JMC Electronics Co., Ltd.

Financial Statements for the
Three Months Ended March 31, 2026 and 2025 and
Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

JMC Electronics Co., Ltd.

Introduction

We have reviewed the accompanying financial statements of JMC Electronics Co., Ltd. (the "Corporation"), which comprise the balance sheets as of March 31, 2026 and 2025, and the statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").The management is responsible for the preparing and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the financial statements based on the result of reviews.

Scope of Review

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

Conclusion

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

Emphasis of Matter

As stated in Note 31 of the financial statements, Chipbond Technology Corp. filed a criminal incidental civil lawsuit against the Corporation for the breach of trade secrets and requested compensation for damages amounting to NT$1,000,000 thousand, as well as a civil lawsuit for the infringement of trade secrets, seeking indemnification of NT$1,765,137 thousand. Additional claims for damages were subsequently filed starting in August 2021. The lawyer entrusted by the Corporation assessed that the litigation case had no significant adverse impact on the Corporation. Therefore, the management of the Corporation assessed that the lawsuit would not have a significant impact on the Corporation's business and financial position. As of May 7, 2026, the aforementioned case has not been adjudicated by the court. The litigation case is a significant matter during the financial reporting period and involves the use of management's material estimates and expert reports.

Our review conclusion is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditor's review report are Chao-Chun Wang and Xiu-wen Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2026

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and financial statements shall prevail.

JMC ELECTRONICS CO., LTD.

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 (Notes 6)	$ 172,451	6	$ 617,499	19	$ 614,515	15
Financial assets at fair value through other comprehensive income - current (Notes 7)	2,224	-	1,725	-	2,080	-
Notes receivable (Notes 8)	-	-	1,294	-	-	-
Accounts receivable, net (Notes 8)	224,504	8	213,647	7	238,550	6
Accounts receivable - related parties (Notes 8 and 29)	12,184	1	27,405	1	21,633	1
Other receivables (Note 29)	12,592	1	19,205	1	14,031	-
Current tax assets	2,012	-	1,946	-	1,449	-
Inventories (Notes 9)	181,696	6	177,589	5	252,088	6
Other financial assets - current (Note 30)	2,395	-	2,395	-	2,395	-
Other current assets (Note 10)	11,574	-	15,350	-	20,558	1
Total current assets	621,632	22	1,078,055	33	1,167,299	29
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 7)	1,336,331	47	1,310,589	40	1,068,902	26
Investments accounted for using equity method (Notes 11)	387,390	14	373,300	11	312,051	8
Property, plant and equipment (Notes 12)	410,730	14	429,200	13	1,340,026	33
Right-of-use assets (Notes 13)	20,430	1	25,003	1	38,722	1
Deferred tax assets	22,333	1	25,357	1	32,836	1
Prepayments for equipment	1,544	-	1,400	-	22,621	1
Refundable deposits (Note 29)	3,228	-	3,228	-	3,288	-
Net defined benefit assets - non-current (Notes 4)	5,226	-	5,226	-	5,094	-
Other non-current assets (Note 14)	24,143	1	27,084	1	35,115	1
Total non-current assets	2,211,355	78	2,200,387	67	2,858,655	71
TOTAL	$ 2,832,987	100	$ 3,278,442	100	$ 4,025,954	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	$ 170,000	6	$ -	-	$ 100,000	2
Contract liabilities - current (Note 22)	3,398	-	1,149	-	8,196	-
Accounts payable (Notes 17 and 29)	105,594	4	113,973	3	149,205	4
Other payables (Notes 18 and 29)	140,160	5	159,377	5	155,476	4
Lease liabilities - current (Notes 13 and 29)	19,975	1	19,851	1	19,483	1
Current portion of bonds payable (Note 16)	497,988	18	496,985	15	-	-
Current portion of long-term borrowings (Note 15)	208,070	7	249,205	8	255,622	6
Other current liabilities (Notes 19)	4,426	-	4,072	-	1,498	-
Total current liabilities	1,149,611	41	1,044,612	32	689,480	17
NON-CURRENT LIABILITIES						
Bonds payable (Notes 16)	-	-	-	-	493,989	12
Long-term borrowings (Note 15)	-	-	522,697	16	207,408	5
Deferred tax liabilities	1,782	-	1,594	-	2,126	-
Lease liabilities - non-current (Notes 13 and 29)	2,343	-	7,384	-	22,318	1
Guarantee deposits received (Note 29)	665	-	665	-	665	-
Other non-current liabilities	-	-	-	-	199	-
Total non-current liabilities	4,790	-	532,340	16	726,705	18
Total liabilities	1,154,401	41	1,576,952	48	1,416,185	35
EQUITY (Note 21)						
Ordinary shares	830,000	29	830,000	25	830,000	21
Capital surplus	625,489	22	625,489	19	625,489	15
Retained earnings						
Legal reserve	164,539	6	164,539	5	160,139	4
Unappropriated earnings (Accumulated deficit)	(644,222)	(23)	(593,251)	(18)	560,734	14
Total retained earnings	(479,683)	(17)	(428,712)	(13)	720,873	18
Other equity	702,780	25	674,713	21	433,407	11
Total equity	1,678,586	59	1,701,490	52	2,609,769	65
TOTAL	$ 2,832,987	100	$ 3,278,442	100	$ 4,025,954	100

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

JMC ELECTRONICS CO., LTD.

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	%
OPERATING REVENUE (Notes 22 and 29)	$ 289,330	100	$ 437,539	100
OPERATING COSTS (Notes 9, 23 and 29)	314,984	109	481,255	110
GROSS PROFIT	(25,654)	(9)	(43,716)	(10)
OPERATING EXPENSES (Notes 23)				
Selling and marketing expenses	6,197	2	5,391	1
General and administrative expenses	20,823	7	21,696	5
Research and development expenses	14,574	5	17,779	4
Total operating expenses	41,594	14	44,866	10
PROFIT (LOSS) FROM OPERATIONS	(67,248)	(23)	(88,582)	(20)
NON-OPERATING INCOME AND EXPENSES (Notes 11 , 23 and 29)				
Interest income	489	-	839	-
Other income	9,211	3	8,653	2
Other gains and losses	7,143	2	7,950	2
Finance costs	(3,206)	(1)	(3,903)	(1)
Share of profit of associates	2,706	1	2,354	-
Total non-operating expenses	16,343	5	15,893	3
PROFIT (LOSS) BEFORE INCOME TAX	(50,905)	(18)	(72,689)	(17)
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 24)	3,211	1	(15,208)	(4)
NET PROFIT (LOSS) FOR THE PERIOD	(54,116)	(19)	(57,481)	(13)
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	19,828	7	(29,315)	(7)
Share of the other comprehensive income of associates	11,384	4	8,437	2
Other comprehensive income for the period ,net of income tax	31,212	11	(20,878)	(5)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	($ 22,904)	(8)	($ 78,539)	(18)
EARNINGS PER SHARE (Note 25)				
Basic	($ 0.65)		($ 0.69)	
Diluted	($ 0.65)		($ 0.69)	

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

JMC ELECTRONICS CO., LTD.

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

			Retained Earnings			Other Equity	
	Ordinary Shares	Capital Surplus	Legal Reserve	Unappropriated Earnings (Accumulated Deficit)	Total	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2026	$ 830,000	$ 625,489	$ 164,539	($ 593,251)	($ 428,712)	$ 674,713	$ 1,701,490
Net loss for the three months ended March 31, 2026	-	-	-	(54,116)	(54,116)	-	(54,116)
Other comprehensive income for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	31,212	31,212
Total comprehensive income for the three months ended March 31, 2026	-	-	-	(54,116)	(54,116)	31,212	(22,904)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	3,145	3,145	(3,145)	-
BALANCE AT MARCH 31, 2026	$ 830,000	$ 625,489	$ 164,539	($ 644,222)	($ 479,683)	$ 702,780	$ 1,678,586
BALANCE AT JANUARY 1, 2025	$ 830,000	$ 625,489	$ 160,139	$ 618,215	$ 778,354	$ 454,285	$ 2,688,128
Net loss for the three months ended March 31, 2025	-	-	-	(57,481)	(57,481)	-	(57,481)
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	(20,878)	(20,878)
Total comprehensive income for the three months ended March 31, 2025	-	-	-	(57,481)	(57,481)	(20,878)	(78,359)
BALANCE AT MARCH 31, 2025	$ 830,000	$ 625,489	$ 160,139	$ 560,734	$ 720,873	$ 433,407	$ 2,609,769

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

JMC ELECTRONICS CO., LTD.

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

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	($50,905)	$ ($72,689)
Adjustments for:		
Depreciation expense	27,304	107,129
Amortization expense	6,546	7,006
Net gain on financial assets and liabilities at fair value through profit or loss	-	50
Finance costs	3,206	3,903
Interest income	(489)	(839)
Dividend income	(7,106)	(6,194)
Share of profit of associates	(2,706)	(2,354)
Impairment loss recognized on non-financial assets	947	8,682
Changes in operating assets and liabilities		
Accounts receivable	(10,857)	30,190
Accounts receivable - related parties	15,221	2,959
Other receivables	(3,462)	(5,676)
Inventories	(5,054)	(9,185)
Other current assets	3,776	8,525
Contract liabilities	2,249	3,706
Accounts payable	(8,379)	(527)
Other payables	(17,355)	(18,240)
Other current liabilities	427	(3,001)
Cash generated from (used in) operations	(46,637)	53,445
Interest received	710	703
Dividends received	16,960	15,241
Interest paid	(2,422)	(2,797)
Income taxes paid	1,229	(60)
Net cash generated (used in) from operating activities	(30,160)	66,532
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(12,253)	(10,862)
Proceeds from disposal of financial assets at fair value through other comprehensive income	5,840	-
Acquisition of property, plant and equipment	(6,048)	(21,521)
Increase in other non-current assets	(3,605)	(5,969)
Net cash used in investing activities	(16,066)	(38,352)

(Continued)

JMC ELECTRONICS CO., LTD.

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

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 310,000	$ 170,000
Repayment of short-term borrowings	(140,000)	(70,000)
Repayment of long-term borrowings	(563,905)	(63,905)
Repayment of the principal portion of lease liabilities	(4,917)	(4,795)
Net cash generated from/(used in) financing activities	(398,822)	31,300
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(445,048)	59,480
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	617,499	555,035
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 172,451	$ 614,515

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

JMC Electronics Co., Ltd. (the "Corporation") was incorporated in 1973, and is primarily engaged in the business of manufacturing, processing, and trading of Chip on Film (Tape-COF).

As of March 31, 2025, Chang Wah Electromaterials Inc., the main shareholder of the Corporation, owned 42.8% of the Corporation's issued ordinary shares. In January 2017, the Corporation listed its shares on the Taiwan Stock Exchange.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation's board of directors and authorized for issue on May 7 2026

3. APPLICATION OF NEW AND AMENDED 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 Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation's accounting policies.

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)
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 on January 1, 2028. Domestic entities may elect to early adopt IFRS 18 for periods after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

- Income and expenses items presented in the statement of profit or loss are required to be classified into the operating, investing, financing, income taxes and discontinued operations categories. The Corporation 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 Corporation 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 Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation 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 Corporation as a whole, the Corporation 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 financial statements were authorized for issue, the Corporation is continuously assessing the other impacts of the above amended standards and interpretations on the Corporation'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

The 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. The financial statements do not present full disclosures required for a complete set of IFRS Accounting Standards annual financial statements.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments, which are measured at fair value, and net defined benefit assets, which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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. Other significant accounting policies

Except for the following, the accounting policies in the financial statements are consistent with those used in the financial statements for the year ended December 31, 2025

1) Retirement benefits

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

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 on an interim period’s pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For details of material accounting judgments and key estimation uncertainties, refer to Note 31(c). Except as disclosed, they remain consistent with those in the financial statements for the year ended December 31, 2025

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31,2025	March 31, 2025
Cash on hand	$ 12	$ 9	$ 18
Demand deposits	142,433	237,490	463,354
Cash equivalents			
Repurchase agreements collateralized by bonds	30,006	60,000	-
Time deposits with original maturities date within 3 months	-	320,000	151,143
	$ 172,451	$ 617,499	$ 614,515

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31,2025	March 31, 2025
Current			
Domestic investments			
Listed shares	$ 2,224	$ 1,725	$ 2,080
Non-current			
Domestic investments			
Listed shares	$1,336,331	$1,310,589	$1,068,902

These investments in domestic investments are not held for trading; instead, they 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 Corporation's strategy of holding these investments for long-term purposes.

8. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	March 31, 2026	December 31,2025	March 31, 2025
Notes receivable			
Measured at amortized cost - non-operating	$ -	$ 1,294	$ -
Accounts receivable			
Measured at amortized cost	$ 102,622	$ 90,650	$ 80,154
FVTOCI	121,882	122,997	158,396
	$ 224,504	$ 213,647	$ 238,550
Accounts receivable - related parties			
Measured at amortized cost	$ 12,184	$ 27,405	$ 21,633

a. Accounts receivable

For the credit risk arising from the significant concentration of the accounts receivable balance on major customers for the three months ended March 31, 2026and 2025 refer to Note 28.

The average credit period for sales of goods is up to 90 days; for the credit policies on the related accounts receivable, refer to Note 28.

1) Accounts receivable at amortized cost

The loss allowance for the Corporation's accounts receivable is recognized by using lifetime expected credit losses. The lifetime expected credit losses on accounts receivable were estimated by using a provision matrix by reference to past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates and industry outlook.

The Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments; hence, there is no further distinction between different customer segments.

The Corporation writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery after completing the follow-up procedures. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

2) Accounts receivable at FVTOCI

For accounts receivable owned by major customers, the Corporation will decide whether to sell these accounts receivable to banks without recourse based on its level of working capital and the trend of currency exchange rate. These accounts receivable are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collection of contractual cash flows and the sale of financial assets. In addition, the assessment method of allowance for loss is the same method for accounts receivable at amortized cos.

The Corporation's loss allowance of accounts receivable based on the allowance matrix is shown in the following table:

March 31, 2026

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 236,688
Loss allowance (Lifetime ECL)	-
	$ 236,688

December 31, 2025

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 242,346
Loss allowance (Lifetime ECL)	-
	$ 242,346

March 31, 2025

	Not Past Due	1 to 30 Days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	$ 259,675	$ 508	$ 260,183
Loss allowance (Lifetime ECL)	-	-	-
	$ 259,675	$ 508	$ 260,183

b. Factored accounts receivable for the three months ended March 31, 2026 and 2025were as follows:

Counterparty	Receivables Sold	Amount Collected	Advances Received - Used	Annual Interest Rates on Advances Received (%)	Credit
For the Three Months Ended March 31, 2026					
CTBC Bank	$ -	$ -	$ -	-	USD 6,000 thousand
Taishin International Bank	-	-	-	-	$ 250,000
Chang Hwa Commercial Bank, Ltd.	-	-	-	-	USD 5,000 thousand
	$ -	$ -	$ -		
For the Three Months Ended March 31, 2025					
CTBC Bank	$ -	$ -	$ -	-	USD 6,000 housand
Taishin International Bank	-	-	-	-	$ 250,000
Chang Hwa Commercial Bank, Ltd.	-	-	-	-	USD 5,000 thousand
	$ -	$ -	$ -		

The above credit line is revolving and can be utilized within the validity period.

The Corporation provided commercial papers for the factored accounts receivable to the banks mentioned above as the collateral for commercial disputes. The amount from the factored receivables is collected after deducting the related fees, and the Corporation does not bear the risk of uncollectibility of the accounts receivable.

9. INVENTORIES

	March 31, 2026	December 31,2025	March 31, 2025
Raw materials	$ 44,893	$ 38,005	$ 59,882
Supplies	56,335	59,902	74,198
Finished goods	20,514	22,239	29,120
Work in progress	59,954	57,443	88,888
	$ 181,696	$ 177,589	$ 252,088

The cost of inventories recognized as operating costs for the three months ended March 31, 2026 and 2025 was NT$314,984 thousand and NT$481,255 thousand, respectively, which included the following items:

	For the Three Months Ended March 31	
	2026	2025
Inventory write-downs (reversed)	$ 947	$ 8,682
Loss due to idle capacity	14,562	37,585
Revenue from sale of scraps	(110)	(125)

10. OTHER FINANCIAL ASSETS

	March 31, 2026	December 31,2025	March 31, 2025
Prepaid expenses	$ 7,602	$ 7,567	$ 12,724
Input tax	3,193	7,501	6,144
Prepayments	-	-	1,062
Tax overpaid retained for offsetting future tax payable	303	219	275
Others	476	63	353
	$ 11,574	$ 15,350	$ 20,558

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2026	December 31,2025	March 31, 2025
Material associates			
Shing Zheng Investment Co., Ltd. (Shing Zheng Co.)	$ 387,390	$ 373,300	$ 312,051

			Proportion of Ownership and Voting Rights(%)		
Name of Associate	Nature of Activities	of Business	March 31, 2026	December 31, 2025	March 31, 2025
Shing Zheng Co.	General investment	Taiwan	28	28	28

The summarized financial information below represents amounts shown in associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Corporation for equity accounting purposes.

12. PROPERTY, PLANT AND EQUIPMENT

For the Three Months Ended March 31, 2026

	Buildings	Machinery	Tooling Equipment	Office Equipment	Other Equipment	Construction in progress and Equipment to be inspected	Total
Cost							
Balance at January 1, 2026	$ 902,428	$ 4,721,678	$ 176,862	$ 299,947	$ 155,642	$ 19,585	$ 6,276,142
Additions	23,546	300	-	-	-	(19,585)	4,261
Balance at March 31, 2026	925,974	4,721,978	176,862	299,947	155,642	-	6,280,403
Accumulated depreciation							
Balance at January 1, 2026	537,017	3,617,325	162,848	277,368	95,607	-	4,690,165
Depreciation expense	1,819	13,943	-	1,487	5,482	-	22,731
Balance at March 31, 2026	538,836	3,631,268	162,848	278,855	101,089	-	4,712,896
Accumulated impairment							
Balance at January 1 and March 31, 2026	205,275	920,784	14,014	16,704	-	-	1,156,777
Carrying amount at January 1, 2026	$ 160,136	$ 183,569	$ -	$ 5,875	$ 60,035	$ 19,585	$ 429,200
Carrying amount at March 31, 2026	$ 181,863	$ 169,926	$ -	$ 4,388	$ 54,553	$ -	$ 410,730

For the Three Months Ended March 31, 2025

	Buildings	Machinery	Tooling Equipment	Office Equipment	Other Equipment	Construction in progress and Equipment to be inspected	Total
Cost							
Balance at January 1, 2025	$ 892,097	$ 4,598,977	$ 177,171	$ 300,297	$ 150,442	$ 22,813	$ 6,141,797
Additions	3,388	10,694	-	-	5,200	16,113	35,395
Disposals	-	(6,091)	-	-	-	-	(6,091)
Balance at March 31, 2025	895,485	4,603,580	177,171	300,297	155,642	38,926	6,171,101
Accumulated depreciation							
Balance at January 1, 2025	492,249	3,307,219	163,157	266,577	73,504	-	4,302,706
Depreciation expense	10,998	82,841	-	3,354	5,363	-	102,556
Disposals	-	(6,091)	-	-	-	-	(6,091)
Balance at March 31, 2025	503,247	3,383,969	163,157	269,931	78,867	-	4,399,171
Accumulated impairment							
Balance at January 1 and March 31, 2025	67,790	337,791	14,014	12,309	-	-	431,904
Carrying amount at January 1, 2025	$ 332,058	$ 953,967	$ -	$ 21,411	$ 76,938	$ 22,813	$ 1,407,187
Carrying amount at March 31, 2025	$ 324,448	$ 881,820	$ -	$ 18,057	$ 76,775	$ 38,926	$ 1,340,026

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

Buildings	
Main buildings	2-30 years
Building auxiliary equipment	3-27 years
Machinery	3-7 years
Office equipment	2-7 years
Other equipment	4-7 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31,2025	March 31, 2025
Carrying amount			
Land	$ 3,360	$ 3,666	$ 4,582
Buildings	17,070	21,337	34,140
	$ 20,430	$ 25,003	$ 38,722

	For the Three Months Ended March 31	
	2026	2025
Depreciation charge for right-of-use assets		
Land	$ 305	$ 305
Buildings	4,268	4,268
	$ 4,573	$ 4,573

Except for the above depreciation of right-of-use assets, there was no acquisition, sublease or impairment of right-of-use assets for the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31,2025	March 31, 2025
Carrying amount			
Current	$ 19,975	$ 19,851	$ 19,483
Non-current	$ 2,343	$ 7,384	$ 22,318

Range of discount rates (%) for lease liabilities was as follows:

	March 31, 2026	December 31,2025	March 31, 2025
Land	2.4947	2.4947	2.4947
Buildings	2.4947	2.4947	2.4947

c. Material lease activities and terms

The Corporation leased land and buildings from the government, related parties and non-related parties for use as workshops, offices and warehouses, with lease periods of 3 to 10 years. For information on related party transactions, refer to Note 29.The Corporation does not have a purchase option to acquire the leased land and buildings at the expiration of the lease period. In addition, the lease agreement prohibited the Corporation from transferring the lease to other parties. The government has the option to adjust the lease payments based on changes in the announced land value.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases and low-value asset leases	$ 86	$ 179
Total cash outflow for leases	$ (5,163)	$ (5,255)

14. OTHER NON-CURRENT ASSETS

The production consumables are amortized over their useful lives of 2 to 3 years as follows:

	Costs	Accumulated Amortization	Carrying Amount
Balance at January 1, 2026	$ 94,051	$ (66,967)	$ 27,084
Additions	3,605	-	3,605
Amortization	-	(6,546)	(6,546)
Disposals	(27,206)	27,206	-
Balance at March 31, 2026	$ 70,450	$ (46,307)	$ 24,143
Balance at January 1, 2025	$ 103,277	$ (67,125)	$ 36,152
Additions	5,969	-	5,969
Amortization	-	(7,006)	(7,006)
Disposals	(27,422)	27,422	-
Balance at March 31, 2025	$ 81,824	$ (46,709)	$ 35,115

15. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Bank credit loans	$ 170,000	$ -	$ 100,000
Interest rate (%)	1.83~1.85	-	1.91~1.911

b. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Bank credit loans	$ 208,070	$ 771,902	$ 463,030
Less: Current portion	208,070	249,205	255,622
	$ -	$ 522,697	$ 207,408
Interest rate (%)	1.325～1.825	1.325～2.299	1.325～1.825
Maturity date	2026.11-2027.03	2026.11-2027.06	2026.11-2027.03

Under the loan agreements, the Corporation should meet certain and quarterly percentages and amounts for the current ratio, debt ratio, interest coverage ratio and total equity. If the Corporation is not in compliance with the aforementioned restrictions on the financial ratios and amounts, the bank could request the Corporation to improve within a time limit. If the restrictions on the financial ratios and amounts are met within the improvement period, it would not be considered a default of contract. The Corporation was not in compliance with the loan restrictions based on the financial statements for the three months ended March 31, 2026 and the audited annual financial statements for the year ended December 31, 2025. , and the Corporation has developed an improvement plan. The Corporation did not violate the loan agreements based on the financial statements for the three months ended March 31, 2025.

In September 2019, the Corporation obtained the Ministry of Economic Affairs' approval letter for the qualification of enterprises in Taiwan based on the project "Action Plan for Accelerated Investment by Domestic Corporation." The funds obtained are used for the construction of factory buildings, the acquisition of machinery and equipment, and working capital.

The Corporation signed a credit agreement with the bank in response to the project of "Action Plan for Accelerated Investment by Domestic Corporation." The interest rate for the first 5 years of the loan is the postal savings two-year time deposit rate minus 0.395%. If the project regulations are violated or the National Development Fund is frozen by legislative budget review, the interest rate will be changed to the postal savings two-year time savings interest rate plus 0.105%.

16. BONDS PAYABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Secured domestic convertible bonds	$ 497,988	$ 496,985	$ 493,989
Less: Current portion	497,988	496,985	-
	$ -	$ -	$ 493,989

On October 25, 2021, the Corporation issued its first domestic secured convertible bonds in the amount of NT$500,000 thousand with a zero-coupon rate and a duration of 5 years. Taishin International Bank is the guarantor of the secured convertible bonds.

Each holder of the bonds has the right to convert the bonds into ordinary shares of the Corporation at the conversion price of NT$63.5 per share. In the event of any circumstances stipulated in the measures for issuance and conversion of bonds, the convertible price shall be adjusted according to the conversion price adjustment formula. As of March 31, 2026, the conversion price was NT$58.8 per share. Conversion may occur at any time between January 26, 2022 and October 25, 2026. If the bonds are not converted, they will be redeemed on October 25, 2026 in cash.

From January 26, 2022 to September 15, 2026, if the closing price of the Corporation's common stock in the centralized trading market exceeds the current conversion price by 30% or more for 30 consecutive business days, or when the outstanding balance of the bonds is less than 10% of the total amount upon the original issuance, the Corporation may redeem them in cash at the par value of the bond within five business days after the base date of recalling the bonds.

The base date for selling back the bonds in advance is October 25, 2024. The bondholders may exercise the right of selling back the bonds at par value within 40 days of the repurchase date. As of the bond repurchase date, no bondholders have submitted repurchase requests to the company. Therefore, the convertible bonds are reclassified as non-current liabilities based on the bond issuance period.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - share options. The liability component contains derivative financial instruments and non-derivative financial instruments. The related amounts were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Proceeds from issuance (less transaction costs of NT$5,236 thousand)	$ 527,935	$ 527,935	$ 527,935
Equity component (less transaction costs allocated to the equity component of NT$479 thousand)	(48,342)	(48,342)	(48,342)
Liability component at the date of issuance (less transaction costs allocated to the liability component of NT$4,757 thousand)	479,593	479,593	479,593
Interest charged at an effective interest rate of 0.80661%	17,746	16,743	13,747
Losses on change in value of financial instruments	649	649	649
Net liability component	$ 497,988	$ 496,985	$ 493,989

17. ACCOUNTS PAYABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	$ 104,849	$ 113,233	$ 148,118
Accounts payable - related parties	745	740	1,087
	$ 105,594	$ 113,973	$ 149,205

The Corporation has established financial risk management policies to ensure that all payments are made on the agreed due date.

18. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Payables for salaries and bonuses	$ 82,425	$ 95,096	$ 80,785
Payables for consumables	18,907	19,635	21,524
Payables for utilities	10,928	11,251	12,860
Payables for insurance	8,906	9,207	9,365
Others	18,994	24,188	30,942
	$ 140,160	$ 159,377	$ 155,476

19. OTHER CURRENT LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Refund liabilities	$ 4,197	$ 3,774	$ 886
Others	229	298	612
	$ 4,426	$ 4,072	$ 1,498

The estimation of sales returns and discounts (refund liabilities) was based on historical experience, management's judgments and other known reasons, and recognized as a reduction of operating revenues.

20. RETIREMENT BENEFIT PLANS

Employee benefit expenses related to the defined benefit retirement plans of the Corporation and its subsidiaries, for the three months ended March 31, 2026 and 2025, were calculated using the actuarially determined pension cost discount rates as of December 31, 2025 and 2024, respectively.

21. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	111,000	111,000	111,000
Shares authorized	$ 1,110,000	$ 1,110,000	$ 1,110,000
Number of shares issued and fully paid (in thousands)	83,000	83,000	83,000
Shares issued	$ 830,000	$ 830,000	$ 830,000

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 (Note)			
Premium from the issuance of mergers	$ 233,087	$ 233,087	$ 233,087
Premium from the issuance of capital shares	342,322	342,322	342,322
Exercise of employee share options	225	225	225
May only be used to offset a deficit			
Changes in net equity of associates accounted for using the equity method	1,513	1,513	1,513
May not be used for any purpose			
Equity component of convertible bonds payable	48,342	48,342	48,342
	$ 625,489	$ 625,489	$ 625,489

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

c. Retained earnings and dividend policy

Pursuant to the Corporation's Articles of Incorporation, the current year's earnings, if any, shall be first used to pay taxes and offset deficit in prior years. The remaining earnings would be appropriated in the following order:

1) Setting aside 10% of the remaining earnings, as legal reserve, until the accumulated legal reserve equals the Corporation's paid-in capital.

2) Setting aside or reversing a special reserve in accordance with the laws and regulations.

3) Any remaining earnings together with any undistributed retained earnings shall be used by the

Corporation's board of directors as the basis for proposing a distribution plan, and resolved in the shareholders' meeting.

In line with the overall environment and the growth characteristics of the industry, as well as the Corporation's long-term financial planning in order to achieve sustainable operations and stable business development, the Corporation's dividend policy is based on the residual dividend policy, which is based on the Corporation's future capital budget plan in the measurement of the annual capital requirements, and the remaining earnings are distributed in the form of cash and stock dividends after reserving the necessary capital for financing. The distribution steps are as follows:

1) Determine the best capital budget.

2) Determine the amount of financing needed to meet the previous capital budget.

3) Determine the amount of capital to be financed by retained earnings.

4) The remaining earnings may be distributed to the shareholders in the form of dividends, after reserving an appropriate amount for operating needs, and the distribution should be no less than 10% of the Corporation's distributable earnings for the year, provided that the portion of cash dividends is no less than 10% of the total dividends to be paid.

The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The loss appropriation for 2025 proposed by the Corporation's board of directors in March 2026 was as follows:

	Deficit Offsetting
Legal reserve applied to offset accumulated deficit	$ 164,539
Capital surplus applied to offset accumulated deficit	428,712

The appropriations of earnings for 2024 were proposed by approved in the shareholders' meeting in May 2025, respectively. The appropriations and dividends per share were as follows:

	Appropriations of earnings	**Dividends per share (NT$)**
Legal reserve	$ 4,400	
Cash dividends	16,600	$ 0.2

The loss appropriation for 2025 will be resolved by the shareholders in their meeting to be held in May 2026.

d. Other equity items

Unrealized gains and losses on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2026	**2025**
Balance, beginning of the period	$ 674,713	$ 454,285

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Recognized during the period		
Unrealized gains and losses - equity instruments	19,828	(29,315)
Shares from associates accounted for using the equity method	11,384	8,437
Other comprehensive (loss) income recognized in the year	31,212	(20,878)
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	(3,145)	-
Balance, end of the period	$ 702,780	$ 433,407

22. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Sales of goods	$ 289,330	$ 437,539

a. Details of contracts with customers, refer to Note 4.
b. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Accounts receivable (including related parties)	$ 236,688	$ 241,052	$ 260,183	$ 293,332
Contract liabilities - current				
Sale of goods	$ 3,398	$ 1,149	$ 8,196	$ 4,490

The changes in the balance of contract liabilities resulted primarily from the difference in timing between the satisfaction of performance obligations and customer payment; there were no other significant changes during the three months ended March 31, 2026 and 2025.

c. Disaggregation of revenue

The main source of revenue of the Corporation is revenue from the sale of goods. The chief operating decision maker regards the Corporation as a single reporting segment. For the revenue from contracts with customers, please refer to the statement of comprehensive income

23. LOSS BEFORE INCOME TAX

The following items were included in loss before income tax:

a. Other income

	For the Three Months Ended March 31	
	2026	2025
Dividend income	$ 7,106	$ 6,194
Rent income	1,845	1,845
Others	260	614
	$ 9,211	$ 8,653

b. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Net foreign exchange gains	$ 7,143	$ 8,000
Losses on financial assets at FVTPL	-	(50)
	$ 7,143	$ 7,950

Disaggregation of net foreign exchange gains were as follows:

	For the Three Months Ended March 31	
	2026	2025
Foreign exchange gains	$ 7,472	$ 8,695
Foreign exchange losses	(329)	(695)
Net gains and losses	$ 7,143	$ 8,000

c. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	$ 2,043	$ 2,627
Interest on lease liabilities	160	281
Amortization of discount on corporate bonds payable	1,003	995
	$ 3,206	$ 3,903

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Depreciation expense		
Property, plant and equipment	$ 22,731	$ 102,556
Right-of-use assets	4,573	4,573
	$ 27,304	$ 107,129
Analysis of depreciation expense by function		
Operating costs	$ 26,293	$ 105,589
Operating expenses	1,011	1,540
	$ 27,304	$ 107,129
Amortization expense		
Other non-current assets	$ 6,546	$ 7,006
Analysis of amortization expense by function		
Operating costs	$ 5,903	$ 6,122
Operating expenses	643	884
	$ 6,546	$ 7,006

e. Employee benefits

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits		
Salaries	$ 74,943	$ 85,633
Labor and health insurance	8,853	11,656
Others	330	497
	84,126	97,786
Post-employment benefits		
Defined contribution plans	2,613	2,876
Defined benefit plans	54	49
	2,667	2,925
	$ 86,793	$ 100,711
Analysis of employee benefits by function		
Operating costs	$ 65,635	$ 76,107
Operating expenses	21,158	24,604
	$ 86,793	$ 100,711

f. Employees' compensation and remuneration to directors

Pursuant to the Corporation's Articles of Incorporation, 2% to 16% of the current year's profit shall be distributed as the employee's compensation. The compensation of the employees shall be distributed in shares or cash by the resolution of the board of directors and may include the Corporation's employees that meet requirements. In addition, not more than 1% shall be distributed as the remuneration of directors. The distribution of compensation and remuneration shall be reported in the shareholders' meeting. However, if the Corporation still has accumulated losses, the Corporation shall set aside a specific amount of retained earnings to cover the loss and then accrue the compensation and remuneration as mentioned above. According to the amendment of the Securities and Exchange Act in August 2024, the Corporation plans to amend its Articles of Incorporation at the 2025 shareholders' meeting to stipulate that 2% to 16% of the employee remuneration shall be allocated specifically to non-executive employees.
As the Corporation incurred a pre-tax loss for the three months ended March 31, 2026, no remuneration expenses for employees (including non-executive employees) and directors were recognized for that period.

The difference between the amounts recognized and the amounts approved by Corporation's board of directors is recorded as a change in accounting estimate and will be adjusted in the next year.

As the Company recorded a loss before tax, no employee compensation or directors' remuneration was estimated for the year 2025. There was no difference between the amounts of employees' compensation and remuneration of directors as approved and the amounts estimated in the financial statements for the years ended December 31, 2024 , as approved by the Board of Directors in March 2025 , respectively. The compensation and remuneration were distributed in cash.

	For the Year Ended December 31
	2024
Compensation of employees	$ 351
Remuneration of directors	175

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

24. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense (benefit) were as follow:

	For the Three Months Ended March 31	
	2026	2025
Deferred tax		
In respect of the current year	$ 3,211	$ (15,208)

b. Income tax assessment

The Corporation's income tax returns through 2024 have been assessed by the tax authorities.

25. LOSSES PER SHARE

The net loss and weighted average number of ordinary shares outstanding in the computation of loss per share were as follows:

Net loss for the period

	For the Three Months Ended March 31	
	2026	2025
Net loss used in computation of basic loss per share	($ 54,116)	($ 57,481)

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares used in computation of basic loss per share	83,000	83,000

The Corporation may settle the compensation of employees in cash or shares; therefore, the Corporation assumes 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, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. For the three months ended March 31, 2026 and 2025, as a loss was recorded, the assumed inclusion of employee remuneration and outstanding convertible bonds would have had an anti-dilutive effect; therefore, they were excluded from the calculation of diluted loss per share.

26. NON-CASH TRANSACTIONS

For the three months ended March 31, 2026 and 2025, the Corporation entered into the following non-cash investing activities that were not reflected in the statements of cash flows:

	For the Three Months Ended March 31	
	2026	2025
Increase in property, plant and equipment	$ 4,261	$ 35,395
Increase (decrease) in prepayments for equipment	144	(10,354)
Increase (decrease) in payables for equipment	1,643	(3,520)
Cash paid	$ 6,048	$ 21,521

27. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The key management personnel of the Corporation review the capital structure periodically, based on the condition of industry operations and future development of the Corporation, and consider the changes in the external environment. As part of the review, the key management personnel consider the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Corporation adjusts the number of new shares issued and the amount of new debt issued or existing debt redeemed.

28. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
March 31, 2026				
Financial instruments at FVTOCI				
Equity instruments - domestic listed shares	$ 1,338,555	$ -	$ -	$ 1,338,555
Debt instrument - accounts receivable	-	-	121,882	121,882
	$ 1,338,555	$ -	$ 121,882	$ 1,460,437
December 31, 2025				
Financial instruments at FVTOCI				
Equity instruments - domestic listed shares	$ 1,312,314	$ -	$ -	$ 1,312,314
Debt instrument - accounts receivable	-	-	122,997	122,997
	$ 1,312,314	$ -	$ 122,997	$ 1,435,311
March 31, 2025				
Financial instruments at FVTOCI				
Equity instruments - domestic listed shares	$ 1,070,982	$ -	$ -	$ 1,070,982
Debt instrument - accounts receivable	-	-	158,396	158,396
	$ 1,070,982	$ -	$ 158,396	$ 1,229,378

There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2026 and 2025.

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

Reconciliation of the fair value measurements of the financial instruments at FVTPL was as follows:

	For the three months ended March 31	
	2026	2025
Balance at beginning of the period	$ -	$ 50
Recognized in profit or loss (recorded as other gains and losses)	-	(50)
Balance at end of the period	$ -	$ -

3) Valuation techniques and inputs applied for fair value measurement

The Corporation uses the market price quotations as fair value inputs (level 1). The market price of the listed shares is the closing price of the shares on the Taiwan Stock Exchange.

The Corporation considers that the impact of discounting accounts receivable classified as at FVTOCI is immaterial; hence, the fair value is measured according to the book value (level 3).

The fair value of derivative assets - convertible bonds redemption rights and sell-back rights is measured using the binominal tree model (level 3) by using the significant but unobservable input - fluctuation of stock price. When the fluctuation of stock price increases, the fair value is deemed to increase.

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at FVTOCI - debt instruments	$ 121,882	$ 122,997	$ 158,396
Financial assets at FVTOCI - equity instruments	1,338,555	1,312,314	1,070,982
Financial assets at amortized cost (Note 1)	305,472	761,676	736,016
Financial liabilities			
Financial liabilities at amortized cost (Note 2)	1,126,674	1,546,676	1,363,251

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, refundable deposits and other financial assets - current.

Note 2: The balances included financial liabilities at amortized cost, which comprise long-term and short-term borrowings, accounts payable, other payables, refund liabilities (reported as other current liabilities), bonds payable, and guarantee deposits.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include equity investments, accounts receivable, accounts payable, other payables, bonds payable, borrowings and lease liabilities. The Corporation's 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 Corporation through internal risk reports that 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 significant financial activities of the Corporation are reviewed by the board of directors in accordance with relevant regulations and internal controls. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

There had been no change to the Corporation's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Corporation was exposed to foreign currency risk due to sales and purchases denominated in foreign currencies. Exchange rate exposures were managed by foreign exchange forward contracts, natural hedges of foreign deposits, foreign borrowings or the same category of foreign currency right and debts from transaction.

For the carrying amounts of the Corporation's non-functional currency denominated monetary assets and liabilities at the balance sheet date, refer to Note 32.

Sensitivity analysis

The Corporation was mainly exposed to the USD and JPY. The following table details the Corporation's sensitivity to a 1% increase and decrease in the New Taiwan dollar against the USD and JPY. 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 as follows:

	Sensitivity Analysis	
	Impact on Profit or Loss	
	For the Three months ended March 31.	
	2026	**2025**
Monetary items (Note)		
USD: NTD	$ (2,656)	$ (3,791)
JPY: NTD	(174)	(20)

Note: This was mainly attributable to the exposure on outstanding cash and cash equivalents, accounts receivable (including related parties), accounts payable, other payables, and refund liabilities (reported as other current liabilities) in USD and JPY which were not hedged at the balance sheet date.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the period. Sales in U.S. dollar will fluctuate according to the terms of contracts and business cycle.

b) Interest rate risk

The Corporation was exposed to interest rate risk because the Corporation borrowed funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Corporation' financial assets and liabilities with exposure to interest rates at the balance sheet date were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	$ 32,401	$ 382,395	$ 153,538
Financial liabilities	520,306	524,220	535,790
Cash flow interest rate risk			
Financial assets	142,433	237,490	463,354
Financial liabilities	378,070	771,902	563,030

The sensitivity analysis below was determined based on the Corporation's exposure to financial instruments at the balance sheet date. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the balance sheet date were outstanding for the whole year. A 1% basis point increase or decrease was 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 of financial liabilities had been higher/lower by 1% and all other variables were held constant, the Corporation's pre-tax loss for the three months ended March 31, 2026 and 2025 would have been higher/lower by NT$945 thousand and NT$1,408 thousand.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in domestic listed shares.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the three months ended March 31, 2026 and 2025 would have increased/decreased by NT$13,386 thousand and NT$10,710 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

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 Corporation. As of the balance sheet date, the Corporation's maximum exposure to credit risk is the carrying amount of the financial assets on the balance sheets.

Business units grant credit amounts according to their experience in various credit transactions, and monitor customer payment situations regularly. The Corporation does not expect significant credit risk because the counterparties are creditworthy financial institutions. In recent years, the actual occurrence of bad debts is very rare, and therefore no significant credit risk is expected.

Counterparties of accounts receivable are concentrated in a number of significant customers. They are mostly engaged in commercial activities and have similar economic characteristics and similar abilities to fulfill contracts affected by the economic or other conditions. The receivables with significant credit risk were as follows:

Customer	March 31, 2026	December 31, 2025	March 31, 2025
Company A	$ 62,841	$ 47,089	$ -
Company B	57,446	62,910	67,672
Company C	51,119	45,561	60,409
Company D	27,760	31,419	66,826
Company E	13,317	14,526	30,315
Chang Wah Electromaterials Inc.	12,184	27,405	21,633
	$ 224,667	$ 228,910	$ 246,855

3) Liquidity risk

The management of the Corporation continuously monitor the movements of cash flows, net cash and cash equivalents position and the utilization of bank loan commitments to control the proportion of long-term and short-term bank loans and ensure compliance with loan covenants.

The Corporation relies on bank borrowings as a significant source of liquidity. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Corporation's unused credit facilities were NT$2,656,972 thousand, NT$1,906,887 thousand, and NT$2,141,740 thousand, respectively.

The following table details the Corporation'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 Corporation can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are at floating rate, the undiscounted amount was estimated by the interest rate at the end of the reporting period.

	Less than 1 Year	1-5 Years	Over 5 Years	Total
March 31, 2026				
Short-term borrowings	$ 170,251	$ -	$ -	$ 170,251
Long-term borrowings (including current portion)	209,442	-	-	209,442
Accounts payable	105,594	-	-	105,594
Other payables	140,160	-	-	140,160
Bonds payables	500,000	-	-	500,000

(Continued)

	Less than 1 Year	1-5 Years	Over 5 Years	Total
Lease liabilities (including current and non-current portion)	20,304	2,396	-	22,700
Refund liabilities	4,197	-	-	4,197
Guarantee deposits	-	665	-	665
	$ 1,149,948	$ 3,061	$ -	$ 1,153,009
December 31, 2025				
Long-term borrowings (including current portion)	$ 251,530	$ 525,830	$ -	$ 777,360
Accounts payable	113,973	-	-	113,973
Other payables	159,377	-	-	153,377
Bonds payables	500,000	-	-	500,000
Lease liabilities (including current and non-current portion)	20,304	7,472	-	27,776
Refund liabilities	3,774	-	-	3,774
Guarantee deposits	-	665	-	665
	$ 1,048,958	$ 533,967	$ -	$ 1,576,925
March 31, 2025				
Short-term borrowings	$ 100,105	$ -	$ -	$ 100,105
Long-term borrowings (including current portion)	260,756	209,454	-	470,210
Accounts payable	149,205	-	-	149,205
Other payables	155,476	-	-	155,476
Bonds payable(including current portion)	-	500,000	-	500,000
Lease liabilities (including current and non-current portion)	20,304	22,700	-	43,004
Refund liabilities	886	-	-	886
Guarantee deposits	-	665	-	665
	$ 686,732	$ 732,819	$ -	$ 1,419,551

29. TRANSACTIONS WITH RELATED PARTIES

a. Related party names and relationships

Related Party Name	Relationship
Chang Wah Electromaterials Inc.	Key management personnel
Chang Wah Technology Co., Ltd.	Other related party
Mei-Hsueh Huang	Key management personnel
Wan-Hsia Lee	Key management personnel (Not longer a related party following reassigned from General Manager to Technical Expert in April 2025)

b. Operating revenues

Related Party Category	For the Three Months Ended March 31 2026	For the Three Months Ended March 31 2025
Key management personnel	$ 21,673	$ 28,283

Sales to related parties were made at the prices and terms that were not significantly different from the transactions of non-related parties.

c. Purchase of goods

Related Party Category	For the Three Months Ended March 31 2026	For the Three Months Ended March 31 2025
Key management personnel	$ 1,104	$ 1,434

Purchases from related parties were made at the prices and terms that were not significantly different from the transactions of non-related parties.

d. Remuneration of key management personnel

Remuneration of directors and other members of key management personnel was as follows:

	For the Three Months Ended March 31 2026	For the Three Months Ended March 31 2025
Short-term employee benefits	$ 2,399	$ 2,970
Post-employment benefits	132	156
	$ 2,531	$ 3,126

e. Lease arrangement - the Corporation is lessee

The Corporation leases a building from Chang Wah Electromaterials Inc. under the agreement expiring on March 31, 2027, and the rent is paid monthly. As of March 31, 2026, December 31, 2025 and March 31, 2025, the lease liabilities recognized by the Corporation due to the above lease agreement were NT$18,652 thousand, NT$23,243 thousand, and NT$36,844 thousand, respectively, which were listed under lease liabilities (including current and non-current portion). The interest expenses recognized for the three months ended March 31, 2026 and 2025 were NT$135 thousand and NT$248 thousand respectively.

f. Lease arrangement - the Corporation is lessor

The Corporation leases part of their buildings to Chang Wah Technology Co., Ltd. under the agreement for 3 years. The rental payments were received on a monthly basis. The rental revenue amounted for the three months ended March 31, 2026 and 2025 was both NT$1,845 thousand.

g. Balance at period-end

Account Item	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable - related parties	Chang Wah Electromaterials Inc.	$ 12,184	$ 27,405	$ 21,633
Other receivables	Chang Wah Electromaterials Inc.	$ -	$ 9,809	$ -
	Chang Wah Technology Co., Ltd.	7,106	7,151	6,194
	Mei-Hsueh Huang (Note)	1,000	1,000	1,000
		$ 8,106	$ 17,960	$ 7,194

As of March 31, 2025, the balance of other receivables from Wan-Hsia Lee (Note) was NT$1,000 thousand.

Note: Refers to the bail amount paid by the Corporation on behalf of the management for the criminal proceedings mentioned in Note 31.

Account Item	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits	Chang Wah Electromaterials Inc.	$ 1,575	$ 1,575	$ 1,575
Accounts payable	Key management personnel	$ 745	$ 740	$ 1,087
Other payables	Key management personnel	$ 1,646	$ 1,575	$ 1,575
Guarantee deposits	Chang Wah Technology Co., Ltd.	$ 615	$ 615	$ 615

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the Cooperative Education program:

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged time deposits (classified as other financial assets - current)	$ 2,395	$ 2,395	$ 2,395

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The amount of the customs duties guarantee provided by the Corporation through bank credit guarantee is NT$18,000 thousand, and NT$3,464 thousand has been used.

b. The Corporation signed the contract for the purchase of property, plant and equipment with a total amount NT$3,500 thousand, of which NT$2,100 thousand had not been paid.

c. In March 2014, Chipbond Technology Corp. filed a criminal lawsuit against the Corporation for the breach of trade secrets. Subsequently, in September 2019, a criminal incidental civil lawsuit was filed for the requested compensation of damages amounting to NT$1,000,000 thousand. Additional claims for damages have been made since August 2021, and the case is currently pending in court. In September 2016, Chipbond Technology Corp. also filed a civil lawsuit against the Corporation for infringement of business secrets. The main contents of the lawsuit include the prohibition on the use or disclosure of business secrets of Chipbond Technology Corp., the destruction of relevant files, the prohibition on the people involved in the case from serving the Corporation for a specific period of time and the destruction of products that infringed on business secrets. Chipbond Technology Corp. sought an indemnification of NT$1,765,137 thousand and subsequently filed additional claims for damages. The court dismissed Chipbond Technology Corp.'s claims on December 29, 2023, but Chipbond Technology Corp. had filed an appeal. Based on the legal opinion issued by the Corporation's lawyers for the aforementioned litigation case, no significant adverse impact on the Corporation was concluded after the assessment of the lawyers. Therefore, the management of the Corporation believes that the lawsuit will not have a significant impact on the Corporation's business and financial position. The aforementioned case has not been adjudged by the court as of May 7, 2026.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currency of the Corporation and the exchange rates between the foreign currencies and the functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
March 31, 2026				
Financial assets				
Monetary items				
USD	$ 8,436	31.995	(USD:NTD)	$ 269,901
JPY	308,066	0.2005	(JPY:NTD)	61,767
Financial liabilities				
Monetary items				
USD	134	31.995	(USD:NTD)	4,276
JPY	221,335	0.2005	(JPY:NTD)	44,378
December 31, 2025				
Financial assets				
Monetary items				
USD	9,350	31.43	(USD:NTD)	293,871
JPY	312,916	0.2008	(JPY:NTD)	62,834
Financial liabilities				
Monetary items				
USD	122	31.43	(USD:NTD)	3,850
JPY	242,313	0.2008	(JPY:NTD)	48,656

(Continued)

March 31, 2025	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Financial assets				
Monetary items				
USD	$ 11,461	33.205	(USD:NTD)	$ 380,567
JPY	271,708	0.2227	(JPY:NTD)	60,509
Financial liabilities				
Monetary items				
USD	46	33.205	(USD:NTD)	1,514
JPY	262,537	0.2227	(JPY:NTD)	58,467

Significant foreign currency exchange gains and losses were as follows:

Foreign Currency	Exchange Rate		Net foreign currency exchange gains (losses) (In Thousands of New Taiwan Dollars)
For the three months ended March 31, 2026			
USD	31.995	(USD:NTD)	$ 6,106
JPY	0.2005	(JPY:NTD)	1,037
			$ 7,143
For the three months ended March 31, 2025			
USD	33.205	(USD:NTD)	$ 6,446
JPY	0.2227	(JPY:NTD)	1,554
			$ 8,000

33. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (Table 1)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital l (None)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

b. Information on investees (Table 2)

c. Information on investments in mainland China (None)

34. SEGMENT INFORMATION

The chief operating decision maker regards the Corporation as a single reporting segment. Thus, the information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance regarded the Corporation information as a whole. Please refer to the content of this financial report for relevant information on the operating segment.

JMC Electronics Co., Ltd.

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/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	Stock - ordinary shares							
	Chang Wah Electromaterials Inc.	Key management personnel	Financial assets at fair value through other comprehensive income - non-current	14,075,000	$ 598,891	1.94	$ 598,891	
	Chang Wah Technology Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income - non-current	15,791,000	737,440	1.66	737,440	
					$ 1,336,331		$ 1,336,331	

TABLE 2

JMC Electronics Co., Ltd.

INFORMATION ON INVESTEES
FOR THE PERIOD 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	Number of Shares	%	Carrying Amount			
The Corporation	Shing Zheng Investment Co., Ltd.	Taiwan	Investment	$ 280,000	$ 280,000	28,000,000	28	$ 387,390	$ 9,667	$ 2,706	