365	15	14,958
Closing net book amount	$ 2,444	$ 587,760	$ 347,811	$ 2,879	$ 2,829	$ 7,302	$ 7,093	$ 53,342	$ 957	$ 1,012,417
At March 31										
Cost	$ 2,444	$ 1,108,427	$ 1,013,275	$ 14,578	$ 8,429	$ 31,651	$ 23,310	$ 232,796	$ 957	$ 2,435,867
Accumulated depreciation and impairment	-	(520,667)	(665,464)	(11,699)	(5,600)	(24,349)	(16,217)	(179,454)	-	(1,423,450)
	$ 2,444	$ 587,760	$ 347,811	$ 2,879	$ 2,829	$ 7,302	$ 7,093	$ 53,342	$ 957	$ 1,012,417

	2025									
	Land	Buildings	Machinery equipment	Office equipment	Transportation equipment	Computer and communication equipment	Leasehold improvements	Other equipment	Construction in progress and equipment under inspection	Total
At January 1										
Cost	$ 2,504	$ 1,079,515	$ 1,202,740	$ 14,112	$ 8,398	$ 28,507	$ 22,910	$ 215,246	$ 210	$ 2,574,142
Accumulated depreciation and impairment	-	(478,933)	(761,798)	(10,580)	(6,483)	(22,128)	(15,000)	(178,776)	-	(1,473,698)
	$ 2,504	$ 600,582	$ 440,942	$ 3,532	$ 1,915	$ 6,379	$ 7,910	$ 36,470	$ 210	$ 1,100,444
Opening net book amount	$ 2,504	$ 600,582	$ 440,942	$ 3,532	$ 1,915	$ 6,379	$ 7,910	$ 36,470	$ 210	$ 1,100,444
Additions	-	-	18,876	91	2,340	981	400	1,280	802	24,770
Disposals	-	-	-	(4)	-	(1)	-	-	-	(5)
Depreciation	-	(8,928)	(32,187)	(279)	(431)	(813)	(257)	(3,261)	-	(46,156)
Net exchange differences	32	5,435	4,608	56	192	27	-	482	-	10,832
Closing net book amount	$ 2,536	$ 597,089	$ 432,239	$ 3,396	$ 4,016	$ 6,573	$ 8,053	$ 34,971	$ 1,012	$ 1,089,885
At March 31										
Cost	$ 2,536	$ 1,088,364	$ 1,230,894	$ 14,401	$ 10,823	$ 29,542	$ 23,310	$ 214,043	$ 1,012	$ 2,614,925
Accumulated depreciation and impairment	-	(491,275)	(798,655)	(11,005)	(6,807)	(22,969)	(15,257)	(179,072)	-	(1,525,040)
	$ 2,536	$ 597,089	$ 432,239	$ 3,396	$ 4,016	$ 6,573	$ 8,053	$ 34,971	$ 1,012	$ 1,089,885

A. For the three months ended March 31, 2026 and 2025, there was no capitalisation of borrowing interests attributable to property, plant and equipment.

B. Information about property, plant and equipment that were pledged to others as collateral is provided in Note 8.

C. Above property, plant and equipment are owner-occupied.

(6) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings, transportation equipment and business vehicles. Lease agreements are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	March 31, 2026	December 31, 2025	March 31, 2025
	Carrying amount	Carrying amount	Carrying amount
Land	$ 156,663	$ 157,667	$ 177,736
Buildings	8,957	10,018	13,199
Transportation equipment	5,581	6,275	6,528
Office equipment	4,901	5,211	1,296
	$ 176,102	$ 179,171	$ 198,759

	Three months ended March 31,	
	2026	2025
	Depreciation	Depreciation
Land	$ 1,255	$ 1,359
Buildings	1,060	1,060
Transportation equipment	726	685
Office equipment	310	79
	$ 3,351	$ 3,183

C. For the three months ended March 31, 2026 and 2025, there were no additions to right-of-use assets.

D. The information on profit and loss accounts relating to lease agreements is as follows:

	Three months ended March 31,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 745	$ 829

E. For the three months ended March 31, 2026 and 2025, the Group’s total cash outflow for leases were $3,737 and $3,586, respectively.

F. Extension and termination options

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(7) Leasing arrangements – lessor

A. The Group leases buildings to others. Lease agreements are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. For the three months ended March 31, 2026 and 2025, the Group recognised rent income in the amounts of $12,869 and $ 12,828, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Current year	$ 31,871	$ -	$ 33,691
Within 1 year	14,576	38,747	38,747
Within 1-2 years	380	14,576	14,576
Within 2-3 years	380	380	380
Within 3-4 years	380	380	380
Within 5 years	380	-	-
	$ 47,967	$ 54,083	$ 87,774

(8) Investment property

	2026	2025
	Buildings	Buildings
At January 1		
Cost	$ 130,238	$ 130,238
Accumulated depreciation	(31,471)	(28,917)
	$ 98,767	$ 101,321
Opening net book amount	$ 98,767	$ 101,321
Depreciation	(639)	(639)
Closing net book amount	$ 98,128	$ 100,682
At March 31		
Cost	$ 130,238	$ 130,238
Accumulated depreciation	(32,110)	(29,556)
	$ 98,128	$ 100,682

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

	Three months ended March 31, 2026	Three months ended March 31, 2025
Rental income from investment property	$ 12,669	$ 12,555
Direct operating expenses arising from the investment property that generated rental income during the period	$ 639	$ 639

B. The fair value of investment property held by the Group as of March 31, 2026, December 31, 2025 and March 31, 2025, were $323,016, $323,016 and $323,016, respectively. The fair value is estimated using the valuation method frequently used by market participants which is categorised with Level 3 in the fair value hierarchy. The valuation is based on evidence of similar trading prices.

C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(9) Short-term borrowings

Type of borrowings	March 31, 2026	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 364,630	1.94%~4.34%	None
Secured borrowings	269,164	2.10%~6.95%	Buildings and accounts receivable
	$ 633,794		

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 328,629	2.05%~4.53%	None
Secured borrowings	221,751	1.94%~6.95%	Buildings and accounts receivable
	$ 550,380		

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 321,071	2.05%~5.14%	None
Secured borrowings	149,808	1.94%~6.95%	Buildings and time deposits
	$ 470,879		

Interest expense recognised in profit or loss amounted to $4,695 and $3,530 for the three months ended March 31, 2026 and 2025, respectively.

(10) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Wages and salaries payable	$ 99,658	$ 129,387	$ 90,882
Employee bonus and directors' remuneration payable	53,500	43,500	62,372
Payables on machinery and equipment	9,050	10,107	4,323
Dividends payable (including cash distributed from capital surplus)	105,806	-	149,879
Others	136,285	136,424	117,251
	$ 404,299	$ 319,418	$ 424,707

(11) Other current liabilities, others

To optimize the equity structure and development of the Company's subsidiary, TCLAD Technology Corporation, if other shareholders request the Company or a third party to purchase their shares in accordance with the agreement, the Company taking into consideration the long-term equity stability and the industry, will purchase the shares of TCLAD Technology Corporation held by the external shareholders under the premise of having sufficient funds. As of March 31, 2026, December 31, 2025 and March 31, 2025, other liabilities were accrued amounting to $240,048, $240,048, and $272,448, respectively.

(12) Long-term borrowings

Type of borrowings	Borrowing period	Repayment term	Interest rate range	Collateral	March 31, 2026
Long-term bank borrowings					
Secured borrowings	2025/08/07~ 2030/08/07	Repayable in instalment over the agreed period	2.22%	Buildings	$ 35,000
Less: Long-term borrowings, current portion					-
					$ 35,000

Type of borrowings	Borrowing period	Repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings					
Unsecured borrowings	2024/06/06~ 2027/07/26	Repayable in instalment over the agreed period	2.00%~ 2.12%	None	$ 170,000
Secured borrowings	2025/08/07~ 2030/08/07	Repayable in instalment over the agreed period	2.22%	Buildings	35,000
					205,000
Less: Long-term borrowings, current portion					(70,000)
					$ 135,000

Type of borrowings	Borrowing period	Repayment term	Interest rate range	Collateral	March 31, 2025
Long-term bank borrowings					
Unsecured borrowings	2024/06/06~ 2027/08/30	Repayable in instalment over the agreed period	1.99%~ 2.12%	None	$ 260,850
Secured borrowings	2024/08/30~ 2027/08/30	Repayable in instalment over the agreed period	1.97%	Buildings	122,555
					383,405
Less: Long-term borrowings, current portion					(62,961)
					$ 320,444

(13) Pensions

A.(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2.5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(b) For the aforementioned pension plan, the Group recognized pension costs of $226 and $185 for the three months ended March 31, 2026 and 2025, respectively.

(c) There are no expected contributions to the defined benefit pension plans of the Group for the next year.

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

(b) The Company’s Mainland China subsidiary has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The Group’s US subsidiary has established a 401(K) pension plan in accordance with Section 401(K) of the Internal Revenue Code (IRC). All eligible employees can elect to have a certain portion of their salaries contributed to their individual pension accounts according to the contribution limit. The US subsidiary makes a matching contribution of no higher than 8% of each employee’s salary to their individual pension accounts.

(d) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2026 and 2025, were $8,600 and $9,383, respectively.

C. In addition, effective in 2018, in order to provide for the pension of appointed managers, the Company has made provision for the pension at 4% of their total paid salaries monthly. Pension payments shall be taken from the provision when the managers actually retire. However, if such provision is insufficient, the deficiency shall be recognised as expenses for the year. Provision for appointed managers amounted to $300 and $300 for the three months ended March 31, 2026 and 2025, respectively.

(14) <u>Share capital</u>

A. As of March 31, 2026, the Company’s authorised capital was $1,000,000, consisting of 100,000 thousand shares of ordinary share (including 5 million shares reserved for employee stock options), and the paid-in capital was $856,453 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2026	2025
Shares issued at January 1	85,645	85,645
Treasury shares	(1,000)	-
Outstanding shares at January 1	84,645	85,645
Shares issued at March 31	85,645	85,645
Treasury shares	(1,000)	-
Outstanding shares at March 31	84,645	85,645

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows (in thousands of shares):

		March 31, 2026	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	1,000	$ 48,208

		December 31, 2025	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	1,000	$ 48,208

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired.

(e) On May 9, 2025, the Company's Board of Directors resolved to repurchase the Company's ordinary shares and transfer them to employees. As of the expiration of the repurchase period, the Company bought back 1000 thousand treasury shares and the average repurchased price was $48.21 (in dollars) per share. Currently, the shares have not yet been transferred to employees.

(15) Capital surplus

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

The Company adopted the resolution of the Board of Directors on March 12, 2025 to distribute cash of $63,484 ($0.75 dollars per share) in proportion to the ownership interest of shareholders using capital surplus.

(16) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, except as legal reserve reaches an amount equal to the paid-in capital, then setting aside or reversing special reserve according to the resolution of shareholders during their meeting or the request by competent authorities. Appropriation of the remainder, and unappropriated retained earnings from prior years, shall be proposed by the Board of Directors and resolved at the shareholders' meeting.

In accordance with Article 240, Item 5 and Article 241, Item 2 of the Company Act, the Board of Directors is authorized by the Company to resolve the distribution of dividends, legal reserve and capital surplus, in whole or in part, in the form of cash, by a majority vote at its meeting attended by at least two-thirds of the total number of directors, will be reported to the shareholders, and shall not be subject to the resolution at the shareholders' meeting.

B. Dividend policy: As the Company is in a rapidly changing industry and in the growth stage, and considering the Company's long-term financial plans, shareholders' long-term interest and stabilising performance target, cash dividend distribution shall not be lower than 10% of the total dividend distribution.

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

D. (a) In accordance with the regulations, the Company shall set aside special reserve based on debit balances of other equity items at the balance sheet date before distributing earnings. When debit balances of other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated July 9, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. The appropriations for 2025 earnings proposed by the Board of Directors on March 12, 2026, and the appropriations for 2024 earnings that had been resolved at the shareholders' meeting on June 12, 2025 are as follows:

	2025		2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 4,053		$ 7,712	
Special reserve	5,521		176,532	
Cash dividends	42,323	$ 0.50	149,879	$ 1.75
	$ 51,897		$ 334,123	

As of March 12, 2026, the above mentioned 2025 earnings appropriation has not been resolved by the shareholders except for the cash dividends, which was approved by the Board of Directors.

(17) Other equity items

	Financial statements translation difference of foreign operations	Others	Total
At January 1, 2026	$ 24,775	($ 240,048)	($ 215,273)
Currency translation differences	40,808	-	40,808
At March 31, 2026	$ 65,583	($ 240,048)	($ 174,465)

	Financial statements translation difference of foreign operations	Others	Total
At January 1, 2025	$ 62,697	($ 272,448)	($ 209,751)
Currency translation differences	29,178	-	29,178
At March 31, 2025	$ 91,875	($ 272,448)	($ 180,573)

(18) Operating revenue

	Three months ended March 31,	
	2026	2025
Sales revenue	$ 713,234	$ 717,171

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major geographical regions:

Three months ended March 31, 2026	China	Taiwan	USA	Others	Total
Sales revenue	$ 318,449	$ 70,460	$ 188,073	$ 136,252	$ 713,234

Three months ended March 31, 2025	China	Taiwan	USA	Others	Total
Sales revenue	$ 339,645	$ 82,068	$ 212,816	$ 82,642	$ 717,171

B. Contract assets and liabilities

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

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract liabilities:				
– Advance sales receipts	$ 7,361	$ 2,811	$ 12,063	$ 3,515

(b) Revenue recognised that was included in the contract liabilities balance at the beginning of the period:

	Three months ended March 31, 2026	2025
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	$ 2,129	$ 2,846

(19) Interest income

	Three months ended March 31, 2026	2025
Interest income from bank deposits	$ 2,326	$ 507
Interest income from financial assets at amortised cost	787	3,667
Other interest income	3	3
	$ 3,116	$ 4,177

(20) Other income

	Three months ended March 31, 2026	2025
Rental income	$ 12,869	$ 12,828
Subsidy income	-	47
Other income, others	11,866	13,725
	$ 24,735	$ 26,600

(21) Other gains and losses

	Three months ended March 31, 2026	2025
Losses on disposals of property, plant and equipment	$ -	($ 1)
Net currency exchange gains	4,364	3,755
Depreciation - investment property	(639)	(639)
Other losses	(594)	(1,329)
	$ 3,131	$ 1,786

(22) Finance costs

	Three months ended March 31,	
	2026	2025
Interest expense	$ 6,051	$ 6,891

(23) Expenses by nature

	Three months ended March 31,	
	2026	2025
Employee benefit expenses	$ 222,394	$ 251,276
Depreciation on property, plant and equipment (Note)	36,028	49,978
Amortisation on intangible assets	6,295	7,000

Note: Including investment property and right-of-use assets.

(24) Employee benefit expenses

	Three months ended March 31,	
	2026	2025
Wages and salaries	$ 178,132	$ 196,993
Labor and health insurance fees	11,785	13,744
Pension costs	9,126	9,869
Other personnel expenses	23,351	30,670
	$ 222,394	$ 251,276

A. In accordance with Articles of Incorporation of the Company, employees' compensation and directors' remuneration shall be calculated based on a ratio of distributable profit of the current year, after covering accumulated losses. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 1.5% for directors' remuneration.

B. For the three months ended March 31, 2026 and 2025, employees' compensation were accrued at $8,780 and $13,670, respectively; while directors' remuneration were accrued at $1,220 and $1,202, respectively. The aforementioned amounts were recognised in salary expenses.

Employees' compensation and directors' remuneration for 2025 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2025 financial statements.

Information about the employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System."

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31,	
	2026	2025
Current tax:		
Current tax on profits for the period	$ 16,454	$ 30,019
Total current tax	16,454	30,019
Deferred tax:		
Origination and reversal of temporary differences	1,188	(1,508)
Total deferred tax	1,188	(1,508)
Income tax expense	$ 17,642	$ 28,511

(b) The income tax charged/(credited) to equity during the period: None.

B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(26) Earnings per share

	Three months ended March 31, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 53,918	84,645	$ 0.64
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	53,918	84,645	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,066	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 53,918	85,711	$ 0.63

	Three months ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 37,047	85,645	$ 0.43
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	37,047	85,645	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	871	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 37,047	86,516	$ 0.43

(27) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Three months ended March 31,	
	2026	2025
Acquisition of property, plant and quipment	$ 33,378	$ 24,770
Net change of payable on machinery and equipment	1,057	5,508
Net change of prepayments on machinery and equipment	1,121	(10,717)
Cash paid during the period	$ 35,556	$ 19,561

B. Financing activities with no cash flow effects:

	Three months ended March 31,	
	2026	2025
Dividends payable	$ 105,806	$ 149,879

(28) Changes in liabilities from financing activities

	2026					
	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Deposits-in	Dividends payable	Total liabilities from financing activites
At January 1	$ 550,380	$ 178,603	$ 205,000	$ 11,043	$ -	$ 945,026
Changes in cash flow from financing activities	78,052	(2,992)	(170,000)	-	-	(94,940)
Interest expense	-	745	-	-	-	745
Interest paid	-	(745)	-	-	-	(745)
Declaration of the cash dividends	-	-	-	-	105,806	105,806
Changes in other non-cash items	5,362	35	-	-	-	5,397
At March 31	$ 633,794	$ 175,646	$ 35,000	$ 11,043	$ 105,806	$ 961,289

	2025					
	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Deposits-in	Dividends payable	Total liabilities from financing activities
At January 1	$ 417,978	$ 199,595	$ 447,896	$ 11,043	$ -	$ 1,076,512
Changes in cash flow from financing activities	51,452	(2,757)	(64,491)	-	-	(15,796)
Interest expense	-	829	-	-	-	829
Interest paid	-	(829)	-	-	-	(829)
Declaration of the cash dividends	-	-	-	-	149,879	149,879
Changes in other non-cash items	1,449	27	-	-	-	1,476
At March 31	$ 470,879	$ 196,865	$ 383,405	$ 11,043	$ 149,879	$ 1,212,071

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Littelfuse, Inc. and its subsidiaries	The director of the Company (Note)

Note: Littelfuse, Inc. resigned as a director of the Company on March 27, 2026, and has ceased to be a related party of the Group since its resignation.

(2) Significant related party transactions and balances

A. Operating revenue

	Three months ended March 31, 2026	Three months ended March 31, 2025
Sales of goods:		
Littelfuse, Inc. and its subsidiaries	$ 97,201	$ 97,390

There are no significant differences in sales prices and collection terms between related parties and third parties.

As Littelfuse, Inc. has ceased to be a related party of the Group since March 27, 2026, the aforementioned amounts represent transactions incurred up to that date.

B. Receivables from related parties:

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable			
Littelfuse, Inc. and its subsidiaries	$ -	$ 91,818	$ 98,316

The receivables from related parties arise mainly from sale transactions. The receivables are due 90 days after the date of sale. The receivables are unsecured in nature and bear no interest.

Receivables from Littelfuse, Inc. are classified under accounts receivable as it has ceased to be a related party of the Group since March 27, 2026.

(3) Key management compensation

	Three months ended March 31, 2026	Three months ended March 31, 2025
Short-term employee benefits	$ 16,581	$ 16,985
Post-employment benefits	491	463
	$ 17,072	$ 17,448

8. PLEDGED ASSETS

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

Pledged asset	Book value March 31, 2026	Book value December 31, 2025	Book value March 31, 2025	Purpose
Time deposit (shown as "Current financial assets at amortised cost")	$ 4,577	$ 4,559	$ 3,421	Guarantee for customs and bond, performance guarantee, company card guarantee and guarantee for short-term borrowing
Time deposit (shown as "Non-current financial assets at amortised cost")	8,422	8,331	8,331	Guarantee for land lease in science park
Buildings and investment property	173,249	174,374	177,750	Guarantee for short-term borrowing credit line
Accounts receivable	27,580	27,462	-	Discounted accounts receivable

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

A customer of the Company filed a lawsuit for damages regarding specific product disputes. As of May 6, 2026, the legal proceedings are still ongoing and negotiations are in progress. Consequently, the Company cannot presently estimate the ultimate outcome of the litigation and its potential impact on the Company.

(2) Commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$ 29,431	$ 40,467	$ 41,602

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital, issue new shares or dispose assets to reduce its liabilities.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	$ 635,781	$ 710,252	$ 817,403
Financial assets at amortised cost	424,042	460,161	683,843
Notes receivable	133,812	116,592	93,329
Accounts receivable (including related parties)	639,549	629,531	563,314
Other receivables	24,615	15,398	25,701
Refundable deposits	13,727	13,532	12,726
	$ 1,871,526	$ 1,945,466	$ 2,196,316

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities			
Short-term borrowings	$ 633,794	$ 550,380	$ 470,879
Notes payable	10,832	5,427	1,654
Accounts payable	200,739	206,248	197,666
Other payables	404,299	319,418	424,707
Long-term borrowings (including current portion)	35,000	205,000	383,405
Other current liabilities	243,187	244,076	275,740
Deposits-in	11,043	11,043	11,043
	$ 1,538,894	$ 1,541,592	$ 1,765,094
Lease liabilities	$ 175,646	$ 178,603	$ 196,865

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries using various functional currencies, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policies to require group companies to manage their foreign exchange risk against their functional currencies. The companies are required to hedge their entire foreign exchange risk exposure through coordination with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Foreign exchange forward contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

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

	March 31, 2026				
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	USD	12,235	31.995	$	391,459
USD:RMB	USD	1,029	6.911		32,923
RMB:NTD	RMB	25,382	4.632		117,569
Non-monetary items: None.					
Financial liabilities					
Monetary items					
USD:NTD	USD	2,499	31.995	$	79,956
RMB:NTD	RMB	7,432	4.632		34,425
USD:RMB	USD	272	6.911		8,703
Non-monetary items: None.					

	December 31, 2025				
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	USD	14,711	31.430	$	462,368
USD:RMB	USD	569	6.991		17,884
RMB:NTD	RMB	19,225	4.496		86,434
JPY:NTD	JPY	13,481	0.2008		2,707
Non-monetary items: None.					
Financial liabilities					
Monetary items					
USD:NTD	USD	5,368	31.430	$	168,717
RMB:NTD	RMB	4,939	4.496		22,208
USD:RMB	USD	65	6.991		2,055
JPY:NTD	JPY	13,951	0.2008		2,801
Non-monetary items: None.					

	March 31, 2025			
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	USD	10,883	33.205	$ 361,370
USD:RMB	USD	697	7.2516	23,144
RMB:NTD	RMB	15,045	4.573	68,801
Non-monetary items: None.				
Financial liabilities				
Monetary items				
USD:NTD	USD	2,716	33.205	$ 90,185
USD:RMB	USD	119	7.2516	3,951
Non-monetary items: None.				

iv. The total exchange (losses) gain, including realised and unrealised arising from significant foreign exchange variations on the monetary items held by the Group for the three months ended March 31, 2026 and 2025, amounted to $4,364 and $3,755, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variations:

	Three months ended March 31, 2026		
	Sensitivity analysis		
	Degree of variation	Effect on profit (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 3,915	$ -
USD:RMB	1%	329	-
RMB:NTD	1%	1,176	-
Non-monetary items: None.			
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 800)	$ -
RMB:NTD	1%	(344)	-
USD:RMB	1%	(87)	-
Non-monetary items: None.			

	Three months ended March 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 3,614	$ -
USD:RMB	1%	231	-
RMB:NTD	1%	688	-
Non-monetary items: None.			
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 902)	$ -
USD:RMB	1%	(40)	-
Non-monetary items: None.			

Price risk

The Group had no equity instruments which were exposed to price risk as of March 31, 2026, December 31, 2025 and March 31, 2025.

Cash flow and fair value Interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the three months ended March 31, 2026 and 2025, the Group's borrowings at variable rates were mainly denominated in New Taiwan dollars.

ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased or decreased by 1%, with all other variables held constant, profit, net of tax, for the three months ended 2026 and 2025 would have decreased or increased by $280 and $3,067, respectively. The main factor is that changes in interest expense result from floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual credit limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group classifies customers' accounts receivable, contract assets and rents receivable in accordance with customer types. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

vi. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On March 31, 2026, December 31, 2025 and March 31, 2025, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 180 days	Total
At March 31, 2026						
Expected loss rate	0.00%	0.44%~1.96%	2.87%~24.01%	22.09%~54.94%	86.09%~100%	
Total book value	$ 585,189	$ 49,862	$ 3,958	$ 1,033	$ 4,412	$ 644,454
Loss allowance	$ -	$ -	$ 55	$ 498	$ 4,352	$ 4,905

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 180 days	Total
At December 31, 2025						
Expected loss rate	0.00%	0.32%~2.02%	2.43%~25.33%	22.47%~53.96%	86.07%~100%	
Total book value	$ 547,892	$ 52,698	$ 25,050	$ 3,876	$ 3,618	$ 633,134
Loss allowance	$ -	$ -	$ 9	$ 622	$ 2,972	$ 3,603

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 180 days	Total
At March 31, 2025						
Expected loss rate	0.01%	0.32%~1.91%	2.48%~25.07%	22.85%~48.03%	84.29%~100%	
Total book value	$ 494,130	$ 52,499	$ 15,386	$ 1,066	$ 4,455	$ 567,536
Loss allowance	$ -	$ -	$ 40	$ 213	$ 3,969	$ 4,222

viii. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable and notes receivable is as follows:

	2026	
	Accounts receivable	Notes receivable
At January 1	$ 3,603	$ -
Provision for impairment	1,931	-
Effect of foreign exchange	(629)	-
At March 31	$ 4,905	$ -

	2025	
	Accounts receivable	Notes receivable
At January 1	$ 4,993	$ -
Reversal of impairment loss	(577)	-
Effect of foreign exchange	(194)	-
At March 31	$ 4,222	$ -

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

ii. The Group has the following undrawn borrowing facilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Floating rate:			
Expiring within one year	$ 1,304,880	$ 1,896,486	$ 1,433,845

The facilities expiring within one year are annual facilities subject to review and renegotiation at various dates during 2025.

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

March 31, 2026	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$155,159	$ 501,776	$ -	$ -	$ -
Notes payable	10,832	-	-	-	-
Accounts payable	190,776	9,963	-	-	-
Lease liabilities	3,737	11,679	12,925	23,504	164,942
Other payables	-	404,299	-	-	-
Other current liabilities	-	243,187	-	-	-
Long-term borrowings	196	581	7,259	30,074	-
Deposits-in	-	-	11,043	-	-

Non-derivative financial liabilities:

December 31, 2025	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$366,654	$ 187,373	$ -	$ -	$ -
Notes payable	5,427	-	-	-	-
Accounts payable	206,248	-	-	-	-
Lease liabilities	3,728	11,932	13,496	24,789	166,472
Other payables	-	319,418	-	-	-
Other current liabilities	-	244,076	-	-	-
Long-term borrowings	16,051	57,386	105,860	33,185	-
Deposits-in	-	-	11,043	-	-

Non-derivative financial liabilities:

March 31, 2025	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$105,569	$ 365,310	$ -	$ -	$ -
Notes payable	1,654	-	-	-	-
Accounts payable	177,299	20,367	-	-	-
Lease liabilities	3,588	10,522	13,451	21,731	151,670
Other payables	-	424,707	-	-	-
Other current liabilities	-	275,740	-	-	-
Long-term borrowings	4,955	63,914	73,923	248,798	-
Deposits-in	-	-	11,043	-	-

(1) Fair value information

The Group had no financial instruments measured at fair value as of March 31, 2026, December 31, 2025 and March 31, 2025.

Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

1. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting period: Please refer to table 3.

(2) Information on investees

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

(3) Information on investments in mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the mainland China: Please refer to table 3.

2. SEGMENT INFORMATION

(1) General information

The Group mainly operates in a single industry. The Chief Operating Decision-Maker reviews the Group's reporting to assess performance and allocate resources. The Group mainly has only one reportable segment.

(2) Segment information

The Group's Chief Operating Decision-Maker evaluates the performance of the operating segment based on the consolidated financial statements. The accounting policies of the operating segment are in line with the significant accounting policies summarised in Note 4.

(3) Information about segment profit or loss, assets and liabilities

	Three months ended March 31,	
	2026	2025
Revenue from external customers	$ 713,234	$ 717,171
Inter-segment revenue	$ -	$ -
Segment income	$ 67,484	$ 48,370
Segment assets	$ 4,008,179	$ 4,412,626

(4) Reconciliation for segment income (loss), assets and liabilities

None.

Polytronics Technology Corp.

Loans to others

Three months ended March 31, 2026

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2026	Balance at March 31, 2026	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note)	Ceiling on total loans granted (Note)
													Item	Value		
0	Polytronics Technology Corp.	TCLAD Technology Corporation	Other receivables - related party	Y	150,000	150,000	130,000	2.01%	Short-term financing	-	Operational need	-	-	-	$ 869,234	$ 869,234
1	TCLAD Technology Corporation	TCLAD Inc.	Other receivables - related party	Y	31,995	31,995	-	-	Short-term financing	-	Operational need	-	-	-	21,426	21,426
1	TCLAD Technology Corporation	TCLAD Europe GmbH	Other receivables - related party	Y	6,399	6,399	-	-	Short-term financing	-	Operational need	-	-	-	21,426	21,426

Note : Follow the group policy “Procedure for Provision of Loans”.

Polytronics Technology Corp.

Provision of endorsements and guarantees to others

Three months ended March 31, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2026	Outstanding endorsement/ guarantee amount at March 31, 2026	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note)	Provision of endorsements/ guarantees by parent company to subsidiary (Note)	Provision of endorsements /guarantees by subsidiary to parent company (Note)	Provision of endorsements/ guarantees to the party in Mainland China (Note)
0	Polytronics Technology Corp.	Kushan Polystar Electronics Co., Ltd.	100% owned subsidiary	$ 2,173,085	$ 47,198	$ -	$ -	$ -	0.00%	$ 3,259,628	Y	N	Y
0	Polytronics Technology Corp.	TCLAD Technology Corporation	A subsidiary which had 83.21% equity interests directly owned by the Company	2,173,085	935,000	695,000	375,000	-	31.98%	3,259,628	Y	N	N
0	Polytronics Technology Corp.	TCLAD Inc.	A subsidiary which had 83.21% equity interests indirectly owned by the Company	2,173,085	335,948	335,948	239,963	-	15.46%	3,259,628	Y	N	N

Note : Follow the company policy “Procedure for Provision of Endorsements and Guarantees to Others”.

Polytronics Technology Corp.

Significant inter-company transactions during the reporting period

Three months ended March 31, 2026

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Polytronics Technology Corp.	Kuahan Polystar Electronics Co., Ltd.	1	Sales	$ 58,215	Net 60 days	8%
0	"	"	1	Purchases	16,217	Net 45 days	2%
0	"	"	1	Purchases	11,675	Net 45 days	2%
0	"	"	1	Accounts receivable	47,240	Net 60 days	1%
0	"	"	1	Accounts payable	70,153	Net 45 days	2%
0	"	TCLAD Technology Corporation	1	Sales	10,101	Net 30 days	1%
0	"	"	1	Accounts receivable	10,101	Net 30 days	0%
0	"	"	1	Other receivables	131,593	Collection and payment based on an agreed time	3%
0	"	"	1	Rent income	1,557	Collection and payment based on an agreed time	0%
1	TCLAD Technology Corporation	TCLAD Inc.	3	Purchases	15,713	Net 30 days	2%
1	"	"	3	Accounts payable	2,535	Collection and payment based on an agreed time	0%
1	"	"	3	Sales	20,993	Net 90 days	3%
1	"	"	3	Accounts receivable	26,294	Collection and payment based on an agreed time	1%
1	"	TCLAD Eurpe GmbH	3	Sales	10,353	Net 90 days	1%
1	"	"	3	Accounts receivable	16,690	Collection and payment based on an agreed time	0%
1	"	"	3	Prepayments for investments	34,876	Collection and payment based on an agreed time	1%
1	"	Kuahan Polystar Electronics Co., Ltd.	3	Sales	21,283	Net 60 days	3%
1	"	"	3	Accounts receivable	16,380	Collection and payment based on an agreed time	0%
1	"	"	3	Purchases	12,662	Net 60 days	2%
1	"	"	3	Accounts payable	17,445	Collection and payment based on an agreed time	0%
2	TCLAD Inc.	TCLAD Eurpe GmbH	3	Sales	2,036	Net 90 days	0%
2	"	"	3	Accounts receivable	1,781	Collection and payment based on an agreed time	0%
2	Suzhou TCLAD Electronic Technology Co.,	Kuahan Polystar Electronics Co., Ltd.	3	Accounts payable	82,956	Collection and payment based on an agreed time	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following six categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The company may decide whether to disclose significant related party transactions in this table based on the materiality principle.

Polytronics Technology Corp.

Information on investees

Three months ended March 31, 2026

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at March 31, 2026	Initial investment amount: Balance as at December 31, 2025	Shares held as at March 31, 2026: Number of shares	Shares held as at March 31, 2026: Ownership (%)	Shares held as at March 31, 2026: Book value	Net profit (loss) of the investee for the three months ended March 31, 2026	Investment income (loss) recognised by the Company for the three months ended March 31, 2026	Footnote
Polytronics Technolgy Corp.	Polytronics (B.V.I) Corporation	British Virgin Islands	Investment and general business operations	$ 255,004	$ 255,004	2,644	100	$ 1,217,806	$ 4,897	$ 4,897	Subsidiary
Polytronics Technolgy Corp.	TCLAD Technology Corporation	Taiwan	Manufacturing of the thermal conductive board	759,690	759,690	33,039	83.21	44,570	(24,274)	(20,197)	Subsidiary
TCLAD Technology Corporation	TCLAD Inc.	America	Manufacturing of the thermal conductive board	1,666,436	1,666,436	-	100	342,788	(59,681)	(60,727)	Subsidiary
TCLAD Technology Corporation	TCLAD Eurpoe GmbH	Germany	Manufacturing of the thermal conductive board	4,480	4,480	200	100	(12,709)	(2,745)	(2,745)	Subsidiary

Polytronics Technology Corp.

Information on investments in Mainland China

Three months ended March 31, 2026

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2026 — Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2026 — Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee for the three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2026 (Note 3)	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
Kunshan Polystar Electronics Co., Ltd. (Note 2)	Production and sale of varistor and potentiometer	$ 719,267	2	$ 214,504	$ -	$ -	$ 214,504	$ 4,608	100	$ 4,608	$ 1,203,665	$ -	
PolyStellar Electronics Co., Ltd.	Production and sale of resistors, discrete semiconductor devices and other resistive elements	91,580	3	-	-	-	-	317	100	317	97,434	-	
Suzhou TCLAD Electronic Technology Co., Ltd	Manufacturing of the thermal conductive board	13,224	1	13,224	-	-	13,224	2,566	83.21	2,135	15,153	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Polytronics Technology Corp.	$ 214,504	$ 719,267	$ 1,309,248
TCLAD Technology Corporation	13,224	13,224	32,139

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

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

(2) Through investing in an existing company in the third area, which then invested in the investee in mainland China.

(3) Others

Note 2: Including retained earnings capitalized of RMB$89,286 and RMB$16,964 (In thousands of dollars).

Note 3: Investment income (loss) were recognized based on the financial statements audited by R.O.C. parent company's CPA.

Note 4: Under the ‘Regulations Governing the Permission of Investment or Technical Cooperation in mainland Area’, ceilingnof accumulated investment in mainland China may not exceed 60% of the net assets.

Note 5: Mainland China’s investees information are translated using the exchange rates of USD:NTD = 1:31.651 and RMB:TWD = 1:4.569 for recognised investment income (loss) and remaining using the exchange rates of USD:NTD=1:31.995 and RMB:TWD = 1:4.632