PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026 AND 2025

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The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

Review Report of Independent Accountants

To: PANJIT INTERNATIONAL INC.

Introduction

We have reviewed the accompanying consolidated balance sheets of PANJIT INTERNATIONAL INC. (the "Company") and its subsidiaries as of 30 June 2026 and 2025, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2026 and 2025 and consolidated statements of changes in equity and cash flows for the six-month periods ended 30 June 2026 and 2025, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements No. 2410, "Review of Financial Statements". 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 conducted in accordance with auditing standards generally accepted in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflected total assets of NT$5,405,954 thousand and NT$4,228,274 thousand, constituting 17% and 15% of the consolidated total assets, and total liabilities of NT$1,702,245 thousand and NT$960,378 thousand, constituting 11% and 7% of the consolidated total liabilities as of 30 June 2026 and 2025, respectively; and total comprehensive income of (NT$69,007) thousand, (NT$164,852) thousand, (NT$72,949) thousand and (NT$253,394) thousand, constituting 11%, 14%, 7% and 52% of the consolidated total comprehensive income for the three-month and six-month periods ended 30 June 2026 and 2025, respectively. As explained in Note 6.(8), the financial statements of certain associates and joint ventures accounted for under the equity method were not reviewed by independent accountants. Those associates and joint ventures under equity method amounted to NT$188,977 thousand and NT$126,405 thousand as of 30 June 2026 and 2025, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to (NT$2,538) thousand, (NT$3,127) thousand, NT$44 thousand and (NT$909) thousand for the three-month and six-month periods ended 30 June 2026 and 2025, respectively. The information related to above subsidiaries, and associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews and the review reports of other independent accountants (please refer to the Other Matter paragraph of our report), except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using equity method and the information been reviewed by independent accountants described in the preceding paragraph, 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 Company and its subsidiaries as at 30 June 2026 and 2025, and their consolidated financial performance for the three-month and six-month periods ended 30 June 2026 and 2025, and their consolidated cash flows for the six-month periods ended 30 June 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 became effective by Financial Supervisory Commission of the Republic of China.

Other Matter – Making Reference to the Reviews of Other Independent Accountants

We did not review the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of NT1,812,637 thousand and NT$1,584,760 thousand, constituting 6% and 6% of consolidated total assets as of 30 June 2026 and 2025, and the related shares of profit or loss from the associates and joint ventures under the equity method in the amount of NT$53,510 thousand, NT$103,308 thousand, NT$41,055 thousand, and NT$81,293 thousand, which represented 8%, 10%, 11% and 11% of the consolidated pretax income for the three-month and six-month periods ended June 30, 2026 and 2025, respectively, and the related shares of other comprehensive income (loss) from the associates and joint ventures in the amount of NT$9,691 thousand, NT$33,678 thousand, (NT$78,516) thousand, and (NT$69,811) thousand, which represented 16%, 11%, 6% and 6% of the consolidated total other comprehensive income (loss) for the three-month and six-month periods ended June 30, 2026 and 2025, respectively. Those financial statements were reviewed by other independent accountants, whose reports thereon have been furnished to us, and our review results are based solely on the reports of the other independent accountants.

Ernst & Young Taiwan

10 Aug. 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.
Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of Republic of China, and their applications in practice.

English Translation of Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

(Expressed in Thousand of New Taiwan Dollars)

Asset	Note	June 30, 2026		December 31, 2025		June 30, 2025	
		Amount	%	Amount	%	Amount	%
Current asset							
Cash and cash equivalents	6(1)	$2,548,825	8	$2,128,944	7	$2,177,634	8
Financial assets at fair value through profit or loss - current	6(2)	3,569,178	11	6,283,399	21	4,904,812	18
Notes receivable, net	6(5),(21)	231,587	1	242,686	1	404,892	1
Accounts receivable, net	6(6),(21)	4,525,710	14	3,863,682	13	3,492,948	13
Accounts receivable due from related parties, net	6(6), (21)/7	19,203	-	20,525	-	20,316	-
Other receivables, net		157,902	-	109,842	-	105,563	-
Other receivables due from related parties	7	7,871	-	7,784	-	6,105	-
Inventories, net	6(7)	3,033,354	10	2,549,382	9	2,538,494	9
Prepayments	7	557,979	2	426,143	2	468,197	2
Other current assets	8	160,510	1	130,140	-	106,956	-
Total current assets		14,812,119	47	15,762,527	53	14,225,917	51
Non-current assets							
Financial assets at fair value through profit or loss-non-current	6(2)	3,136,787	10	475,249	2	765,820	3
Financial assets at fair value through other comprehensive income-non-current	6(3)	553,841	2	497,052	2	444,989	1
Financial assets measured at amortized cost-non-current	6(4)	-	-	14,831	-	27,596	-
Investments accounted for using the equity method	6(8)	2,339,467	7	2,218,551	8	1,996,186	7
Property, plant and equipment	6(9)	6,612,855	21	6,856,339	23	6,880,500	25
Right-of-use assets	6(22)/7	1,048,815	3	1,102,997	4	1,078,834	4
Intangible assets	6(10),(11)	1,631,106	5	1,631,298	5	1,618,830	6
Deferred tax assets		348,298	1	304,097	1	361,230	1
Prepayments for business facilities		182,878	1	87,189	-	79,804	-
Refundable deposits	8	299,722	1	343,063	1	137,198	1
Non-current prepayments for investments		319,043	1	50,000	-	-	-
Other non-current assets, others	8	195,851	1	176,099	1	178,591	1
Total non-current assets		16,668,663	53	13,756,765	47	13,569,578	49
Total assets		$31,480,782	100	$29,519,292	100	$27,795,495	100

(continued)

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

English Translation of Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

(Expressed in Thousand of New Taiwan Dollars)

Liabilities and equity	Note	June 30, 2026		December 31, 2025		June 30, 2025	
		Amount	%	Amount	%	Amount	%
Current Liabilities							
Current borrowings	6(12)	$4,446,289	14	$2,903,194	10	$2,984,573	11
Current financial liabilities at fair value through profit or loss	6(14)	4,922	-	3,770	-	212	-
Contractual liabilities - current	6(20)	5,122	-	3,537	-	7,872	-
Notes payable	6(13)	381,604	1	377,165	1	382,053	1
Accounts payable		1,688,593	6	1,242,175	4	1,147,481	4
Accounts payable to related parties	7	56,275	-	30,191	-	26,878	-
Other payables		1,655,038	5	1,738,396	6	2,032,182	8
Other payables to related parties	7	40,278	-	38,739	-	35,134	-
Current tax liabilities		340,629	1	317,473	1	354,133	1
Current lease liabilities	6(22)/7	48,294	-	53,638	-	55,453	-
Long-term borrowings, current portion	6(17)/8	270,789	1	750,544	3	801,043	3
Other current liabilities, others		167,095	1	60,126	-	86,489	-
Total current liabilities		9,104,928	29	7,518,948	25	7,913,503	28
Non-current Liabilities							
Non-current financial liabilities at fair value through profit or loss	6(14)	5,663	-	6,513	-	9,013	-
Bonds payable	6(16)	458,700	2	452,806	2	446,988	2
Long-term borrowings	6(17)/8	4,875,508	16	4,839,119	16	4,450,459	16
Deferred tax liabilities		118,681	-	107,487	-	107,293	-
Non-current lease liabilities	6(22)/7	208,223	1	213,091	1	218,104	1
Long-term deferred revenue	6(15)	54,880	-	57,461	-	58,906	-
Net defined benefit liability, non-current		63,090	-	63,141	-	60,750	-
Other non-current liabilities, others		143,616	-	133,388	1	115,908	1
Total non-current liabilities		5,928,361	19	5,873,006	20	5,467,421	20
Total liabilities		15,033,289	48	13,391,954	45	13,380,924	48
Equity attributable to the parent company							
Capital stock							
Common stock	6(19)	3,821,149	12	3,821,149	13	3,821,149	14
Capital surplus	6(19)	6,163,102	20	6,136,024	21	6,106,512	22
Retained earnings	6(19)						
Legal reserve		1,021,483	3	902,653	3	902,653	3
Special reserve		717,237	2	717,237	2	717,237	3
Unappropriated earnings		3,495,295	11	3,501,429	12	2,841,567	10
Total retained earnings		5,234,015	16	5,121,319	17	4,461,457	16
Other components of equity		(158,816)	-	(405,934)	(1)	(1,280,754)	(5)
Equity attributable to owners of the parent company		15,059,450	48	14,672,558	50	13,108,364	47
Non-controlling interests	6(19)	1,388,043	4	1,454,780	5	1,306,207	5
Total equity		16,447,493	52	16,127,338	55	14,414,571	52
Total liabilities and equity		$31,480,782	100	$29,519,292	100	$27,795,495	100

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

English Translation of Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2026 and 2025

(Expressed in Thousand of New Taiwan Dollars)

Items	Note	For the three-month periods ended June				For the six-month periods ended June			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	6(20)/7	$3,955,568	100	$3,400,054	100	$7,376,723	100	$6,471,760	100
Operating cost	6(7),(18),(22),(23)/7	(2,641,426)	(67)	(2,357,670)	(69)	(4,942,625)	(67)	(4,497,852)	(69)
Gross profit		1,314,142	33	1,042,384	31	2,434,098	33	1,973,908	31
Operating expenses	6(18),(21),(22),(23)/7								
Selling expenses		(228,189)	(6)	(181,568)	(5)	(426,865)	(6)	(357,578)	(6)
General and administrative expenses		(386,025)	(10)	(286,606)	(8)	(716,896)	(10)	(562,449)	(9)
Research and development expenses		(233,156)	(6)	(238,688)	(7)	(456,205)	(6)	(485,189)	(7)
Expected credit impairments (losses) gains		(2,283)	-	6,746	-	(147,336)	(2)	4,425	-
Subtotal		(849,653)	(22)	(700,116)	(20)	(1,747,302)	(24)	(1,400,791)	(22)
Operating income		464,489	11	342,268	11	686,796	9	573,117	9
Non-operating income and expenses	6(22),(24)/7								
Interest income		72,181	2	65,255	2	138,477	2	113,583	2
Other income		31,587	1	43,741	1	45,031	1	83,220	1
Other gains and losses		75,763	2	(65,569)	(2)	177,617	2	13,232	-
Finance costs		(54,700)	(1)	(54,173)	(2)	(107,479)	(1)	(108,766)	(2)
Share of profit or loss of associates under equity method	6(8)	57,855	1	39,934	1	108,025	1	81,673	1
Subtotal		182,686	5	29,188	-	361,671	5	182,942	2
Pretax income from continuing operations		647,175	16	371,456	11	1,048,467	14	756,059	11
Income tax expenses	6(26)	(120,334)	(3)	(66,894)	(2)	(212,325)	(3)	(139,026)	(2)
Profit from continuing operations		526,841	13	304,562	9	836,142	11	617,033	9
Net income		526,841	13	304,562	9	836,142	11	617,033	9
Other comprehensive income (loss)	6(25),(26)								
Items that will not be reclassified subsequently to profit or loss:									
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		52,822	1	(8,010)	-	48,714	1	(22,385)	-
Income tax related to items that will not be reclassified		-	-	1,913	-	-	-	2,952	-
Items that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of foreign operations		7,453	-	(1,302,996)	(38)	246,509	3	(1,081,365)	(17)
Income tax related to items that may be reclassified		(3)	-	-	-	(4)	-	1	-
Total other comprehensive income (loss), net of tax		60,272	1	(1,309,093)	(38)	295,219	4	(1,100,797)	(17)
Total comprehensive income (loss)		$587,113	14	($1,004,531)	(29)	$1,131,361	15	($483,764)	(8)
Profit (loss), attributable to:									
Profit (loss), attributable to owners of parent		$488,099	12	$251,794	7	$775,929	10	$528,440	8
Profit (loss), attributable to non-controlling interests		38,742	1	52,768	2	60,213	1	88,593	1
		$526,841	13	$304,562	9	$836,142	11	$617,033	9
Comprehensive income attributable to:									
Comprehensive income, attributable to owners of parent		$548,822	13	($992,622)	(29)	$1,057,559	14	($514,142)	(8)
Comprehensive income, attributable to non-controlling interests		38,291	1	(11,909)	-	73,802	1	30,378	-
		$587,113	14	($1,004,531)	(29)	$1,131,361	15	($483,764)	(8)
Earnings per share (NT$)	6(27)								
Basic earnings per share		$1.28		$0.66		$2.03		$1.38	
Diluted earnings per share		$1.28		$0.66		$2.03		$1.38	

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

English Translation of Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six-month periods ended 30 June 2026 and 2025
(Expressed in Thousand of New Taiwan Dollars)

Items	Equity attributable to owners of parent company									Non-Controlling Interests	Total Equity
	Capital		Retained earnings			Other Components of Equity					
	Common Stock	Capital Surplus	Legal Reserves	Special Reserves	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Total		
Balance as of January 1, 2025	$3,821,149	$6,072,159	$812,657	$717,237	$2,938,084	($54,671)	($183,088)	($413)	$14,123,114	$1,396,730	$15,519,844
Appropriation and distribution of 2024 retained earnings											
Legal reserve	-	-	89,996	-	(89,996)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(534,961)	-	-	-	(534,961)	-	(534,961)
Changes in equity of associates accounted for using the equity method	-	39,048	-	-	-	-	-	-	39,048	-	39,048
Net income for the six-month periods ended 30 June 2025	-	-	-	-	528,440	-	-	-	528,440	88,593	617,033
Other comprehensive income (loss) for the six-month periods ended 30 June 2025	-	-	-	-	-	(1,023,278)	(19,304)	-	(1,042,582)	(58,215)	(1,100,797)
Total comprehensive income (loss)	-	-	-	-	528,440	(1,023,278)	(19,304)	-	(514,142)	30,378	(483,764)
Changes in ownership interests in subsidiaries	-	(4,695)	-	-	-	-	-	-	(4,695)	4,695	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(125,596)	(125,596)
Balance as of June 30, 2025	$3,821,149	$6,106,512	$902,653	$717,237	$2,841,567	($1,077,949)	($202,392)	($413)	$13,108,364	$1,306,207	$14,414,571
Balance as of January 1, 2026	$3,821,149	$6,136,024	$902,653	$717,237	$3,501,429	($194,281)	($207,540)	($4,113)	$14,672,558	$1,454,780	$16,127,338
Appropriation and distribution of 2025 retained earnings											
Legal reserve	-	-	118,830	-	(118,830)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(687,807)	-	-	-	(687,807)	-	(687,807)
Changes in equity of associates accounted for using the equity method	-	35,642	-	-	-	-	-	1,449	37,091	51	37,142
Net income for the six-month periods ended 30 June 2026	-	-	-	-	775,929	-	-	-	775,929	60,213	836,142
Other comprehensive income (loss) for the six-month periods ended 30 June 2026	-	-	-	-	-	233,873	47,757	-	281,630	13,589	295,219
Total comprehensive income (loss)	-	-	-	-	775,929	233,873	47,757	-	1,057,559	73,802	1,131,361
Changes in ownership interests in subsidiaries	-	(8,564)	-	-	(11,387)	-	-	-	(19,951)	19,951	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(160,541)	(160,541)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	35,961	-	(35,961)	-	-	-	-
Balance as of June 30, 2026	$3,821,149	$6,163,102	$1,021,483	$717,237	$3,495,295	$39,592	($195,744)	($2,664)	$15,059,450	$1,388,043	$16,447,493

English Translation of Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six-month periods ended 30 June 2026 and 2025

(Expressed in Thousand of New Taiwan Dollars)

Items	For the six-month periods ended 30 June	
	2026	2025
Cash flow from operating activities		
Net income before tax	$1,048,467	$756,059
Adjustments		
Adjustments to reconcile profit (loss):		
Depreciation expense	484,670	493,420
Amortization expense	18,995	15,914
Expected credit losses (gains)	147,336	(4,425)
Net (gain) of financial assets and liabilities at fair value through profit or loss	(153,910)	(121,321)
Interest expense	107,479	108,766
Interest revenue	(138,477)	(113,583)
Dividend income	(9,626)	(1,417)
Share of (profit) of associates accounted for using equity method	(108,025)	(81,673)
(Gain) on disposal of property, plant and equipment	2,245	(3,071)
Loss on disposal of investments	210	-
Reversal of impairment loss on non-financial assets	(13,888)	(5,272)
Others - Loss (reversal gain) on inventory valuation	(91,558)	(76,730)
Others - other	35,221	20,466
Subtotal	280,672	231,074
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	213,448	(713,500)
Decrease (increase) in notes receivable	11,099	(68,668)
(Increase) decrease in accounts receivable	(829,393)	146,312
Decrease in accounts receivable due from related parties	1,322	8,230
(Increase) decrease in other receivable	(44,815)	3,785
(Increase) in other receivables due from related parties	(87)	(2,131)
(Increase) decrease in inventories	(400,306)	295,223
(Increase) decrease in prepayments	(131,419)	78,023
(Increase) decrease in other current assets	(30,370)	18,085
Changes in operating liabilities:		
Increase in contract liabilities	1,585	1,814
Increase (decrease) in notes payable	4,439	(5,938)
Increase in accounts payable	446,418	7,630
Increase (decrease) in accounts payable to related partiess	26,084	(10,253)
Increase in other payables	8,911	43,345
Increase (decrease) in other payable to related parties	1,539	(3,324)
Increase in other current liabilities	106,968	9,858
(Decrease) in net defined benefit liability	(815)	(970)
Total changes in operating assets and liabilities	(615,392)	(192,479)
Cash inflow generated from operations	713,747	794,654
Interest received	147,682	126,759
Income tax (paid)	(219,414)	(100,716)
Net cash flows from (used in) operating activities	642,015	820,697

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

English Translation of Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six-month periods ended 30 June 2026 and 2025

(Expressed in Thousand of New Taiwan Dollars)

Items	For the six-month periods ended 30 June	
	2026	2025
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	41,247	-
Proceeds from disposal of financial assets at amortised cost	14,492	-
Acquisition of financial assets at fair value through profit or loss	(14,423)	(312,216)
Proceeds from disposal of financial assets at fair value through profit or loss	80,276	264,766
Acquisition of investments accounted for using equity method	(118,303)	-
Increase in prepayments for investments	(319,043)	-
Acquisition of property, plant and equipment	(142,342)	(100,529)
Proceeds from disposal of property, plant and equipment	3,501	3,832
Decrease in refundable deposits	20,860	140,547
Acquisition of intangible assets	(15,748)	(5,722)
Increase in other financial assets	-	(836)
Decrease in other financial assets	3,107	-
Increase in other non-current assets	(22,859)	-
Decrease in other non-current assets	-	1,049
Increase in prepayments for business facilities	(142,212)	(55,235)
Dividends received	205,053	199,153
Net cash flows from (used in) investing activities	(406,394)	134,809
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,535,945	3,411
Repayments of long-term debt	(445,787)	(464,526)
Repayments of lease liabilities	(34,546)	(36,208)
Increase in other non-current liabilities	10,228	-
Decrease in other non-current liabilities	-	(8,800)
Cash dividends paid	(687,807)	-
Interest paid	(95,702)	(96,106)
Change in non-controlling interests	(176,446)	(130,287)
Net cash flows from (used in) financing activities	105,885	(732,516)
Effect of exchange rate changes on cash and cash equivalents	78,375	(406,515)
Net increase (decrease) in cash and cash equivalents	419,881	(183,525)
Cash and cash equivalents at beginning of period	2,128,944	2,361,159
Cash and cash equivalents at end of period	$2,548,825	$2,177,634

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

<u>English Translation of Financial Statements Originally Issued in Chinese</u>

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026 AND 2025

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. <u>History and organization</u>

(1) PANJIT INTERNATIONAL INC. (the Company) was incorporated on 20 May 1986, under the Company Act of the Republic of China on Taiwan. The Company's registered address is No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City. The principal activities of the Company are to manufacture, process, assemble and to import and export semiconductors. The Company also assembles, trades and transfers technological advancements of machinery parts. The Company also trades resins and paints for semiconductors.

(2) The Company's shares commenced trading on Taipei Exchange Market (GreTai Securities Market) on 22 December 1999, and then trading on Taiwan Stock Exchange Corporation on 17 September 2001.

2. <u>Date and procedures of authorization of financial statements for issue</u>

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June, 2026 and 2025 were authorized for issue by the Board of Directors on 10 August, 2026.

3. <u>Applicability of new published and revised criteria and their interpretation</u>

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2026. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
b	IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
c	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027
d	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)	January 1, 2027 (Note)

Note: The FSC issued a press release on September 25, 2025, announcing for public companies to adopt IFRS 18 starting from the fiscal year 2028. In addition, entities in Taiwan with a need for early adoption may elect to early adopt IFRS 18 upon approval by the FSC.

(a) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 "Presentation of Financial Statements". The main changes in the new standard are as below:

i. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

ii. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

iii.Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(b) IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"

This standard and its amendments permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(c) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

i. To clarify, when reporting the financial results and financial position of an entity using a functional currency other than the currency udner the hyperinflationary economy, such results and financial position shall be translated using the closing exchange rate on the date of the most recent financial statements.

ii. In the circumstances described above, when the presentation currency no longer reflects a hyperinflationary economy, the reporting entity should not recalculation the amounts in the prior period financial statements.

iii. Where both the functional currency and the presentation currency are in a hyperinflationary economy, the reporting entity shall apply the relevant accounting treatment in accordance with paragraph 34 of International Accounting Standard 29.

(d) Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)

This amendment relates to:

i. Clarify that an entity that invests in certain types of assets (see paragraph 49(a) of IFRS 18) as a main business activity is eligible to elect the fair value option under IAS 28; and

ii. Requires entities to apply the amendments to IAS 28 at the same time and on the same basis as IFRS 18.

The above are the newly issued, amended, or revised standards and interpretations issued by the IASB and endorsed by the FSC for financial years beginning on or after January 1, 2027. Except for item (a) above, which affects the presentation and disclosure of the financial statements, the Group has assessed that the remaining newly issued or amended standards and interpretations have no material impact on the Group.

(3) Standards and interpretations issued, revised or amended, by International Accounting StandardsBoard (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or joint ventures	To be determined by IASB
b	IFRS 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

(a) Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or investment of assets between investors and their associates or joint ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 20 "Regulatory Assets and Regulatory Liabilities"

This Standard establishes the principles for the recognition, measurement, presentation, and disclosure of regulatory assets, regulatory liabilities, regulatory income, and regulatory expenses, and will supersede IFRS 14 "Regulatory Deferral Accounts".

For the aforementioned standards or interpretations issued by the IASB but not yet endorsed by the FSC, the actual effective dates are subject to the regulations of the FSC. The Group has assessed that the newly issued, amended standards, or interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the six-month periods ended 30 June 2026 and 2025 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured by fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

The total comprehensive income of subsidiaries is attributable to the owners of the parent and to the noncontrolling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;
(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss; and
(f) recognizes any surplus or deficit in profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)		
Investing	Subsidiary	Main Businesses	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
The Company	PAN-JIT ASIA INTERNATIONAL INC.	Investment holding	100.00%	100.00%	100.00%
The Company	Pynmax Technology Co., Ltd.	Manufacture of electronic component and international trade business	94.65% (Note 3)	94.65% (Note 3)	94.64%

Investing	Subsidiary	Main Businesses	Percentage of ownership (%) 30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
The Company	AIDE ENERGY EUROPE COÖPERATIE U.A.	Investment holding	100.00%	100.00%	100.00%
The Company	Champion Microelectronic Corp. ("CMC")	Research and development, design and manufacture and technology consultation of power IC, field effect transistors and fast recovery power discrete, international trade	30.84%	30.84%	30.84%
The Company	PANJIT JAPAN Inc.	Sales of electronic products	55.00%	55.00%	55.00%
The Company	PAN-JIT INTERNATIONAL (H.K.) LTD.	Sales of electronic products	100.00%	100.00%	100.00%
The Company	PAN JIT KOREA CO., LTD.	Sales of electronic products	60.00%	60.00%	60.00%
The Company	PANJIT Investment Co., Ltd.	Investment holding	100.00%	100.00%	100.00%
The Company	PAN-JIT Japan Investment Holding Corporation	Investment holding	100.00%	100.00%	100.00%
The Company	JVision Co., LTD.	Information Technology Services	55.00% (Note7)	—	—
PAN-JIT ASIA INTERNATIONAL INC.	PAN JIT EUROPE GMBH	Sales of electronic products	100.00%	100.00%	100.00%
PAN-JIT ASIA INTERNATIONAL INC.	PAN JIT AMERICAS, INC.	Sales of electronic products	95.86%	95.86%	95.86%
PAN-JIT ASIA INTERNATIONAL INC.	PAN JIT ELECTRONIC (WUXI) CO., LTD.	Manufacture, and process of rectifier	100.00% (Note 1)	100.00% (Note 1)	100.00% (Note 1)
PAN-JIT ASIA INTERNATIONAL INC.	CONTINENTAL LIMITED	Investment holding	100.00%	100.00%	100.00%
PAN-JIT ASIA INTERNATIONAL INC.	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Investment holding and sale of photovoltaic products	94.43%	94.43%	94.43%

Investing	Subsidiary	Main Businesses	Percentage of ownership (%)		
			30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
PAN-JIT ASIA INTERNATIONAL INC.	SHENZHEN WEIQUAN ELECTRONICS CO., LTD	New types of electronics components, Semiconductor controlled rectifier sales	100.00%	100.00%	100.00%
Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD.	Investment holding	100.00%	100.00%	100.00%
CONTINENTAL LIMITED	SUZHOU GRANDE ELECTRONICS CO., LTD.	Chip diodes, transistors and other new electronic semiconductor components and related products, sales of products and provide technical and after-sales service	100.00%	100.00%	100.00%
PAN JIT Electronics (Wuxi) CO., LTD	PANJIT Electronics (Beijing) Co., Ltd.	New types of electronic components, Semiconductor controlled rectifier sales	— (Note 4)	100.00%	100.00%
PAN JIT Electronics (Wuxi) CO., LTD	PANJIT ELECTRONICS (SHANDONG) CO., LTD.	Manufacture semiconductor wafer for automobile, protection of discrete devices, integrated circuit chip packaged product	70.28%	70.28%	70.28%
PAN JIT Electronics (Wuxi) CO., LTD	PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	100.00%	100.00%	100.00%
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	JIANGSU AIDE SOLAR ENERGY TECHNOLOGY CO., LTD.	Solar photovoltaic product development, manufacturing, sales, self-agency of goods and technology import and export business	100.00%	100.00%	100.00%
AIDE ENERGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Investment holding and sales	100.00%	100.00%	100.00%
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Solar power generation and sales of electricity	100.00%	100.00%	100.00%
Champion Microelectronic Corp.	Wisdom Bright Inc.	Investment holding	100.00%	100.00%	100.00%

Investing	Subsidiary	Main Businesses	Percentage of ownership (%)		
			30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Champion Microelectronic Corp.	Wisdom Mega Corp.	Investment holding	100.00%	100.00%	100.00%
Champion Microelectronic Corp.	PANJIT JAPAN Inc.	Sales of electronic products	10.00%	10.00%	10.00%
Champion Microelectronic Corp.	Golden Champion Digital Power Corporation	Manufacture of electronic components and product design	85.00% (Note 5)	100.00%	100.00%
Wisdom Bright Inc.	Wisdom Toprich Technology Limited	Investment holding	100.00%	100.00%	100.00%
Wisdom Toprich Technology Limited	Great Power Microelectronics Corp.	Electronic products development, product import, export and wholesale business	100.00%	100.00%	100.00%
PANJIT Investment Co., Ltd.	PANSTAR SEMICONDUCTOR CO., LTD.	Manufacture of electronic components and international trade business	50.00% (Note 6)	33.33%	33.33%
PANJIT Investment Co., Ltd.	MetaWeIIs Co., Ltd.	Manufacture of electronic components and international trade business	84.80% (Note 2)	81.43% (Note 2)	73.49%

(Note 1)：PAN-JIT ASIA INTERNATIONAL INC. owned 100.00% of the shares with other subsidiaries, which are consolidated into the Company’s financial statements.

(Note 2)：MetaWeIIs Co., Ltd. increased its capital in November 2025, and PANJIT Investment Co., Ltd.’s shareholding ratio was increased from 73.49% to 81.43%. Subsequently, in May 2026, another cash capital increase was conducted, and PANJIT Investment Co., LTD.’s shareholding increased from 81.43% to 84.80%.

(Note 3)：In December 2025, the Company acquired the shares of Pynmax Technology Co., Ltd. which increased the percentage of ownership interests from 94.64% to 94.65%.

(Note 4)：PANJIT Electronics (Beijing) Co., Ltd. has completed its dissolution and liquidation on March 2026.

(Note 5)：Golden Champion Digital Power Corporation increased its capital in March 2026, and Champion Microelectronic Corp.’s shareholding ratio was decreased from 100% to 85%.

(Note 6)：PANSTAR SEMICONDUCTOR CO., LTD. increased its capital in April 2026, and PANJIT Investment Co., Ltd.’s shareholding ratio was increased from 33.33% to 50%.

(Note 7)：The Company established JVision Co., LTD. in April 2026, holding a 55% ownership interest.

The financial statements of some of the consolidated subsidiaries listed above had not been reviewed by auditors. As of 30 June, 2026 and 2025, the related assets of the subsidiaries which were not reviewed by auditors amounted to NT$5,405,954 thousand and NT$4,228,274 thousand, respectively, and the related liabilities amounted to NT$1,702,245 thousand and NT$960,378 thousand, respectively. The comprehensive income of these subsidiaries amounted to (NT$69,007) thousand, (NT$164,852) thousand, (NT$72,949) thousand, (NT$253,394) thousand for the three-month and six-month periods ended 30 June 2026 and 2025, respectively.

(4) Foreign currency transaction

The Group's consolidated financial statements are presented in NT$, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(a) When the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and

(b) When the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(b) The Group holds the asset primarily for the purpose of trading;

(c) The Group expects to realize the asset within twelve months after the reporting period;

(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle;

(b) The Group holds the liability primarily for the purpose of trading;

(c) The liability is due to be settled within twelve months after the reporting period;

(d) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits, short-term, highly liquid time deposits or investments that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a). the Group's business model for managing the financial assets and
(b). the contractual cash flow characteristics of the financial asset.

<u>Financial asset measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, accounts receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a). the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b). the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a). Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b).Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a). the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b). the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairments of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; and
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

i. The rights to receive cash flows from the asset have expired;
ii. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred;
iii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

<u>Classification between liabilities or equity</u>

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

<u>Equity Instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

<u>Compound instruments</u>

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability is classified as held for trading if:

i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
ii. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include payables and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instruments

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are separated from the host contract and accounted for as a derivative.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:
Raw materials – Purchase cost on weighted average cost basis
Finished goods and work in progress – Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition.Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(13) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's related interest in the associate.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing of the associate or joint venture on a pro-rata basis.

When the associate issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro-rata basis when the Group disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(14) Property, Plant, and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Assets	Useful life
Buildings	1~41 years
Machinery and equipment	1~15 years
Utilities equipment	1~10 years
Transportation equipment	1~5 years
Office equipment	1~13 years
Lease improvements	1~10 years
Other equipment	1~20 years

After initial recognition, items of property, plant and equipment or any important component are derecognized and recognized as gain or loss if they are disposed of or are not expected to have an inflow of economic benefits due to use or disposal in the future.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. These changes are treated as accounting estimates.

(15) Lease

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

<u>Group as a lessee</u>

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

<u>Group as a lessor</u>

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straightline basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful life of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software	Technical skills	Other intangible assets	Patents
Useful life	Finite (1~10 years)	Finite (10 years)	Finite(1~20 years)	Finite (14 years)
Amortization method used	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro-rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(19) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(20) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follows:

Sales of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is Power Discrete and revenue is recognized based on the consideration stated in the contract.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to transfers the goods subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, no significant financing component has arisen.

In contracts between the Group and its customers, the period during which the promised goods are delivered to the customer and the customer paid was not more than one year. Therefore, the Group didn't adjust the transaction price for the time value of money.

(21) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(22) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(23) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costse

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an 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 and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(24) Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings of the Company and its domestic subsidiaries is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pretax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

(25) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired, and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisitiondate fair value. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recognized on the balance sheet cannot be obtained from the active market, the fair value will be determined using evaluation techniques, including income method (such as discounted cash flow model) or market method. Assuming changes will affect the fair value of the reported financial instruments. Please refer to Note 12 for more details.

(b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

(c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases.

(d) Revenue recognition - sales return and discounts

The Group estimates sales returns and discounts based on historical experience and other known reasons, and uses them as a deduction of operating income when the products are sold. The aforementioned estimates of sales returns and discounts are the cumulative revenue recognized in the major turnaround. The amount is highly probable that it will not occur on the basis of the previous withdrawal. Please refer to Note 6 for details.

(e) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group of company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(f) Accounts receivables–estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(g) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices may decline. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Notes 6 for more details.

6. Description of major accounting subjects

(1) Cash and cash equivalents

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Cash on hand	$737	$726	$901
Checking, demand deposits and time deposits(Note)	2,548,088	2,128,218	2,176,733
Total	$2,548,825	$2,128,944	$2,177,634

(Note): Fixed term deposits are due within 3 months of the contract period and can be converted into fixed cash at any time with minimal risk of value changes.

(2) Financial assets at fair value through profit or loss

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Mandatorily measured at fair value through profit or loss:			
Funds	$3,245,829	$3,211,559	$2,448,521
Stocks	119,876	105,652	87,695
Notes and bills	2,793,245	2,756,411	2,364,510
Convertible bonds	193,280	128,461	129,090
Structured Product	353,735	555,744	639,682
Derivatives not designated as hedging instruments			
Options	—	821	1,134
Total	$6,705,965	$6,758,648	$5,670,632
Current	$3,569,178	$6,283,399	$4,904,812
Non-current	3,136,787	475,249	765,820
Total	$6,705,965	$6,758,648	$5,670,632

Financial assets at fair value through profit or loss were not pledged.

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

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Equity instrument investments measured at fair value through other comprehensive income – non-current:			
Listed companies stocks	$105,246	$74,590	$71,253
Unlisted companies stocks	448,595	422,462	373,736
Total	$553,841	$497,052	$444,989

Financial assets at fair value through other comprehensive income were not pledged.

The Group's related to equity instrument investments measured at fair value through other comprehensive income for the six-month periods ended 30 June 2026 and 2025 are as follow:

(i) Information on changes：

	Listed	Unlisted	Total
As at 1 Jan. 2026	$74,590	$422,462	$497,052
New investment	－	－	－
Cash dividends paid from capital reserves	(1,335)	－	(1,335)
Transfers	－	50,000	50,000
Measured at fair value through profit or loss			
Relating to investments held at the end of the period	51,608	(32,319)	19,289
Relating to investments that have been derecognized	21,630	－	21,630
Effect of changes in exchange rate	－	8,452	8,452
Subtotal	146,493	448,595	595,088
Investments derecognized (fair value as of the date of derecognition)	(41,247)	－	(41,247)
As at 30 Jun. 2026	$105,246	$448,595	$553,841

	Listed	Unlisted	Total
As at 1 Jan. 2025	$114,434	$364,774	$479,208
New investment	－	－	－
Cash dividends paid from capital reserves	(1,780)	－	(1,780)
Transfers	(40,289)	40,289	－
Measured at fair value through profit or loss			
Relating to investments held at the end of the period	(1,112)	(14,758)	(15,870)
Relating to investments that have been derecognized	－	－	－
Effect of changes in exchange rate	－	(16,569)	(16,569)
Subtotal	71,253	373,736	444,989
Investments derecognized (fair value as of the date of derecognition)	－	－	－
As at 30 Jun. 2025	$71,253	$373,736	$444,989

(ii) Dividend income：

	For the six-month periods ended 30 June	
	2026	2025
Dividend recognized during the period	$9,340	$1,186

(iii) Derecognition：

In consideration of disposition according to the Group's investment strategy, the Group derecognized certain equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of the investments for the six-month periods ended 30 June 2026 and 2025 are as follows:

	For the six-month periods ended 30 June	
	2026	2025
The fair value of the investments at the date of derecognition	$41,247	$—
The cumulative gain on disposal reclassified from other equity to retained earnings	$35,961	$—

(4) Financial assets measured at amortized cost - non-current

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Financial products	$—	$14,831	$27,596

Financial assets measured at amortized cost were not pledged.

(5) Notes receivables

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Notes receivable arising from operating activities	$231,587	$242,686	$404,892
Less: loss allowance	—	—	—
Total	$231,587	$242,686	$404,892

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(21) for more details on loss allowance and Note 12 for details on credit risk management.

(6) Accounts receivable and accounts receivable due from related parties

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Accounts receivable	$6,259,219	$5,429,826	$4,936,132
(Less): loss allowance	(1,733,509)	(1,566,144)	(1,443,184)
Subtotal	4,525,710	3,863,682	3,492,948
Accounts receivable due from related parties	19,203	20,525	20,316
Total	$4,544,913	$3,884,207	$3,513,264

Accounts receivables were not pledged.

Accounts receivables are generally on 30 to 150 day terms. The total carrying amount as of 30 June 2026, 31 December 2025 and 30 June 2025 were NT$6,278,422 thousand, NT$5,450,351 thousand and NT$4,956,448 thousand, respectively. Please refer to Note 6.(21) for more details on loss allowance of accounts receivables for the six-month periods ended 30 June 2026 and 2025. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Raw materials	$1,265,056	$897,689	$892,074
Work in process	405,740	303,670	312,517
Finished goods	1,362,558	1,348,023	1,333,903
Total	$3,033,354	$2,549,382	$2,538,494

The cost of inventories recognized in expenses amounted to NT$2,641,426 thousand and NT$4,942,625 thousand for the three-month and six-month periods ended 30 June 2026, respectively, including the reversal of write-down of inventories of NT$49,429 thousand and NT$91,558 thousand, respectively. The reversal was primarily due to the consumption during production, sale, reduction of obsolete inventory, with a deduction of inventory whose net realizable value were lower than cost and longer inventory aging.

The cost of inventories recognized in expenses amounted to NT$2,357,670 thousand and NT$4,497,852 thousand for the three-month and six-month periods ended 30 June 2025, respectively, including the reversal of write-down of inventories of NT$20,379 thousand and NT$76,730 thousand, respectively. The reversal was primarily due to the consumption during production, sale, reduction of obsolete inventory, with a deduction of inventory whose net realizable value were lower than cost and longer inventory aging.

No inventories were pledged.

(8) Investments accounted for by equity method

	As at					
	30 Jun. 2026		31 Dec. 2025		30 Jun. 2025	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investment in associates:						
Alltop Technology Co., Ltd.	$1,812,637	17.44%	$1,764,889	17.36%	$1,584,760	17.48%
MILDEX OPTICAL INC.	337,853	28.72%	312,595	28.72%	285,021	29.28%
Zibo Micro Commercial Components Corp.	143,977	18.86%	141,067	18.86%	126,405	18.86%
SILICONGEAR CORPORATION	45,000	30.00% (Note)	—	—	—	—
	$2,339,467		$2,218,551		$1,996,186	

(Note)：The Group acquired a 30% equity interest in SILICONGEAR CORPORATION on June 15, 2026.

Information on the material associate of the Group:

Company Name: Alltop Technology Co., Ltd.

Nature of the relationship with the associate: ALLTOP TECHNOLOGY CO., LTD. is in the business of research and development, manufacturing and sale of connectors, primarily for servers, automotive and industrial application. Alltop's future development strategy aligns with the Group's targeted business areas. The Group invests in the company with an aim to integrate the resources of both companies, and expand business areas including servers, laptops, automotive, industrial and networking equipment. This is to create synergies between the two firms and to provide customers with more full-range products and services.

Fair value of the investment in the associate when there is a quoted market price for the investment: Alltop Technology Co., Ltd. is listed entity on the Taipei Exchange (TPEx). The fair value of the investment in Alltop Technology Co., Ltd. accounted for using the equity method amounted to NT$3,625,330 thousand as of 30 June 2026.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

	30 Jun. 2026
Assets	$6,803,965
Liabilities	2,653,114
Equity	4,150,851
Proportion of the Group's ownership	17.44%
Subtotal	723,908
Goodwill	1,088,729
Carrying amount of the investment	$1,812,637

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Operating revenue	$1,210,634	$924,812	$2,311,691	$1,849,061
Profit from continuing operations	$304,505	$269,858	$612,981	$534,860
Other comprehensive income (post-tax)	$49,140	($450,856)	$190,900	($398,969)
Total comprehensive income	$353,645	($180,998)	$803,881	$135,891

The Group's investments in MILDEX OPTICAL INC. are not individually material. The aggregate carrying amount of the Group's interests in MILDEX OPTICAL INC. is NT$337,853 thousand, NT$312,595 thousand and NT$285,021 thousand as at 30 June 2026, 31 December 2025, and 30 June 2025, respectively. The aggregate financial information of the Group's investments in associates is as follows:

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Profit (Loss) from continuing operations	$6,883	($1,165)	$7,844	$1,289
Other comprehensive income (post-tax)	$188	($37,305)	$14,048	($41,623)
Total comprehensive income	$7,071	($38,470)	$21,892	($40,334)

Fair value of the investment in the associate when there is a quoted market price for the investment: MILDEX OPTICAL INC. is listed entity on the Taipei Exchange (TPEx). The fair value of the investment in MILDEX OPTICAL INC. accounted for using the equity method amounted to NT$516,585 thousand as of 30 June 2026.

The Group's investments in ZIBO MICRO COMMERCIAL COMPONENT CORP. are not individually material. The aggregate carrying amount of the Group's interests in ZIBO MICRO COMMERCIAL COMPONENT CORP. is NT$143,977 thousand, NT$141,067 thousand and NT$126,405 thousand as at 30 June 2026, 31 December 2025, and 30 June 2025. The aggregate financial information of the Group's investments in associates is as follows:

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Profit (Loss) from continuing operations	($2,538)	$44	($3,127)	($909)
Other comprehensive income (post-tax)	$—	$—	$—	$—
Total comprehensive income	($2,538)	$44	($3,127)	($909)

The Group's investments in SILICONGEAR CORPORATION are not individually material. The aggregate carrying amount of the Group's interests in SILICONGEAR CORPORATION is NT$45,000 thousand, NT$0 thousand and NT$0 thousand as at 30 June 2026, 31 December 2025, and 30 June 2025. The aggregate financial information of the Group's investments in associates is as follows:

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Profit (Loss) from continuing operations	$—	$—	$—	$—
Other comprehensive income (post-tax)	$—	$—	$—	$—
Total comprehensive income	$—	$—	$—	$—

The share of the profit or loss of these associates accounted for using the equity method amount to (NT$2,538) thousand, (NT$3,127) thousand, NT$44 thousand, and (NT$909) thousand for the three-month and six-month periods ended 30 June 2026 and 2025, respectively. These amounts were based on unreviewed financial statements of the investees.

The associates had no contingent liabilities or capital commitments, and no pledges as at 30 June 2026, 31 December 2025, and 30 June 2025.

(9) Property, Plant, and Equipment

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Owner occupied property, plant and equipment	$6,523,300	$6,766,174	$6,789,726
Property, plant and equipment leased out under operating leases	89,555	90,165	90,774
Total	$6,612,855	$6,856,339	$6,880,500

I. Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Utilities equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:										
As at 1 Jan. 2026	$581,190	$2,331,965	$11,865,942	$20,947	$177,476	$170,609	$78,902	$1,903,352	$65,355	$17,195,738
Additions	—	4,955	34,684	262	750	4,281	3,094	21,420	17,454	86,900
Disposals	—	(17,724)	(28,015)	—	—	(1,233)	(84)	(1,558)	—	(48,614)
Transfers	—	3,803	34,460	—	—	(104)	—	2,326	5,864	46,349
Effect of changes in consolidation	—	—	—	—	—	(331)	—	—	—	(331)
Exchange differences	(291)	37,321	142,328	550	—	2,515	(1,211)	23,966	47	205,225
As at 30 Jun. 2026	$580,899	$2,360,320	$12,049,399	$21,759	$178,226	$175,737	$80,701	$1,949,506	$88,720	$17,485,267
Depreciation and impairment:										
As at 1 Jan. 2026	$—	($932,520)	($7,666,810)	($16,746)	($165,190)	($135,162)	($57,704)	($1,455,432)	$—	($10,429,564)
Depreciation	—	(42,128)	(312,448)	(873)	(1,411)	(7,674)	(1,558)	(55,725)	—	(421,817)
Disposals	—	13,752	26,409	—	—	1,223	28	1,558	—	42,970
Impairment losses (reversal)	—	—	15,271	—	—	—	—	(1,383)	—	13,888
Transfers	—	(1,165)	(32,864)	—	—	3,103	—	(6,369)	—	(37,295)
Effect of changes in consolidation	—	—	—	—	—	319	—	—	—	319
Exchange differences	—	(22,855)	(84,675)	(465)	—	(2,014)	844	(21,303)	—	(130,468)
As at 30 Jun. 2026	$—	($984,916)	($8,055,117)	($18,084)	($166,601)	($140,205)	($58,390)	($1,538,654)	$—	($10,961,967)

	Land	Buildings	Machinery and equipment	Transportation equipment	Utilities equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:										
As at 1 Jan. 2025	$581,292	$2,313,093	$11,939,049	$20,071	$177,631	$154,657	$71,794	$1,822,094	$74,530	$17,154,211
Additions	—	5,758	32,363	—	—	8,432	84	23,981	28,588	99,206
Disposals	—	(26,316)	(274,645)	—	—	(437)	—	(4,238)	—	(305,636)
Transfers	—	18,231	77,090	—	—	17	—	2,547	(33,995)	63,890
Exchange differences	(131)	(75,947)	(279,949)	(1,291)	—	(5,612)	59	(46,696)	(791)	(410,358)
As at 30 Jun.2025	$581,161	$2,234,819	$11,493,908	$18,780	$177,631	$157,057	$71,937	$1,797,688	$68,332	$16,601,313
Depreciation and impairment:										
As at 1 Jan. 2025	$—	($882,785)	($7,355,930)	($16,258)	($161,430)	($121,461)	($49,697)	($1,335,610)	$—	($9,923,171)
Depreciation	—	(39,294)	(325,065)	(771)	(2,019)	(7,608)	(2,038)	(54,560)	—	(431,355)
Disposals	—	26,108	274,137	—	—	461	—	4,169	—	304,875
Impairment losses (reversal)	—	—	5,272	—	—	—	—	—	—	5,272
Transfers	—	(1,455)	(12,420)	—	—	(24)	—	(1,797)	—	(15,696)
Exchange differences	—	45,262	157,211	1,058	—	4,515	41	40,401	—	248,488
As at 30 Jun.2025	$—	($852,164)	($7,256,795)	($15,971)	($163,449)	($124,117)	($51,694)	($1,347,397)	$—	($9,811,587)
Net carrying amount:										
30 Jun. 2026	$580,899	$1,375,404	$3,994,282	$3,675	$11,625	$35,532	$22,311	$410,852	$88,720	$6,523,300
31 Dec. 2025	$581,190	$1,399,445	$4,199,132	$4,201	$12,286	$35,447	$21,198	$447,920	$65,355	$6,766,174
30 Jun. 2025	$581,161	$1,382,655	$4,237,113	$2,809	$14,182	$32,940	$20,243	$450,291	$68,332	$6,789,726

II. Property, plant and equipment leased out under operating leases

	Land	Buildings	Total
Cost:			
As at 1 Jan. 2026	$50,515	$51,280	$101,795
Exchange differences	—	—	—
As at 30 Jun. 2026	$50,515	$51,280	$101,795
Depreciation and impairment:			
As at 1 Jan. 2026	$—	($11,630)	($11,630)
Depreciation	—	(322)	(322)
Transfer	—	(288)	(288)
Exchange differences	—	—	—
As at 30 Jun. 2026	$—	($12,240)	($12,240)
Cost:			
As at 1 Jan. 2025	$50,515	$51,280	$101,795
Exchange differences	—	—	—
As at 30 Jun. 2025	$50,515	$51,280	$101,795
Depreciation and impairment:			
As at 1 Jan. 2025	$—	($10,411)	($10,411)
Depreciation	—	(322)	(322)
Transfer	—	(288)	(288)
Exchange differences	—	—	—
As at 30 Jun.2025	$—	($11,021)	($11,021)
Net carrying amount:			
30 Jun. 2026	$50,515	$39,040	$89,555
31 Dec. 2025	$50,515	$39,650	$90,165
30 Jun.2025	$50,515	$40,259	$90,774

Capitalized borrowing costs of construction in progress for the six-month periods ended 30 June 2026 and 2025 are both $0.

There are no property, plant and equipment under pledge.

(10) Intangible assets

	Computer software	Technical skills	Other intangible assets	Goodwill	Patents	Total
Cost:						
As at 1 Jan. 2026	$145,036	$3,097	$198,837	$1,964,003	$61,927	$2,372,900
Additions – acquired separately	14,455	25	1,268	—	—	15,748
Disposals	(7,594)	—	—	—	—	(7,594)
Exchange differences	953	135	41	8,704	—	9,833
As at 30 Jun. 2026	$152,850	$3,257	$200,146	$1,972,707	$61,927	$2,390,887
As at 1 Jan. 2025	$137,635	$452	$183,082	$1,987,107	$61,927	$2,370,203
Additions – acquired separately	5,333	—	389	—	—	5,722
Disposals	(2,189)	—	(22,758)	—	—	(24,947)
Exchange differences	(2,394)	(39)	(3,758)	(62,772)	—	(68,963)
As at 30 Jun. 2025	$138,385	$413	$156,955	$1,924,335	$61,927	$2,282,015
Amortization and impairment:						
As at 1 Jan. 2026	($114,963)	($563)	($141,048)	($469,178)	($15,850)	($741,602)
Amortization	(10,337)	(140)	(6,306)	—	(2,212)	(18,995)
Disposals	7,594	—	—	—	—	7,594
Transfers	(7)	—	—	—	—	(7)
Exchange differences	(743)	(27)	268	(6,269)	—	(6,771)
As at 30 Jun. 2026	($118,456)	($730)	($147,086)	($475,447)	($18,062)	($759,781)
As at 1 Jan. 2025	($106,847)	($410)	($120,534)	($489,405)	($12,195)	($729,391)
Amortization	(6,460)	(41)	(7,865)	—	(1,548)	(15,914)
Disposals	2,189	—	22,758	—	—	24,947
Transfers	(4)	—	—	—	—	(4)
Exchange differences	1,953	38	3,163	52,023	—	57,177
As at 30 Jun. 2025	($109,169)	($413)	($102,478)	($437,382)	($13,743)	($663,185)
Net Carrying Value:						
30 Jun. 2026	$34,394	$2,527	$53,060	$1,497,260	$43,865	$1,631,106
31 Dec. 2025	$30,073	$2,534	$57,789	$1,494,825	$46,077	$1,631,298
30 Jun. 2025	$29,216	$—	$54,477	$1,486,953	$48,184	$1,618,830

Amortization expense of intangible assets under the statement of comprehensive income:

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Operating costs	$996	$1,161	$1,930	$2,359
Operating expenses	$8,829	$5,947	$17,065	$13,555

(11) Impairment test on goodwill

Goodwill acquired through business combinations have been allocated to two cash-generating units, which are also reportable and operating segments, for impairment testing as follows:

(a) Power Discrete;
(b) Power IC and components

Carrying amount of goodwill allocated to each of the cash-generating units:

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Power Discrete	$111,780	$109,345	$101,473
Power IC and components	1,385,480	1,385,480	1,385,480
Goodwill	$1,497,260	$1,494,825	$1,486,953

Power Discrete

The Group tested goodwill for impairment at the end of the annual financial reporting period and the recoverable amount of the cash-generating units of Power Discrete has been determined based on value in use, which is calculated using cash flow projections from the five-year financial budgets approved by management. The projected cash flows have been updated to reflect the change in demand for products. In 2025, the pre-tax discount rate used in the cash flow forecast was between 11.74%and 13.38%. The growth rate is approximately equal to the long-term average growth rate of the industry. Based on the results of this analysis, the management believes that the goodwill allocated to this cash-generating unit has not been impaired.

Power IC and Components

The Group tested goodwill for impairment at the end of the annual financial reporting period and the recoverable amount of cash generated under the Power IC and Components segment has been determined based on value in use, which was calculated using cash flow projections from the five-year financial budgets approved by management. The cash flow forecast has been updated to reflect changes in demand for related products. In 2025, the pre-tax discount rate used in the cash flow forecast was 12.35%. The growth rate is approximately equal to the long-term average growth rate of the industry. Based on the results of this analysis, the management believes that the goodwill allocated to this cash-generating unit has not been impaired.

Key assumptions used in value-in-use calculations

Gross margins – Gross margins are based on operating results and further average values achieved in the years preceding the start of the budget period.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Group has obligation to settle. Specific risk relating to the operating segments is accounted for by considering the individual beta factor which is evaluated annually and based on publicly available market information.

Growth rate estimation — based on published industry research data.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the diodes, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(12) Current borrowings

Details of the current borrowings are as follows:

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Unsecured bank loans	$4,446,289	$2,903,194	$2,984,573
Interest rate range	1.10%～4.73%	0.90%～4.63%	1.34%～5.40%
Maturity date	3 Jul. 2026～27 May 2027	2 Jan. 2026～25 Nov. 2026	2 Jul. 2025～29 May 2026

The Group's unused short-term lines of credits amount to NT$13,079,234 thousand, NT$10,078,679 thousand and NT$11,130,851 thousand as of 30 Jun. 2026, 31 Dec. 2025, and 30 Jun. 2025, respectively.

(13) Notes payable - current

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Notes payable arising from operating—activities	$381,604	$377,165	$382,053

(14) Financial liabilities at fair value through profit or loss

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Held for trading:			
Derivatives not designated as hedging Instrume			
Forward exchange agreement and exchange rate swap contract	$4,922	$3,770	$212
Measured at fair value through profit or loss:			
Embedded derivative financial instruments			
Corporate bond conversion	5,663	6,513	9,013
Total	$10,585	$10,283	$9,225
Current	$4,922	$3,770	$212
Non-current	5,663	6,513	9,013
Total	$10,585	$10,283	$9,225

(15) Long-term deferred revenue

	For the six-month periods ended 30 June	
	2026	2025
Beginning balance	$57,461	$51,459
Addition	—	—
Recognized to the statement of comprehensive income	(4,331)	11,165
Exchange differences	1,750	(3,718)
Ending balance	$54,880	$58,906

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Non-current deferred revenue - related to assets	$54,880	$57,461	$58,906

Government grants have been received for the purchase of certain items of property, plant and equipment and land use right. There are no unfulfilled conditions or contingencies attached to these grants recognized to the statement of comprehensive income.

(16) Bonds payable

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Domestic unsecured convertible bonds payable	$458,700	$452,806	$446,988
Less: Current portion due within one year	—	—	—
Net	$458,700	$452,806	$446,988

Domestic unsecured convertible bonds payable

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Debt elements:			
Face value of domestic convertible bonds payable	$500,000	$500,000	$500,000
Discounts on domestic convertible corporate bonds payable	(41,300)	(47,194)	(53,012)
Subtotals	458,700	452,806	446,988
Less: current portion due within one year	—	—	—
Net amount	$458,700	$452,806	$446,988
Embedded derivative financial instruments	$5,663	$6,513	$9,013
Equity elements	$52,044	$52,044	$52,044

The subsidiary Champion Microelectronic Corp. issued domestic unsecured convertible corporate bonds with a coupon rate of 0% on November 1, 2024. The convertible corporate bonds were analyzed in accordance with the terms of the contract. The components include: main debt, embedded derivative financial instruments (the issuer's redeemable option and the holder's option to request the issuer to redeem) and equity elements (the holder's option to request conversion into the issuer's common stock). The main issuance terms are as follows:

Total issuance amount: NT$500,000 thousand

Period: November 1, 2024 to November 1, 2029

Redemption and put option clauses:

i. From the day after three months of issuance to forty days before the expiration of the issuance period, the subsidiary Champion Microelectronic Corp. shall be notified to redeem all or part of the bonds in advance at the face value of the bonds (hereinafter referred to as the "early redemption price") when the closing price of the company's common shares on the Taiwan Stock Exchange reaches an average of 130% of the conversion price for thirty consecutive business days.

ii. When the outstanding amount of the converted corporate bonds is less than 10% of the original issuance amount, the subsidiary Champion Microelectronic Corp. may redeem the converted corporate bonds in full at the early redemption price.

iii. Bond holders may request the subsidiary Champion Microelectronic Corp. to redeem all or part of the converted corporate bonds held at 101.51% and 102.02% of the face value of the bonds on November 1, 2027 and November 1, 2028, respectively.

Terms of Exchange:

i. Conversion target: common shares of the subsidiary Champion Microelectronic Corp.

ii. Conversion period: The bondholders may request to convert the bonds into the common shares of Champion Microelectronic Corp. in lieu of its cash repayment from February 02, 2025 to November 01, 2029.

iii. Conversion price and adjustment: The conversion price was set at NT$75 per share at the time of issuance, and will be adjusted in accordance with the formula set forth in the terms of the issuance in the event that the conversion price is adjusted in accordance with the terms of the issuance for the shares of common stock of Champion Microelectronic. The conversion price on June 30, 2026 was NT$68.5 per share.

iv. Redemption on maturity: The convertible bonds will be redeemed at face value if they are outstanding at maturity.

As of June 30, 2026, the converted corporate bonds have not been converted.

(17) Long-term borrowings

Details of the long-term borrowings are as follows:

Lenders	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Syndicated Loans (A)	$4,000,000	$3,000,000	$1,600,000
Syndicated Loans (B)	31,850	314,300	34,350
Project loans (C)	—	131,771	203,646
Project loans (D)	182,609	392,485	596,985
Project loans (E)	80,208	243,208	412,063
Project loans (F)	8,333	18,333	28,333
Unsecured bank loans	847,925	1,496,386	2,380,000
Subtotal	5,150,925	5,596,483	5,255,377
(Less): Due within one year	(270,789)	(750,544)	(801,043)
(Less): Unamortized cost of syndicated loan	(4,267)	(5,333)	—
(Less): Deferred government grants	(361)	(1,487)	(3,875)
Total	$4,875,508	$4,839,119	$4,450,459
Interest rates	1.53%～4.70%	1.53%～4.91%	1.53%～3.18%

(A) On 3 July 2025, the Company entered into a syndicated loan contract with 10 financial institutions including Land Bank of Taiwan and the amount of the loan facility was $4,000,000 thousand for a period of five years starting from the first day the facility is drawn. The facility must be drawn within three months from the execution date of the contract, otherwise the maturity of the said three-month period shall be deemed the first drawdown day. The extract of terms of the contract as following

a. The total amount of the syndicated loan is NT$4,000,000 thousand.

b. Terms of the syndicated loan agreement:
   i. Category 1: Medium-term loan up to $4,000,000 thousand, which can be used cyclically in accordance with this contract.
   ii. Category 2: Commercial paper of $2,400,000 thousand, which can be used cyclically in accordance with this contract

c. The total amount of category 1 and category 2 shall not exceed the total amount of the syndicated loan.

d. Terms of financial ratios:
   Within the contract period, the Company is required to calculate annually the financial ratios and agree with assigned threshold based on the figures from audited consolidated financial report.
   i. Current ratio (current asset / current liability): higher than 100%.
   ii. Debt ratio (liability / equity): lower than 200%.
   iii. Interest coverage ratio【（net profit before tax + interest expense + depreciation + amortization） /interest expense】: higher than 2.5 times.
   iv. Net worth: higher than NT$10,000,000 thousand or USD equivalent.

(B) On 16 June 2022, the subsidiary, PAN-JIT ASIA INTERNATIONAL INC., entered into a syndicated loan contract with 11 financial institutions including First Commercial Bank and the amount of the loan facility was US$80,000 thousand for a period of five years starting from the first day the facility is drawn. The facility must be drawn within three months from the execution date of the contract, otherwise the maturity of the said three-month period shall be deemed the first drawdown day. The extract of terms of the contract are as followings:

a. The method of this credit case is agreed as follows:
   The line of credit of the medium-term loan is US $80,000 thousand, which can be used as a revolving loan within the credit period.

b. Terms of financial ratios: Within the contract period, the Company should annually calculate the financial ratios and agree with the assigned figures based on the data from audited consolidated financial report.

   i. Current ratio (current assets ÷ current liabilities): higher than 100%.
   ii. Debt ratio (liability ÷ equity): lower than 200%.
   iii. Interest coverage ratio【（net profit before tax + interest expense + depreciation + amortization）/ interest expense】: higher than 2.5 times.
   iv. Equity: higher than NT$5,300,000 thousand or USD equivalent.

Certain other non-current assets are pledged as first priority security for the secured syndicated loans, please refer to Notes 8 for more details.

(C) On 9 September 2019, the Company entered into a credit agreement with Taishin International Bank in the amount of NT$600,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan.
The related terms are as following:

Credit line	Credit period	Interest rate	Repayment method
$400,000	Seven years from the date of first drawdown	In accordance with the twoyear time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$200,000	Seven years from the date of first drawdown	In accordance with the twoyear time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(D) On 25 October 2019, the Company entered into a credit agreement with Chang HWA Bank in the amount of NT$900,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan.

The related terms are as following:

Credit line	Credit period	Interest rate	Repayment method
$600,000	Seven years from the date of first drawdown	In accordance with the twoyear time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$300,000	Seven years from the date of first drawdown	In accordance with the twoyear time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(E) On 1 November 2019, the Company entered into a credit agreement with First Commercial Bank in the amount of NT$1,500,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit Line	Credit period	Interest rate	Repayment method
$1,000,000	Seven years from the date of first drawdown	In accordance with the twoyear time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.725%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$500,000	Seven years from the date of first drawdown	In accordance with the twoyear time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(F) On 21 November 2021, the Company entered into a credit agreement with Land Bank in the amount of NT$1,000,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit Line	Credit period	Interest rate	Repayment method
$700,000	Seven years from the date of first drawdown	In accordance with the twoyear time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.725%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
$300,000	Seven years from the date of first drawdown	In accordance with the twoyear time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.725%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

(18) Post-employment benefits

Defined contribution plans

Expenses under the defined contribution plan for the three-month periods ended 30 June 2026 and 2025 were NT$14,511 thousand and NT$13,987 thousand, respectively; for the six-month periods ended 30 June 2026 and 2025 were NT$29,113 thousand and NT$28,417 thousand, respectively.

Defined benefit plan

Expenses under the defined benefits plan for the three-month periods ended 30 June 2026 and 2025 were NT$374 thousand and NT$381 thousand, respectively; for the six-month periods ended 30 June 2026 and 2025 were NT$764 thousand and NT$685 thousand, respectively.

(19) Equities

A. Common stock

As at 30 June 2026, 31 December 2025 and 30 June 2025, the Company’s authorized capital were NT$6,000,000 thousand, and issued capital were NT$3,821,149 thousand, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

On 25 October 2021, the Company issued 50,000 thousand units of Global Depository Shares ("GDS") on the Luxembourg Stock Exchange, each representing a unit of ordinary shares of the Company. And totals in new issuance of 50,000 thousand common stock shares, each unit of GDS was priced at USD3.02, equivalent to NT$84.5. Totals shares amounted to USD151,000 thousand. The rights and obligations of the new shares issued are the same as the original shares. As of June 30, 2026, there were no outstanding shares.

B. Capital surplus

Items	As at 30 Jun. 2026	As at 31 Dec. 2025	As at 30 Jun. 2025
Additional paid-in capital	$4,603,539	$4,603,539	$4,603,539
Premium on convertible bonds	1,082,212	1,082,212	1,082,212
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	73,031	73,031	73,002
Increase through changes in ownership interests in subsidiaries	—	8,564	14,414
Employee stock option	24,527	24,527	24,527
Restricted stocks for employees	694	694	694
Share of changes in net assets of associates accounted and joint ventures for using the equity method	291,943	256,301	220,968
Others	87,156	87,156	87,156
Total	$6,163,102	$6,136,024	$6,106,512

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Earnings distribution and dividend policy

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues
b. Offset prior years' operation losses
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve
d. Set aside or reverse special reserve in accordance with law and regulations
e. The distribution of the remaining, in addition to the unappropriated earnings at the beginning of the period, the Company shall distribute it according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

According to the provision of Article 240-5 of the Company Act, the Company should authorize the distributable dividends and bonuses in whole or in part are paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution is submitted to the shareholders' meeting.

On June 13, 2024, the shareholders' meeting resolved to amend the Company's Articles of Incorporation to specify the dividend policy. The revised dividend policy is as follows:

The policy of dividend distribution approved by the Board should reflect factors such as the operating planning, investment plan, capital budgets, the changes of inner and outer environment. The Company in capital-intensive industries are currently in the stage of expansion. Considering the Company's need for future capital and the long-term financial planning; as well as the shareholders' need for cash inflow, the principle of earning distribution:

If there is any surplus in the annual, no less than 10% of the distributable earnings should be set aside for distribution to the shareholders as dividends and bonuses; provided that, if the cumulative retained earnings available for distribution is less than 10% of the paid-in capital, it may not be distributed. The dividend to shareholders should be paid in the form of cash as priority, or in the form of share dividend. Additionally, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to the provision of Article 241 of the Company Act, the Company shall distribute the whole or a part of the statutory surplus reserve and capital surplus to shareholders in new shares or cash according to their shareholding percentage. When cash is distributed, a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company shall be required and reported to the shareholders meeting. When new shares are issued, it shall be submitted to the shareholders' meeting for approval before distribution.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on 30 June 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:
On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The special reserve upon first adoption amounted to NT$200,400 thousand as of 1 January 2026 and 2025. Because of unused, disposal or reclassification of related assets, there was no reversal from special reserve to unappropriated earnings during the six-month periods ended of 30 June 2026 and 2025. As of 30 June 2026 and 2025, the special reverse upon first adoption amounted to NT$200,400 thousand.

Details of the 2025 and 2024 earnings distribution and dividends per share as resolved by shareholders' meeting on 18 June 2026 and 20 June 2025, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2025	2024	2025	2024
Legal reserve	$118,830	$89,996	$—	$—
Common stock -cash dividend (Note)	$687,807	$534,961	$1.80	$1.40

(Note): The Company resolved at the board of directors' meeting held on 10 March 2026 and 7 March 2025 to distribute the dividends of 2025 and 2024 in form of cash.

Please refer to Note 6.(23) for details on employees' compensation and remuneration to directors.

D. Non-controlling interests

	For the six-month periods ended 30 June	
	2026	2025
Beginning balance	$1,454,780	$1,396,730
Profit (loss) attributable to non-controlling interests	60,213	88,593
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of a foreign operation	12,632	(58,086)
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	957	(129)
Adjustments arising from changes in ownerships in subsidiaries	19,951	4,695
Changes in non-controlling interests	4,800	(11,409)
Cash capital increase of the subsidiaries	13,840	14,000
Cash dividends from subsidiaries	(179,181)	(128,187)
Changes in associates and joint ventures accounted for using the equity method	51	—
Ending balance	$1,388,043	$1,306,207

(20) Operating revenue

Revenue from contracts with customers

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Sales of goods	$3,953,672	$3,397,275	$7,373,013	$6,468,713
Other operating revenue	1,896	2,779	3,710	3,047
Total	$3,955,568	$3,400,054	$7,376,723	$6,471,760

Analysis of revenue from contracts with customers during the six-month periods ended 30 June 2026 and 2025 are as follows:

(a) Disaggregation of revenue

For the three-month periods ended 30 June 2026:

	Power Discrete	Power IC and components	Solar	Total
Sales of goods	$3,783,288	$171,746	$534	$3,955,568

For the three-month periods ended 30 June 2025:

	Power Discrete	Power IC and components	Solar	Total
Sales of goods	$3,026,056	$316,627	$57,371	$3,400,054

For the six-month periods ended 30 June 2026:

	Power Discrete	Power IC and components	Solar	Total
Sales of goods	$7,042,986	$303,191	$30,546	$7,376,723

For the six-month periods ended 30 June 2025:

	Power Discrete	Power IC and components	Solar	Total
Sales of goods	$5,865,936	$512,493	$93,331	$6,471,760

(b) Contract balances

Contractual liabilities - current

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Sales of goods	$5,122	$3,537	$7,872

The changes in the balance of contract liabilities of the Group during the six-month periods ended 30 June 2026 and 2025 were due to the fact that some of the performance obligations have been satisfied to be reclassified to increase in revenue and some of the receipts in advance are returned due to unfulfilling performance obligations.

(21) Expected credit impairment (losses) gains

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Operating expenses - expected credit impairment (losses) gains				
Accounts receivables	($2,283)	$6,746	($147,336)	$4,425

Please refer to Note 12 for more details on credit risk management.

The Group measures the loss allowance of its receivables (including note receivables, accounts receivables and accounts receivables due from related parties) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of 30 June 2026, 31 December 2025 and 30 June 2025 are as follows:

The Group considers the grouping of receivables by counterparties' credit rating, by geographical region and by industry sector, and its loss allowance is measure by using a provision matrix, details as follows:

As at 30 Jun. 2026

Group I

	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$4,378,365	$417,301	$22,477	$721	$1,530,901	$6,349,765
Loss rate	0.00%	8.99%	20.00%	49.93%	100.00%	
Lifetime expected credit losses	—	(37,509)	(4,495)	(360)	(1,530,901)	(1,573,265)
Total	$4,378,365	$379,792	$17,982	$361	$—	$4,776,500

Group II

	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$6,600	$15,874	$36,704	$47,932	$53,134	$160,244
Loss rate	100.00%	100.00%	100.00%	100.00%	100.00%	
Lifetime expected credit losses	(6,600)	(15,874)	(36,704)	(47,932)	(53,134)	(160,244)
Total	$—	$—	$—	$—	$—	$—

Regarding the individual assessment for Group II, due to significant uncertainty regarding its recoverability, this receivable no longer exhibits the credit risk characteristics typical of ordinary receivables. Therefore, the expected credit loss is recognized in full.

As at 31 Dec. 2025

	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$3,688,783	$412,929	$70,216	$5,443	$1,515,666	$5,693,037
Loss rate	—	8.16%	20.00%	50.01%	100.00%	
Lifetime expected credit losses	—	(33,713)	(14,043)	(2,722)	(1,515,666)	(1,566,144)
Total	$3,688,783	$379,216	$56,173	$2,721	$—	$4,126,893

As at 30 Jun. 2025

	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$3,567,088	$370,154	$14,181	$1,947	$1,407,970	$5,361,340
Loss rate	—	8.48%	20.00%	49.97%	100.00%	
Lifetime expected credit losses	—	(31,405)	(2,836)	(973)	(1,407,970)	(1,443,184)
Total	$3,567,088	$338,749	$11,345	$974	$—	$3,918,156

(Note): Notes receivable included. The Group's note receivables are not overdue.

Changes to the Group's allowance loss for accounts receivable and other receivables from January 1 to June 30, 2026 and 2025 are as follows:

	Accounts receivable	Other receivables
As at 1 Jan. 2026	$1,566,144	$27,205
Additional/(reversal) for the current period	147,336	—
Effect of changes in exchange rate	20,029	1,174
As at 30 Jun. 2026	$1,733,509	$28,379
As at 1 Jan. 2025	$1,615,113	$27,096
Additional/(reversal) for the current period	(4,425)	—
Effect of changes in exchange rate	(167,504)	(2,342)
As at 30 Jun. 2025	$1,443,184	$24,754

(22) Lease

Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment and other equipment. The lease terms range from 2 to 41 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amount recognized in the balance sheet

(a) Right-of-use assets

Carrying amount of right-of-use assets

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Land	$77,476	$76,411	$72,148
Buildings	145,497	146,687	150,875
Transportation equipment	1,300	1,813	2,483
Other equipment	824,542	878,086	853,328
Total	$1,048,815	$1,102,997	$1,078,834

(b) Lease liabilities

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Current	$48,294	$53,638	$55,453
Non-current	208,223	213,091	218,104
Total	$256,517	$266,729	$273,557

Please refer to Note 6.(24)(d) for the interest on lease liabilities recognized during the six-month periods ended 30 June 2026 and 2025 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	2026.04.01~ 2026.06.30	2025.04.01~ 2025.06.30	2026.01.01~ 2026.06.30	2025.01.01~ 2025.06.30
Land	$851	$796	$1,688	$1,619
Buildings	10,486	10,721	20,634	21,840
Transportation equipment	257	492	514	928
Other equipment	19,476	18,553	39,695	37,356
Total	$31,070	$30,562	$62,531	$61,743

C. Income and costs relating to leasing activities

	2026.04.01~ 2026.06.30	2025.04.01~ 2025.06.30	2026.01.01~ 2026.06.30	2025.01.01~ 2025.06.30
The expenses relating to short-term leases	$3,965	$3,491	$7,193	$6,962
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	$57	$129	$121	$274
The expenses relating to variable lease payments not included in the measurement of lease liabilities	$8	$9	$19	$23
Income from subleasing right-of- use assets	$730	$559	$1,378	$1,215

D. Cash outflow relating to leasing activities

During the six-month periods ended 30 June 2026 and 2025, the Group's total cash outflows for leases amounting to NT$41,879 thousand and NT$43,467 thousand, respectively.

E. Other information related to leasing activities

Extension and termination options

Some of the Group's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(23) The summary table of employee benefits, depreciation and amortization expenses by functions is as follows:

Function / Nature	For the three-month periods ended 30 June					
	2026			2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Salaries	$283,546	$464,669	$748,215	$261,770	$342,883	$604,653
Labor and health insurance	$38,911	$31,199	$70,110	$39,425	$27,303	$66,728
Pension	$7,239	$7,646	$14,885	$7,135	$7,233	$14,368
Other employee benefit expenses	$22,763	$12,882	$35,645	$19,853	$11,755	$31,608
Depreciation	$177,592	$66,191	$243,783	$169,358	$74,824	$244,182
Amortization	$996	$8,829	$9,825	$1,161	$5,947	$7,108

Function / Nature	For the six-month periods ended 30 June					
	2026			2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Salaries	$557,841	$841,861	$1,399,702	$520,742	$668,578	$1,189,320
Labor and health insurance	$78,112	$62,048	$140,160	$80,256	$55,037	$135,293
Pension	$14,631	$15,246	$29,877	$14,546	$14,556	$29,102
Other employee benefit expenses	$44,114	$30,156	$74,270	$39,164	$23,017	$62,181
Depreciation	$353,578	$131,092	$484,670	$338,695	$154,725	$493,420
Amortization	$1,930	$17,065	$18,995	$2,359	$13,555	$15,914

The Company's shareholders' meeting approved an amendment to its Articles of Incorporation in employee remuneration ratio of non-executive employees on June 20, 2025.

According to the Company’s Articles of Incorporation, no less than 6% of profit of the current year is distributable as employees’ compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered.

No less than 35% of the aforementioned profit as employees’ compensation should be allocated to non-executive employees.

The aforementioned employees’ compensation will be distributed in shares or in cash. The employees of controlling or affiliate companies that meet certain conditions which are set by the Board of Directors are entitled to the abovementioned remuneration.

According to Article 235-1 of the Company Act, the Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the Board of Directors’ resolution regarding the employees’ compensation and remuneration to directors can be obtained from the “Market Observation Post System” on the website of the TWSE.

Based on the profit of the six-month periods ended 30 June 2026, the Company estimated the amounts of the employees’ compensation and remuneration to directors for the six-month periods ended 30 June 2026 to be 6.50% and 1.56% of profit of the current six-month periods, respectively, recognized as employee benefit expense. As such, employees’ compensation and remuneration to directors for the three-month and six-month periods ended 30 June 2026 amounted to NT$40,582 thousand and NT$7,984 thousand, NT$65,983 thousand and NT$15,800 thousand, respectively. Employees’ compensation and remuneration to directors for the three-month and six-month periods ended 30 June 2025 amounted to NT$18,400 thousand and NT$4,900 thousand, NT$41,000 thousand and NT$10,600 thousand, respectively, recognized as employee benefits expense.

A resolution was passed at the board meeting on 10 March 2026 to distribute dividend in cash in the amount of NT$92,995 thousand and NT$23,838 thousand for the year end 2025. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended 31 December 2025.

(24) Non-operating income and expenses

(a) Interest income

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Financial asset measured at amortized cost	$72,181	$65,255	$138,477	$113,583

(b) Other income

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Rental income	$1,808	$1,641	$3,568	$3,418
Dividend income	8,736	—	9,626	1,417
Others	21,043	42,100	31,837	78,385
Total	$31,587	$43,741	$45,031	$83,220

(c) Other gains or losses

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Gains (losses) on disposal of property, plant, and equipment	($1,652)	$2,328	($2,245)	$3,071
(Losses) on disposal of investment	(276)	—	(210)	—
(Losses) gains on lease modification	(72)	10	(72)	10
Foreign exchange gains (losses), net	(2,797)	(138,145)	30,147	(114,374)
Gains on reversal impairment loss	4,599	2,190	13,888	5,272
Gains on financial assets / financial liabilities at fair value through profit or loss (Note)	86,301	69,820	153,910	121,321
Others	(10,340)	(1,772)	(17,801)	(2,068)
Total	$75,763	($65,569)	$177,617	$13,232

(Note): Balances were arising from financial assets and financial liabilities mandatorily measured at fair value through profit or loss.

(d) Financial costs

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Interest expenses				
Interest on borrowings from bank	($48,196)	($47,352)	($94,403)	($94,821)
Interest on bonds payable	(2,956)	(2,881)	(5,894)	(5,743)
Interest on lease liabilities	(3,548)	(3,940)	(7,182)	(8,202)
Total	($54,700)	($54,173)	($107,479)	($108,766)

(25) Other comprehensive income components

	For the three-month periods ended 30 June 2026				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	After-tax amount
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	$52,822	$—	$52,822	$—	$52,822
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	7,453	—	7,453	(3)	7,450
Total	$60,275	$—	$60,275	($3)	$60,272

	For the three-month periods ended 30 June 2025				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	After-tax amount
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	($8,010)	$—	($8,010)	$1,913	($6,097)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(1,302,996)	—	(1,302,996)	—	(1,302,996)
Total	($1,311,006)	$—	($1,311,006)	$1,913	($1,309,093)

	For the six-month periods ended 30 June 2026				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	After-tax amount
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	$48,714	$—	$48,714	$—	$48,714
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	246,509	—	246,509	(4)	246,505
Total	$295,223	$—	$295,223	($4)	$295,219

	For the six-month periods ended 30 June 2025				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	After-tax amount
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	($22,385)	$—	($22,385)	$2,952	($19,433)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(1,081,365)	—	(1,081,365)	1	(1,081,364)
Total	($1,103,750)	$—	($1,103,750)	$2,953	($1,100,797)

(26) Income tax

The major components of income tax expense (income) are as follows:

(a) Income tax expense (income) recognized in profit or loss

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Current income tax expense:				
Current income tax expense	$103,825	$67,834	$289,587	$209,842
Adjustments in respect of current income tax of prior periods	(27,725)	(30,306)	(44,586)	(27,066)
Deferred tax expenses:				
Deferred tax expense relating to origination and reversal of temporary differences	44,315	27,142	(32,498)	(45,844)
Others	(81)	2,224	(178)	2,094
Total income tax expense	$120,334	$66,894	$212,325	$139,026

(b) Income tax relating to components of other comprehensive income

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Deferred income tax expense (income):				
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	$—	($1,913)	$—	($2,952)
Exchange differences resulting from translating the financial statements of a foreign operation	3	—	4	(1)
Total	$3	($1,913)	$4	($2,953)

(c) The assessment of income tax returns

As of 30 June 2026, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2024
Pynmax Technology Co., Ltd.	Assessed and approved up to 2024
Aide Energy (Cayman) Holding Co., Ltd. Taiwan Branch	Assessed and approved up to 2024
Champion Microelectronic Corp.	Assessed and approved up to 2023
PANSTAR SEMICONDUCTOR CO., LTD	Assessed and approved up to 2024
Golden Champion Digital Power Corporation	Assessed and approved up to 2024
PANJIT Investment Co., Ltd.	Assessed and approved up to 2024
MetaWelIs Co., Ltd.	Assessed and approved up to 2024
JVision Co., LTD.	(Note)

(Note): JVision Co., LTD. was incorporated in April 2026 and has not yet filed any income tax returns.

(27) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
(A) Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$488,099	$251,794	$775,929	$528,440
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	382,115	382,115	382,115	382,115
Basic earnings per share (NT$)	$1.28	$0.66	$2.03	$1.38
(B) Diluted earnings per share				
Profit attributable to ordinary equity holders of the Company and effect of potential common shares (in thousand NT$)	$488,099	$251,794	$775,929	$528,440
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	382,115	382,115	382,115	382,115
Effect of dilution:				
Employee compensation－stock (in thousands)	438	820	862	1,289
Weighted average number of ordinary shares outstanding after dilution (in thousands)	382,553	382,935	382,977	383,404
Diluted earnings per share (NT$)	$1.28	$0.66	$2.03	$1.38

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements authorized for issue.

7. Related party transactions

The following is a summary of transactions between the Group and related parties during the reporting periods:

Name and Relationship of Related Parties

Name of related parties	Relationship with the Group
Zibo Micro Commercial Component Corp.	Associated Enterprises
MILDEX OPTICAL INC.	Associated Enterprises
Mildex OPTOELECTRONICS(XUZHOU) Co., Ltd.	Associated Enterprises
MILDEX OPTICAL USA, INC.	Associated Enterprises
SILICONGEAR CORPORATION	Associated Enterprises(Note)
Mr. FANG, MING-CHING etc. of 16 individuals	The management level above Deputy general manager of the Company

(Note): The Group acquired a 30% equity interest in SILICONGEAR CORPORATION on June 15, 2026, and has classified it as an associate since that date.

(1) Sales

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Zibo Micro Commercial Components Corp.	$16,821	$18,797	$26,747	$39,135
Others	15	29	56	64
Total	$16,836	$18,826	$26,803	$39,199

The sales price to the related parties was determined through mutual agreement in reference to market conditions. The collection periods to related parties were month-end 90 days, and non-related parties were month-end 30~150 days. The outstanding payment at the end of the year were not pledged, interest-free and subject to pay in cash.

(2) Purchase

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Zibo Micro Commercial Components Corp.	$36,269	$37,008	$62,679	$81,418
SILICONGEAR CORPORATION	8,621	—	8,621	—
Others	874	10	874	10
Total	$45,764	$37,018	$72,174	$81,428

The purchase price from the related parties was determined through mutual agreement in reference to market conditions. The payment periods to related parties were the same with other company and were 30~90 days.

(3) Accounts receivable due from related parties

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Zibo Micro Commercial Components Corp.	$19,187	$20,518	$20,286
Others	16	7	30
Total	$19,203	$20,525	$20,316

(4) Other receivable - related parties (not loans)

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
MILDEX OPTICAL USA, INC.	$3,163	$3,259	$5,720
Zibo Micro Commercial Components Corp.	4,319	4,140	—
MILDEX OPTICAL INC.	389	385	385
Total	$7,871	$7,784	$6,105

(5) Prepayments - related parties

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Zibo Micro Commercial Components Corp.	$2	$2	$2

(6) Accounts payable to related parties

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Zibo Micro Commercial Components Corp.	$28,912	$28,995	$26,868
SILICONGEAR CORPORATION(Note)	26,500	—	—
Others	863	1,196	10
Total	$56,275	$30,191	$26,878

(Note): As of June 30, 2026, the Group's accounts payable to SILICONGEAR CORPORATION amounted to NT$26,500 thousand, which included balances arising from transactions prior to the acquisition.

(7) Other payables to related parties (non-loans)

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Mildex OPTOELECTRONICS(XUZHOU) Co., Ltd.	$40,278	$38,612	$35,134
Others	—	127	—
Total	$40,278	$38,739	$35,134

(8) Lease

A. Group as a lessee

(a) Right-of-use assets

Carrying amount of right-of-use assets

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Mildex OPTOELECTRONICS(XUZHOU) Co., Ltd.	$124,582	$130,803	$129,370

(b) Lease liabilities

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Mildex OPTOELECTRONICS(XUZHOU) Co., Ltd.	$137,247	$142,616	$139,606

(9) Rental income

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2025	2026
MILDEX OPTICAL USA, INC.	$661	$560	$1,308	$1,215
MILDEX OPTICAL INC.	317	318	635	636
Total	$978	$878	$1,943	$1,851

The rental prices leased by the Group to related parties are negotiated by both parties with reference to market conditions.

(10) Key management personnel compensation

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2026	2025	2026	2025
Short-term employee benefits	$44,134	$29,123	$74,157	$58,712
Post-employment benefits	219	149	448	298
Total	$44,353	$29,272	$74,605	$59,010

8. Pledged assets

The following assets of the Group have been provided as collateral:

Items	Carrying amount 30 Jun. 2026	31 Dec. 2025	30 Jun. 2025	Secured liabilities details
Other current assets	$51,076	$76,886	$64,821	Financial products trade and performance guarantee
Other non-current assets	28,522	4,831	2,048	Long-term borrowings, performance guarantee, and an Italian court executed a preventive attachment
Refundable deposits	2,680	2,677	2,672	Performance guarantee
Total	$82,278	$84,394	$69,541	

9. Significant contingent liabilities and unrecognized contractual commitments

(1) As of June 30, 2026 and 2025, the Group provided a guaranteed deposit for customs in the amount of NT$13,062 thousand and NT$12,853 thousand.

(2) On April 15, 2026, the Company's second-tier subsidiary, EC SOLAR C1 SRL, received a court notice of provisional attachment regarding a criminal investigation into its eligibility for subsidies related to its solar power sales revenue. In view of the time required for the investigation, the Italian court has initiated preventive asset preservation measures. A provisional attachment was executed up to a limit equal to the subsidy of EUR 55,852 thousand. This case arose from a dispute over engineering payments between EC SOLAR C1 SRL and its contractor, Ricciarelli. The contractor filed a complaint with the Italian prosecutors, alleging that EC SOLAR C1 SRL had improperly obtained eligibility for and received related subsidies in Italy. Currently, the EC SOLAR C1 SRL power plant continues to operate normally and generate electricity sales, and local counsel has been engaged to actively pursue relevant legal proceedings to fully safeguard the Company's rights and interests.

On July 10, 2026, the Italian Energy Services Manager (GSE) issued an administrative disposition revoking the subsidy eligibility of three solar power plants owned by EC SOLAR C1 SRL and clawing back all subsidies previously received.

Regarding this decision, the Company's second-tier subsidiary, EC SOLAR C1 SRL, has decided to file an administrative lawsuit with the Milan Regional Administrative Court, asserting unconstitutionality and violations of European Union legal principles.

Based on the assessment of legal counsel, the financial impact of this matter on the Company remains difficult to evaluate at this stage.

10. Significant Disaster Losses

None.

11. Significant matters after the period

None.

12. Others

(1) Classification of financial instruments

Financial assets

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Financial assets at fair value through profit or loss:			
Mandatorily measured at Fair value through profit or loss	$6,705,965	$6,758,648	$5,670,632
Financial assets at fair value through other comprehensive income	553,841	497,052	444,989
Financial assets measured at amortized cost	7,843,466	6,812,933	6,438,803
Total	$15,103,272	$14,068,633	$12,554,424

Financial liabilities

	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Financial liabilities measured at amortized cost:			
Current borrowings	$4,446,289	$2,903,194	$2,984,573
Accounts and other payables	3,853,067	3,474,092	3,652,410
Bonds payable (including current portion)	458,700	452,806	446,988
Long-term borrowings (including current portion)	5,146,297	5,589,663	5,251,502
Lease liabilities	256,517	266,729	273,557
Deposits Received	91,454	80,383	66,876
Subtotal	14,252,324	12,766,867	12,675,906
Financial liabilities at fair value through profit or loss:			
Held for trading	10,585	10,283	9,225
Total	$14,262,909	$12,777,150	$12,685,131

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD, EUR, and JPY.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps.

Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

The sensitivity analysis of the change in the risk of exposure:

For the six-month periods ended 30 June 2026

Risk	Change	Sensitivity to gain or loss (thousand)	Equity attribute (thousand)
Foreign currency	NTD/USD exchange rate +/－ 1%	+/－ $21,854	－
	NTD/EUR exchange rate +/－ 1%	＋/－ $2,497	－
	NTD/JPY exchange rate +/－ 1 %	＋/－ $667	－
Interest Rate	NTD market interest rate +/－ 100 basis points	－/＋ $70,491	－
Equity Price	Equity price +/－10%	+/－ $11,988	$55,385

For the six-month periods ended 30 June 2025

Risk	Change	Sensitivity to gain or loss (thousand)	Equity attribute (thousand)
Foreign currency	NTD/USD exchange rate +/－ 1%	＋/－ $5,300	－
	NTD/EUR exchange rate +/－ 1%	＋/－ $611	－
	NTD/CNY exchange rate +/－ 1 %	＋/－ $68	－
Interest Rate	NTD market interest rate +/－ 100 basis points	－/＋ $60,633	－
Equity Price	Equity price +/－10%	+/－ $8,770	$44,499

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group’s internal rating criteria etc. Certain counter parties credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 30 June 2026, 31 December 2025 and 30 June 2025, receivables from top ten customers represent 14%, 16% and 16% of the total receivables of the Group, respectively. The credit concentration risk of other receivables is insignificant.

Credit risk of credit-linked deposits arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. Therefore, the Company minimized the risk by only transacting with counter-party who is reputable, transparent and in good financial standing.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non－derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 30 Jun. 2026					
Loans	$9,605,188	$1,599	$25,576	$－	$9,632,363
Accounts and other payables	$3,803,658	$－	$－	$49,409	$3,853,067
Bonds payable	$－	$507,538	$－	$－	$507,538
Lease liabilities	$57,896	$109,297	$99,456	$15,498	$282,147
Deposits Received	$91,454	$－	$－	$－	$91,454
As at 31 Dec. 2025					
Loans	$8,494,786	$34,150	$－	$－	$8,528,936
Accounts and other payables	$3,425,058	$－	$－	$49,034	$3,474,092
Bonds payable	$－	$507,538	$－	$－	$507,538
Lease liabilities	$62,401	$102,285	$100,365	$29,507	$294,558
Deposits Received	$80,383	$－	$－	$－	$80,383
As at 30 Jun. 2025					
Loans	$7,845,403	$446,212	$－	$－	$8,291,615
Accounts and other payables	$3,652,410	$－	$－	$－	$3,652,410
Bonds payable	$－	$－	$507,538	$－	$507,538
Lease liabilities	$64,493	$97,086	$102,257	$40,245	$304,081
Deposits Received	$66,361	$515	$－	$－	$66,876

Derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 30 Jun. 2026					
Forward currency contracts - inflows	$503,503	$—	$—	$—	$503,503
Forward currency contracts - outflows	($508,326)	$—	$—	$—	($508,326)
Exchange rate swap contract - inflows	$98,636	$—	$—	$—	$98,636
Exchange rate swap contract - outflows	($98,735)	$—	$—	$—	($98,735)
As at 31 Dec. 2025					
Forward currency contracts - inflows	$280,985	$—	$—	$—	$280,985
Forward currency contracts - outflows	($284,756)	$—	$—	$—	($284,756)
As at 30 Jun. 2025					
Exchange rate swap contract - inflows	$81,535	$—	$—	$—	$81,535
Exchange rate swap contract - outflows	($81,747)	$—	$—	$—	($81,747)

The table above contains the undiscounted cash flows of derivative financial liabilities.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the six-month periods ended 30 June 2026:

	Current borrowings	Financial liabilities at fair value through profit or loss	Bonds payable	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As at 1 Jan. 2026	$2,903,194	$6,513	$452,806	$5,589,663	$266,729	$9,218,905
Cash flows	1,535,945	—	—	(445,787)	(34,546)	1,055,612
Non-cash changes	—	(850)	5,894	1,066	19,667	25,777
Foreign exchange movement	7,150	—	—	1,355	4,667	13,172
As at 30 Jun. 2026	$4,446,289	$5,663	$458,700	$5,146,297	$256,517	$10,313,466

Reconciliation of liabilities for the six-month periods ended 30 June 2025:

	Current borrowings	Financial liabilities at fair value through profit or loss	Bonds payable	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As at 1 Jan. 2025	$2,996,916	$13,763	$441,245	$5,719,829	$307,343	$9,479,096
Cash flows	3,411	—	—	(464,526)	(36,208)	(497,323)
Non-cash changes	—	(4,750)	5,743	646	16,997	18,636
Foreign exchange movement	(15,754)	—	—	(4,447)	(14,575)	(34,776)
As at 30 Jun. 2025	$2,984,573	$9,013	$446,988	$5,251,502	$273,557	$8,965,633

(7) Fair value of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

The fair value of the financial assets and liabilities is determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A. The carrying amount of cash and cash equivalents, financial assets measured at amortized cost, accounts and other receivables, accounts and other payables and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures, etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

D. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

E. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(b) Fair value of financial instruments measured at amortized cost

The fair values of the Group's financial instruments measured at amortized cost, except for the carrying amounts of cash and cash equivalents, receivables, payables and other current liabilities, which are a reasonable approximation of their fair values, are presented below:

	Carrying amount		
	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Financial liabilities:			
Bonds payable	$458,700	$452,806	$446,988

	Fair value		
	30 Jun. 2026	31 Dec. 2025	30 Jun. 2025
Financial liabilities:			
Bonds payable	$459,250	$458,550	$452,450

(c) Information about the fair value level of financial instruments

Please refer to Note 12.(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative instruments

The related information for derivative financial instruments of the Company not qualified for hedge accounting and not yet settled as of 30 June 2026, 31 December 2025 and 30 June 2025 is as follows:

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments.

Exchange rate swap contract

The Group entered into exchange rate swap contract to manage its exposure to financial risk, but these contracts are not designated as hedging instruments.

Option

Options are held for trading purposes but are not designated as hedging instruments.

The paragraphs below list the information related to forward currency contracts, exchange rate swap contract and option:

	Items	Contract amount (thousand)	Maturity date
As at 30 June 2026			
The Company	Forward currency contract	Sell USD 15,960	2026.07.02~2026.10.28
The Company	Exchange rate swap contract	Sell USD 3,100	2026.07.29
As at 31 Dec. 2025			
The Company	Forward currency contract	Sell USD $9,060	2026.01.05~2026.03.09
Pynmax Technology Co., Ltd. (Subsidiary)	Option	Purchase NT$1,142	2027.10.15
As at 30 June 2025			
The Company	Forward currency contract	Sell USD 2,790	2025.07.28
Pynmax Technology Co., Ltd. (Subsidiary)	Option	Purchase NT$1,142	2027.10.15

The counterparties of aforementioned derivatives are well-known banks at domestic and abroad, with good credit, so the credit risk is low.

With regard to the forward currency contracts and exchange rate swap contract, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

(9) Fair value level

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 –Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 –Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group’s assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group’s assets and liabilities measured at fair value on a recurring basis is as follows:

As at 30 Jun. 2026:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets measured at fair value through profit or loss				
Funds	$—	$3,245,829	$—	$3,245,829
Stocks	$27,268	$—	$92,608	$119,876
Convertible Bond	$—	$193,280	$—	$193,280
Note and bills	$—	$2,793,245	$—	$2,793,245
Structured Product	$—	$—	$353,735	$353,735
Measured at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$105,246	$—	$448,595	$553,841
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	$—	$4,823	$—	$4,823
Exchange rate swap contract	$—	$99	$—	$99
Embedded derivative instruments	$—	$—	$5,663	$5,663

As at 31 Dec. 2025:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets measured at fair value through profit or loss				
Funds	$—	$3,211,559	$—	$3,211,559
Stocks	$—	$2,756,411	$—	$2,756,411
Convertible Bond	$12,606	$—	$93,046	$105,652
Note and bills	$—	$128,461	$—	$128,461
Option	$—	$821	$—	$821
Structured Product	$—	$—	$555,744	$555,744
Measured at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$74,590	$—	$422,462	$497,052
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	$—	$3,770	$—	$3,770
Embedded derivative instruments	$—	$—	$6,513	$6,513

As at 30 Jun. 2025:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets measured at fair value through profit or loss				
Funds	$—	$2,448,521	$—	$2,448,521
Stocks	$—	$—	$87,695	$87,695
Convertible Bond	$—	$—	$129,090	$129,090
Note and bills	$—	$2,364,510	$—	$2,364,510
Option	$—	$1,134	$—	$1,134
Structured Product	$—	$—	$639,682	$639,682
Measured at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$71,253	$—	$373,736	$444,989
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Exchange rate swap contract	$—	$212	$—	$212
Embedded derivative instruments	$—	$—	$9,013	$9,013

Transfer between Level 1 and Level 2 during the period

During the six-month periods ended 30 June 2026 and 2025, there was no transfer between fair value hierarchy level 1 and level 2 in the assets and liabilities measured at fair value on a recurring basis.

Changes in recurring fair value at level 3

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

Financial assets

	Financial assets measured at fair value through profit or loss		Measured at fair value through other comprehensive income
	Stock	Structured deposits	Stock
As of January 1, 2026	$93,046	$555,744	$422,462
Total recognized gains (loss) of the current period			
Recognized in gain or loss (presented in “Other gain or loss”)	(683)	(1,809)	—
Recognized in other comprehensive income	—	—	(32,319)
Addition for the period	—	—	50,000
Proceeds from capital reduction for the current period	(982)	—	—
Disposal in current period	—	(200,200)	—
Exchange effect	1,227	—	8,452
As of June 30, 2026	$92,608	$353,735	$448,595

	Financial assets measured at fair value through profit or loss			Measured at fair value through other comprehensive income
	Stock	Structured deposits	Convertible bonds	Stock
As of January 1, 2025	$684	$712,741	$138,947	$364,774
Total recognized gains (loss) of the current period				
Recognized in gain or loss (presented in "Other gain or loss")	(944)	(2,059)	(1,208)	—
Acquisition for the period	98,643	225,000	6,847	—
Disposal in current period	—	(296,000)	(6,088)	—
Transfer out (in) of Level 3	—	—	—	40,289
Exchange effect	(10,688)	—	(9,408)	(31,327)
As of June 30, 2025	$87,695	$639,682	$129,090	$373,736

Financial liabilities

	Financial liabilites measured at fair value through profit or loss
	Embedded derivative instruments
As of January 1, 2026	$6,513
Total recognized gains (losses) of the current period	
Recognized in profit or loss (presented in "Other gain or loss")	(850)
Acquisition for the period	—
Disposal in current period	—
Exchange effect	—
As of June 30, 2026	$5,663

	Financial liabilites measured at fair value through profit or loss
	Embedded derivative instruments
As of January 1, 2025	$13,763
Total recognized gains (losses) of the current period	
Recognized in profit or loss (presented in "Other gain or loss")	(4,750)
Acquisition for the period	—
Disposal in current period	—
Exchange effect	—
As of June 30, 2025	$9,013

Significant unobservable input value information for Level 3 of the fair value hierarchy

For the Group's assets measured in Level 3 at fair value hierarchy for recurring fair value measurement, its significant unobservable inputs used in measuring the fair value are presented in the table below:

As at 30 Jun. 2026:

	Evaluation techniques	Significant unobservable input value	Quantitative Information	Interrelationship between inputs and fair value	Sensitivity analysis of Interrelationship between inputs and fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Stock	Net asset value method	Not applicable	—	Not applicable	Not applicable
Structured Products	Net asset value method	Not applicable	—	Not applicable	Not applicable
Measured at fair value through other comprehensive income					
Stock	Market approach / Asset approach	Lack of liquidity discount	3.36%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Group's equity will decrease/increase by NT$4,719 thousand if the percentage of illiquidity increases (decreases) by 1%.
Financial liabilities:					
Financial liabilities measured at fair value through profit or loss					
Embedded derivative instruments	Binary Tree Convertible Bond Evaluation Model	Volatility	48.11%	The higher the volatility, the higher estimated fair value is determined.	When the volatility increases (decreases) by 5%, it will affect the company's profit and loss NT$20 thousand increased (NT$10 thousand reduced).

As at 31 Dec. 2025:

	Evaluation techniques	Significant unobservable input value	Quantitative Information	Interrelationship between inputs and fair value	Sensitivity analysis of Interrelationship between inputs and fair value
Financial assets:					
Financial assets measured at fair value through profit or loss					
Stock	Net asset value method	Not applicable	—	Not applicable	Not applicable
Structured Products	Net asset value method	Not applicable	—	Not applicable	Not applicable
Measured at fair value through other comprehensive income					
Stock	Market approach / Asset approach	Lack of liquidity discount	3.36 %~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Group's equity will decrease/increase by NT$4,573 thousand if the percentage of illiquidity increases (decreases) by 1%.
Financial liabilities:					
Liabilities measured at fair value:					
Financial liabilities measured at fair value through profit or loss					
Embedded derivative instruments	Binary Tree Convertible Bond Evaluation Model	Volatility	48.56%	The higher the volatility, the higher the fair value estimate.	When the volatility increases (decreases) by 5%, the company's profit and loss will decrease/increase by NT$30 thousand.

As at 30 Jun. 2025:

	Evaluation techniques	Significant unobservable input value	Quantitative Information	Interrelationship between inputs and fair value	Sensitivity analysis of Interrelationship between inputs and fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Stock	Net asset value method	Not applicable	—	Not applicable	Not applicable
Structured Products	Net asset value method	Not applicable	—	Not applicable	Not applicable
Convertible bonds	Option Pricing model	Not applicable	—	Not applicable	Not applicable
Measured at fair value through other comprehensive income					
Stock	Market approach	Lack of liquidity discount	3.43%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Group's equity will decrease/increase by NT$3,590 thousand if the percentage of illiquidity increases (decreases) by 1%.
Financial liabilities:					
Financial liabilities measured at fair value through profit or loss					
Embedded derivative instruments	Binary Tree Convertible Bond Evaluation Model	Volatility	49.45%	The higher the volatility, the higher estimated fair value is determined.	When the volatility increases (decreases) by 1%, it will affect the company's profit and loss NT$20 thousand reduced.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group’s Finance Department is responsible for validating the fair value measurements to ensure that the results of the valuation are in line with market conditions, based on stable, independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group’s accounting policies on a regular basis to ensure the measurement or assessment are reasonable.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	30 Jun. 2026		
	Foreign currencies (thousand)	Foreign exchange rate	NTD (thousand)
Financial assets			
Monetary items:			
USD	$111,538	31.8500	$3,552,501
EUR	$6,903	36.2900	$250,509
JPY	$339,769	0.1963	$66,697
Financial liabilities			
Monetary items:			
USD	$42,924	31.8500	$1,367,118
EUR	$21	36.2900	$758
JPY	$135	0.1963	$27

	31 Dec. 2025		
	Foreign currencies (thousand)	Foreign exchange rate	NTD (thousand)
Financial assets			
Monetary items:			
USD	$96,927	31.4300	$3,046,401
EUR	$4,077	36.9000	$150,425
JPY	$258,557	0.2008	$51,918
Financial liabilities			
Monetary items:			
USD	$19,256	31.4300	$605,211
EUR	$23	36.9000	$860
JPY	$1,275	0.2008	$256

	30 Jun. 2025		
	Foreign currencies (thousand)	Foreign exchange rate	NTD (thousand)
Financial assets			
Monetary items:			
USD	$85,522	29.3000	$2,505,802
EUR	$2,806	34.3500	$96,391
JPY	$1,665	4.0910	$6,813
Financial liabilities			
Monetary items:			
USD	$67,435	29.3000	$1,975,834
EUR	$1,028	34.3500	$35,321

The above information is disclosed on the basis of the foreign currency carrying amount (which has been converted to functional currency.)

The Group's foreign currency transaction and functional currency are various, and hence is not able to disclose the information of exchange gains and losses by each significant assets and liabilities denominated in foreign currencies. The exchange (losses) gains of monetary financial assets and liabilities was (NT$2,797) thousand, NT$30,147 thousand, (NT$138,145) thousand, (NT$114,374) thousand for the three-month and six-month periods ended 30 June 2026 and 2025, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

(12) FORCE MOS TECHNOLOGY CO., LTD. filed a patent infringement lawsuit against our client in the Eastern District of Texas Federal Court in the United States. The court judge issued a first-instance judgment on June 10, 2025. The content of this judgment is not significantly different with the verdict of the United States Eastern District Court for the Eastern District of Texas on February 13, 2025. The Company has also disclosed the relevant matters in the "Other Matters" section of its first-quarter report for 2025.

The Company is not a party to the lawsuit, and the Company and the supplier have agreed in the supplier contract and related provisions on warranty of title that the supplier shall bear ultimate liability for infringement, which has protected the Company's rights and interests. This legal event has no significant impact on the Company's financial operations.

The Company will also cooperate with our customers in filing appeals in accordance with legal procedures and require that our suppliers continue to provide legitimate and reasonable evidence and explanations to assist our customers in proving that their products do not involve infringement during the appeal process, thereby protecting the Company's reputation and rights.

(13) The Company sign a Memorandum of Understanding with Torex Semiconductor Ltd. (hereinafter referred to as Torex) on February 7, 2026. According to the Memorandum of Understanding, Torex will transfer some or all of its 100% owned subsidiary-TOREX VIETNAM SEMICONDUCTOR CO., LTD. to the Company. The investment agreement was approved by the Board of Directors on November 17, 2025, authorizing the Chairman to sign the agreement, which was executed on the same date. The relevant corporate registration update procedures are currently underway.

13. Other disclosures

(1) Information about significant transactions:

(a) Financing provided to others: Please refer to Attachment 1.

(b) Endorsement/Guarantee for others: Please refer to Attachment 2.

(c) Significant securities held at the end of the period (excluding subsidiaries, associates, and joint ventures): Please refer to Attachment 3.

(d) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock: Please refer to Attachment 4.

(e) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock: Please refer to Attachment 5.

(f) Business relationships and significant transactions and amount between parent company and subsidiaries and among subsidiaries: Please refer to Attachment 6.

(2) Information of investees:

If the issuer directly or indirectly exercises significant influence or control over, or has a joint venture interest in, an investee company not in the Mainland Area, it shall disclose information on the investee company, showing the name, location, principal business activities, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss: Please refer to Attachment 7.

(3) Information on Investment in Mainland China

(a) Information on investment in Mainland China: Please refer to Attachment 8.

(b) Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss:

i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Attachment 4.

ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please refer to Attachment 4~5.

iii. The amount of property transactions and the amount of the resultant gains or losses: None.

iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

v. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Please refer to Attachment 1.

vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position: none.

14. Segment Information

For management purposes, the Group is consisted of business units on the basis of product characteristics and services, and has four reportable operating segments as follows:

(1) Power Discrete: Manufacture and sale the wafers, power components and control module.
(2) Power IC and components: Research and development, manufacture and sale, technology consultation of power IC, field effect transistors and fast recovery power discrete.
(3) Solar: Sales of electricity.
(4) Other: Information Technology Services.

No operating segments have been aggregated to form the above reportable operating segments.

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

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties

	For the three-month periods ended 30 June 2026					
	Power Discrete	Power IC and components	Solar	Other	Adjustment	Total
Revenue						
External customers	$3,783,288	$171,746	$534	$—	$—	$3,955,568
Inter-segment	1,266	5,993	—	—	(7,259)	—
Total revenue	$3,784,554	$177,739	$534	$—	($7,259)	$3,955,568
Segment profit (loss)	$514,284	($13,514)	($35,954)	($327)	$182,686	$647,175

(a) Inter-segment revenues were eliminated on consolidation.

(b)The profit for each operating segment did not include non-operating income and expenses in the amount of NT$182,686 thousand and income tax expense in the amount of NT$120,334 thousand. Segment profit included inter-segment sales of NT$0 thousand and non-operating income and expenses of NT$182,686 thousand.

	For the three-month periods ended 30 June 2025				
	Power Discrete	Power IC and components	Solar	Adjustment	Total
Revenue					
External customers	$3,026,056	$316,627	$57,371	$—	$3,400,054
Inter-segment	1,092	690	—	(1,782)	—
Total revenue	$3,027,148	$317,317	$57,371	($1,782)	$3,400,054
Segment profit (loss)	$233,829	$91,442	$16,997	$29,188	$371,456

(a) Inter-segment revenues were eliminated on consolidation.

(b)The profit for each operating segment did not include non-operating income and expenses in the amount of NT$29,188 thousand and income tax expense in the amount of NT$66,894 thousand. Segment profit included inter-segment sales of NT$0 thousand and non-operating income and expenses of NT$29,188 thousand.

	For the six-month periods ended 30 June 2026					
	Power Discrete	Power IC and components	Solar	Other	Adjustment	Total
Revenue						
External customers	$7,042,986	$303,191	$30,546	$—	$—	$7,376,723
Inter-segment	2,488	16,007	—	$—	(18,495)	—
Total revenue	$7,045,474	$319,198	$30,546	$—	($18,495)	$7,376,723
Segment profit (loss)	$920,613	($39,785)	($193,705)	($327)	$361,671	$1,048,467

(a) Inter-segment revenues were eliminated on consolidation.

(b)The profit for each operating segment did not include non-operating income and expenses in the amount of NT$361,671 thousand and income tax expense in the amount of NT$212,325 thousand. Segment profit included inter-segment sales of NT$0 thousand and non-operating income and expenses of NT$361,671 thousand.

	For the six-month periods ended 30 June 2025				
	Power Discrete	Power IC and components	Solar	Adjustment	Total
Revenue					
External customers	$5,865,936	$512,493	$93,331	$—	$6,471,760
Inter–segment	8,955	776	—	(9,731)	—
Total revenue	$5,874,891	$513,269	$93,331	($9,731)	$6,471,760
Segment profit	$437,684	$123,264	$12,169	$182,942	$756,059

(a) Inter-segment revenues were eliminated on consolidation.

(b)The profit for each operating segment did not include non-operating income and expenses in the amount of NT$182,942 thousand and income tax expense in the amount of NT$139,026 thousand. Segment profit included inter-segment sales of NT$0 thousand and non-operating income and expenses of NT$182,942 thousand.

As of 30 June 2026, 31 December 2025 and 30 June 2025, the assets and liabilities of reportable segment information were as follows:

Assets by Operating Segments：

	Power Discrete	Power IC and components	Solar	Other	Adjustment	Total
2026.06.30						
Assets	$16,223,743	$729,728	$856,781	$739	$13,669,791	$31,480,782
2025.12.31						
Assets	$15,059,901	$756,362	$1,037,899	$—	$12,665,130	$29,519,292
2025.06.30						
Assets	$14,623,372	$811,505	$977,294	$—	$11,383,324	$27,795,495

Liabilities by Operating Segments：

	Power Discrete	Power IC and components	Solar	Other	Adjustment	Total
2026.06.30						
Liabilities	$11,653,230	$682,055	$98,987	$3	$2,599,014	$15,033,289
2025.12.31						
Liabilities	$10,212,846	$551,057	$98,020	$－	$2,530,031	$13,391,954
2025.06.30						
Liabilities	$9,781,952	$626,227	$104,853	$－	$2,867,892	$13,380,924

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Financing provided to others

Attachment 1

No. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum balance for the period	Ending balance (Note 6)	Actual amount provided	Interest rate	Nature of Financing (Note 3)	Amount of sales to (purchases from) counter-party (Note 4)	Reason for Financing (Note 5)	Loss Allowance	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount	Note
													Item	Value			
0	PANJIT INTERNATIONAL INC.	EC SOLAR C1 SRL	Other receivables	Yes	$75,180	$72,580	$-	0.00%	Short-term financing	-	Operating turnover	-	-	-	$6,023,780	$6,023,780	(Note 7、13)
0	PANJIT INTERNATIONAL INC.	PANSTAR SEMICONDUCTOR CO., LTD.	Other receivables	Yes	30,000	30,000	30,000	5.00%	Short-term financing	-	Operating turnover	-	-	-	6,023,780	6,023,780	(Note 7、13)
1	PAN-JIT ASIA INTERNATIONAL INC.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	948,086	940,555	940,555	0.00%	Short-term financing	-	Operating turnover	-	-	-	4,075,256	8,965,562	(Note 8、13)
1	PAN-JIT ASIA INTERNATIONAL INC.	PANJIT INTERNATIONAL INC.	Other receivables	Yes	642,100	637,000	95,550	0.00%	Short-term financing	-	Operating turnover	-	-	-	4,075,256	8,965,562	(Note 8、13)
1	PAN-JIT ASIA INTERNATIONAL INC.	TOREX VIETAM SEMICONDUCTOR CO., LTD	Other receivables	No	3,188	3,185	3,185	0.00%	Short-term financing	-	Operating turnover	-	-	-	3,260,204	3,260,204	(Note 8)
2	Suzhou Grande Electronics Co. Ltd.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	437,976	437,976	437,976	0.00%	Short-term financing	-	Operating turnover	-	-	-	1,274,039	1,274,039	(Note 9、13)
2	Suzhou Grande Electronics Co. Ltd.	PAN JIT Electronics (Wuxi) Co., Ltd.	Other receivables	Yes	113,450	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	1,274,039	1,274,039	(Note 9、13)
2	Suzhou Grande Electronics Co. Ltd.	PanJit Semiconductor (Xuzhou) Co., Ltd	Other receivables	Yes	117,250	117,250	117,250	0.00%	Short-term financing	-	Operating turnover	-	-	-	1,274,039	1,274,039	(Note 9、13)
3	PAN-JIT AMERICAS INC.	PAN-JIT ASIA INTERNATIONAL INC.	Other receivables	Yes	104,341	103,513	103,513	3.00%	Short-term financing	-	Operating turnover	-	-	-	135,095	135,095	(Note 10、13)
4	JOYSTAR INTERNATIONAL CO., LTD	Pynmax Technology Co., Ltd.	Other receivables	Yes	159,375	159,250	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	439,938	439,938	(Note 11、13)
5	EC SOLAR C1 SRL	PANJIT INTERNATIONAL INC.	Other receivables	Yes	112,770	108,870	54,435	3.80%	Short-term financing	-	Operating turnover	-	-	-	1,300,997	1,300,997	(Note 9、13)
6	PAN-JIT INTERNATIONAL(H.K) LTD.	EC SOLAR C1 SRL	Other receivables	Yes	36,350	36,290	1,021	0.00%	Short-term financing	-	Operating turnover	-	-	-	85,233	85,233	(Note 9、13)
6	PAN-JIT INTERNATIONAL(H.K) LTD.	Aide Energy Europe B.V.	Other receivables	Yes	18,175	18,145	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	85,233	85,233	(Note 9、13)
7	Wisdom Bright Inc.	Champion Microelectronic Corp.	Other receivables	Yes	96,315	95,550	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	395,386	395,386	(Note 12、13)
Total						$2,760,164	$1,783,485										

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): Accounts receivable from associates, accounts receivable from related parties, shareholder transactions, advance payments, temporary payments... and other items, if they are in the nature of capital loans, must be filled in this form.

(Note 3): The nature of the fund loan should be listed as a business transaction or a short-run financing need.

(Note 4): If the nature of the fund loan is a business transaction, the business transaction amount should be filled in. The business transaction amount refers to the amount of business transactions between the Company that lent the fund and the counterparty in the most recent year.

(Note 5): If the nature of the fund loan is short-run financing, the counterparty's reasons and the purpose for the loan should be specified, such as repayment of borrowings, purchase of equipment, business turnover... etc.

(Note 6): Pursuant to Article 14 Item 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, if a public company submits a capital loan to the Board of Directors for resolutions one by one, although the funds have not yet been allocated, the amount of the board of directors' resolutions should be included in the balance declared to expose the risk; however, if the funds are subsequently repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. Pursuant to Article 14 Item 2 of the Regulations,

if a public company, through the resolution by the board of directors, authorizes the chairman of the board to allocate loans in installments or revolve them within a certain amount and within a one-year period, the capital loan and quota approved by the board of directors should still be used as the balance declared. Although the funds will be repaid thereafter, it is still possible to allocate the loan again, so the capital loan and quota approved by the board of directors should still be used as the balance declared.

(Note 7): For companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others by the Company shall not exceed 40% of the Company's net worth.

(1) PANJIT International Inc.: The net worth is NT$15,059,450 thousand.

(Note 8): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending,it is not subject to the above restrictions. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 50% and 110% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT ASIA INTERNATIONAL INC.: The net worth is USD255,903 thousand, which is converted into NT$8,150,511 thousand.

(Note 9): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the directly and indirectly, hold 100% of the voting shares engage in fund lending,

It is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 150% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) Suzhou Grande Electronics Co., Ltd.: The net worth is RMB181,100 thousand, which is converted into NT$849,359 thousand.

(2) EC SOLAR C1 SRL：The net worth is EUR 23,900 thousand, which is converted into NT$867,331 thousand.

(3) PAN-JIT INTERNATIONAL(H.K) LTD.：The net worth is HKD 13,992 thousand, which is converted into NT$56,822 thousand.

(Note 10): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of financing loans to others shall not exceed 40% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN JIT AMERICAS INC.: The net worth is USD 10,604 thousand, which is converted into NT$337,737 thousand.

(Note 11): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending,it is not subject to the above restrictions. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 50% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) JOYSTAR INTERNATIONAL CO., LTD.： The net worth is USD34,532 thousand, which is converted into NT$1,099,844 thousand.

(Note 12): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of financing loans to others shall not exceed 20% and 40% of that company's net worth, respetively. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 40% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) Wisdom Bright Inc.: The net worth is USD 31,035 thousand, which is converted into NT$988,465 thousand.

(Note 13): It had been written off in preparing the consolidated financial report.

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Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Endorsement/guarantee for others

Attachment 2

No. (Note 1)	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 3)	Guarantee provided by parent company (Note 7)	Guarantee provided by a subsidiary (Note 7)	Guarantee provided to subsidiaries in Mainland China (Note 7)	Note
		Company name	Relationship (Note 2)											
0	PANJIT International Inc.	PAN-JIT ASIA INTERNATIONAL INC.	2	$15,059,450	$2,825,240	$2,802,800	$2,420,600	-	18.61%	$15,059,450	Y	N	N	(Note 8)
0	PANJIT International Inc.	CONTINENTAL LIMITED	2	15,059,450	159,600	-	-	-	-	15,059,450	Y	N	N	(Note 8)
0	PANJIT International Inc.	PANJIT JAPAN INC.	2	15,059,450	20,560	19,630	19,630	25,480	0.13%	15,059,450	Y	N	N	(Note 8)
1	Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD	2	1,588,482	192,630	191,100	191,100	-	12.03%	1,588,482	N	N	N	(Note 9)
2	Champion Microelectronic Corp.	Wisdom Bright Inc.	2	1,605,765	321,050	318,500	318,500	-	19.83%	1,605,765	N	N	N	(Note 10)
Total						$3,332,030	$2,949,830							

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".

2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): The relationship between endorsement guarantor and the subject of endorsement or guarantee is as follows:

(1) A company with which the Company has business relationship.

(2) A subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.

(3) The investee company whose parent company and subsidiary hold more than 50% of the common stock.

(4) For the parent company that directly or indirectly holds more than 90% of its common stock equity through its subsidiaries.

(5) Mutually guaranteed companies among counterparts based on the need for undertaking projects.

(6) All capital contributing shareholders make endorsements/guarantees for their jointly invested Company in proportion to their shareholding percentages.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Note 3): Information to be filled out: According to the operating procedures of endorsement and guarantee for others, the Company's limit of endorsement/guarantee for individuals and the maximum amount of endorsement/guarantee. In the remarks column, explain the calculation method of the endorsement/guarantee for individuals and the total amount.

(Note 4): Highest amount of outstanding endorsement/guarantee for others in current period.

(Note 5): The amount approved by the Board of Directors should be filled. However, if according to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,the Board of Directors has authorized the chairman, it refers to the amount decided by the chairman.

(Note 6): The actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

(Note 7): Y is required only for those who are the listed parent company to endorse the subsidiary, those who are the subsidiary to endorse the listed parent company, and those who are located in the mainland area.

(Note 8): According to the Company's “Procedures for Endorsement and Guarantee”, the limit of the endorsement and guarantee for a single enterprise shall not exceed 100% of the Company's net worth (ie, NT$15,059,450 thousand); The total amount of endorsement and guarantees for enterprises outside the Group shall not exceed 100% of the Company's net worth.

(Note 9): According to the Pynmax Technology Co., Ltd.'s “Procedures for Endorsement and Guarantee”, the limit of the endorsement and guarantee for a single enterprise shall not exceed 100% of the Company's net worth (ie, NT$1,588,482 thousand); The total amount of endorsement and guarantees for enterprises outside the Group shall not exceed 100% of the Company’s net worth.

(Note 10): According to the Champion Microelectronic Corp.'s “Procedures for Endorsement and Guarantee”, the limit of the endorsement and guarantee for a single enterprise shall not exceed 100% of the Company's net worth (ie, NT$1,605,765 thousand); The total amount of endorsement and guarantees for enterprises outside the Group shall not exceed 100% of the Company’s net worth.

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Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Significant securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

Attachment 3

Unit: NTD, USD, CNY thousand

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
PAN-JIT ASIA INTERNATIONAL INC.	Notes								
	VTeam Supply Chain Finance Ltd.	-	Financial assets measured at fair value through profit or loss - non current	-	USD	38,000	-	38,000	-
	Fund								
	Siegfried Global Trade Finance Fund SPC SP I	-	Financial assets measured at fair value through profit or loss - current	-	USD	9,184	-	9,184	-
	VTeam Siegfried Supply Chain Finance Fund	-	Financial assets measured at fair value through profit or loss - current	-	USD	41,625	-	41,625	-
CONTINENTAL LIMITED	Notes								
	VTeam Supply Chain Finance Ltd.	-	Financial assets measured at fair value through profit or loss - non current	-	USD	14,000	-	14,000	-
JOYSTAR INTERNATIONAL CO., LTD.	Fund								
	VTeam Siegfried Supply Chain Finance Fund	-	Financial assets measured at fair value through profit or loss - current	-	USD	26,826	-	26,826	-
	Notes								
	VTeam Supply Chain Finance Ltd.	-	Financial assets measured at fair value through profit or loss - non current	-	USD	8,000	-	8,000	-
Wisdom Mega Corp.	Unlisted stock								
	SiFotonics Technologies Co., Ltd	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,040	NTD	123,130	2.31%	123,130	-
Wisdom Bright Inc.	Notes								
	VTeam Supply Chain Finance Ltd.	-	Financial assets measured at fair value through profit or loss - non current	-	USD	15,000	-	15,000	-
	Fund								
	VTeam Siegfried Supply Chain Finance Fund	-	Financial assets measured at fair value through profit or loss - current	-	USD	11,680	-	11,680	-
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Fund								
	Vteam Siegfried Supply Chain Finance Fund	-	Financial assets measured at fair value through profit or loss - current	-	USD	9,136	-	9,136	-
	Notes								
	VTeam Supply Chain Finance Ltd.	-	Financial assets measured at fair value through profit or loss - non current	-	USD	12,700	-	12,700	-
Jiangsu Aide Solar Technology Co., Ltd.	Unlisted stock								
	MOTECH (Suzhou) New Energy Co., Ltd. (Note 6)	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	CNY	24,486	4.61%	24,486	Has been pledged to subsidaries

(Note 1): The securities mentioned in this attachment refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments."

(Note 2): If the securities issuer is not a related party, this column should be left blank.

(Note 3): Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

(Note 4): The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the foot NOTE if the securities presented herein have such conditions.

(Note 5): This attachment lists the securities that the company deems necessary to include based on the principle of materiality.

(Note 6): It is a limited company, so the number of shares and net worth per share are not available.

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Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock

Attachment 4

Purchaser (seller)	Counter-party	Relationship	Transactions				Situation and reason for difference between transaction condition and common transaction		Notes and accounts receivable(payable)		Note
			Purchases (Sales)	Amount (Note 2)	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Balance (Note 2)	Percentage of total receivables (payable)	
PANJIT International Inc.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	($934,292)	16%	General	Not applicable	Not applicable	$402,591	12%	(Note 2)
	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	985,902	28%	General	Not applicable	Not applicable	(545,569)	33%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	358,447	10%	General	Not applicable	Not applicable	(213,478)	13%	(Note 2)
	PAN JIT AMERICAS, INC.	Subsidiaries	(Sales)	(122,632)	2%	General	Not applicable	Not applicable	11,209	0%	(Note 2)
	PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	Subsidiaries	Purchase	254,670	7%	General	Not applicable	Not applicable	(116,123)	7%	(Note 2)
Pynmax Technology Co., Ltd.	PANJIT International Inc.	The Company	(Sales)	(358,447)	55%	General	Not applicable	Not applicable	213,478	56%	(Note 2)
	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(261,602)	40%	General	Not applicable	Not applicable	152,742	40%	(Note 2)
PAN JIT Electronics (Wuxi) Co., Ltd.	PANJIT International Inc.	The Company	(Sales)	(985,902)	31%	General	Not applicable	Not applicable	545,569	26%	(Note 2)
	PANJIT International Inc.	The Company	Purchase	934,292	32%	General	Not applicable	Not applicable	(402,591)	24%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	261,602	9%	General	Not applicable	Not applicable	(152,742)	9%	(Note 2)
	Pan Jit Electronics (Shandong) CO., LTD.	Subsidiaries	Purchase	109,583	4%	General	Not applicable	Not applicable	(70,458)	4%	(Note 2)
	PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	Subsidiaries	Purchase	128,275	4%	General	Not applicable	Not applicable	(24,593)	1%	(Note 2)
PAN-JIT AMERICAS INC.	PANJIT International Inc.	The Company	Purchase	122,632	99%	General	Not applicable	Not applicable	(11,209)	81%	(Note 2)
Pan Jit Electronics (Shandong) CO., LTD.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(109,583)	81%	General	Not applicable	Not applicable	70,458	60%	(Note 2)
PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(128,275)	33%	General	Not applicable	Not applicable	24,593	17%	(Note 2)
	PANJIT International Inc.	The Company	(Sales)	(254,670)	65%	General	Not applicable	Not applicable	116,123	80%	(Note 2)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): It had been written off in preparing the consolidated financial report.

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Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock

Attachment 5

The companies that record receivables	Counter-party	Relationship	Ending balance	Turnover rate	Overdue receivables		Amount received in subsequent period	Note
					Amount	Collection status		
PANJIT International Inc.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	$402,591	4.64	11,512	Urging Payment	159,719	(Note 2,3)
Pynmax Technology Co., Ltd.	PANJIT International Inc.	The Company	213,478	3.36	-	-	-	(Note 2,3)
Pynmax Technology Co., Ltd.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	152,742	3.43	-	-	40,342	(Note 2,3)
PAN JIT Electronics (Wuxi) Co., Ltd.	PANJIT International Inc.	The Company	545,569	3.61	-	-		(Note 2,3)
PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	PANJIT International Inc.	The Company	116,123	4.39	-	-	84,583	(Note 2,3)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): The consolidated financial report is prepared and the percentage of ownership is 100% and no allowance for loss is required.

(Note 3): It had been written off in preparing the consolidated financial report.

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Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Business relationships and significant transactions and amount between parent company and subsidiaries and among subsidiaries

Attachment 6

No. (Note 1)	Name of transaction party	Counter-party	Relationship (Note 2)	Transaction Status (Note 5)			
				Subject	Amount (Notes 6)	Transaction condition	Percentage of total revenue or assets (Note 3)
0	PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	1	Purchase	$985,902	The transaction price is based on the average cost and marked on a certain ratio.	13%
				Accounts payable	545,569	-	2%
				Sales	934,292	-	13%
				Accounts receivable	402,591	-	1%
0	PANJIT International Inc.	Pynmax Technology Co., Ltd.	1	Purchase	358,447	The transaction price is based on the average cost and marked on a certain ratio.	5%
				Accounts payable	213,478	-	1%
0	PANJIT International Inc.	PANJIT Semiconductor (Xuzhou) Co., Ltd.	1	Purchase	254,670	The transaction price is based on the average cost and marked on a certain ratio.	3%
				Accounts payable	116,123	-	0%
0	PANJIT International Inc.	PAN JIT AMERICAS, INC.	1	Sales	122,632	The transaction price is based on the average cost and marked on a certain ratio.	2%
1	Pynmax Technology Co., Ltd.	Pan Jit Electronics (Wuxi) Co., Ltd.	3	Sales	261,602	The transaction price is based on the average cost and marked on a certain ratio.	4%
				Accounts receivable	152,742	-	0%
2	Pan Jit Electronics (Wuxi) Co., Ltd.	Pan Jit Electronics (Shandong) CO., LTD.	3	Purchase	109,583	The transaction price is based on the average cost and marked on a certain ratio.	1%
2	Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT Semiconductor (Xuzhou) Co., Ltd.	3	Purchase	128,275	The transaction price is based on the average cost and marked on a certain ratio.	2%
3	Suzhou Grande Electronics Co. Ltd.	Jiangsu Aide Solar Energy Technology Co., Ltd.	3	Other receivables	437,976	Based on contract of loans.	1%
3	Suzhou Grande Electronics Co. Ltd.	PANJIT Semiconductor (Xuzhou) Co., Ltd.	3	Other receivables	117,250	Based on contract of loans.	0%
4	PAN-JIT ASIA INTERNATIONAL INC.	Jiangsu Aide Solar Energy Technology Co., Ltd.	3	Other receivables	940,555	Based on contract of loans.	3%
5	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Jiangsu Aide Solar Energy Technology Co., Ltd.	3	Prepay for goods	495,694	-	2%
6	PAN JIT AMERICAS INC.	PAN-JIT ASIA INTERNATIONAL INC.	3	Other receivables	103,513	Based on contract of loans.	0%

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

(1) Parent company is "0."

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

(Note 2): Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between 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 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): Whether the significant transactions are presented is determined by the Company’s significance principle.

(Note 5): If the transaction amount between parent and subsidiary reaches NT$100 million or more, it shall be disclosed.

(Note 6): It had been written off in preparing the consolidated financial report.

Name, Location, and Related Information about Investee Companies (Not Including Investee Companies in Mainland China)

Attachment 7

Investor company	Investee Companies (Note 1, 2)	Location	Main business items	Currency	Initial investment		Holding at the end of the period			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Dividend distribution of invested companies in this period		Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			Stock Dividends	Cash dividends	
PANJIT International Inc.	PAN-JIT ASIA INTERNATIONAL INC.	Vistra Corporate Services Centre Wickhams Cay II Road Town,Tortola,Vg1110 Virgin Islands,British	Investment holding	NTD	$7,286,295	$7,286,295	224,724	100.00%	$8,061,867	$307,151	$315,699	$-	($456,607)	Subsidiaries (Note 4, 5)
	Pynmax Technology Co., Ltd.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	1,069,942	1,069,942	84,500	94.65%	1,445,080	185,344	137,553	-	(126,751)	Subsidiaries (Note 4, 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	276,965	276,965	16,328	20.61%	242,450	27,312	5,629	-	-	
	Alltop Technology Co., Ltd.	3F., No. 102, Sec. 3, Zhongshan Rd., Zhonghe Dist., New Taipei City	Electronic parts and components manufacturing and international trade	NTD	1,575,117	1,501,814	11,657	17.44%	1,812,637	612,981	103,308	-	(196,317)	(Note 4)
	CHAMPION MICROELECTRONIC CORP.	5F., No. 11, Yuanqu 2nd Rd., East Dist., Hsinchu City	Research and development, design and manufacture and technology consultation of power IC, field effect transistors and fast recovery power descrete, international trade	NTD	1,979,953	1,979,953	24,536	30.84%	1,893,857	51,629	15,259	-	(68,701)	Subsidiaries (Note 4, 5)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Corkstraat 46,3047 AC Rotterdam Nederland	Investment holding	NTD	732,259	732,259	- (Note 3)	100.00%	782,465	(184,679)	(184,679)	-	-	Subsidiaries (Note 5)
	PANJIT JAPAN INC.	No. 1-31-11, Kichijoji Honmachi, Musashino City, Tokyo KSビル6F606	Electronics trade	NTD	12,320	12,320	5	55.00%	(4,104)	(751)	(413)	-	-	Subsidiaries (Note 5)
	PAN-JIT INTERNATIONAL (H.K.) LTD.	FLAT/RM F&G 4/F GOLDEN BEAR INDUSTRIAL CENTRE 66-82 CHAI WAN KOK STREET TSUEN WAN	Electronics trade	NTD	108,991	108,991	9,711	100.00%	66,223	9,706	9,708	-	-	Subsidiaries (Note 4, 5)
	PAN JIT KOREA CO.,LTD.	Tower A dong 3601 Ho, Heung Deuk IT Valey, Heung Deuk 1ro 13 Gi Heung-Gu, Yong In City GyungGi-Do, Korea	Electronics trade	NTD	23,097	23,097	54	60.00%	41,423	9,392	5,635	-	-	Subsidiaries (Note 5)
	PANJIT Investment Co., Ltd.	No. 17-1, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Investment holding	NTD	495,000	230,000	49,500	100.00%	362,341	(19,836)	(23,912)	-	-	Subsidiaries (Note 4、5)
	PAN-JIT JAPAN INVESTMENT HOLDING CORPORATION	No. 1-31-11, Kichijoji Honmachi, Musashino City, Tokyo KSビル6F606	Investment holding	NTD	2,108	2,108	1	100.00%	1,831	(45)	(45)	-	-	Subsidiaries (Note 5)
	JVision Co., LTD.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Information Technology Servicws	NTD	5,500	-	5,500	55.00%	5,329	(312)	(171)	-	-	Subsidiaries (Note 5)
PANJIT Investment Co., Ltd.	PANSTAR SEMICONDUCTOR CO., LTD.	No. 17-1, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	50,522	10,372	5,000	50.00%	44,719	25,678	11,399	-	-	Subsidiaries (Note 5)
	MetaWells Co., Ltd (Formerly PANTOP Technology Co.,Ltd.)	34 F.-1, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)	Electronic parts and components manufacturing and international trade	NTD	192,461	132,461	90,500	84.80%	74,148	(37,337)	(30,859)	-	-	Subsidiaries (Note 5)
	SILICONGEAR CORPORATION	1 F., No. 321, Wenxing Rd., Zhubei City, Hsinchu County 302050, Taiwan (R.O.C.)	Electronic parts and components manufacturing	NTD	45,000	-	3,000	30.00%	45,000	-	-	-	-	
PAN-JIT ASIA INTERNATIONAL INC.	PAN JIT AMERICAS, INC.	2502 W. Huntington Drive Tempe, AZ 85282	Sale of electronic	USD	16,626	16,626	2,431	95.86%	11,115	599	613	-	-	Sub-subsidiary (Note 4, 5)
	PAN JIT EUROPE GMBH	Einsteinstring 28, 85609 Aschheim Germany	Sale of electronic	USD	770	770	- (Note 3)	100.00%	3,208	67	67	-	-	Sub-subsidiary (Note 5)
	CONTINENTAL LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding, BeachRoad, Apia ,Samoa	Investment holding	USD	24,726	24,726	22,360	100.00%	63,839	1,070	1,070	-	(3,100)	Sub-subsidiary (Note 5)
	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	Investment holding and sale of Photoelectric products	USD	145,868	145,868	246,249	94.43%	(20,552)	726	685	-	-	Sub-subsidiary (Note 5)

(continued in next page)

English Translation of Financial Statements Originally Issued in Chinese

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Name, Location, and Related Information about Investee Companies (Not Including Investee Companies in Mainland China)

(continued from previous page)

Investor company	Investee Companies (Note 1, 2)	Location	Main business items	Currency	Initial investment		Holding at the end of the period			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Dividend distribution of invested companies in this period		Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			Stock Dividends	Cash dividends	
Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD.	4th Floor,Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	Investment holding	NTD	$1,015,765	$916,402	31,592	100.00%	$1,144,835	$44,640	$44,640	$-	$-	Sub-subsidiary (Note 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	109,056	109,056	6,429	8.11%	95,403	27,312	2,215	-	-	
CHAMPION MICROELECTRONIC CORP.	Wisdom Bright Inc.	Republic of Seychelles	Investment holding	NTD	892,826	759,083	28,104	100.00%	970,414	35,307	35,307	-	-	Sub-subsidiary (Note 5)
	Wisdom Mega Corp.	Republic of Seychelles	Investment holding	NTD	125,250	125,250	4,000	100.00%	123,130	-	-	-	-	Sub-subsidiary (Note 5)
	PANJIT JAPAN INC.	No. 1-31-11, Kichijoji Honmachi, Musashino City, To KSビル6F606	Electronics trade	NTD	2,172	2,172	1	10.00%	(746)	(751)	(75)	-	-	Subsidiary (Note 5)
	Golden Champion Digital Power Corporation	21st Floor, No. 96, Section 1, Xintai 5th Road, Xizhi District, New Taipei City	Electronic component manufacturing and Product design industry	NTD	51,000	1,000	51,000	85.00%	50,183	(933)	(793)	-	-	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Corkstraat 46,3047 AC Rotterdam Nederland	Investment holding and sales	EUR	18,620	18,620	2	100.00%	21,561	(5,012)	(5,012)	-	-	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Viale Andrea Doria 7 Cap 20124 MILANO (MI), Italy.	Sales of solar power plants Electricity produced	EUR	17,000	17,000	- (Note 3)	100.00%	20,018	(4,958)	(5,048)	-	-	Sub-subsidiary (Note 4,5)
Wisdom Bright Inc.	Wisdom Toprich Technology Limited	Republic of Seychelles	Investment holding	NTD	79,505	79,505	2,504	100.00%	88,026	3,854	3,854	-	-	Sub-subsidiary (Note 5)

(Note 1): If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

(Note 2): If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of "Investee", "Location", "Main business activities", "Initial investment amount" and "Shares held as at March 31, 2024" should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the "Note" column.

(2) The "Net income (loss) of investee company" column should fill in amount of net profit (loss) of the investee for this period.

(3) The "Investment income (loss) recognized" column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

(Note 3): It is a limited company or a merged company, so there is no number of shares.

(Note 4): The investment gain or loss recognized by the Company include the offset of unrealized gain or loss between associates and the amortization of net equity differences.

(Note 5): It had been written off in preparing the consolidated financial report.

(Unit: NT$ thousands, unless otherwise indicated)

Information on investment in mainland China

Attachment 8

Investor company	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 30 June, 2026	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 30 June, 2026	Accumulated Inward Remittance of Earnings as of Outflow 30 June, 2026
						Outflow	Inflow						
PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	Rectifier processing and manufacutring	$866,320	2 PAN-JIT ASIA INTERNATIONAL INC.	$502,145	$-	$-	$502,145	$141,510	100.00%	$141,510 (Note 5)	$2,986,494 (Note 5)	$933,927
	Suzhou Grande Electronics CO., LTD.	Chip diodes, triodes and other new types of electronics Sales of semiconductor components and related products, as well as technology and after service	$373,901	2 CONTINENTAL LIMITED	344,900	-	-	344,900	(5,463)	100.00%	(5,463) (Note 5)	900,088 (Note 5)	-
	Wuxi ENR Semiconductor Material Technology Co. Ltd. (Formerly Wuxi ENR Semiconductor Materials Technology Co. Ltd.)	Semiconductor pcaking materials Manufacturing and sales	$87,300	2 ENR APPLIED PACKING MATERIAL CORPORATION	9,037	-	-	9,037	-	-	-	-	-
	Shenzhen Weiquan Electronics Co.,Ltd	New types of electronic components, Semiconductor controlled rectifirer sales	$53,000	2 PAN-JIT ASIA INTERNATIONAL INC.	47,151	-	-	47,151	(172)	100.00%	(172) (Note 5)	15,048 (Note 5)	-
	Pan Jit Electronics (Beijing) CO., LTD. (Note 6)	New types of electronic components, Semiconductor controlled rectifirer sales	$-	3 PAN JIT Electronics (Wuxi) Co., Ltd.	-	-	-	-	45	100.00%	45 (Note 5)	- (Note 5)	-
	Pan Jit Electronics (Shandong) CO., LTD.	Semiconductor wafer manufacturing for automobile And protection of discrete devices, integrated circuit chips And production of packaging products	$359,817	3 PAN JIT Electronics (Wuxi) Co., Ltd.	-	-	-	-	19,606	70.28%	13,779 (Note 5)	293,962 (Note 5)	-
	PANJIT SEMICONDUCTOR(XUZHOU) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	$1,184,883	3 PAN JIT Electronics (Wuxi) Co., Ltd.	-	-	-	-	(14,306)	100.00%	(14,306) (Note 5)	849,028 (Note 5)	-

(continued in next page)

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Information on investment in mainland China

(continued from previous page)

Investor company	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 30 June, 2026	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 30 June, 2026	Accumulated Inward Remittance of Earnings as of Outflow 30 June, 2026
						Outflow	Inflow						
PANJIT International Inc.	Zibo Micro Commercial Components Corp.	Rectifier diode, rectifier bridge, Electronic devices	$932,289	3 Suzhou Grande Electronics Co. Ltd.	$-	$-	$-	$-	($16,580)	18.86%	($3,127)	$143,977	$-
	Jiangsu Aide Solar Energy Technology CO., LTD.	Solar engery product development manufacturing, sales, Self-acting agents of various commodities and technology import and export	$255,209	2 AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	1,573,193	-	-	1,573,193	(2,381)	94.43%	(2,248) (Note 5)	(1,865,994) (Note 5)	-
CHAMPION MICROELECTRONIC CORP.	Great Power Microelectronics Corp.	Electronic products development, product import, export, and wholesale business	$87,588	2 Wisdom Toprich Technology Limited	76,885	-	-	76,885	3,854	100.00%	3,854 (Note 5)	88,026 (Note 5)	-

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period		Investment amount approved by Investment Review Committee of Ministry of Economy	Investment ceiling in Mainland China according to provisions of Investment Review Committee of Ministry of Economy
PANJIT International Inc.	$2,476,426	$3,827,439	(Note 3)
CHAMPION MICROELECTRONIC CORP.	$76,885	$76,885	(Note 4) $963,459

(Note 1): The methods for engaging in investment in Mainland China include the following:

(1) Direct investment in Mainland China.

(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

(3) Other methods.

(Note 2): The investment income (loss) recognized in current period:

(1) It should be indicated if the investee was still in the incorporation arrangement and had not yet any profit during this period.

(2) The investment income (loss) were determined based on the following basis,

A. The financial report was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.

B. The financial statements were audited by the auditors of the parent company.

C. Others.

(Note 3): Due to the Company's establishment of the operating headquarters, in accordance with the provisions of the law, the amount of investment in mainland China is not limited.

(Note 4): Calculations of investment ceiling in Mainland China are as follows:

CHAMPION MICROELECTRONIC CORP.: NT$1,605,765 thousand × 60% = NT$963,459 thousand.

(Note 5): It had been written off in preparing the consolidated financial report.

(Note 6): Pan Jit Electronics (Beijing) CO., LTD. has completed its dissolution and liquidation in March 2026.