Stock Code: 6423

Yield Microelectronics Corporation

Financial Statements for the
Six Months Ended June 30, 2026 and 2025
and Independent Auditors’ Review Report

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INDEPENDENT AUDITORS’ REVIEW REPORT

To the Board of Directors and Shareholders:
Yield Microelectronics Corporation

Introduction

The balance sheets of Yield Microelectronics Corporation as of June 30, 2026 and 2025, and the statements of comprehensive income for the three months and the six months ended June 30, 2026 and 2025, and the statements of changes in equity and the statement of cash flows for the six months ended June 30, 2026 and 2025, as well as the notes to the financial statements (including a summary of significant accounting policies), have been reviewed by us. The preparation and fair presentation of these financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting,” as endorsed and made effective by the Financial Supervisory Commission, are the responsibility of the Company’s management. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope

We conducted our reviews in accordance with TWSRE2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with auditing standards, 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 financial statements do not present fairly, in all material respects, of the financial position of Yield Microelectronics Corporation as of June 30, 2026 and 2025, of its financial performance for the three months ended June 30, 2026 and 2025, and its financial performance and its 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,” as endorsed and made effective by the Financial Supervisory Commission.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hsin Tung Lin and Cheng Chih Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 5, 2026

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying financial statements have been translated into English from the 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 financial statements shall prevail.

Yield Microelectronics Corporation

Balance Sheets

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

(In Thousands of New Taiwan Dollars)

		June 30, 2026		Dec. 31, 2025		June 30, 2025	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and cash equivalents (Notes 6 and 22)	$ 289,738	39	$ 262,961	42	$ 433,656	76
1170	Accounts receivable (Notes 7 and 22)	13,232	2	12,182	2	11,782	2
1200	Other receivables (Notes 7 and 22)	2,775	-	6,058	1	3,615	1
1470	Prepayments and other current assets (Note 11)	5,285	1	6,683	1	4,980	1
11XX	Total Current Assets	311,030	42	287,884	46	454,033	80
	Non-current Assets						
1600	Property, plant and equipment (Notes 8 and 24)	394,105	53	226,415	37	50,818	9
1755	Right-of-use assets (Note 9)	-	-	-	-	19,654	3
1780	Other intangible assets (Note 10)	34,099	5	47,438	8	41,650	7
1915	Prepayments for equipment	-	-	52,785	9	-	-
1920	Refundable deposits (Note 22)	12	-	3,096	-	3,084	1
1975	Net defined benefit assets (Notes 4 and 14)	2,010	-	2,010	-	1,459	-
15XX	Total Non-current Assets	430,226	58	331,744	54	116,665	20
1XXX	Total Assets	$ 741,256	100	$ 619,628	100	$ 570,698	100

		June 30, 2026		Dec. 31, 2025		June 30, 2025	
Code	Liabilities and Equity	Amount	%	Amount	%	Amount	%
	Current Liabilities						
2206	Compensation payable to employees and directors (Note 17)	$ 5,436	1	$ 6,331	1	$ 3,444	-
2230	Current tax liabilities (Notes 4 and 18)	1,021	-	919	-	801	-
2280	Lease liabilities – current (Notes 9 and 22	-	-	-	-	11,315	2
2320	Current portion of long-term borrowings (Notes 12, 22 and 24)	9,100	1	4,650	1	-	-
2300	Other current liabilities (Notes 12 and 22)	38,774	5	43,958	7	49,730	9
21XX	Total Current Liabilities	54,331	7	55,858	9	65,290	11
	Non-current Liabilities						
2540	Long-term borrowings (Notes 12, 22 and 24)	167,946	23	87,575	14	-	-
2580	Lease liabilities – non-current (Notes 9 and 22)	-	-	-	-	8,720	2
2670	Other non-current liabilities (Notes 13 and 22)	-	-	4,878	1	13,389	2
25XX	Total Non-current Liabilities	167,946	23	92,453	15	22,109	4
2XXX	Total Liabilities	222,277	30	148,311	24	87,399	15
	Equity (Note 15 and 20)						
3110	Common stock	310,160	42	300,145	48	300,145	53
3200	Additional paid-in capital	245,243	33	206,283	33	206,283	36
3310	Legal reserve	18,437	2	16,672	3	16,672	3
3350	Unappropriated earnings	14,854	2	17,932	3	10,058	2
3500	Treasury stock	(69,715)	(9)	(69,715)	(11)	(49,859)	(9)
3XXX	Total Equity	518,979	70	471,317	76	483,299	85
	Total Liabilities and Equity	$ 741,256	100	$ 619,628	100	$ 570,698	100

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

Yield Microelectronics Corporation

Statements of Comprehensive Income

For the Three Months and For the Six Months Ended June 30, 2026 and 2025

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

Code		For the Three Months Ended June 30, 2026		For the Three Months Ended June 30, 2025		For the Six Months Ended June 30, 2026		For the Six Months Ended June 30, 2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 16)	$ 60,365	100	$ 45,032	100	$ 125,179	100	$ 114,675	100
5000	Operating cost (Note 17)	1,110	2	224	1	1,345	1	513	-
5900	Gross profit	59,255	98	44,808	99	123,834	99	114,162	100
	Operating expenses (Note 17)								
6100	Marketing	3,909	6	4,409	10	7,372	6	8,742	8
6200	General and administrative	11,292	19	10,389	23	23,028	18	22,630	20
6300	R&D	34,558	57	33,614	74	72,047	58	70,053	61
6450	Expected credit losses	-	-	323	1	-	-	323	-
6000	Total operating expenses	49,759	82	48,735	108	102,447	82	101,748	89
6900	Operating income (loss)	9,496	16	(3,927)	(9)	21,387	17	12,414	11
	Non-operating income/expense (Notes 17)								
7100	Interest income	987	2	1,521	3	1,593	1	2,922	2
7020	Other gains and losses	(4)	-	(1,364)	(3)	494	-	(1,213)	(1)
7050	Finance costs	(938)	(2)	(163)	-	(1,731)	(1)	(348)	-
7000	Total non-operating income and expenses	45	-	(6)	-	356	-	1,361	1
7900	Net income (loss) before tax	9,541	16	(3,933)	(9)	21,743	17	13,775	12
7950	Tax expenses (Notes 4 and 18)	3,231	6	1,332	3	7,012	5	4,000	3
8200	Net income (loss)	6,310	10	(5,265)	(12)	14,731	12	9,775	9
8300	Other comprehensive income	-	-	-	-	-	-	-	-
8500	Total comprehensive income	$ 6,310	10	($ 5,265)	(12)	$ 14,731	12	$ 9,775	9
	Earnings (losses) per share (Note 19)								
9750	Basic earnings per share	$ 0.21		($ 0.18)		$ 0.49		$ 0.33	
9850	Diluted earnings per share	$ 0.21		($ 0.18)		$ 0.49		$ 0.33	

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

Yield Microelectronics Corporation
Statements of Changes in Equity
For the Six Months Ended June 30, 2026 and 2025

(In Thousands of New Taiwan Dollars, unless otherwise specified)

Code		Common Shares			Retained Earnings			
		Number of Shares (in Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Treasury Stock	Total Equity
A1	Balance, January 1, 2025	29,426	$ 294,260	$ 212,168	$ 13,898	$ 32,189	$ -	$ 552,515
	2024 Distribution of Earnings							
B1	Legal Reserve	-	-	-	2,774	(2,774)	-	-
B5	The company's cash dividends for shareholders – NT$0.99 per share	-	-	-	-	(29,132)	-	(29,132)
C13	Dividends distributed with additional paid-in capital	589	5,885	(5,885)	-	-	-	-
D1	Net income for the six months ended June 30, 2025	-	-	-	-	9,775	-	9,775
D3	Other comprehensive income (loss), net of income tax, for the six months ended June 30, 2025	-	-	-	-	-	-	-
D5	Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	9,775	-	9,775
L1	Purchase of Treasury Stock	-	-	-	-	-	(49,859)	(49,859)
Z1	Balance, June 30, 2025	30,015	$ 300,145	$ 206,283	$ 16,672	$ 10,058	($ 49,859)	$ 483,299
A1	Balance, January 1, 2026	30,015	$ 300,145	$ 206,283	$ 16,672	$ 17,932	($ 69,715)	$ 471,317
	2025 Distribution of Earnings							
B1	Legal Reserve	-	-	-	1,765	(1,765)	-	-
B5	The company's cash dividends for shareholders – NT$0.53 per share	-	-	-	-	(16,044)	-	(16,044)
C15	Cash distribution from capital surplus – NT$0.47 per share	-	-	(14,228)	-	-	-	(14,228)
D1	Net income for the six months ended June 30, 2026	-	-	-	-	14,731	-	14,731
D3	Other comprehensive income (loss), net of income tax, for the six months ended June 30, 2026	-	-	-	-	-	-	-
D5	Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	14,731	-	14,731
E1	Cash capital increases	1,001	10,015	51,848	-	-	-	61,863
N1	Costs of employee stock option	-	-	1,340	-	-	-	1,340
Z1	Balance, June 30, 2026	31,016	$ 310,160	$ 245,243	$ 18,437	$ 14,854	($ 69,715)	$ 518,979

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

Yield Microelectronics Corporation

Statements of Cash Flows

For the Six Months Ended Juen 30, 2026 and 2025

(In Thousands of New Taiwan Dollars)

Code		For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
	Cash flow from operating activities		
A10000	Profit before income tax	$ 21,743	$ 13,775
A20010	Adjustments for:		
A20100	Depreciation expense	7,104	13,112
A20200	Amortization expense	13,339	13,023
A20300	Expected credit losses	-	323
A20900	Finance costs	1,731	348
A21200	Interest income	(1,593)	(2,922)
A21900	Cost of employee stock options	1,340	-
A24100	Net foreign exchange loss	173	864
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	(959)	4,579
A31180	Other receivables	3,409	4,336
A31240	Prepayments and other current assets	1,398	(1,429)
A32180	Employee and director compensation payable	(895)	(5,206)
A32230	Other current liabilities	(5,130)	(617)
A33000	Net Cash generated from operations	41,660	40,186
A33100	Interest received	1,593	2,922
A33300	Interest paid	(1,731)	(348)
A33500	Income tax paid	(7,036)	(3,822)
AAAA	Net cash inflow (outflow) from operating activities	34,486	38,938
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	(122,192)	(14,333)
B03800	Decrease in refundable deposits	3,084	-
B04500	Acquisition of intangible assets	(5,094)	(6,639)
BBBB	Net cash used in investing activities	(124,202)	(20,972)
	Cash flows from financing activities		
C01600	Proceeds from long-term borrowings	89,000	-
C01700	Repayment of long-term borrowings	(4,179)	-
C04020	Repayment of lease principal	-	(5,527)
C04500	Issue of cash dividends	(30,272)	(29,132)

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Code		For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
C04600	Issuance of new shares	$ 61,863	$ -
C04900	Purchase of treasury stock	-	(49,859)
CCCC	Cash flows from (used in) financing activities	116,412	(84,518)
DDDD	Effect of exchange rate changes on cash and cash equivalents	81	(2,739)
EEEE	Net increase (decrease) in cash and cash equivalents	26,777	(69,291)
E00100	Cash and cash equivalents at the beginning of the period	262,961	502,947
E00200	Cash and cash equivalents at end of period	$ 289,738	$ 433,656

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

Yield Microelectronics Corporation

Notes to the Financial Statements

For the Six Months Ended June 30, 2026 and 2025

(Unless otherwise specified, the basic unit for any amount shall be in thousands of New Taiwan Dollars.)

1. General

Yield Microelectronics Corporation (hereinafter referred to as "the Company") was established on September 4, 2001, with approval from the Ministry of Economic Affairs. The Company primarily engages in design, research and development, manufacturing, wholesale and retail, international trade, and intellectual property rights of electronic products.

The Company's shares have been listed and traded on the Taiwan Stock Exchange's Innovation Board since May 15, 2024, and were subsequently listed for trading on the Taipei Exchange (TPEx) starting January 22, 2026.

This financial report is presented in New Taiwan Dollars, which is the functional currency of the Company.

2. The Authorization of Financial Statements

This financial report was approved by the Board of Directors on August 5, 2026.

3. Application of New and Revised International Financial Reporting Standards

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as "IFRSs") approved and issued by the Financial Supervisory Commission (hereinafter referred to as "FSC") to be effective.

The application of IFRS accounting standards recognized and promulgated by the FSC will not result in any significant changes to the Company's accounting policies.

(2) The International Financial Reporting Standards (IFRS) approved by the FSC which will be applied 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 "Subsidiaries Without Public Accountability: Disclosures" (including the amendments announced in 2025)	January 1, 2027
Amendments to IAS 21 – "Translation to a	January 1, 2027

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Hyperinflationary Presentation Currency”	
Amendments to IAS 28 – “Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

Note 1: Domestic enterprises shall apply to IFRS 18 starting from January 1, 2028, and may also apply earlier.

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

<u>IFRS 18 “Presentation and Disclosure in Financial Statements” and Related Amendments, and 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 Company shall assess whether it has specific principal operating activities involving investments in specific types of assets and the provision of financing to customers, and it shall classify income and expense items in the statements of comprehensive income into the categories for operating, investing, financing, income tax, and discontinued operations accordingly.
- The statements of comprehensive income shall present operating profit or loss, profit or loss before income taxes and financing activities, as well as subtotals and totals for profit or loss.
- Provide guidance to strengthen the requirements for aggregation and segmentation: The Company shall identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and it shall classify and aggregate them based on common characteristics so that each item in the same line presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics shall be segmented in the primary financial statements and notes. The Company shall classify such items as “Other” only when no more informative designation can be identified.
- Increased disclosure of performance measures defined by the management: When the Company engages in public communication outside of the financial statements, or communicates the management’s perspective on a specific aspect of the Company’s overall financial performance to users of the financial statements, it shall disclose information regarding the performance measures defined by the management in a

single note to the financial statements, which includes a description of the measure, how it is calculated, its reconciliation to subtotals or totals specified in IFRS, and the income tax and non-controlling interest effects of the relevant reconciling items.

Upon initial application of IFRS 18, a venture capital organization, or a mutual fund, unit trust, or similar entity (or indirectly through such entities), may elect to change the measurement of its investments in associates or joint ventures from the equity method to fair value through profit or loss. The amendment to IAS 28 clarifies that the aforementioned "similar entities" include entities that have investing in specific types of assets as their principal business activity when assessed under IFRS 18. If the Company meets the aforementioned conditions, it may elect to make this change on the date of initial application.

In addition, IAS 7 "Statement of Cash Flows" is amended as follows:

- When the Company prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for the reconciliation.
- The interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company determines that it has a specific principal operating activity, it must consider the nature of dividend income, interest income, and interest expense reported in the income statement to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of these cash flows may be classified only under a single activity in the statement of cash flows.

The Company does not plan to early adopt IFRS 18 and related amendments.

In addition to the effects mentioned above, as of the date of approval for the issuance of these financial statements, the Company is still assessing the potential impacts of the other amendments to standards and interpretations on its financial position and financial performance. The related effects will be disclosed once the assessment is complete.

(3) New IFRSs in issue 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"	To be determined

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note)
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

Note: Unless otherwise specified, the above newly issued, amended, or revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

As of the date of approval and issuance of the financial statements, the Company is still evaluating the impact of the amendments to various standards and interpretations on its financial position and financial performance; the relevant impacts will be disclosed once the evaluation is complete.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission. These financial statements do not include all the disclosures required by the full set of IFRS accounting standards for annual financial reports.

(2) Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit assets measured as the present value of defined benefit obligations less the fair value of plan assets, this financial report is prepared on a historical cost basis.

Fair value measurements are categorized into Level 1 to Level 3 based on the observability and significance of the inputs used:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

(3) Other Significant Accounting Policies

Except as described below, please refer to the summary of significant accounting policies in the 2025 annual financial report.

1. Defined Benefit and Post-Retirement Benefits

Pension costs for the interim period are calculated on a year-to-date basis using the actuarially determined pension cost rate at the end of the previous year. Adjustments are made for significant market fluctuations, significant plan amendments, settlements, or other significant one-time events during the period.

2. Income Tax Expense

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, using the tax rate that is expected to apply to the total annual earnings, and is calculated based on pre-tax profit for the interim period.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

Please refer to the description of significant accounting judgments, estimates, and key sources of uncertainty in the 2025 annual financial report.

6. Cash and Cash Equivalents

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Cash on hand	$ 65	$ 56	$ 32
Demand deposits	60,373	78,605	100,524
Cash equivalents			
Time deposits with the original maturity dates of less than 3 months	229,300	184,300	333,100
	$ 289,738	$ 262,961	$ 433,656

The interest rates for bank deposits as of the balance sheet date range as follows:

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Bank deposits	0.01%~1.55%	0.01%~1.45%	0.03%~1.57%

7. Accounts Receivable

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Accounts receivable measured at amortized cost			
Total carrying amount	$ 13,232	$ 12,505	$ 12,105
Less: allowance for loss	-	(323)	(323)
	$ 13,232	$ 12,182	$ 11,782
Other receivables			
Tax refunds receivable	$ 2,775	$ 6,058	$ 3,615

The Company has an average credit period of 30 to 60 days for service income and does not charge interest on accounts receivable. To mitigate credit risk, the Company has established credit and accounts receivable management policies to ensure that appropriate actions are taken for the recovery of overdue receivables. Furthermore, on the balance sheet date, the Company reviews the recoverable amount of each receivable to ensure that an appropriate allowance for impairment losses has been made for irrecoverable amounts. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for losses on accounts receivable based on the expected credit losses over the lifetime of the receivables. The lifetime expected credit losses are calculated using a provision matrix that considers the customer's past default history, current financial condition, the economic conditions of the industry, and also takes into account the industry outlook. Since the Company's historical experience of credit losses shows that the loss patterns across different customer groups are not significantly different, the provision matrix does not further differentiate between customer groups and is based solely on the days past due for determining the expected credit loss rates.

If there is evidence that the counterparty is in severe financial difficulty and the Company cannot reasonably expect to recover the amount, the Company writes off the related receivable directly, but continues with the collection efforts, and amounts recovered subsequently are recognized in profit or loss.

The Company measures the allowance for impairment losses on accounts receivable as follows:

June 30, 2026

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	Over 90 days past due	Total
Total carrying amount	$ 5,915	$ 3,024	$ 860	$ -	$ 3,433	$ 13,232
Allowance for loss (lifetime expected credit losses)	-	-	-	-	-	-
Amortized cost	$ 5,915	$ 3,024	$ 860	$ -	$ 3,433	$ 13,232

Dec. 31, 2025

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	Over 90 days past due	Total
Total carrying amount	$ 9,405	$ 2,777	$ -	$ -	$ 323	$ 12,505
Allowance for loss (lifetime expected credit losses)	-	-	-	-	(323)	(323)
Amortized cost	$ 9,405	$ 2,777	$ -	$ -	$ -	$ 12,182

June 30, 2025

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	Over 90 days past due	Total
Total carrying amount	$ 5,495	$ 5,848	$ 439	$ -	$ 323	$ 12,105
Allowance for loss (lifetime expected credit losses)	-	-	-	-	(323)	(323)
Amortized cost	$ 5,495	$ 5,848	$ 439	$ -	$ -	$ 11,782

Information regarding changes in the allowance for losses on accounts receivable is as follows:

	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Beginning balance	$ 323	$ -
Add: Impairment loss recognized for the current period	-	323
Less: Actual write-off for the current period	(323)	-
Ending balance	$ -	$ 323

8. Property, Plant and Equipment

For self-use

	Land	Buildings	Equipment for R&D	Leasehold improvement	Production equipment	Total
Cost						
Balance on Jan. 1, 2026	$ 54,190	$ 148,229	$ 85,685	$ -	$ 13,899	$ 302,003
Addition	51,840	122,506	260	-	188	174,794
Balance on Jun. 30, 2026	$ 106,030	$ 270,735	$ 85,945	$ -	$ 14,087	$ 476,797
Accumulated depreciation						
Balance on Jan. 1, 2026	$ -	$ 10,384	$ 57,374	$ -	$ 7,830	$ 75,588
Depreciation expense	-	2,404	3,592	-	1,108	7,104
Balance on Jun. 30, 2026	$ -	$ 12,788	$ 60,966	$ -	$ 8,938	$ 82,692

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	Land	Buildings	Equipment for R&D	Leasehold improvement	Production equipment	Total
Jun. 30, 2026 - net	$ 106,030	$ 257,947	$ 24,979	$ -	$ 5,149	$ 394,105
Dec. 31, 2025 and Jan. 1, 2026 - net	$ 54,190	$ 137,845	$ 28,311	$ -	$ 6,069	$ 226,415
Cost						
Balance on Jan. 1, 2025	$ -	$ -	$ 67,858	$ 19,784	$ 12,600	$ 100,242
Addition	-	-	17,455	158	1,470	19,083
Balance on Jun. 30, 2025	$ -	$ -	$ 85,313	$ 19,942	$ 14,070	$ 119,325
Accumulated depreciation						
Balance on Jan. 1, 2025	$ -	$ -	$ 50,634	$ 4,397	$ 5,980	$ 61,011
Depreciation expense	-	-	3,071	3,310	1,115	7,496
Balance on Jun. 30, 2025	$ -	$ -	$ 53,705	$ 7,707	$ 7,095	$ 68,507
Jun. 30, 2025 - net	$ -	$ -	$ 31,608	$ 12,235	$ 6,975	$ 50,818

Depreciation expense is provided on a straight-line basis over the following useful lives:

Buildings	50 years
Equipment for R&D	5 years
Leasehold improvement	3 years
Office equipment	5 years

9. Lease Agreements

(1) Right-of-use assets

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Right-of-use assets			
Carrying amount			
Buildings	$ -	$ -	$ 19,654

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Right-of-use assets added			$ -	$ -
Depreciation expense of right-of-use assets	$ -	$ 2,808	$ -	$ 5,616

(2) Lease liabilities

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Lease liabilities Carrying amount			
Current	$ -	$ -	$ 11,315
Non-current	$ -	$ -	$ 8,720

The discount rate range for the lease liabilities is as follows:

June 30, 2026	Dec. 31, 2025	June 30, 2025

Buildings	-	-	3.12%

(3) Significant leasing activities and terms

The Company leases buildings for office and parking space use, with lease terms of 1-2 years. At the end of the lease term, the Company has no option to purchase the leased buildings and has agreed not to sublease or transfer any part of the leased property without the lessor's consent.

(4) Other leasing information

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Short-term lease expenses	$ 18	$ -	$ 176	$ -
Total amount of cash outflow from lease			$ 176	$ 5,875

10. Other Intangible Assets

	Computer Software	Patents	Total
Cost			
Balance on Jan. 1 and Jun. 30, 2026	$ 83,292	$ 2,857	$ 86,149
Accumulated amortization			
Balance on Jan. 1, 2026	$ 35,854	$ 2,857	$ 38,711
Amortization expense	13,339	-	13,339
Balance on Jun. 30, 2026	$ 49,193	$ 2,857	$ 52,050
Jun. 30, 2026 - net	$ 34,099	$ -	$ 34,099
Dec. 31, 2025 and Jan. 1, 2026 - net	$ 47,438	$ -	$ 47,438
Cost			
Balance on Jan. 1, 2025	$ 78,972	$ 2,857	$ 81,829
Addition	11,509	-	11,509
Disposal	(10,162)	-	(10,162)
Balance on Jun. 30, 2025	$ 80,319	$ 2,857	$ 83,176
Accumulated amortization			
Balance on Jan. 1, 2025	$ 35,808	$ 2,857	$ 38,665
Amortization expense	13,023	-	13,023
Disposal	(10,162)	-	(10,162)
Balance on Jun. 30, 2025	$ 38,669	$ 2,857	$ 41,526
Jun. 30, 2025 - net	$ 41,650	$ -	$ 41,650

Amortization expense is provided on a straight-line basis over the following useful lives:

Computer software	3 years
Patents	5 years

Amortization expenses classified by function:

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Administrative expense	$ 99	$ 47	$ 202	$ 90
R&D expense	6,568	6,527	13,137	12,933
	$ 6,667	$ 6,574	$ 13,339	$ 13,023

11. Other Assets

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Current			
Prepayment for test materials	$ 3,415	$ 2,344	$ 1,633
Prepayment for software	894	407	655
Offset against business tax payable	751	3,589	1,110
Prepayment for insurance premium	89	222	89
Prepayment for technical services	-	-	1,372
Others	136	121	121
	$ 5,285	$ 6,683	$ 4,980

12. Borrowings

Long-term borrowings

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Secured borrowings			
Bank loans	$ 177,046	$ 92,225	$ -
Less: Current portion of long-term borrowings	(9,100)	(4,650)	-
	$ 167,946	$ 87,575	$ -

The above bank loans are secured by mortgages on land and buildings (see Note 24), with a total loan amount of NT$182,000 thousand. The maturity date of the loans is October 21, 2045 and January 9, 2046. As of June 30, 2026 and December 31, 2025, the effective annual interest rates were both 2.1%. The loans are repayable over 20 years, with an average monthly repayment of NT$758 thousand and NT$388 thousand , respectively.

13. Other Liabilities

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Current			
Software fees payable	$ 14,554	$ 14,425	$ 18,128
Salary and bonuses payable	11,036	14,104	10,990
Unused annual leave bonuses payable	6,317	7,339	5,867
Insurance premiums payable	1,577	1,526	1,568
Technical service fees payable	1,377	1,415	1,442
Labor costs payable	1,025	1,110	1,245
Equipment costs payable	71	254	5,740
Others	2,817	3,785	4,750
	$ 38,774	$ 43,958	$ 49,730
Non-current			
Software fees payable	$ -	$ 4,878	$ 13,389

14. Post-Employment Benefit Plans

For the three months and for the six months ended June 30, 2026 and 2025, the retirement pension expenses recognized for the defined benefit plans were calculated based on the actuarially determined pension cost rate as of December 31, 2025 and 2024, respectively. The amounts were NT$0, NT$11,000, NT$7,000 and NT$22,000, respectively.

15. Equity

(1) Capital Stock

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Number of shares (1,000 shares)	40,000	40,000	40,000
Authorized share capital	$ 400,000	$ 400,000	$ 400,000
Number of issued and fully paid shares (1,000 shares)	31,016	30,015	30,015
Share capital of issued shares	$ 310,160	$ 300,145	$ 300,145

On December 1, 2025, the Company's board of directors resolved to issue 1,001,000 new shares in a cash capital increase before the initial public offering with the par value of NT$10 per share, resulting in a paid-in capital of NT$310,160,000 after the increase. The Taipei Exchange approved the registration of this cash capital increase on December 15, 2025, and the board of directors authorized the chairman to set January 20, 2026, as the base date for the capital increase, of which the registration of change was completed on February 9, 2026.

On May 13, 2025, the Company's shareholders' meeting resolved to capitalize the additional paid-in capital and issue 589 thousand new shares with a par value of NT$10 per share. After the capital increase, the paid-in capital amounted to NT$300,145 thousand. June 18, 2025 was set as the base date for the capital increase, and the change of registration was completed on June 23, 2025.

(2) Capital surplus

	June 30, 2026	Dec. 31, 2025	June 30, 2025
May be used to offset losses, distribute cash dividends, or be capitalized			
Share premium	$ 245,243	$ 206,283	$ 206,283

This type of capital surplus may be used to offset accumulated losses. In the absence of losses, it may be used for the distribution of cash dividends or for capitalization, provided that the annual capitalization is subject to a prescribed ratio of the paid-in capital.

(3) Retained Earnings and Dividend Policy

The Company, following the amendment to its articles of incorporation approved at the shareholders' meeting on June 6, 2023, adheres to the revised earnings distribution policy. If there are net profits after tax for the period, prior losses must be covered first (including the amount of adjusted undistributed retained earnings), followed by a mandatory allocation of 10% to the legal reserve; however, this is not required if the legal reserve has already reached the total capital amount of the Company. Subsequently, special reserves are allocated or reversed according to laws or regulations. The remaining profits, along with the beginning undistributed retained earnings (including the amount of adjusted undistributed retained earnings), are proposed by the board of directors for shareholders' dividend distribution. If the Company decides to distribute dividends and bonuses or to allocate or partially distribute the legal reserve and capital reserve in cash, such decisions are authorized by a two-thirds majority of directors present at the board meeting, with more than half in agreement, and subsequently reported to the shareholders' meeting.

The employee and director compensation distribution policy outlined in the Company's articles of incorporation can be found in Note 17 (6) on "Compensation to Employees and Directors".

The board is authorized to propose distributions ranging from 0% to 100% of available profits, taking into account factors such as the prevailing and prospective investment landscape, funding requirements, domestic and international competition, and capital budgeting, all while striking a balance between shareholder interests and long-term financial planning. Furthermore, the cash dividend percentage should not fall below 10% of the total cash and stock dividends distributed for the year.

The legal reserve must be allocated until it reaches the total paid-in capital amount. It can be used to cover losses. If there are no losses, the part of the legal reserve exceeding 25% of the total paid-in capital can be allocated to increase capital or distributed in cash.

The Company's earnings distribution plans for 2025 and 2024 are as follows:

	2025	2024
Legal reserve	$ 1,765	$ 2,774
Cash dividends	$ 16,044	$ 29,132
Cash dividends per share (NT$)	$ 0.53	$ 0.99

In addition, the Board of Directors resolved on March 4, 2026, to distribute cash of NT$14,228 thousand from capital surplus, representing NT$0.47 per share.

The aforementioned cases of cash distribution from cash dividends and capital surplus were respectively resolved by the board of directors on March 4, 2026 and February 25, 2025, and the earnings distribution plan were approved by the shareholders at the general meetings held on May 26, 2026 and May 13, 2025.

For details on the shareholders' meeting resolution regarding the distribution of earnings, please visit the Taiwan Stock Exchange's "Market Observation Post System."

(4) Treasury Stock

Unit: Thousands of shares

Reason for Repurchase	Number of Shares at Beginning of Period	Increases During the Period	Decreases During the Period	Number of Shares at End of Period
For the Six Months Ended June 30, 2026				
Transfer of Shares to Employees	744	-	-	744
For the Six Months Ended June 30, 2025				
Transfer of Shares to Employees	-	540	-	540

Pursuant to a resolution passed by the Company's Board of Directors on May 7, 2025, in order to transfer shares to employees, the Company is authorized to repurchase 1,000 thousand shares of common stock from the centralized securities trading market from May 8, 2025, through July 7, 2025, at an execution price ranging from NT$52 to NT$119. To date, a cumulative total of 744 thousand shares of the aforementioned common stock have been repurchased, with the total amount spent on repurchasing treasury stock amounting to NT$69,715 thousand.

Treasury shares held by the Company may not be pledged, nor are they entitled to dividends or voting rights in accordance with the Securities and Exchange Act.

16. Revenue

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Revenue from customer contracts				
Income from technical services	$ 25,500	$ 16,268	$ 37,312	$ 30,194
Income from royalties	34,865	28,764	87,867	84,481
	$ 60,365	$ 45,032	$ 125,179	$ 114,675

(1) Description of Customer Contracts

1. Income from Technical Services

Income from technical services is recognized for providing customers with silicon intellectual property (IP) design services for integrated circuits upon the delivery of services or silicon IP to the customers.

2. Income from Royalties

Income from royalties arises from licensing standardized silicon IP for integrated circuits to customers. Royalties are collected based on the contract terms after the customer commences mass production using the licensed silicon IP.

(2) Contract Balances

	June 30, 2026	Dec. 31, 2025	June 30, 2025	Jan. 1, 2025
Accounts receivable (Note 7)	$ 13,232	$ 12,182	$ 11,782	$ 17,063

(3) Breakdown of Customer Contract Revenue

Main Markets	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025

Main Markets	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Mainland China (including Hong Kong)	$ 26,090	$ 16,279	$ 57,884	$ 46,771
Korea	15,238	10,258	28,641	23,119
Taiwan	11,902	11,748	25,435	23,432
Singapore	4,604	3,625	8,805	15,216
USA	2,531	3,122	4,414	5,757
Others	-	-	-	380
	$ 60,365	$ 45,032	$ 125,179	$ 114,675

17. Net Income from Continuing Operations

(1) Income from interests

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Bank deposits	$ 987	$ 1,521	$ 1,592	$ 2,922
Others	-	-	1	-
	$ 987	$ 1,521	$ 1,593	$ 2,922

(2) Other profits and losses

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Net foreign currency exchange gains (losses)	($ 4)	($ 1,364)	$ 494	($ 1,213)

(3) Finance costs

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Interest in bank borrowings	$ 938	$ -	$ 1,731	$ -
Interest in lease liabilities	-	163	-	348
	$ 938	$ 163	$ 1,731	$ 348

(4) Depreciation and amortization

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Depreciation expense classified by function				
Operating expenses	$ 3,655	$ 6,739	$ 7,104	$ 13,112
Amortization expense classified by function				
Operating expenses	$ 6,667	$ 6,574	$ 13,339	$ 13,023

Amortization expense of intangible assets is allocated to the respective line items in the financial statements, as detailed in Note 10.

(5) Employee benefits expenses

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Short-term employee benefits	$ 29,411	$ 25,985	$ 60,265	$ 57,489
Benefits after retirement				
Defined contribution plan	1,130	1,129	2,313	2,253
Defined benefit plan (Note 14)	-	11	7	22
	30,541	27,125	62,585	59,764
Share-based payments (Note 20)				
Equity settlement	-	-	1,340	-
Total of employee benefit expenses	$ 30,541	$ 27,125	$ 63,925	$ 59,764
Classified by function				
Operating cost	$ 473	$ -	$ 565	$ 148
Operating expenses	30,068	27,125	63,360	59,616
	$ 30,541	$ 27,125	$ 63,925	$ 59,764

(6) Compensation to Employees and Directors

The Company allocates 5% to 15% and no more than 5% of its earnings before tax (before distributing employee and director compensation) respectively to its employees and directors in accordance with its Articles of Incorporation. Pursuant to the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation at the 2025 Annual General Meeting to specify that 0.1% of the annual employee compensation shall be allocated to grassroots employees. The estimated amounts of employee compensation (including grassroots employee compensation) and director compensation for the three months and the six months ended June 30, 2026 and 2025 as follows:

Estimated Proportion

	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Compensation to employees	15%	15%
Compensation to directors	5%	5%

Amount

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Compensation to	$ 1,789	($ 737)	$ 4,077	$ 2,583

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
employees				
Compensation to directors	$ 596	($ 246)	$ 1,359	$ 861

If the amounts change after the date the financial statements are authorized for issue, they will be treated as changes in accounting estimates and adjusted in the subsequent year.

The employee and director compensation for 2025 and 2024 were approved by the Board of Directors on March 4, 2026 and February 25, 2025, respectively, as follows:

	2025	2024
Compensation to employees	$ 4,748	$ 6,488
Compensation to directors	1,583	2,162

The amounts of employee compensation and director compensation approved by the Board of Directors for 2025 and 2024 are consistent with the amounts recognized in the financial reports for 2025 and 2024.

For information on the resolutions of employee and director compensation by the Company's board, please refer to the Market Observation Post System of the Taiwan Stock Exchange.

(7) Foreign currency exchange gains (losses)

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Total foreign exchange gains	$ 120	$ 2,701	$ 779	$ 3,351
Total foreign exchange losses	(124)	(4,065)	(285)	(4,564)
Net gain (loss)	($ 4)	($ 1,364)	$ 494	($ 1,213)

18. Income Tax

(1) The main components of the income tax expense recognized in profit or loss are:

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Income tax Currently Generated	$ 3,231	$ 1,332	$ 7,012	$ 4,000
Income tax expense recognized in profit or loss	$ 3,231	$ 1,332	$ 7,012	$ 4,000

(2) Income Tax Assessments

The Company's income tax filings up to 2024 have been approved by the tax authorities.

19. Earnings Per Share

Unit: NT$ per share

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Basic earnings per share	$ 0.21	($ 0.18)	$ 0.49	$ 0.33
Diluted earnings per share	$ 0.21	($ 0.18)	$ 0.49	$ 0.33

The net income for the period and the weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

Net Income for the Period

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Net income	$ 6,310	($ 5,265)	$ 14,731	$ 9,775
Net income for the calculation of basic and diluted earnings per share	$ 6,310	($ 5,265)	$ 14,731	$ 9,775

Number of shares

Unit: Thousands of shares

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Weighted-average number of common shares used in calculating basic earnings per share	30,272	29,804	30,167	29,909
Effects of dilutive potential common shares:				
Employee compensation	49	-	67	47
Weighted-average number of common shares used in calculating diluted earnings per share	30,321	29,804	30,234	29,956

If the Company opts to distribute employee compensation in the form of stocks or cash, the diluted earnings per share are calculated assuming the employee compensation is issued in stocks and included in the weighted average number of shares outstanding for the dilution effect when such potential ordinary shares have a diluting effect. This consideration of the dilution effect of such potential ordinary shares continues until the number of shares to be issued for employee compensation is determined in the following year.

20. Share-based payment arrangements

Employee Subscription Reserved from Cash Capital Increase

The Company's board of directors resolved at the meeting on December 1, 2025 to conduct a cash capital increase, reserving 10% of the total new shares issued for employee subscription, totaling 100 thousand shares. The grant date was January 13, 2026.

The relevant information on the employee stock options is as follows.

	For the Six Months Ended June 30, 2026	
Employee Stock Options	Units (thousand)	Weighted-Average Exercise Price (NT$)
Outstanding at the beginning of the period	-	$ -
Granted employee stock options	100	60
Exercised employee stock options	(70)	60
Abandoned employee stock options	(30)	60
Outstanding at end of the period	-	
Exercisable at end of the period	-	

The fair value of the employee stock options granted by the Company was calculated using the Black-Scholes valuation model, with the following parameters applied.

	Jan. 13, 2026
Share price as of the granting (NT$/share)	$ 79
Exercise Price (NT$/share)	60
Fair value of share options (NT$/share)	19.01
Expected price volatility	42.100%
Risk-free interest rate	1.225%
Expected duration	4 days

The compensation cost recognized for the three months and the six months ended June 30, 2026 amounted to NT$0 and NT$1,340 thousand, respectively.

21. Capital Risk Management

The company conducts capital management to ensure that, under the premise of continuing operations, the debt and equity amounts are optimized to maximize shareholder equity. The overall strategy of the Company has not changed.

The Company's capital structure consists of net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital surplus, and retained earnings).

The Company is not subject to any external capital requirements.

The Company's senior management regularly reviews the capital structure, including the cost and associated risks of various forms of capital. Based on the recommendations of senior management, the Company aims to balance its overall capital structure through dividend payments, issuing new shares, repurchasing shares, and issuing new debt or repaying existing debt.

22. Financial Instruments

(1) Fair value of financial instruments that are not at fair value

The Company's management believes that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values.

(2) Categories of financial instruments

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Financial assets			
Financial assets at amortized cost (Note 1)	$ 305,757	$ 284,297	$ 452,137
Financial liability			
Financial liability at amortized cost (Note 2)	198,467	119,618	46,262

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, accounts receivable, other receivables, and refundable deposits.

Note 2: The balance consists of long-term borrowings (including current portion of long-term borrowings) and other liabilities, excluding financial liabilities measured at amortized cost such as salaries and bonuses payable, and unused annual leave bonuses payable.

(3) Financial Risk Management Objectives and Policies

The Company's primary financial instruments include equity investments, accounts receivable and borrowings. The financial management department of the Company provides services to business units, coordinating access to domestic and international financial markets, and managing the Company's financial risks related to its operations through internal risk reports that analyze exposures by level and breadth of risk. These risks include market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

1. Market Risk

The Company’s operating activities expose it to the primary financial risks of changes in foreign exchange rates (see below (1)) and interest rates (see below (2)).

There has been no change in the company’s exposure to market risks related to financial instruments and the ways in which it manages and measures such exposures.

(1) Exchange Rate Risk

The Company engages in transactions denominated in foreign currencies, thus exposing it to exchange rate fluctuations.

The Company’s monetary assets and liabilities denominated in non-functional currencies as of the balance sheet date are detailed in Note 25.

Sensitivity Analysis

The company is mainly affected by fluctuations in the US dollar exchange rate.

The following table illustrates the sensitivity analysis when the New Taiwan Dollar (functional currency) appreciates or depreciates by 1% against the relevant foreign currencies. The 1% sensitivity rate is used internally by the Company to report exchange rate risks to senior management and represents management’s assessment of the reasonably possible range of changes in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency monetary items and adjusts their period-end conversion by a 1% change in exchange rates. Positive figures in the table indicate an increase in pre-tax profit when the New Taiwan Dollar depreciates by 1% relative to the relevant currencies; a 1% appreciation of the New Taiwan Dollar against these currencies would have the opposite effect on pre-tax profit by the same amount.

	USD Impact	
	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Gain and loss	$ 119	$ 41

The Company’s sensitivity to exchange rates increased during the period, mainly due to the increase in net assets denominated in U.S. dollars.

(2) Interest Rate Risk

The carrying amounts of the Company’s financial assets and liabilities with exposure to interest rates at the end of the reporting period were as follows:

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Fair value interest rate risk			
－Financial assets	$ 229,300	$ 184,300	$ 333,100
－Financial liabilities	-	-	20,035
Cash flow rate risk			
－Financial assets	60,373	78,605	100,524
－Financial liabilities	177,046	92,225	-

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative financial instruments at the balance sheet date. For floating-rate assets, the analysis assumes that the amount of assets outstanding at the balance sheet date was outstanding for the entire reporting period.

If interest rates had increased by 1%, with all other variables held constant, the Company’s profit before tax for the six months ended June 30, 2026 and 2025 would have decreased by NT$583 thousand and increased by NT$503 thousand, respectively.

The sensitivity of the Company to interest rates increased during the period, mainly due to the increase in financial liabilities bearing variable interest rates.

2. Credit Risk

Credit risk refers to the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. As of the balance sheet date, the maximum exposure to credit risk resulting from the non-performance of its counterparts is primarily from the carrying amounts of financial assets recognized on the balance sheet.

The Company's accounts receivable are diversified across numerous clients, industries, and geographical regions. The Company continually assesses the financial condition of its clients with accounts receivable.

The Company's credit risk is primarily concentrated on the top 5 customers. As of June 30, 2026, Dec. 31, 2025, and June 30, 2025, the accounts receivable from these customers accounted for 6%, 52% and 56% of the total accounts receivable, respectively.

3. Liquidity Risk

The Company manages and mitigates the impact of cash flow fluctuations by maintaining sufficient levels of cash and cash equivalents to support its operations. Management monitors the utilization of bank credit facilities and ensures compliance with loan covenants. The Company maintains adequate bank credit facilities and borrowing commitments and continuously monitors projected and actual cash flows. For the Company's unused credit facilities, please refer to (2) Credit Facilities below.

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

The maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the Company can be required to repay and is compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Accordingly, bank borrowings that the Company may be required to repay on demand are included in the earliest time period in the table below, without considering the probability that the banks will exercise such rights. The maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates and undiscounted cash flows of financial liabilities.

June 30, 2026

	Request pay-as-you-go or less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Total
Non-derivative financial liability					
No interest-bearing	$ 3,726	$ 2,376	$ 15,319	$ -	$ 21,421

liabilities					
Floating rate instruments	1,068	2,132	9,530	200,639	213,369
	$ 4,794	$ 4,508	$ 24,849	$ 200,639	$ 234,790

Dec. 31, 2025

	Request pay-as-you-go or less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Total
Non-derivative financial liability					
No interest-bearing liabilities	$ 6,965	$ 6,061	$ 9,489	$ 4,878	$ 27,393
Floating rate instruments	549	1,096	4,897	104,970	111,512
	$ 7,514	$ 7,157	$ 14,386	$ 109,848	$ 138,905

June 30, 2025

	Request pay-as-you-go or less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Total
Non-derivative financial liability					
No interest-bearing liabilities	$ 9,813	$ 7,411	$ 15,649	$ 13,389	$ 46,262
Lease liabilities	979	1,958	8,812	8,811	20,560
	$ 10,792	$ 9,369	$ 24,461	$ 22,200	$ 66,822

(2) Credit Facilities

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Secured bank facilities			
—Amount utilized	$ 182,000	$ 93,000	$ -
—Amount unutilized	-	89,000	-
	$ 182,000	$ 182,000	$ -

23. Related Party Transactions

Compensation to executive management

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Short-term employee benefits	$ 3,397	$ 2,289	$ 6,658	$ 5,852
Share-based payments	-	-	475	-
	$ 3,397	$ 2,289	$ 7,133	$ 5,852

Compensation for directors and other key management personnel is determined by the compensation committee based on individual performance and market trends.

24. Pledged Assets

The following assets of the Company have been pledged as collateral for borrowings:

	June 30, 2026	Dec. 31, 2025	June 30, 2025
Land	$ 106,030	$ 54,190	$ -
Buildings	247,824	127,620	-
	$ 353,854	$ 181,810	$ -

25. Information on Foreign Currency Assets and Liabilities with Significant Effects

The information below is expressed in a foreign currency other than the company's functional currency, and the disclosed exchange rate refers to the exchange rate at which the foreign currency is converted into the functional currency. Significant foreign currency assets are as follows:

Unit: In thousands of different foreign currencies

	June 30, 2026		Dec. 31, 2025		June 30, 2025	
	Foreign Currency	Exchange Rate	Foreign Currency	Exchange Rate	Foreign Currency	Exchange Rate
Foreign Currency Assets						
Monetary items						
USD	$ 851	31.85	$ 762	31.43	$ 1,213	29.300
Foreign Currency Liabilities						
Monetary items						
USD	$ 477	31.85	$ 614	31.43	$ 1,073	29.300

Significant realized and unrealized foreign exchange gains and losses are as follows:

	For the Three Months Ended June 30, 2026		For the Three Months Ended June 30, 2025	
Foreign Currency	Exchange Rate	Net Exchange loss and gain	Exchange Rate	Net Exchange loss and gain
USD	31.597 (USD:NTD)	($ 4)	30.823 (USD:NTD)	($ 1,364)

	For the Six Months Ended June 30, 2026		For the Six Months Ended June 30, 2025	
Foreign Currency	Exchange Rate	Net Exchange loss and gain	Exchange Rate	Net Exchange loss and gain
USD	31.614 (USD:NTD)	$ 494	31.859 (USD:NTD)	($ 1,213)

26. Additional Disclosures

Other than the items listed below, the Company has no other significant transactions, re-investments, or investment information in Mainland China that need to be disclosed.

Marketable securities held:

Held Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the Company	Financial Statement Account	At the End of Period				Note
					Shares (thousand)	Carrying Value	Percentage of Ownership (%)	Net Value of Equity/Market Price/Book Value	
The Company	Stock	Favepc Inc.	The chairman of the company is a director of that company	Financial assets mandatorily measured at the fair value through profit or loss - non-current	2,350	$ -	13	$ -	Note

Note: As of the end of June 2026, the listed securities did not provide any guarantees, collateral for loans, or other restrictions as per agreements

27. Operating Segments Information

The operating decision-makers of the Company allocate resources and assess the performance of segments based on different regulatory environments. All operating segments that meet the definition have similar economic characteristics; therefore, the Company is reported as a single operating segment. Furthermore, the segment information provided for review by the operating decision-makers is measured on the same basis as the financial statements. Hence, the segment revenue and operating results that should be reported for the six months ended June 30, 2026 and June 30, 2025 can be referred to in the Statements of Comprehensive Income for the six months ended June 30, 2026 and June 30, 2025; the segment assets that should be reported as of June 30, 2026, December 31, 2025, and June 30, 2025, can be referred to in the Balance Sheets as of June 30, 2026, December 31, 2025, and June 30, 2025.