TXC Corporation and Subsidiaries

Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 3,786,387	17	$ 3,877,499	18	$ 4,424,815	19
Financial assets at fair value through profit or loss - current (Note 7)	2,236,360	10	1,958,062	9	1,520,302	7
Financial assets at amortized cost - current (Note 9)	654,120	3	346,777	2	211,194	1
Notes receivable (Note 10)	247,938	1	210,500	1	240,965	1
Trade receivables (Note 10)	3,349,058	15	3,435,759	16	3,186,729	14
Trade receivables from related parties (Notes 10 and 29)	44,100	-	19,472	-	5,859	-
Finance lease receivables - current (Note 11)	-	-	2,396	-	4,913	-
Other receivables	36,577	-	64,227	-	59,117	-
Other receivables from related parties (Note 29)	1,202	-	854	-	1,574	-
Current tax assets (Note 25)	78,982	-	78,982	-	78,982	-
Inventories (Note 12)	2,956,513	13	2,732,019	12	3,024,150	13
Non-current assets held for sale (Note 14)	429,003	2	-	-	-	-
Other current assets	172,062	1	222,182	1	382,041	2
Total current assets	13,992,302	62	12,948,729	59	13,140,641	57
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	217,601	1	132,850	1	385,768	2
Financial assets at amortized cost - non-current (Note 9)	185,459	1	-	-	121,216	-
Investments accounted for using the equity method (Note 15)	21,833	-	445,948	2	467,985	2
Property, plant and equipment (Note 16)	7,220,297	32	7,255,081	33	7,290,513	32
Right-of-use assets (Note 17)	198,529	1	194,698	1	208,350	1
Investment properties (Note 18)	588,359	2	576,211	3	614,765	3
Other intangible assets	46,053	-	47,887	-	47,622	-
Deferred tax assets (Note 25)	38,618	-	36,628	-	35,544	-
Prepayments for equipment (Note 29)	190,653	1	165,649	1	612,456	3
Net defined benefit assets - non-current (Note 21)	-	-	-	-	5,584	-
Other non-current assets	17,684	-	15,822	-	18,029	-
Total non-current assets	8,725,086	38	8,870,774	41	9,807,832	43
TOTAL	$ 22,717,388	100	$ 21,819,503	100	$ 22,948,473	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	$ 763,633	4	$ 395,480	2	$ 208,942	1
Financial liabilities at fair value through profit or loss - current (Note 7)	2,651	-	274	-	-	-
Contract liabilities - current (Notes 12 and 23)	-	-	-	-	42	-
Trade payables	1,781,310	8	1,695,801	8	1,645,247	7
Trade payables to related parties (Note 29)	36,875	-	21,684	-	1,853	-
Other payables (Note 20)	2,661,570	12	1,351,184	6	1,193,131	5
Other payables to related parties (Note 29)	18,745	-	1,374	-	10,611	-
Current tax liabilities (Note 25)	147,364	1	109,474	-	125,366	1
Lease liabilities - current (Notes 17 and 29)	4,478	-	6,500	-	8,625	-
Deferred revenue - current (Note 20)	46,285	-	51,956	-	52,227	-
Current portion of long-term liabilities (Note 19)	517,205	2	385,281	2	389,110	2
Other current liabilities	70,809	-	50,330	-	152,929	1
Total current liabilities	6,050,925	27	4,069,338	18	3,788,083	17
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 19)	975,643	4	1,281,436	6	1,739,937	8
Deferred tax liabilities (Note 25)	158,070	1	140,677	1	157,042	1
Lease liabilities - non-current (Notes 17 and 29)	788	-	1,814	-	5,266	-
Deferred revenue - non-current (Note 20)	159,112	1	159,919	1	64,777	-
Guarantee deposits received	131,959	-	129,524	-	133,169	-
Total non-current liabilities	1,425,572	6	1,713,370	8	2,100,191	9
Total liabilities	7,476,497	33	5,782,708	26	5,888,274	26
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Ordinary shares	3,429,930	15	3,429,930	16	3,429,930	15
Capital surplus	4,452,041	20	4,622,037	21	4,622,758	20
Retained earnings						
Legal reserve	2,653,110	12	2,653,110	12	2,437,715	11
Special reserve	222,793	1	222,793	1	527,767	2
Unappropriated earnings	4,748,142	21	5,729,985	26	5,848,410	26
Total retained earnings	7,624,045	34	8,605,888	39	8,813,892	39
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(56,941)	-	(369,158)	(2)	(24,827)	-
Unrealized gain on financial assets at fair value through other comprehensive income	(62,391)	(1)	(104,942)	-	92,364	-
Total other equity	(119,332)	(1)	(474,100)	(2)	67,537	-
Treasury shares	(264,017)	(1)	(264,017)	(1)	-	-
Total equity attributable to owners of the Company	15,122,667	67	15,919,738	73	16,934,117	74
NON-CONTROLLING INTERESTS	118,224	-	117,057	1	126,082	-
Total equity	15,240,891	67	16,036,795	74	17,060,199	74
TOTAL	$ 22,717,388	100	$ 21,819,503	100	$ 22,948,473	100

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

TXC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
SALES REVENUE (Notes 23 and 29)	$ 3,339,207	100	$ 3,166,430	100
COST OF GOODS SOLD (Notes 12, 24 and 29)	(2,259,510)	(68)	(2,045,964)	(65)
GROSS PROFIT	1,079,697	32	1,120,466	35
OPERATING EXPENSES (Notes 24 and 29)				
Selling and marketing expenses	135,731	4	139,113	4
General and administrative expenses	188,426	6	193,309	6
Research and development expenses	251,896	7	272,589	9
Total operating expenses	576,053	17	605,011	19
PROFIT FROM OPERATIONS	503,644	15	515,455	16
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	10,157	-	11,442	-
Other income (Notes 24 and 29)	39,729	1	42,173	1
Other gains and losses (Notes 24 and 29)	11,950	-	15,368	1
Finance costs (Notes 24 and 29)	(14,137)	-	(11,634)	-
Share of profits of associates and joint ventures (Note 15)	1,971	-	4,223	-
Total non-operating income and expenses	49,670	1	61,572	2
PROFIT BEFORE INCOME TAX	553,314	16	577,027	18
INCOME TAX EXPENSE (Note 25)	(102,509)	(3)	(106,425)	(3)
NET PROFIT FOR THE PERIOD	450,805	13	470,602	15
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	72,319	2	21,663	1

(Continued)

TXC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ 310,740	10	$ 115,845	3
Share of the other comprehensive income of associates accounted for using the equity method	2,198	-	(2,326)	-
	312,938	10	113,519	3
Other comprehensive income for the period, net of income tax	385,257	12	135,182	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 836,062	25	$ 605,784	19
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 450,359	14	$ 471,774	15
Non-controlling interests	446	-	(1,172)	-
	$ 450,805	14	$ 470,602	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 834,895	25	$ 609,141	19
Non-controlling interests	1,167	-	(3,357)	-
	$ 836,062	25	$ 605,784	19
EARNINGS PER SHARE (Note 26)				
From continuing operations				
Basic	$ 1.32		$ 1.38	
Diluted	$ 1.32		$ 1.37	

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

TXC CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											
	Share Capital			Retained Earnings			Others					
	Shares (In Thousands)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2025	342,993	$ 3,429,930	$ 4,622,137	$ 2,437,715	$ 527,767	$ 5,379,666	$ (140,531)	$ 67,671	$ -	$ 16,324,355	$ 119,824	$ 16,444,179
Net profit for the three months ended March 31, 2025	-	-	-	-	-	471,774	-	-	-	471,774	(1,172)	470,602
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	115,704	21,663	-	137,367	(2,185)	135,182
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	471,774	115,704	21,663	-	609,141	(3,357)	605,784
Donation from shareholders	-	-	(71)	-	-	-	-	-	-	(71)	-	(71)
Changes in capital surplus from investment in associates and joint ventures accounted for using the equity method	-	-	692	-	-	-	-	-	-	692	-	692
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	-	(3,030)	-	3,030	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	9,615	9,615
BALANCE ON MARCH 31, 2025	342,993	$ 3,429,930	$ 4,622,758	$ 2,437,715	$ 527,767	$ 5,848,410	$ (24,827)	$ 92,364	$ -	$ 16,934,117	$ 126,082	$ 17,060,199
BALANCE ON JANUARY 1, 2026	342,993	$ 3,429,930	$ 4,622,037	$ 2,653,110	$ 222,793	$ 5,729,985	$ (369,158)	$ (104,942)	$ (264,017)	$ 15,919,738	$ 117,057	$ 16,036,795
Appropriation of 2025 earnings Cash dividends distributed by the company	-	-	-	-	-	(1,461,970)	-	-	-	(1,461,970)	-	(1,461,970)
Issuance of share dividends from capital surplus	-	-	(169,996)	-	-	-	-	-	-	(169,996)	-	(169,996)
Net profit for the three months ended March 31, 2026	-	-	-	-	-	450,359	-	-	-	450,359	446	450,805
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	-	312,217	72,319	-	384,536	721	385,257
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	450,359	312,217	72,319	-	834,895	1,167	836,062
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	-	29,768	-	(29,768)	-	-	-	-
BALANCE ON MARCH 31, 2026	342,993	$ 3,429,930	$ 4,452,041	$ 2,653,110	$ 222,793	$ 4,748,142	$ (56,941)	$ (62,391)	$ (264,017)	$ 15,122,667	$ 118,224	$ 15,240,891

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

TXC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 553,314	$ 577,027
Adjustments for:		
Depreciation expenses	318,663	309,545
Amortization expenses	4,115	3,703
Net (gain) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(6,967)	647
Finance costs	14,137	11,634
Interest income	(10,157)	(11,442)
Dividend income	(180)	(809)
Share of profits of associates and joint ventures	(1,971)	(4,223)
Gain on disposal of property, plant and equipment	(3,145)	(1,663)
Loss recognized (reversed) on property, plant and equipment	2,532	(91)
Write-down of inventories	2,608	6,747
Changes in operating assets and liabilities:		
Notes receivable	(37,438)	(50,059)
Trade receivables	86,584	373,769
Trade receivables from related parties	(24,628)	3,044
Other receivables	30,187	13,390
Other receivables from related parties	(348)	(740)
Inventories	(227,370)	(205,961)
Other current assets	50,120	(41,904)
Finance lease receivables	2,447	2,217
Trade payables	85,509	(43,835)
Trade payables to related parties	15,191	86
Other payables	(321,801)	(118,798)
Other payables to related parties	17,371	(6,378)
Other current liabilities	20,479	57,626
Net defined benefit liabilities - non-current	-	(357)
Deferred revenue	(6,478)	10,230
Cash generated from operations	562,774	883,405
Interest paid	(13,916)	(11,002)
Income taxes paid	(52,068)	(57,369)
Net cash generated from operating activities	496,790	815,034
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(42,481)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	32,822	41,055
Purchase of financial assets at amortized cost	(483,907)	(8,179)
Purchase of financial assets at fair value through profit or loss	(202,199)	(34,116)

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TXC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	**2025**
Payments for property, plant and equipment	$ (138,164)	$ (620,392)
Proceeds from disposal of property, plant and equipment	3,530	86,211
Payments for intangible assets	(1,213)	(8,852)
Increase in other non-current assets	(1,862)	(8,412)
Increase in prepayments for equipment	(25,004)	-
Interest received	7,650	10,452
Dividends received	150	160
Net cash used in investing activities	(850,678)	(542,073)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of short-term borrowings	354,930	-
Proceeds from long-term borrowings	-	754,055
Repayments of long-term borrowings	(199,451)	(552,789)
Proceeds from guarantee deposits received	2,435	2,563
Repayment of the principal portion of lease liabilities	(3,087)	(2,892)
Changes in non-controlling interests	-	9,615
Other changes in capital surplus	-	(71)
Net cash generated from financing activities	154,827	210,481
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	107,949	34,999
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(91,112)	518,441
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,877,499	3,906,374
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 3,786,387	$ 4,424,815

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

TXC CORPORATION AND SUBSIDIARIES

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

1. GENERAL INFORMATION

TXC Corporation (the "Company") was incorporated in the Republic of China (ROC) on December 28, 1983.

TXC specializes in producing high quality crystals and crystal oscillator (CXO) as well as develops a variety of sensors by core technology to satisfy the market demand. Sensors are applied to various applications including mobile communication, information and storage device, internet of things, vehicle electronics, telecommunication equipment, smart home, AI, medical care, and 5G, etc.

TXC's shares have been listed on the Taiwan Stock Exchange since August 26, 2002.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

To ensure the rights and interests of stakeholders through full disclosure of operational governance, the Company is committed to enhancing operational transparency and has consistently ranked within the top 20% in the Corporate Governance Evaluation over the years. In 2021, the Company reorganized and established the ESG Committee and published its ESG Report, while comprehensively adopting internationally recognized frameworks and standards, including the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) Standards, and ISO 20400. These initiatives further strengthened the Company's governance and implementation efforts across environmental, social, and corporate governance dimensions. The ESG disclosures were independently verified by the British Standards Institution (BSI), thereby enhancing the quality and credibility of information disclosure and aligning sustainability reporting practices with international standards.

The Company has also established a comprehensive carbon management framework through the implementation of systems and certifications, including the ISO 50001 Energy Management System, ISO 14064-1 organizational greenhouse gas inventory, and ISO 14067 product carbon footprint assessment. As of the first quarter of 2026, the Group's renewable energy utilization rate reached 15.8%. Through a dual-track strategy comprising external procurement and self-generation of renewable energy, the Company continues to strengthen its low-carbon competitiveness and climate transition resilience.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 4, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS, AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the FSC

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies:

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments to the application guidance of classification of financial assets:

The amendments mainly amend the requirements for the classification of financial assets, including:

1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

   - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

   - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

2) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments</u>

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13, Tables 4 and 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

1) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

3) Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. To qualify for classification as held for sale, the non-current assets must be available for immediate sale in their present condition, and the sale must be highly probable. A sale is considered highly probable when the appropriate level of management is committed to a plan to sell the asset and the transaction is expected to be completed within one year from the date of classification.

When a committed sale plan involves the disposal of all or part of an investment in an associate, only the portion of the investment that meets the criteria for classification as held for sale is reclassified accordingly, and the equity method is discontinued with respect to that portion. Any retained interest not classified as held for sale continues to be accounted for using the equity method. If the disposal results in the loss of significant influence over the investee, any retained interest not classified as held for sale is subsequently accounted for in accordance with the accounting policies for financial instruments upon disposal of the interest classified as held for sale.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs and other possible impacts on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 663	$ 590	$ 753
Checking accounts and demand deposits	2,885,724	3,426,909	2,573,809
Cash equivalents (investments with original maturities less than three months)			
Time deposits	900,000	300,000	1,650,253
Repurchase agreements collateralized by bonds	-	150,000	200,000
	$ 3,786,387	$ 3,877,499	$ 4,424,815

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Demand deposits	0.0001%-3.50%	0.0001%-3.35%	0.0001%-3.76%
Time deposits	1.62%-1.65%	1.65%	1.68%-4.25%
Repurchase agreements collateralized by bonds	-	1.40%-1.41%	1.47%-1.54%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial instruments (not under hedge accounting)			
Foreign exchange forward contracts and exchange contracts (a)	$ -	$ -	$ 1,720
Non-derivative financial assets			
Listed shares	44,000	-	40,950
Beneficiary certificate	317	306	313
Hybrid financial assets			
Floating-rate investment products	2,182,338	1,940,403	1,459,530
Convertible bonds	9,705	17,353	17,789
	$ 2,236,360	$ 1,958,062	$ 1,520,302
Financial liabilities at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial instruments (not under hedge accounting)			
Foreign exchange forward contracts and exchange contracts (a)	$ 2,651	$ 274	$ -

At the end of the reporting period, outstanding foreign exchange forward contracts and exchange contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
March 31, 2026			
Sell	USD/JPY	2026.04.28	USD500/JPY79,515
Sell	USD/RMB	2026.04.28-2026.05.28	USD1,000/RMB6,909
Knockout forward	USD/JPY	2026.04.22	USD3,000/JPY483,000
Knockout forward	USD/RMB	2026.04.20-2026.06.22	USD13,000/RMB90,707
Exchange contracts	USD/NTD	2026.06.24	USD2,000/NTD62,051
Foreign currency options	USD/NTD	2026.04.13-2026.06.12	USD18,000/NTD580,500
December 31, 2025			
Knockout forward	USD/RMB	2026.01.19-2026.03.16	USD9,000/RMB64,442
Exchange contracts	USD/NTD	2026.01.14	USD2,000/NTD59,716
Foreign currency options	USD/NTD	2026.01.20-2026.02.24	USD8,000/NTD249,800
March 31, 2025			
Sell	USD/JPY	2025.04.07	USD1,000/JPY149,800
Knockout forward	USD/RMB	2025.04.14-2025.06.16	USD17,500/RMB130,079
Knockout forward	USD/JPY	2025.04.07-2025.04.14	USD4,000/JPY610,785
Foreign currency options	USD/NTD	2025.04.21-2025.06.03	USD8,000/NTD267,200

The Group entered into foreign exchange forward contracts and exchange contracts during the three months ended March 31, 2026 and 2025 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Domestic investments			
Listed shares			
Win Win Precision Technology Co., Ltd.	$ -	$ -	$ 17,112
Unlisted shares	34,176	34,176	49,292
	34,176	34,176	66,404
Foreign investments			
Unlisted shares	183,425	98,674	319,364
	$ 217,601	$ 132,850	$ 385,768

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In February 2026, the Group issued ordinary shares in exchange for an investment in Stathera IP Holdings Inc. with a fair value of $42,481 thousand. As the shares are held for medium- to long-term strategic purposes, management designated the investment as measured at FVTOCI.

In the first quarter of 2025, the Group sold its shares in Win Win Precision Technology Co., Ltd. in order to manage credit concentration risk. The shares sold had a fair value of $41,055 thousand and its related unrealized loss of $3,030 thousand was transferred from other equity to retained earnings.

In the first quarter of 2026, the Group sold its shares in Win Win Precision Technology Co., Ltd. in order to manage credit concentration risk. The shares sold had a fair value of $32,822 thousand and its related unrealized gain of $29,768 thousand was transferred from other equity to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Domestic investments			
Pledge deposits (a)	$ 89,340	$ 88,703	$ 112,024
Pledged time deposits (a and b)	40,000	40,000	-
Time deposits with original maturity of more than three months (c)	524,780	218,074	99,170
	$ 654,120	$ 346,777	$ 211,194
Non-current			
Domestic investment			
Time deposits with original maturities of more than three months (c)	$ 185,459	$ -	$ 121,216

a. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

b. As of December 31, 2025 and March 31, 2026, pledged time deposits bore interest at 0.66%.

c. The ranges of interest rates for time deposits with original maturities of more than three months were approximately 1.64%-3.3%, 2.9%-3.3% and 2.9%-3.3% per annum as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
At amortized cost			
Gross carrying amount	$ 247,938	$ 210,500	$ 240,965
Less: Allowance for impairment loss	-	-	-
	$ 247,938	$ 210,500	$ 240,965
Trade receivables (including related parties)			
At amortized cost			
Gross carrying amount	$ 3,406,139	$ 3,468,095	$ 3,205,569
Less: Allowance for impairment loss	(12,981)	(12,864)	(12,981)
	$ 3,393,158	$ 3,455,231	$ 3,192,588

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The Group recognizes 100% loss allowance for trade receivables of greater than 120 days past due and unsecured.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix.

March 31, 2026

	Not Past Due	1 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.37%	0%	0%	100%	100%	
Gross carrying amount	$ 3,471,100	$ 182,950	$ 27	$ -	$ -	$ 3,654,077
Loss allowance (Lifetime ECL)	(12,981)	-	-	-	-	(12,981)
Amortized cost	$ 3,458,119	$ 182,950	$ 27	$ -	$ -	$ 3,641,096

December 31, 2025

	Not Past Due	1 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.37%	0.01%-0.63%	3.17%-4.75%	100%	100%	
Gross carrying amount	$ 3,502,756	$ 175,381	$ 458	$ -	$ -	$ 3,678,595
Loss allowance (Lifetime ECL)	(12,819)	(26)	(19)	-	-	(12,864)
Amortized cost	$ 3,489,937	$ 175,355	$ 439	$ -	$ -	$ 3,665,731

March 31, 2025

	Not Past Due	1 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.4%	0%	0%	100%	100%	
Gross carrying amount	$ 3,229,579	$ 216,772	$ 183	$ -	$ -	$ 3,446,534
Loss allowance (Lifetime ECL)	(12,981)	-	-	-	-	(12,981)
Amortized cost	$ 3,216,598	$ 216,772	$ 183	$ -	$ -	$ 3,433,553

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	$ 12,864	$ 12,932
Foreign exchange gains and losses	117	49
Balance on March 31	$ 12,981	$ 12,981

11. FINANCE LEASE RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Undiscounted lease payments			
Year 1	$ -	$ 2,439	$ 5,041
Year 2	-	-	-
Year 3	-	-	-
Year 4	-	-	-
Year 5	-	-	-
Year 5 onwards	-	-	-
	-	2,439	5,041
Less: Unearned finance income	-	(43)	(128)
Net investment in leases presented as finance lease receivable	$ -	$ 2,396	$ 4,913

12. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$ 442,704	$ 517,760	$ 526,321
Work in process	883,940	863,613	809,508
Raw materials	704,191	581,401	743,745
Supplies and spare parts	137,810	135,664	154,979
Merchandise	607,487	459,019	609,185
Buildings and land held for sale	180,381	174,562	180,412
	$ 2,956,513	$ 2,732,019	$ 3,024,150

The cost of crystal inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 included $2,259,510 thousand and $2,045,964 thousand, respectively.

The cost of goods sold for the three months ended March 31, 2026 and 2025 included inventory write-downs of $2,608 thousand and $6,747 thousand, respectively.

The details of the buildings and land held for sale are as follows:

	March 31, 2026	
Area	**Buildings and Land Held for Sale**	**Contract Liabilities - Current**
Jing Yuan	$ 180,381	$ -

	December 31, 2025	
Area	**Buildings and Land Held for Sale**	**Contract Liabilities - Current**
Jing Yuan	$ 174,562	$ -

	March 31, 2025	
Area	**Buildings and Land Held for Sale**	**Contract Liabilities - Current**
Jing Yuan	$ 180,412	$ 42

13. SUBSIDIARIES

Subsidiary Included in the Consolidated Financial Statements

The detail information of the subsidiaries at the end of reporting period was as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership March 31, 2026	Proportion of Ownership December 31, 2025	Proportion of Ownership March 31, 2025	Remark
TXC Corporation (TXC)	Taiwan Crystal Technology International Limited (TCTI)	Investment management	100	100	100	a
	TXC Technology, Inc.	Marketing activities	100	100	100	b
	TXC Japan Corporation	Marketing activities	100	100	100	c
	Taiwan Crystal Technology (HK) Limited (TCT-HK)	International trading	100	100	100	e
	TXC Europe GmbH	Marketing activities	100	100	100	j
Taiwan Crystal Technology International Limited	TXC (Ningbo) Corporation (TXC-Ningbo)	Research and development, manufacture, and sale of quartz elements and related electronic products	100	100	100	d
TXC (Ningbo) Corporation	TXC (Chongqing) Corporation (TXC-Chongqing)	Research and development, manufacture, and sale of quartz elements and related electronic products	100	100	100	f
	Chongqing Zhongyang Properties Co., Ltd. (Chongqing Zhongyang)	Properties development	100	100	100	g
	Ningbo Beilun Jingyu Trading Corporation (Beilun Jingyu)	International trading	100	100	100	h
	Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited (Ding Kai Investment)	Investment management	100	100	100	i
	TETC CORP. NINGBO (TETC-NINGBO)	Research and development, manufacture, and sale of quartz elements and related electronic products	100	100	100	l
	PT TXC TECHNOLOGY INDONESIA (SUB)	Research and development, manufacture, and sale of quartz elements and related electronic products	80	80	80	n
Chongqing Zhongyang Properties Co., Ltd.	ChongQing Dingsen Commercial Management Co., Ltd	Property management	100	100	100	k
TETC CORP. NINGBO	Shanghai JCH Co., Ltd (JCH)	Marketing activities and technical services	100	100	100	m

Remarks:

a. Taiwan Crystal Technology International Limited was incorporated on December 23, 1998 in Samoa.

b. TXC Technology, Inc. was incorporated on December 1, 2000 in California, U.S.A.

c. TXC Japan Corporation was incorporated on September 13, 2005 in Yokohama, Japan.

d. TXC (Ningbo) Corporation was incorporated on March 12, 1999 in Ningbo, China.

e. Taiwan Crystal Technology (HK) Limited was incorporated on July 6, 2010 in Hong Kong Special Administrative Region, China.

f. TXC (Chongqing) Corporation was incorporated on October 11, 2010 in Chongqing, China.

g. Chongqing Zhongyang Properties Co., Ltd. was incorporated on February 14, 2011 in Chongqing, China.

h. Ningbo Beilun Jingyu Trading Corporation was incorporated on September 7, 2011 in Ningbo, China.

i. Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited was incorporated on May 12, 2017 in Beilun District, Ningbo, China.

j. TXC Europe GmbH was founded in Germany on August 17, 2018.

k. ChongQing Dingsen Commercial Management Co., Ltd. was incorporated on February 21, 2019 in Chongqing, China.

l. TETC Corp. Ningbo was incorporated on December 30, 2020 in Ningbo, China.

m. Shanghai JCH Co., Ltd was registered on October 13, 2022 in Shanghai, China.

n. PT TXC Technology Indonesia was registered on March 6, 2024 in Surabaya, Indonesia.

o. Except for the financial statements for the three months ended March 31, 2026 and 2025 of Taiwan Crystal Technology International Limited, TXC (Ningbo) Corporation, TXC (Chongqing) Corporation, Chongqing Zhongyang Properties Co., Ltd., and TETC CORP. Ningbo, all companies are immaterial subsidiaries, and their financial statements have not been reviewed.

14. NON-CURRENT ASSETS HELD FOR SALE

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic investments			
Listed shares			
Tai Shing electronics components corporation	$ 429,003	$ -	$ -

In February 2026, the Board of Directors of the consolidated company approved a plan to dispose of its 33.34% equity interest in Tai Shing electronics components corporation. The disposal is expected to be completed within twelve months. Accordingly, the related investment has been reclassified as non-current assets held for sale and presented separately in the consolidated balance sheets.

After assessing the expected disposal proceeds and the carrying amount of the net assets (including all amounts previously recognized in other comprehensive income relating to the investment), the consolidated company concluded that no impairment loss should be recognized upon classifying such units as non-current assets held for sale.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2026	December 31, 2025	March 31, 2025
Investments in associates and joint ventures	$ 21,833	$ 445,948	$ 467,985

a. Investment in associates

	March 31, 2026	December 31, 2025	March 31, 2025
Associates that are not individually material	$ -	$ 424,120	$ 433,943

	For the Three Months Ended March 31	
	2026	2025
The Group's share of:		
Profit from continuing operations	$ 2,685	$ 6,848
Other comprehensive income	2,198	(2,326)
Total comprehensive income for the period	$ 4,883	$ 4,522

Refer to Table 4 "name, locations, and related information of investees on which the Company exercises significant influence" for the nature of activities, principal place of business and country of incorporation of the associates.

The consolidated Group's investment representing a 33.34% equity interest in Tai Shing electronics components corporation. was previously accounted for using the equity method in 2025. In February 2026, the Board of Directors approved the disposal of the entire equity interest, resulting in the loss of significant influence. Accordingly, the investment was reclassified as non-current assets held for sale and measured at fair value less costs to sell.

b. Investment joint ventures

	March 31, 2026	December 31, 2025	March 31, 2025
Joint ventures that are not individually material	$ 21,833	$ 21,828	$ 34,042

	For the Three Months Ended March 31	
	2026	2025
The Group's share of:		
Loss from continuing operations	$ (714)	$ (2,625)
Total comprehensive loss for the period	$ (714)	$ (2,625)

Refer to Table 5 "information on investment in mainland China" for the nature of activities, principal place of business and country of incorporation of the joint ventures.

Except for investments of Ningbo Longying Semiconductor Co., Ltd., which were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been reviewed. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Ningbo Longying Semiconductor Co., Ltd. which have not been reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Property in Construction	Total
Cost								
Balance on January 1, 2025	$ 703,244	$ 3,024	$ 3,225,504	$ 12,226,188	$ 29,097	$ 593,996	$ 903,728	$ 17,684,781
Additions	-	-	23,375	563,944	44	23,836	9,193	620,392
Disposals	-	-	(294)	(242,137)	-	(8,248)	-	(250,679)
Transfer to investment properties	-	-	(8,873)	-	-	-	-	(8,873)
Reclassified	-	-	773,913	(2,325)	-	2,687	(774,275)	-
Transfer from prepayment for equipment	-	-	-	15,737	-	-	-	15,737
Effects of foreign currency exchange differences	(1,438)	-	36,470	105,455	361	6,431	(9,162)	138,117
Balance on March 31, 2025	$ 701,806	$ 3,024	$ 4,050,095	$ 12,666,862	$ 29,502	$ 618,702	$ 129,484	$ 18,199,475
Accumulated depreciation and impairment								
Balance on January 1, 2025	$ -	$ 2,210	$ 1,644,846	$ 8,661,407	$ 22,718	$ 369,496	$ -	$ 10,700,677
Disposals	-	-	(294)	(158,625)	-	(7,212)	-	(166,131)
Depreciation expense	-	60	44,058	239,233	657	16,692	-	300,700
Reversal of impairment losses	-	-	-	(91)	-	-	-	(91)
Transfer to investment properties	-	-	(6,413)	-	-	-	-	(6,413)
Effects of foreign currency exchange differences	-	-	10,991	64,980	311	3,938	-	80,220
Balance on March 31, 2025	$ -	$ 2,270	$ 1,693,188	$ 8,806,904	$ 23,686	$ 382,914	$ -	$ 10,908,962
Carrying amount on March 31, 2025	$ 701,806	$ 754	$ 2,356,907	$ 3,859,958	$ 5,816	$ 235,788	$ 129,484	$ 7,290,513
Cost								
Balance on January 1, 2026	$ 695,513	$ 1,425	$ 4,401,171	$ 12,970,565	$ 28,697	$ 604,977	$ 1,798	$ 18,704,146
Additions	-	-	49,039	67,165	-	21,936	24	138,164
Disposals	-	-	(1,747)	(73,731)	-	(3,125)	-	(78,603)
Effects of foreign currency exchange differences	452	-	74,481	259,610	887	14,260	60	349,750
Balance on March 31, 2026	$ 695,965	$ 1,425	$ 4,522,944	$ 13,223,609	$ 29,584	$ 638,048	$ 1,882	$ 19,113,457
Accumulated depreciation and impairment								
Balance on January 1, 2026	$ -	$ 824	$ 1,793,411	$ 9,212,873	$ 24,745	$ 417,212	$ -	$ 11,449,065
Disposals	-	-	(1,747)	(73,358)	-	(3,113)	-	(78,218)
Depreciation expense	-	51	54,200	237,894	544	17,046	-	309,735
Impairment losses	-	-	-	2,532	-	-	-	2,532
Effects of foreign currency exchange differences	-	-	28,977	170,428	791	9,850	-	210,046
Balance on March 31, 2026	$ -	$ 875	$ 1,874,841	$ 9,550,369	$ 26,080	$ 440,995	$ -	$ 11,893,160
Carrying amount on December 31, 2025 and January 1, 2026	$ 695,513	$ 601	$ 2,607,760	$ 3,757,692	$ 3,952	$ 187,765	$ 1,798	$ 7,255,081
Carrying amount on March 31, 2026	$ 695,965	$ 550	$ 2,648,103	$ 3,673,240	$ 3,504	$ 197,053	$ 1,882	$ 7,220,297

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Land improvements	7 years
Buildings	3-51 years
Equipment	
Major production equipment	1-10 years
Temperature control systems	4-7 years
Transportation equipment	4-7 years
Transportation equipment	4-5 years
Office equipment	2-8 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 30.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Land	$ 193,395	$ 188,330	$ 198,282
Buildings	3,215	3,858	5,787
Transportation equipment	1,919	2,510	4,281
	$ 198,529	$ 194,698	$ 208,350

	For the Three Months Ended March 31	
	2026	2025
Depreciation charge for right-of-use assets		
Land	$ 1,199	$ 1,186
Buildings	643	644
Transportation equipment	591	590
	$ 2,433	$ 2,420
Income from the subleasing of right-of-use assets (presented in other income)	$ (283)	$ (280)

Right-of-use assets pledged as collateral for bank borrowings were set out in Note 30.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Current	$ 4,478	$ 6,500	$ 8,625
Non-current	788	1,814	5,266
	$ 5,266	$ 8,314	$ 13,891

Range of discount rate for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	2.49%	2.49%-3.45%	2.49%-3.45%
Transportation equipment	3%-3.14%	3%-3.14%	3%-3.14%

c. Material lease-in activities and terms

The Group purchased the land use right for the construction of plants, offices and retail stores with use term of 50 years in mainland China and its payments was paid fully at the time of contract signed and can be renewed upon the expiration of the period. The Group does not have purchase options to acquire the land and buildings at the end of the contract.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	$ 84	$ 75
Total cash outflow for leases	$ (3,241)	$ (3,131)

The Group leases certain buildings, which qualify as short-term leases. The Group has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

18. INVESTMENT PROPERTIES

	Completed Investment Properties
Cost	
Balance on January 1, 2025	$ 725,665
Transfer from property, plant and equipment	8,873
Effects of foreign currency exchange differences	9,728
Balance on March 31, 2025	$ 744,266
Accumulated depreciation and impairment	
Balance on January 1, 2025	$ (114,975)
Transfer from property, plant and equipment	(6,413)
Depreciation expense	(6,425)
Effects of foreign currency exchange differences	(1,688)
Balance on March 31, 2025	$ (129,501)
Carrying amounts on March 31, 2025	$ 614,765
Cost	
Balance on January 1, 2026	$ 720,276
Effects of foreign currency exchange differences	23,084
Balance on March 31, 2026	$ 743,360

(Continued)

	Completed Investment Properties
Accumulated depreciation and impairment	
Balance on January 1, 2026	$ (144,065)
Depreciation expense	(6,495)
Effects of foreign currency exchange differences	(4,441)
Balance on March 31, 2026	$ (155,001)
Carrying amounts on March 31, 2026	$ 588,359

(Concluded)

The investment real estate held by the combined company is mainly located in Pingzhen District of Taoyuan City and Ningbo City, Mainland China, and some of the factories and offices are leased to collect rents. The other part of the investment real estate is located in Chongqing City, mainland China, and is mainly self-built shopping malls to collect rents.

The investment properties held by the Group are depreciated using the straight-line method over their useful lives of 3-60 years.

The fair value of the Group's investment properties as of March 31, 2026, December 31, 2025 and March 31, 2025 was $854,104 thousand, $829,082 thousand and $1,005,762 thousand, respectively. The determination of fair value was not performed by independent qualified professional valuers; however, the management of the Group used the valuation model that market participants would use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment properties were freehold properties. The investment properties pledged as collateral for bank borrowing are set out in Note 30.

19. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured borrowings			
Bank loans	$ 678,916	$ 296,231	$ 137,292
Letters of credit	84,717	99,249	71,650
	$ 763,633	$ 395,480	$ 208,942

The interest rate on the bank loans and letters of credit were 1.70%-4.24%, 1.70%-4.48% and 1.85%-3.2% per annum as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

b. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Secured borrowings (Note 30)			
Bank loans	$ -	$ -	$ 322,478
Less: Current portions	-	-	(33,745)
	-	-	288,733
Unsecured borrowings			
Bank loans	1,492,848	1,666,717	1,806,569
Less: Current portions	(517,205)	(385,281)	(355,365)
	975,643	1,281,436	1,451,204
Long-term borrowings	$ 975,643	$ 1,281,436	$ 1,739,937
Detail of borrowings			
Interest rate	0.98%-2.85%	0.98%-2.85%	0.98%-3.85%
Maturity date	Due by December 2029	Due by December 2029	Due by October 2028

20. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Other payables			
Payables for bonuses to employees and directors	$ 296,783	$ 257,241	$ 344,206
Payables for commission	33,981	28,943	26,435
Payables for salaries	188,517	179,366	182,689
Payables for bonus	185,209	545,291	177,288
Payables for annual leave	45,279	44,835	49,283
Payables for purchase of equipment	64,452	122,273	240,935
Payables for dividends (Note 22)	1,631,966	-	-
Others	215,383	173,235	172,295
	$ 2,661,570	$ 1,351,184	$ 1,193,131
Deferred revenue			
Arising from government grants	$ 45,903	$ 51,309	$ 51,081
Others	382	647	1,146
	$ 46,285	$ 51,956	$ 52,227

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Deferred revenue			
Arising from government grants	$ 159,112	$ 159,919	$ 64,395
Others	-	-	382
	$ 159,112	$ 159,919	$ 64,777

(Concluded)

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in mainland China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

Employee benefit expense for the three months ended March 31, 2025 was $157 thousand. Employee benefit expense was calculated on the basis of the actuarial valuations in December 31, 2024.

22. EQUITY

a. Share capital

Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Shares authorized (in thousands of shares)	500,000	500,000	500,000
Shares authorized, par value $10 (in thousands of dollars)	$ 5,000,000	$ 5,000,000	$ 5,000,000
Shares issued and fully paid (in thousands of shares)	342,993	342,993	342,993
Shares issued and fully paid (in thousands of dollars)	$ 3,429,930	$ 3,429,930	$ 3,429,930

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

The Company's 30,000 thousand shares authorized were reserved for the issuance of convertible bonds and employee share options.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	$ 2,531,546	$ 2,699,275	$ 2,699,275
Conversion of bonds	1,814,500	1,814,500	1,814,500
Overdue options	80,518	80,518	80,518
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	331	331	331
Capital contribution from shareholders	-	2,267	2,296
May only be used to offset a deficit			
Share of changes in capital surplus of associates or joint venture	23,981	23,981	24,673
Others	1,165	1,165	1,165
	$ 4,452,041	$ 4,622,037	$ 4,622,758

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

The shareholders of the Company held their regular meeting on May 27, 2025 and in that meeting, resolved the amendments to the Articles. The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of six months of the fiscal year. The board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

Under the dividends policy as set forth in the amended Articles, profit distribution or offset of deficit can be made after the end of each half of the fiscal year, relevant proposals shall be formulated by the Board of Directors and, in accordance with applicable laws, regulations, and the principles set forth in the Articles of Incorporation, be reported to or submitted for approval at the shareholders' meeting.

Under the dividends policy as set forth in the Articles before the amendments, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders.

For the policies on distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 24(g).

The Corporation's dividend policy takes into account the current and future investment environment, funding requirements, domestic and international competitiveness, and capital budgeting, while balancing shareholder interests and the Corporation's long-term financial planning. Accordingly, distributable earnings for the year shall be allocated as shareholders' dividends, which may be distributed in the form of cash or stock. Among them, cash dividends shall not be less than 50% of the total dividends.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When distributing the surplus, the Company is required to set aside additional special reserve equivalent to the net debit balance of the other equity interests in accordance with legal provisions (e.g., exchange differences on the translation of financial statements of foreign operating institutions, accumulated balances of unrealized gains and losses on financial assets at fair value through other comprehensive income). If there is a subsequent decrease in the amount of deductions from other equity items, the decrease can be transferred back to unappropriated earnings from the special surplus reserve.

The appropriations of earnings for 2025 and 2024 that were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For Fiscal Year 2025	**For Fiscal Year 2024**	**For Fiscal Year 2025**	**For Fiscal Year 2024**
Legal reserve	$ 204,430	$ 215,395	$ -	$ -
Special reserve	251,307	(304,974)	-	-
Cash dividends	1,461,970	1,783,563	4.3	5.2

The Company's shareholders also resolved, at the meeting of the Company's board of directors held on March 9, 2026 to distribute cash dividends of $169,996 thousand from capital surplus. The above appropriation of cash dividends was resolved by the Company's board of directors on March 9, 2026, and will be reported at the shareholders' meeting to be held on May 27, 2026. The other proposed appropriations were resolved by the shareholders at their meeting held on May 27, 2026.

The appropriation of earnings for 2024 that had been resolved by the shareholders in their meetings on May 27, 2025.

d. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Three Months Ended March 31	
	2026	**2025**
Balance on January 1	$ (369,158)	$ (140,531)
Exchange differences on translation of the financial statements of foreign operations	310,019	118,030
Share of exchange differences of associates accounted for using the equity method	2,198	(2,326)
Balance on March 31	$ (56,941)	$ (24,827)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	$ (104,942)	$ 67,671
Recognized during the period		
Unrealized gain (loss) - equity instruments	72,319	21,663
Other comprehensive income (loss) recognized in the period	72,319	21,663
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(29,768)	3,030
Balance on March 31	$ (62,391)	$ 92,364

3) Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	$ 117,057	$ 119,824
Share in profit for the year	446	(1,172)
Other comprehensive loss		
Exchange differences on translation of the financial statements of foreign operations	721	(2,185)
Acquisition of non-controlling interests in subsidiaries	-	9,615
Balance on December 31	$ 118,224	$ 126,082

e. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)
Number of shares on January 1, 2026	3,000
Increase during the year	-
Number of shares on March 31, 2026	3,000

23. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Revenue from sale of goods	$ 3,335,582	$ 3,162,593
Construction contract revenue	3,625	3,837
	$ 3,339,207	$ 3,166,430

Contract Balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Trade receivables (Note 10)	$ 3,393,158	$ 3,455,231	$ 3,192,588	$ 3,569,450
Contract liabilities - current				
Construction of properties	$ -	$ -	$ 42	$ 42
Sale of goods	20,493	17,579	12,871	17,886
	$ 20,493	$ 17,579	$ 12,913	$ 17,928

The contract liabilities were unearned sales revenue and accounted for other current liabilities.

24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank deposits	$ 6,064	$ 8,042
Financial assets at amortized cost	1,512	1,758
Others	2,581	1,642
	$ 10,157	$ 11,442

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Income from government grants	$ 26,933	$ 30,886
Dividends	180	809
Others	12,616	10,478
	$ 39,729	$ 42,173

c. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Gain on disposal of property, plant and equipment	$ 3,145	$ 1,663
Fair value changes of financial assets and financial liabilities		
Financial assets and liabilities mandatorily at FVTPL	6,967	(647)
Net foreign exchange gains	16,846	21,542
Property, plant and equipment impairment (loss) reversed recognized	(2,532)	91
Depreciation of investment properties	(1,500)	(1,485)
Others	(10,976)	(5,796)
	$ 11,950	$ 15,368

d. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	$ 14,067	$ 11,470
Interest on lease liabilities	70	164
	$ 14,137	$ 11,634

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Property, plant and equipment	$ 309,735	$ 300,700
Investment properties	6,495	6,425
Right-of-use assets	2,433	2,420
Intangible assets	4,115	3,703
	$ 322,778	$ 313,248
An analysis of deprecation by function		
Operating costs	$ 236,542	$ 227,472
Operating expenses	80,621	80,588
Other gains and losses	1,500	1,485
	$ 318,663	$ 309,545
An analysis of amortization by function		
Operating costs	$ 432	$ 26
Operating expenses	3,683	3,677
	$ 4,115	$ 3,703

f. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Post-employment benefits (see Note 21)		
Defined contribution plans	$ 43,081	$ 38,340
Defined benefit plans	-	157
	43,081	38,497
Other employee benefits		
Payroll expense	686,951	707,668
Labor and health insurance	42,531	39,667
Others	30,154	30,455
	759,636	777,790
	$ 802,717	$ 816,287
An analysis of employee benefits expense by function		
Operating costs	$ 466,691	$ 466,234
Operating expenses	336,026	350,053
	$ 802,717	$ 816,287

g. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at the rates no less than 3% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The shareholders of the Company resolve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of 35% of the compensation of employees as compensation distributions for non-executive employees.

The compensation of employees and remuneration of directors for the three months ended March 31, 2026 and 2025, respectively, were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	9.0%	9.0%
Remuneration of directors	1.5%	1.5%

Amount

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	$ 52,489	$ 53,755
Remuneration of directors	$ 8,748	$ 8,959

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024 which were approved by the Company's board of directors on March 9, 2026 and March 10, 2025, respectively, were as follows:

	For the Year Ended December 31			
	2025		2024	
	Cash	Share	Cash	Share
Compensation of employees	$ 201,897	$ -	$ 241,279	$ -
Remuneration of directors	33,649	-	40,213	-

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	$ 87,212	$ 84,609
Adjustments for prior year	71	795
Deferred tax		
In respect of the current year	15,226	21,021
Income tax expense recognized in profit or loss	$ 102,509	$ 106,425

b. Income tax assessments

The income tax returns through 2022 and 2024 had been assessed by the tax authorities.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2026	**2025**
Profit for the period attributable to owners of the Company	$ 450,359	$ 471,774

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares):

	For the Three Months Ended March 31	
	2026	**2025**
Weighted average number of ordinary shares in computation of basic earnings per share	339,993	342,993
Effect of dilutive potential ordinary shares:		
Compensation of employees	2,216	2,445
Weighted average number of ordinary shares used in the computation of diluted earnings per share	342,209	345,438

The Group may settle the compensation paid to employees by cash or shares; therefore, the Group presumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the shares had a dilutive effect. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 44,000	$ -	$ -	$ 44,000
Beneficiary certificate	317	-	-	317
Floating-rate investment products	-	2,182,338	-	2,182,338
Convertible bonds	9,705	-	-	9,705
	$ 54,022	$ 2,182,338	$ -	$ 2,236,360
Financial assets at FVTOCI				
Domestic unlisted shares	$ -	$ -	$ 34,176	$ 34,176
Foreign unlisted shares	-	-	183,425	183,425
	$ -	$ -	$ 217,601	$ 217,601
Financial liabilities at FVTPL				
Foreign exchange forward contracts and exchange contracts	$ -	$ 2,651	$ -	$ 2,651

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficiary certificate	$ 306	$ -	$ -	$ 306
Floating-rate investment products	-	1,940,403	-	1,940,403
Convertible bonds	17,353	-	-	17,353
	$ 17,659	$ 1,940,403	$ -	$ 1,958,062
Financial assets at FVTOCI				
Domestic unlisted shares	$ -	$ -	$ 34,176	$ 34,176
Foreign unlisted shares	-	-	98,674	98,674
	$ -	$ -	$ 132,850	$ 132,850
Financial liabilities at FVTPL				
Foreign exchange forward contracts and exchange contracts	$ -	$ 274	$ -	$ 274

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 40,950	$ -	$ -	$ 40,950
Foreign exchange forward contracts and exchange contracts	-	1,720	-	1,720
Beneficiary certificate	313	-	-	313
Structured deposits	-	1,459,530	-	1,459,530
Convertible bonds	17,789	-	-	17,789
	$ 59,052	$ 1,461,250	$ -	$ 1,520,302
Financial assets at FVTOCI				
Domestic listed shares	$ 17,112	$ -	$ -	$ 17,112
Domestic unlisted shares	-	-	49,292	49,292
Foreign unlisted shares	-	-	319,364	319,364
	$ 17,112	$ -	$ 368,656	$ 385,768

For the three months ended March 31, 2026 and 2025, there were no transfer between Level 1 and Level 2.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2026

	Financial Assets at FVTOCI
	Equity Instruments
Balance on January 1, 2026	$ 132,850
Buy	42,481
Recognized in other comprehensive income (including in unrealized gain on financial assets at FVTOCI)	72,319
Disposal	(32,822)
Effect of foreign currency exchange differences	2,773
Balance on March 31, 2026	$ 217,601

For the three months ended March 31, 2025

	Financial Assets at FVTOCI
	Equity Instruments
Balance on January 1, 2025	$ 360,225
Recognized in other comprehensive income (including in unrealized gain on financial assets at FVTOCI)	4,174
Effect of foreign currency exchange differences	4,257
Balance on March 31, 2025	$ 368,656

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts and exchange contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Floating-rate investment products	Discounted cash flow. Future cash flows are discounted at a rate that reflects current borrowing interest rates of the bond issuers at the end of the reporting period

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Group uses price-book ratio approach, comparing the net value per share with other public companies among similar industries or evaluating share price based on average price-book ratio of other competitors, to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

The fair values of unlisted equity securities - ROC were determined using income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to derived from the ownership of these investees. The significant unobservable inputs used are listed in the table below. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in the WACC or discount for lack of marketability used in isolation would result in increase in the fair value.

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
FVTPL			
Mandatorily at FVTPL (1)	$ 2,236,360	$ 1,958,062	$ 1,520,302
Financial assets at amortized cost (2)	8,311,006	7,961,642	8,258,108
Financial assets at FVTOCI			
Equity instruments	217,601	132,850	385,768
Financial liabilities			
FVTPL			
Mandatorily at FVTPL (3)	2,651	274	-
Amortized cost (4)	6,886,940	5,261,764	5,322,000

1) The balances include beneficiary certificate, foreign exchange forward contracts and exchange contracts, floating-rate investment products and investment of equity instruments.

2) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and refundable deposits.

3) The balances include foreign exchange forward contract and exchange contracts.

4) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, trade payables, other payables and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, notes receivable, accounts receivable, other receivables, accounts payable, other payables, and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate treasury function reported quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including: Foreign exchange forward contracts to hedge the exchange rate risk arising on the Group's foreign currency monetary.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period (see Note 32).

Sensitivity analysis

The Group was mainly exposed to the USD and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The sensitivity analysis included external loans/borrowings as well as loans/borrowings to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in post-tax profit and other equity associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit and other equity and the balances below would be negative.

	USD Impact		**JPY Impact**	
	For the Three Months Ended March 31		**For the Three Months Ended March 31**	
	2026	**2025**	**2026**	**2025**
Profit or loss	$ 19,735	$ 26,973	$ (2,211)	$ (3,649)

i. The result was mainly attributable to the exposure on outstanding monetary item in USD that were not hedged at the end of the reporting period.

ii. The result was mainly attributable to the exposure on outstanding monetary item in JPY that were not hedged at the end of the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group deposit and borrow funds at floating interest rates.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	$ 1,650,239	$ 708,074	$ 2,131,231
Financial liabilities	763,633	395,480	509,259
Cash flow interest rate risk			
Financial assets	2,975,064	3,515,612	2,625,242
Financial liabilities	1,492,848	1,666,717	1,828,730

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate assess and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would increase by $926 thousand and $498 thousand, which was mainly attributable to the Group's exposure to interest rates on its floating rate bank deposits and bank borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had available unutilized short-term bank loan facilities of approximately $9,527,922 thousand, $9,566,246 thousand and $9,013,865 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To extent that interest flows are floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2026

	Weighted Interest Average Effective Rate (%)	Less Than 1 Year	2-3 Years	4-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Trade payables	-	$ 1,818,185	$ -	$ -	$ -	$ 1,818,185
Other payables	-	2,680,315	-	-	-	2,680,315
Lease liabilities	2.49-3.14	4,478	788	-	-	5,266
Variable interest rate liabilities	0.98-2.85	517,205	961,888	13,755	-	1,492,848
Fixed interest rate liabilities	1.70-4.24	763,633	-	-	-	763,633

December 31, 2025

	Weighted Interest Average Effective Rate (%)	Less Than 1 Year	2-3 Years	4-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Trade payables	-	$ 1,717,485	$ -	$ -	$ -	$ 1,717,485
Other payables	-	1,352,558	-	-	-	1,352,558
Lease liabilities	2.49-3.45	6,500	1,814	-	-	8,314
Variable interest rate liabilities	0.98-2.85	385,281	1,268,126	13,130	-	1,666,717
Fixed interest rate liabilities	1.70-4.48	395,480	-	-	-	395,480

March 31, 2025

	Weighted Interest Average Effective Rate (%)	Less Than 1 Year	2-3 Years	4-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Trade payables	-	$ 1,647,100	$ -	$ -	$ -	$ 1,647,100
Other payables	-	1,203,742	-	-	-	1,203,742
Lease liabilities	2.49-3.45	8,625	5,266	-	-	13,891
Variable interest rate liabilities	0.98-3.85	389,110	1,644,415	95,522	-	2,129,047
Fixed interest rate liabilities	1.85-3.20	208,942	-	-	-	208,942

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

March 31, 2026

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts and exchange contracts	$ (2,454)	$ (197)	$ -	$ -	$ -

December 31, 2025

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts and exchange contracts	$ 534	$ (808)	$ -	$ -	$ -

March 31, 2025

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts and exchange contracts	$ 1,607	$ 113	$ -	$ -	$ -

29. TRANSACTIONS WITH RELATED PARTY

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Name	Relationship with the Group
Tai-Shing Electronics Components Corp.	Associate
TSE Technology (Ningbo) Co., Ltd.	Associate
EcLife Co., Ltd.	Other associate
Ningbo Longying Semiconductor Co., Ltd.	Other associate
PETER LIN	Chairman of the Company

b. Sale of goods

Related Party Categories	For the Three Months Ended March 31 2026	2025
Associates	$ 19,173	$ 4,090
Other associates	2,649	1,484
	$ 21,822	$ 5,574

Selling prices and payment terms offered to related parties were similar to those offered to third parties.

c. Purchase of goods

Related Party Categories	For the Three Months Ended March 31 2026	2025
Associates	$ 16,858	$ 500
Other associates	1,530	947
	$ 18,388	$ 1,447

Purchase prices and payment terms offered by related parties were similar to those offered by third parties.

d. Operating expenses

Related Party Categories	For the Three Months Ended March 31 2026	2025
Other associates	$ 189	$ 1,185

e. Commission revenue

Related Party Categories	For the Three Months Ended March 31 2026	2025
Associates	$ 254	$ 23

f. Rental income

Related Party Categories	Location	Rent Collection	For the Three Months Ended March 31			
			2026		2025	
			Amount	% to Total Account Balance	Amount	% to Total Account Balance
TSE Technology (Ningbo) Co., Ltd.	1F., No. 189, Huangshan W. Rd., Beilun Dist., Ningbo City	Based on contract, and paid on a monthly basis	$ 2,624	-	$ 2,306	-
Ningbo Longying Semiconductor Co., Ltd.	Building D4, No. 189, Huangshan W. Rd., Beilun Dist., Ningbo City	Based on contract, and paid on a monthly basis	98	-	97	-
Tai-Shing Electronics Components Corporation	6F., No. 4, Gongye 6th Rd., Pingzhen Dist., Taoyuan City 324, Taiwan	Based on contract, and paid on a monthly basis	911	-	920	-
			$ 3,633		$ 3,323	

There is no significant difference in transaction terms between related parties and unrelated parties.

g. Receivables from related parties (excluding loans to related parties)

Related Party Categories	March 31, 2026	December 31, 2025	March 31, 2025
Associates	$ 41,716	$ 16,779	$ 4,348
Other associates	2,452	2,761	1,579
Less: Allowance for impairment loss	(68)	(68)	(68)
	$ 44,100	$ 19,472	$ 5,859

The outstanding trade receivables from related parties are unsecured.

h. Payables to related parties (excluding loans from related parties)

Related Party Categories	March 31, 2026	December 31, 2025	March 31, 2025
Other associates	$ 35,289	$ 20,743	$ 1,024
Associates	1,586	941	829
	$ 36,875	$ 21,684	$ 1,853

The outstanding trade payables to related parties are unsecured.

Payment terms of the transactions to related parties were similar to those for third parties.

i. Other receivables from related parties

Related Party Categories	March 31, 2026	December 31, 2025	March 31, 2025
Associates	$ 1,201	$ 845	$ 1,568
Other associates	1	9	6
	$ 1,202	$ 854	$ 1,574

j. Other payables to related parties

Related Party Categories	March 31, 2026	December 31, 2025	March 31, 2025
Other associates	$ 16,920	$ 1,190	$ 8,624
Chairman of the Company	1,825	184	1,987
	$ 18,745	$ 1,374	$ 10,611

k. Prepayments for equipment

Related Party Categories	March 31, 2026	December 31, 2025	March 31, 2025
Other associates	$ 7	$ -	$ 1,080

l. Acquisition of property, plant and equipment

Related Party Categories	Acquisition Amounts For the Three Months Ended March 31 2026	2025
Other associates	$ 15,722	$ 7,019

m. Lease arrangements - Group is lessee

Line Item	Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities - current	Chairman of the Company PETER LIN	$ -	$ 864	$ 1,848

Related Party Category	For the Three Months Ended March 31 2026	2025
<u>Interest expense</u>		
Chairman of the Company	$ 16	$ 46
<u>Lease expense</u>		
Chairman of the Company	$ 937	$ 886

n. Remuneration of key management personnel

For the three months ended March 31, 2026 and 2025, the remuneration of directors and other members of key management personnel were as follows:

	For the Three Months Ended March 31	
	2026	**2025**
Short-term employee benefits	$ 38,640	$ 45,045
Post-employment benefits	572	601
	$ 39,212	$ 45,646

The remuneration of directors and key executives was determined by the remuneration committee, is based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for foreign exchange forward contracts and bank borrowings:

	March 31, 2026	December 31, 2025	March 31, 2025
Building equipment, net	$ 250,931	$ 251,644	$ 287,388
Investment property	10,320	10,494	12,418
Pledged deposits	89,340	88,703	112,024
Pledged time deposits	40,000	40,000	-
Right-of-use assets	9,958	9,731	10,350
	$ 400,549	$ 400,572	$ 422,180

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at March 31, 2026 were as follows:

Unit: In Thousands of Foreign Currencies and New Taiwan Dollars

	Contract Amount (Tax Excluded)	Paid Amount (Tax Excluded)	Unpaid Amount (Tax Excluded)
Acquisition of equipment	$ 195,540	$ 115,684	$ 79,856
Acquisition of equipment	RMB 57,366	RMB 23,490	RMB 33,876
Acquisition of equipment	JPY 209,150	JPY 120,690	JPY 88,460
Acquisition of equipment	US$ 2,293	US$ 2,052	US$ 241
Acquisition of equipment	IDR 40,103,126	IDR 38,220,607	IDR 1,882,519

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

Unit: In Thousands of Foreign Currencies and New Taiwan Dollars

March 31, 2026

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 83,301	31.98 (USD:NTD)	$ 2,663,966
USD	10,464	6.9194 (USD:RMB)	334,639
USD	1,870	17,011 (USD:IDR)	59,803
JPY	1,098,011	0.2003 (JPY:NTD)	219,932
JPY	1,578,674	0.0433 (JPY:RMB)	316,208
JPY	243,815	0.0063 (JPY:USD)	48,836
Financial liabilities			
Monetary items			
USD	31,655	31.98 (USD:NTD)	1,012,327
USD	1,180	6.9194 (USD:RMB)	37,736
USD	1,089	17,011 (USD:IDR)	34,826
JPY	1,528,573	0.2003 (JPY:NTD)	306,173
JPY	2,346,262	0.0433 (JPY:RMB)	469,956
JPY	149,457	0.0063 (JPY:USD)	29,936

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 81,549	31.438 (USD:NTD)	$ 2,563,737
USD	13,194	7.0289 (USD:RMB)	414,793
USD	1,251	16,634 (USD:IDR)	39,329
JPY	1,284,322	0.2008 (JPY:NTD)	257,892
JPY	1,517,249	0.0449 (JPY:RMB)	304,664
JPY	176,188	0.0064 (JPY:USD)	35,379
Financial liabilities			
Monetary items			
USD	18,535	31.438 (USD:NTD)	582,703
USD	1,285	7.0289 (USD:RMB)	40,398
USD	648	16,634 (USD:IDR)	20,372
JPY	1,528,126	0.2008 (JPY:NTD)	306,848
JPY	2,254,302	0.0449 (JPY:RMB)	452,664
JPY	119,300	0.0064 (JPY:USD)	23,955

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 76,528	33.1820 (USD:NTD)	$ 2,539,352
USD	10,995	7.1782 (USD:RMB)	364,836
USD	5,134	16,591 (USD:IDR)	170,356
JPY	986,082	0.2225 (JPY:NTD)	219,403
JPY	486,717	0.0481 (JPY:RMB)	108,295
JPY	389,209	0.0067 (JPY:USD)	86,599
Financial liabilities			
Monetary items			
USD	9,394	33.1820 (USD:NTD)	311,712
USD	1,460	7.1782 (USD:RMB)	48,446
USD	516	16,591 (USD:IDR)	17,122
JPY	1,590,660	0.2225 (JPY:NTD)	353,922
JPY	1,703,601	0.0481 (JPY:RMB)	379,051
JPY	207,943	0.0067 (JPY:USD)	46,267

For the three months ended March 31, 2026 and 2025, realized and unrealized net foreign exchange gains were $16,846 thousand and $21,542 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the group.

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

   1) Financing provided to others. (None)

   2) Endorsements/guarantees provided. (None)

   3) Significant marketable securities held. (Table 1)

   4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20 percent of the paid-in capital. (Table 2)

   5) Receivables from related parties amounting to at least NT$100 million or 20 percent of the paid-in capital. (Table 3)

   6) Intercompany relationships and significant intercompany transactions. (Table 7)

b. Information on investees. (Table 4)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 6)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

a. Crystal

The chief operating decision maker see every crystal selling unit in Taiwan and China as an operating segment. While preparing the financial report, the Group considers the following reasons:

1) The similar gross profit between the selling units.

2) The similar product's nature and manufacturing process.

3) The same product's delivery type.

b. Real estate development segment

The department and sales of real estate, along with mall space leasing in Chongqing is considered a separate operating segment by the chief operating decision maker (CODM).

Segment revenue and results

	Segment Revenue For the Three Months Ended March 31		Segment Profit For the Three Months Ended March 31	
	2026	2025	2026	2025
Crystal	$ 3,335,582	$ 3,162,593	$ 508,413	$ 520,143
Real estate development segment	3,625	3,837	(4,769)	(4,688)
Continuing operations	$ 3,339,207	$ 3,166,430	503,644	515,455
Interest income			10,157	11,442
Other income			39,729	42,173
Other gains and losses			11,950	15,368
Financial costs			(14,137)	(11,634)
Share of profit or loss of associates			1,971	4,223
Profit before tax (continuing operations)			$ 553,314	$ 577,027

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the three months ended March 31, 2026 and 2025.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, gains recognized on disposal of interests in former associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

TXC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
TXC Corporation	Stock - listed company							
	Taiwan Semiconductor Manufacturing Company Limited	None	Financial assets at fair value through profit or loss - current	25	$ 44,000	-	$ 44,000	
	Shares overseas - unlisted company							
	Stathera IP Holdings Inc.	None	Financial assets at fair value through other comprehensive income - non-current	102	118,720	2	118,720	
TXC (Ningbo) Corporation	Floating-rate investment products							
	Agricultural Bank of China Limited	None	Financial assets at fair value through profit or loss - current	RMB 61,474	284,120	-	284,120	
	Bank of Ningbo Co., Ltd.	〃	〃	RMB 70,864	327,518	-	327,518	
	Bank of Communications Co., Ltd.	〃	〃	RMB 50,806	234,816	-	234,816	
	China Guangfa Bank	〃	〃	RMB 10,025	46,332	-	46,332	
	China Everbright Bank Company Limited	〃	〃	RMB 10,082	46,598	-	46,598	
	Cathay United Bank	〃	〃	RMB 20,185	93,290	-	93,290	
TXC (Chongqing) Corporation	Floating-rate investment products							
	China Construction Bank Corporation	None	Financial assets at fair value through profit or loss - current	RMB 19,308	89,236	-	89,236	
	China CITIC Bank Corporation Limited	〃	〃	RMB 44,010	203,405	-	203,405	
	Bank of China Limited	〃	〃	RMB 89,010	411,386	-	411,386	
	China Everbright Bank Company Limited	〃	〃	RMB 5,979	27,632	-	27,632	
	China Merchants Bank Co., Ltd.	〃	〃	RMB 31,601	146,054	-	146,054	
Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited	Shares overseas - unlisted company							
	Zhejiang Bright Semiconductor Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	7,004	64,705	3	64,705	
Chongqing Zhongyang Properties Co., Ltd.	Floating-rate investment products							
	Chongqing Rural Commercial Bank	None	Financial assets at fair value through profit or loss - current	RMB 9,152	42,297	-	42,297	
	China Construction Bank Corporation	〃	〃	RMB 6,974	32,231	-	32,231	
TETC Corp. Ningbo	Floating-rate investment products							
	Agricultural Bank of China Limited	None	Financial assets at fair value through profit or loss - current	RMB 31,201	143,372	-	143,372	
	Bank of Ningbo Co., Ltd.	〃	〃	RMB 10,292	47,567	-	47,567	

TXC CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
TXC Corporation	TXC (Ningbo) Corporation	Subsidiary	Purchases	$ 630,019	33	No significant differences with the third parties.	Its trading price depends on its function within the Group	No significant differences with the third parties.	$ (632,520)	(34)	
	TXC (Ningbo) Corporation	〃	Sales	182,743	8	〃	〃	〃	188,057	7	
	TXC (Chongqing) Corporation	〃	Purchases	388,828	20	〃	〃	〃	(394,103)	(21)	
	TETC CORP. NINGBO	〃	Purchase	125,185	7	〃	〃	〃	(125,429)	(7)	

TXC CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
TXC Corporation	TXC (Ningbo) Corporation	Subsidiary	$ 188,057	3.42	$ -	-	$ 54,940	$ -
TXC (Ningbo) Corporation	TXC Corporation	Parent entity	632,520	4.05	-	-	181,129	-
TXC (Chongqing) Corporation	TXC Corporation	Parent entity	394,103	4.08	-	-	92,354	-
TETC CORP. NINGBO	TXC Corporation	Parent entity	125,429	4.29	-	-	24,823	-

TXC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
TXC Corporation	Taiwan Crystal Technology International Ltd.	Western Samoa	Investment management	$ 1,390,461	$ 1,390,461	42,835	100.00	$ 9,953,019	$ 240,750	$ 227,444	
	Taiwan Crystal Technology (HK) Limited	Hong Kong	International trading	2,371	2,371	80	100.00	207,432	(132)	(132)	
	TXC Japan Corporation	Japan	Marketing activities	6,172	6,172	2	100.00	28,877	(140)	(140)	
	TXC Technology Inc.	U.S.A.	Marketing activities	9,879	9,879	300	100.00	23,932	1,281	1,281	
	Tai-Shing Electronics Components Corporation	Taiwan	Manufacture and sales of electronics products	373,432	373,432	8,802	33.34	429,003	8,053	2,685	Recognized as non-current assets held for sale
	TXC Europe GmbH	Germany	Marketing activities	1,746	1,746	50	100.00	20,459	2,265	2,265	
TXC (Ningbo) Corporation	PT TXC Technology Indonesia	Indonesia	Research and development, manufacture, and sale of quartz elements and related electronic products	517,840	517,840	16,000	80.00	472,895	2,229	1,783	

TXC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	Percentage of Ownership	Investment Gain (Loss)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outward	Inward						
TXC (Ningbo) Corporation	Research and development, manufacture, and sale of quartz elements and related electronic products	$ 2,350,052	Indirect investment of the Corporation in mainland China through the Corporation's subsidiary in a third region	$ 1,427,630	$ -	$ -	$ 1,427,630	$ 240,750	100.00	$ 240,750	$ 10,025,322	$ 2,159,384
TXC (Chongqing) Corporation	Research and development, manufacture, and sale of quartz elements and related electronic products	1,162,074	Other investment of the Corporation in mainland China	-	-	-	-	72,330	100.00	72,330	2,135,706	306,500
TETC CORP. NINGBO	Research and development, manufacture, and sale of quartz elements and related electronic products	656,740	Other investment of the Corporation in mainland China	-	-	-	-	102,685	100.00	102,685	2,492,170	-
Chongqing Zhongyang Properties Co., Ltd.	Properties development	684,908	Other investment of the Corporation in mainland China	-	-	-	-	(4,118)	100.00	(4,118)	784,832	-
Ningbo Beilun Jingyu Trading Corporation	International trading	7,090	Other investment of the Corporation in mainland China	-	-	-	-	(9)	100.00	(9)	6,756	-
Ningbo Longying Semiconductor Co., Ltd.	Research and development in integrated circuit	246,257	Other investment of the Corporation in mainland China	-	-	-	-	(2,431)	29.37	(714)	21,833	-
Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited	Investment management	160,043	Other investment of the Corporation in mainland China	-	-	-	-	-	100.00	-	64,974	-
ChongQing Dingsen Commercial Management Co., Ltd.	Property management	4,390	Other investment of the Corporation in mainland China	-	-	-	-	199	100.00	199	4,063	-
Shanghai JCH Co., Ltd	Marketing activities and technical services	2,238	Other investment of the Corporation in mainland China	-	-	-	-	683	100.00	683	25,155	-

Accumulated Outward Remittance for Investments in mainland China as of March 31, 2026	Investment Amounts Authorized by the Investments Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by Investment Commission, MOEA
$ 1,427,630	$ 2,350,052	$ -

Note: The investment in mainland China has no maximum limit since the Company has acquired the approval from the Industrial Development Bureau for the establishment of the Company's operating headquarters in Taiwan.

TXC CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Accounts/Notes Receivable/Payable		Unrealized (Gain) Loss	Note
			Amount	%		Payment Term	Comparison with Normal Transactions	Ending Balance	%		
TXC Corporation	TXC (Ningbo) Corporation	Purchases	$ 630,019	33	Its trading price depends on its function within the Group	Similar with third parties	Its trading price depends on its function within the Group	$ (632,520)	(34)	$ 30,017	
	TXC (Ningbo) Corporation	Sales	182,743	8	〃	〃	〃	188,057	7	8,189	
	TXC (Chongqing) Corporation	Purchases	388,828	20	〃	〃	〃	(394,103)	(21)	28,414	
	TETC CORP. NINGBO	Purchases	125,185	7	〃	〃	〃	(125,429)	(7)	2,841	

1. The transactions of properties and the profit or loss: None.
2. Endorsements guarantees or collateral directly or indirectly provided to the investees: None.
3. Financing directly or indirectly provided to the investees: None.
4. Other transactions that significantly impacted the current year’s profit or loss or financial position: None.

TXC CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms (Notes 1 and 2)	Percentage of Total Sales or Assets (%)
0	TXC Corporation	TXC (Ningbo) Corporation	a	Sales	$ 182,743	a	5
				Purchases	630,019	a	19
				Trade receivables	188,057	a	1
				Trade payables	632,520	a	3
		TXC (Chongqing) Corporation	a	Purchases	388,828	a	12
				Trade payables	394,103	a	2
		TETC CORP. NINGBO	a	Purchases	125,185	a	4
				Trade payables	125,429	a	1

Note 1: Represent the transactions from parent company to subsidiary.

Note 2: For the three months ended March 31, 2026, the selling price and purchasing price were not significantly different from those of third parties, except for TXC (Ningbo) Corporation, TXC (Chongqing) Limited and TETC CORP. NINGBO which is depending on its function within the Group.

Note 3: The company may decide whether to list the material transactions in this table according to the principle of materiality.