

Chang Wah Electromaterials Inc. and Subsidiaries

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated 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 consolidated financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Chang Wah Electromaterials Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Chang Wah Electromaterials Inc. (the "Corporation") and its subsidiaries as of March 31, 2026 and 2025, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated 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 of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion, 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 the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 13, the balances of investments accounted for using the equity method of the Corporation and its subsidiaries amounted to NT\$1,816,501 thousand and NT\$1,878,441 thousand as of March 31, 2026 and 2025, respectively; the share of the profit of associates accounted for using the equity method amounted to NT\$14,071 thousand and NT\$28,752 thousand for the three months ended March 31, 2026 and 2025, respectively; the share of the other comprehensive income of associates amounted to profit of NT\$38,899 thousand and profit of NT\$17,457 thousand for the three months ended March 31, 2026 and 2025, respectively. The above amounts were recognized and disclosed based on the financial statements of the associates, which were not reviewed by independent auditors for the corresponding periods.

Qualified Conclusion

Based on our reviews, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain associates accounted for using the equity method, as described in the preceding paragraph, been reviewed by independent auditors, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months 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.

The engagement partners on the reviews resulting in this independent auditors' review report are Jui-Hsuan Hsu and Lee-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 2026

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

Chang Wah Electromaterials Inc. 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)	\$ 7,447,009	17	\$ 7,386,449	18	\$ 8,230,229	22
Financial assets at fair value through profit or loss – current (Note 7)	114,380	-	94,570	-	73,990	-
Financial assets at fair value through other comprehensive income – current (Note 8)	7,467,502	17	6,409,056	16	725,666	2
Notes and accounts receivable, net (Note 9)	4,477,969	11	4,227,363	10	3,720,966	10
Accounts receivable - related parties (Notes 9 and 33)	25,616	-	34,928	-	30,546	-
Other receivables (Note 33)	153,209	1	101,282	-	147,093	-
Current tax assets	17	-	17	-	11,909	-
Inventories (Note 10)	3,916,470	9	3,322,086	8	2,688,543	7
Other financial assets - current (Notes 11 and 34)	2,984,644	7	2,994,084	7	2,323,964	6
Other current assets	<u>172,470</u>	<u>-</u>	<u>131,910</u>	<u>1</u>	<u>184,285</u>	<u>1</u>
Total current assets	<u>26,759,286</u>	<u>62</u>	<u>24,701,745</u>	<u>60</u>	<u>18,137,191</u>	<u>48</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	253,199	1	256,029	1	259,507	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	7,832,240	18	7,897,181	19	10,617,741	28
Investments accounted for using the equity method (Note 13)	2,532,194	6	2,508,126	6	3,335,513	9
Property, plant and equipment (Notes 14 and 33)	3,484,727	8	3,354,590	8	3,799,975	10
Right-of-use assets (Note 15)	707,300	2	709,369	2	466,832	1
Investment properties (Notes 16 and 33)	443,817	1	445,567	1	16,393	-
Goodwill (Note 17)	697,012	2	691,335	2	709,169	2
Other intangible assets (Note 18)	77,044	-	80,458	-	90,047	-
Deferred tax assets	185,179	-	181,593	1	177,428	1
Other financial assets - non-current (Notes 11 and 34)	23,212	-	23,136	-	23,213	-
Other non-current assets	<u>50,790</u>	<u>-</u>	<u>52,815</u>	<u>-</u>	<u>50,357</u>	<u>-</u>
Total non-current assets	<u>16,286,714</u>	<u>38</u>	<u>16,200,199</u>	<u>40</u>	<u>19,546,175</u>	<u>52</u>
TOTAL	<u>\$ 43,046,000</u>	<u>100</u>	<u>\$ 40,901,944</u>	<u>100</u>	<u>\$ 37,683,366</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	\$ 3,020,106	7	\$ 3,020,010	7	\$ 1,290,000	3
Contract liabilities - current (Note 24)	208,811	1	279,068	1	295,466	1
Accounts payable (Note 20)	2,640,690	6	2,281,619	6	1,906,037	5
Accounts payable - related parties (Notes 20 and 33)	108,097	-	145,000	-	82,494	-
Dividends payable	1,869,481	4	907,117	2	1,805,731	5
Other payables (Notes 21 and 33)	1,526,407	4	1,525,435	4	1,517,565	4
Current tax liabilities	487,690	1	389,198	1	231,425	1
Lease liabilities - current (Notes 15 and 33)	21,883	-	22,647	-	24,818	-
Current portion of long-term borrowings (Note 19)	364,577	1	401,006	1	426,006	1
Other current liabilities	<u>117,645</u>	<u>-</u>	<u>112,886</u>	<u>-</u>	<u>121,763</u>	<u>1</u>
Total current liabilities	<u>10,365,387</u>	<u>24</u>	<u>9,083,986</u>	<u>22</u>	<u>7,701,305</u>	<u>21</u>
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 24)	13,666	-	10,305	-	19,243	-
Long-term borrowings (Note 19)	9,600,974	23	8,620,046	21	8,850,551	24
Deferred tax liabilities	523,601	1	464,130	1	518,677	1
Lease liabilities - non-current (Notes 15 and 33)	69,050	-	74,110	1	82,641	-
Net defined benefit liabilities (Note 4)	9,323	-	9,929	-	7,803	-
Other non-current liabilities	<u>23,741</u>	<u>-</u>	<u>24,760</u>	<u>-</u>	<u>26,415</u>	<u>-</u>
Total non-current liabilities	<u>10,240,355</u>	<u>24</u>	<u>9,203,280</u>	<u>23</u>	<u>9,505,330</u>	<u>25</u>
Total liabilities	<u>20,605,742</u>	<u>48</u>	<u>18,287,266</u>	<u>45</u>	<u>17,206,635</u>	<u>46</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 23 and 29)						
Ordinary shares	<u>725,648</u>	<u>2</u>	<u>725,648</u>	<u>2</u>	<u>725,648</u>	<u>2</u>
Capital surplus	<u>5,230,776</u>	<u>12</u>	<u>6,184,845</u>	<u>15</u>	<u>6,303,960</u>	<u>17</u>
Retained earnings						
Legal reserve	2,052,088	5	1,984,582	5	1,940,078	5
Special reserve	1,277	-	1,277	-	1,277	-
Unappropriated earnings	<u>2,433,370</u>	<u>5</u>	<u>2,549,469</u>	<u>6</u>	<u>2,322,373</u>	<u>6</u>
Total retained earnings	<u>4,486,735</u>	<u>10</u>	<u>4,535,328</u>	<u>11</u>	<u>4,263,728</u>	<u>11</u>
Other equity	<u>8,021,054</u>	<u>19</u>	<u>7,251,711</u>	<u>18</u>	<u>4,942,311</u>	<u>13</u>
Treasury shares	(<u>786,361</u>)	(<u>2</u>)	(<u>736,628</u>)	(<u>2</u>)	(<u>706,598</u>)	(<u>2</u>)
Total equity attributable to owners of the Corporation	17,677,852	41	17,960,904	44	15,529,049	41
NON-CONTROLLING INTERESTS (Notes 12 and 23)	<u>4,762,406</u>	<u>11</u>	<u>4,653,774</u>	<u>11</u>	<u>4,947,682</u>	<u>13</u>
Total equity	<u>22,440,258</u>	<u>52</u>	<u>22,614,678</u>	<u>55</u>	<u>20,476,731</u>	<u>54</u>
TOTAL	<u>\$ 43,046,000</u>	<u>100</u>	<u>\$ 40,901,944</u>	<u>100</u>	<u>\$ 37,683,366</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated May 6, 2026)

Chang Wah Electromaterials Inc. 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	%
OPERATING REVENUE (Notes 24 and 33)	\$ 5,422,396	100	\$ 4,503,871	100
OPERATING COSTS (Notes 10, 25 and 33)	<u>4,418,338</u>	<u>82</u>	<u>3,653,396</u>	<u>81</u>
GROSS PROFIT	<u>1,004,058</u>	<u>18</u>	<u>850,475</u>	<u>19</u>
OPERATING EXPENSES (Notes 9, 25 and 33)				
Selling and marketing expenses	113,417	2	93,178	2
General and administrative expenses	163,380	3	177,779	4
Research and development expenses	91,911	2	94,516	2
Expected credit loss reversed	(<u>22,380</u>)	(<u>1</u>)	(<u>10,521</u>)	-
Total operating expenses	<u>346,328</u>	<u>6</u>	<u>354,952</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>657,730</u>	<u>12</u>	<u>495,523</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Note 25)				
Interest income	71,895	1	81,713	2
Other income	29,930	1	34,304	1
Other gains and losses	56,774	1	108,022	2
Finance costs	(56,931)	(1)	(48,599)	(1)
Share of profit or loss of associates	(<u>8,741</u>)	-	<u>4,499</u>	-
Total non-operating income and expenses	<u>92,927</u>	<u>2</u>	<u>179,939</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	750,657	14	675,462	15
INCOME TAX EXPENSE (Notes 4 and 26)	<u>152,248</u>	<u>3</u>	<u>127,889</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>598,409</u>	<u>11</u>	<u>547,573</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23 and 26)				
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	730,056	14	(849,026)	(19)
Share of the other comprehensive income (loss) of associates	13,331	-	(8,852)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	256,688	5	119,729	3

(Continued)

Chang Wah Electromaterials Inc. 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	%
Share of the other comprehensive income of associates	\$ 38,929	-	\$ 17,371	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(57,323)	(1)	(26,534)	-
Other comprehensive income for the period, net of income tax	<u>981,681</u>	<u>18</u>	<u>(747,312)</u>	<u>(16)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,580,090</u>	<u>29</u>	<u>(\$ 199,739)</u>	<u>(4)</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 362,396		\$ 332,187	
Non-controlling interests	<u>236,013</u>		<u>215,386</u>	
	<u>\$ 598,409</u>		<u>\$ 547,573</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,214,859		(\$ 459,062)	
Non-controlling interests	<u>365,231</u>		<u>259,323</u>	
	<u>\$ 1,580,090</u>		<u>(\$ 199,739)</u>	
EARNINGS PER SHARE (Note 27)				
Basic	\$ 0.51		\$ 0.47	
Diluted	0.51		0.47	

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

(Concluded)

(With Deloitte & Touche auditors' review report dated May 6, 2026)

Chang Wah Electromaterials Inc. and Subsidiaries

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

	Equity Attributable to Owners of the Corporation						Other Equity						
	Ordinary Shares	Capital Surplus	Retained Earnings			Total	Exchange Differences on Translation of Foreign Operations	Unrealized Gains and Losses on Financial Assets At Fair Value Through Other Comprehensive Income	Total Other Equity	Treasury Shares	Total Equity Attributable to Owners of the Corporation	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE AT JANUARY 1, 2026	\$ 725,648	\$ 6,184,845	\$ 1,984,582	\$ 1,277	\$ 2,549,469	\$ 4,535,328	\$ 58,895	\$ 7,192,816	\$ 7,251,711	(\$ 736,628)	\$ 17,960,904	\$ 4,653,774	\$ 22,614,678
Appropriation of earnings													
Legal reserve	-	-	67,506	-	(67,506)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(494,109)	(494,109)	-	-	-	-	(494,109)	-	(494,109)
	-	-	67,506	-	(561,615)	(494,109)	-	-	-	-	(494,109)	-	(494,109)
Cash dividends from capital surplus	-	(953,726)	-	-	-	-	-	-	-	-	(953,726)	-	(953,726)
Net profit for the three months ended March 31, 2026	-	-	-	-	362,396	362,396	-	-	-	-	362,396	236,013	598,409
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	-	137,983	714,480	852,463	-	852,463	129,218	981,681
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	362,396	362,396	137,983	714,480	852,463	-	1,214,859	365,231	1,580,090
Acquisition of the Corporation's shares held by subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	(49,769)	(49,769)	(58,524)	(108,293)
Disposal of the Corporation's shares held by subsidiaries (Note 23)	-	37	-	-	-	-	-	-	-	36	73	286	359
Share of changes in equity of subsidiaries (Note 29)	-	(380)	-	-	-	-	-	-	-	-	(380)	-	(380)
Non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(198,361)	(198,361)
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 23)	-	-	-	-	83,120	83,120	-	(83,120)	(83,120)	-	-	-	-
BALANCE AT MARCH 31, 2026	\$ 725,648	\$ 5,230,776	\$ 2,052,088	\$ 1,277	\$ 2,433,370	\$ 4,486,735	\$ 196,878	\$ 7,824,176	\$ 8,021,054	(\$ 786,361)	\$ 17,677,852	\$ 4,762,406	\$ 22,440,258
BALANCE AT JANUARY 1, 2025	\$ 725,648	\$ 6,393,450	\$ 1,836,350	\$ 1,277	\$ 3,470,102	\$ 5,307,729	\$ 167,684	\$ 5,568,208	\$ 5,735,892	(\$ 705,024)	\$ 17,457,695	\$ 4,890,272	\$ 22,347,967
Appropriation of earnings													
Legal reserve	-	-	103,728	-	(103,728)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,378,520)	(1,378,520)	-	-	-	-	(1,378,520)	-	(1,378,520)
	-	-	103,728	-	(1,482,248)	(1,378,520)	-	-	-	-	(1,378,520)	-	(1,378,520)
Cash dividends from capital surplus	-	(69,315)	-	-	-	-	-	-	-	-	(69,315)	-	(69,315)
Net profit for the three months ended March 31, 2025	-	-	-	-	332,187	332,187	-	-	-	-	332,187	215,386	547,573
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	63,011	(854,260)	(791,249)	-	(791,249)	43,937	(747,312)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	332,187	332,187	63,011	(854,260)	(791,249)	-	(459,062)	259,323	(199,739)
Share of changes in equity of subsidiaries (Note 29)	-	(20,175)	-	-	-	-	-	-	-	(1,574)	(21,749)	1,574	(20,175)
Non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(203,487)	(203,487)
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 23)	-	-	-	-	2,332	2,332	-	(2,332)	(2,332)	-	-	-	-
BALANCE AT MARCH 31, 2025	\$ 725,648	\$ 6,303,960	\$ 1,940,078	\$ 1,277	\$ 2,322,373	\$ 4,263,728	\$ 230,695	\$ 4,711,616	\$ 4,942,311	(\$ 706,598)	\$ 15,529,049	\$ 4,947,682	\$ 20,476,731

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

(With Deloitte & Touche auditors’ review report dated May 6, 2026)

Chang Wah Electromaterials Inc. 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		
Profit before income tax	\$ 750,657	\$ 675,462
Adjustments for:		
Depreciation expense	171,054	191,608
Amortization expense	4,020	4,761
Expected credit loss reversed	(22,380)	(10,521)
Gain on financial assets at fair value through profit or loss	(22,315)	(5,071)
Finance costs	56,931	48,599
Interest income	(71,895)	(81,713)
Dividend income	(11,056)	(12,416)
Compensation costs of share-based payments	5,317	7,434
Share of profit or loss of associates	8,741	(4,499)
Gain on disposal of property, plant and equipment	(3,676)	(19)
Impairment loss recognized (reversal) on non-financial assets	12,105	(26,754)
Others	(1,277)	2,884
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	5,335	19,593
Notes and accounts receivable, net	(228,289)	(134,572)
Accounts receivable - related parties	9,312	420
Other receivables	(34,739)	(7,524)
Inventories	(609,448)	48,421
Other current assets	(40,565)	(52,084)
Contract liabilities	(66,896)	23,329
Notes payable	-	(341)
Accounts payable	359,071	154,133
Accounts payable - related parties	(36,903)	(32,862)
Other payables	(24,566)	(13,721)
Other current liabilities	3,892	8,914
Net defined benefit liabilities	(606)	(17,339)
Other non-current liabilities	(200)	(412)
Cash generated from operations	211,624	785,710
Interest received	55,480	83,076
Dividends received	29,733	12,416
Interest paid	(53,754)	(46,344)
Income taxes paid	(52,503)	(63,769)
Net cash generated from operating activities	<u>190,580</u>	<u>771,089</u>

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Chang Wah Electromaterials Inc. 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 INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 404,290)	(\$ 83,576)
Proceeds from disposal of financial assets at fair value through other comprehensive income	167,534	4,126
Acquisition of property, plant and equipment	(248,150)	(90,933)
Proceeds from disposal of property, plant and equipment	3,697	2,586
Acquisition of intangible assets	(819)	(3,579)
Decrease in other financial assets	9,364	667,061
Increase in other non-current assets	(16,192)	(4,785)
Net cash generated from (used in) investing activities	(488,856)	490,900
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	500,096	100,000
Repayment of short-term borrowings	(500,000)	(1,110,000)
Proceeds from long-term borrowings	1,355,000	2,045,000
Repayment of long-term borrowings	(410,501)	(492,501)
Proceeds from (refund of) guarantee deposits	(819)	90
Repayment of the principal portion of lease liabilities	(6,347)	(6,118)
Dividends paid	(485,471)	(478,631)
Acquisition of the Corporation's shares held by subsidiaries	(108,293)	-
Disposal of treasury shares	359	-
Decrease in non-controlling interests	(204,058)	(292,428)
Net cash generated from (used in) financing activities	139,966	(234,588)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>218,870</u>	<u>104,011</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	60,560	1,131,412
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>7,386,449</u>	<u>7,098,817</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 7,447,009</u>	<u>\$ 8,230,229</u>

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

(Concluded)

(With Deloitte & Touche auditors' review report dated May 6, 2026)

Chang Wah Electromaterials Inc. 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

Chang Wah Electromaterials Inc. (the “Corporation”) was incorporated in May 1989. The Corporation trades electrical, telecommunication, and semiconductor materials and parts, and engages in import and export trading, leasing, manufacturing and selling of electrical appliances, telecommunications equipment, and mechanical parts, and retailing of synthetic resin, electronic materials and components.

In October 2003, the Corporation’s shares were listed on the Taipei Exchange. On December 31, 2007, the Corporation listed its shares on the Taiwan Stock Exchange.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on May 6, 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 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 and its subsidiaries’ accounting policies.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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.

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:

- a) 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 Corporation and its subsidiaries shall assess whether they have specified main business activities of investing in particular types of assets and providing financing to customers.
- b) 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.
- c) Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation and its subsidiaries 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 and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation and its subsidiaries label items as “other” only if they cannot find a more informative label.
- d) 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 and its subsidiaries as a whole, the Corporation and its subsidiaries 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”:

- a) The Corporation and its subsidiaries shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- b) Interest and dividends received by the Corporation and its subsidiaries shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Corporation and its subsidiaries have a specific main operating activity, they shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how they classify 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.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation and its subsidiaries are continuously assessing the other impacts of the above amended standards and interpretations on the Corporation and its subsidiaries’ 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 that are measured at fair value and net defined benefit liabilities 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:

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) 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
- c) Level 3 inputs are unobservable inputs for an asset or liability.

c. Other material accounting policies

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

a) 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.

b) 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.

c) 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.

d. Basis of consolidation

The detailed information of subsidiaries is as follows:

Investor Company	Investee Company	Main Businesses	Percentage of Ownership (%)		
			March 31, 2026	December 31, 2025	March 31, 2025
The Corporation	CWE Holding Co., Ltd. ("CWE Holding")	International investment activities	100	100	100
	Chang Wah Technology Co., Ltd. ("CWTC")	Manufacturing of plastic products and electronic components for industrial use; retailing and wholesaling of electronic components and machinery	49.47	49.54	48.68
	Chang Wah Energy Technology Co., Ltd. ("CWECE")	Power generation of non-public business and renewable energy for equipment; leasing business; installing and retailing of electrical equipment, machinery and computer equipment	100	100	100
	Shanghai Chang Wah Electromaterials Inc. ("CWES")	Acting as an agent for IC packaging materials and equipment	30.625	30.625	30.625
	Shing Zheng Investment Co., Ltd. ("SZI")	Investment activities	10	10	10
Chang Wah Technology Co., Ltd.	CWTC (Shanghai) Inc. ("CWTS")	Selling of lighting materials and equipment, communication devices, semiconductor materials and equipment, electronic products, machinery and equipment, etc.	100	100	100
SH Asia Pacific Pte. Ltd.	SH Asia Pacific Pte. Ltd. ("SHAP")	Trading of electronic components and equipment; investing activities	100	100	100
	Shing Zheng Investment Co., Ltd. ("SZI")	Investment activities	49	49	49
	Malaysian SH Electronics Sdn. Bhd. ("MSHE")	Manufacturing and selling lead frame and semiconductor materials	100	100	100
	SH Electronics Chengdu Co., Ltd. ("SHEC")	Researching, developing, manufacturing and selling of lead frame, semiconductor materials and precision tools	70	70	70
	SH Precision Chengdu Co., Ltd. ("SHPC")	Researching, developing, manufacturing and selling of lead frame, semiconductor materials and precision tools	70	70	70
WSP Electromaterials Ltd.	SH Electronics Suzhou Co., Ltd. ("SHS")	Researching, developing, manufacturing and selling of lead frame, semiconductor packaging materials and precision tools	100	100	100
	WSP Electromaterials Ltd. ("WSP")	International investment activities	100	100	100
	Shanghai Chang Wah Electromaterials Inc. ("CWES")	Acting as an agent for IC packaging materials and equipment	69.375	69.375	69.375
	SH Electronics Chengdu Co., Ltd. ("SHEC")	Researching, developing, manufacturing and selling of lead frame, semiconductor materials and precision tools	30	30	30
	SH Precision Chengdu Co., Ltd. ("SHPC")	Researching, developing, manufacturing and selling of lead frame, semiconductor materials and precision tools	30	30	30

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation and its subsidiaries' accounting policies, management is required to make judgments, estimates and assumptions about 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.

The material accounting judgments and key sources of estimation uncertainty adopted by these interim consolidated financial statements are disclosed in the consolidated 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	\$ 586	\$ 636	\$ 588
Checking accounts and demand deposits	4,053,720	3,819,035	4,252,397
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	3,387,703	3,561,778	3,957,244
Bonds with repurchase agreement	<u>5,000</u>	<u>5,000</u>	<u>20,000</u>
	<u>\$ 7,447,009</u>	<u>\$ 7,386,449</u>	<u>\$ 8,230,229</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	<u>\$ 114,380</u>	<u>\$ 94,570</u>	<u>\$ 73,990</u>
<u>Non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Foreign private equity funds	<u>\$ 253,199</u>	<u>\$ 256,029</u>	<u>\$ 259,507</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Equity instruments			
Domestic listed shares	\$ 7,452,163	\$ 6,390,346	\$ 721,737
Foreign listed shares	<u>15,339</u>	<u>18,710</u>	<u>3,929</u>
	<u>\$ 7,467,502</u>	<u>\$ 6,409,056</u>	<u>\$ 725,666</u>

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Equity instruments			
Domestic listed shares	\$ 7,230,551	\$ 7,296,538	\$ 10,183,584
Domestic privately placed ordinary shares of listed companies	280,349	280,349	157,065
Foreign unlisted shares	242,668	238,383	221,079
Foreign listed shares	46,755	50,074	24,480
Domestic unlisted shares	<u>31,917</u>	<u>31,837</u>	<u>31,533</u>
	<u>\$ 7,832,240</u>	<u>\$ 7,897,181</u>	<u>\$ 10,617,741</u> (Concluded)

These investments in equity instruments 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 and its subsidiaries' strategy of holding these investments for long-term purposes.

The Corporation and its subsidiaries entered into a security-lending agreement with SinoPac Securities. During the lending period, the Corporation and its subsidiaries retain the risks and the returns of these financial assets; therefore, they were not excluded. As of March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amounts of the securities were NT\$0 thousand, NT\$92,783 thousand and NT\$0 thousand, respectively.

9. NOTES AND ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts receivable			
Measured at amortized cost	\$ 4,501,095	\$ 4,272,806	\$ 3,741,279
Less: Allowance for impairment loss	<u>23,126</u>	<u>45,443</u>	<u>20,313</u>
	<u>\$ 4,477,969</u>	<u>\$ 4,227,363</u>	<u>\$ 3,720,966</u>
Accounts receivable - related parties			
Measured at amortized cost	<u>\$ 25,616</u>	<u>\$ 34,928</u>	<u>\$ 30,546</u>

The notes and accounts receivable of the Corporation and its subsidiaries for the related credit management policies, refer to Note 32.

The loss allowance of the Corporation and its subsidiaries' accounts receivable is recognized by using lifetime expected credit losses. The lifetime expected credit losses on accounts receivable are estimated by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of the current direction of the economic conditions at the reporting date. The Corporation and its subsidiaries write 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 carrying out follow-up procedures. For accounts receivable that have been written off, the Corporation and its subsidiaries continue 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 and accounts receivable of the Corporation and its subsidiaries:

March 31, 2026

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due Over 90 Days	Total
Expected credit loss rate (%)	-	0-1	1-50	10-100	10-100	
Gross carrying amount	\$ 4,366,430	\$ 124,576	\$ 15,048	\$ 12,694	\$ 7,963	\$ 4,526,711
Loss allowance (Lifetime ECL)	-	(10)	(7,394)	(12,143)	(3,579)	(23,126)
Amortized cost	<u>\$ 4,366,430</u>	<u>\$ 124,566</u>	<u>\$ 7,654</u>	<u>\$ 551</u>	<u>\$ 4,384</u>	<u>\$ 4,503,585</u>

December 31, 2025

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due Over 90 Days	Total
Expected credit loss rate (%)	-	0-1	1-50	10-100	10-100	
Gross carrying amount	\$ 4,116,251	\$ 134,603	\$ 20,072	\$ 7,960	\$ 28,848	\$ 4,307,734
Loss allowance (Lifetime ECL)	-	(4)	(9,205)	(7,960)	(28,274)	(45,443)
Amortized cost	<u>\$ 4,116,251</u>	<u>\$ 134,599</u>	<u>\$ 10,867</u>	<u>\$ -</u>	<u>\$ 574</u>	<u>\$ 4,262,291</u>

March 31, 2025

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due Over 90 Days	Total
Expected credit loss rate (%)	-	0-1	1-50	10-100	10-100	
Gross carrying amount	\$ 3,617,929	\$ 126,282	\$ 10,998	\$ 14,849	\$ 1,767	\$ 3,771,825
Loss allowance (Lifetime ECL)	-	(5)	(5,499)	(13,542)	(1,267)	(20,313)
Amortized cost	<u>\$ 3,617,929</u>	<u>\$ 126,277</u>	<u>\$ 5,499</u>	<u>\$ 1,307</u>	<u>\$ 500</u>	<u>\$ 3,751,512</u>

The movements of the loss allowance for notes and accounts receivable were as follows:

	<u>For the Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Balance at January 1	\$ 45,443	\$ 30,815
Reversal	(22,380)	(10,521)
Effect of foreign currency exchange difference	<u>63</u>	<u>19</u>
Balance at March 31	<u>\$ 23,126</u>	<u>\$ 20,313</u>

10. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 1,117,579	\$ 906,189	\$ 657,682
Work in progress	1,370,015	1,038,913	912,998
Finished goods	841,237	779,948	713,994
Merchandise	384,725	426,567	240,433
Consumable supplies	<u>202,914</u>	<u>170,469</u>	<u>163,436</u>
	<u>\$ 3,916,470</u>	<u>\$ 3,322,086</u>	<u>\$ 2,688,543</u>

The cost of inventories recognized as operating costs for the three months ended March 31, 2026 and 2025 was NT\$4,416,733 thousand and NT\$3,646,555 thousand, respectively, which included the following items:

	<u>For the Three Months Ended March 31</u>	
	2026	2025
Write-down (reversal) of inventories	\$ 12,105	(\$ 26,754)
Revenue from sale of scraps	(342,275)	(188,460)

The reversal of inventory write-downs and losses on obsolete inventories for the three months ended March 31, 2025 was due to the disappearance of the factors that previously caused the net realizable value of inventories to be lower than cost.

11. OTHER FINANCIAL ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 2,983,914	\$ 2,969,407	\$ 2,323,234
Time deposits pledged (Note 34)	<u>730</u>	<u>24,677</u>	<u>730</u>
	<u>\$ 2,984,644</u>	<u>\$ 2,994,084</u>	<u>\$ 2,323,964</u>
<u>Non-current</u>			
Time deposits pledged (Note 34)	<u>\$ 23,212</u>	<u>\$ 23,136</u>	<u>\$ 23,213</u>

12. SUBSIDIARIES

Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%)		
	March 31, 2026	December 31, 2025	March 31, 2025
CWTC	50.53	50.46	51.32

The information on the places of incorporation and principal places of business is provided in Table 6.

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Three Months Ended March 31		Non-controlling Interests		
	2026	2025	March 31, 2026	December 31, 2025	March 31, 2025
CWTC	\$ 235,987	\$ 215,339	\$4,884,421	\$4,768,640	\$5,019,065
Others	<u>26</u>	<u>47</u>	(<u>122,015</u>)	(<u>114,866</u>)	(<u>71,383</u>)
	<u>\$ 236,013</u>	<u>\$ 215,386</u>	<u>\$4,762,406</u>	<u>\$4,653,774</u>	<u>\$4,947,682</u>

The summarized financial information below represents amounts before intragroup eliminations:

CWTC

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 15,731,265	\$ 14,904,915	\$ 14,239,086
Non-current assets	8,204,175	7,949,403	7,487,787
Current liabilities	(5,898,923)	(5,461,864)	(4,344,106)
Non-current liabilities	(<u>6,270,075</u>)	(<u>5,928,210</u>)	(<u>5,852,379</u>)
Equity	<u>\$ 11,766,442</u>	<u>\$ 11,464,244</u>	<u>\$ 11,530,388</u>
Equity attributable to:			
Owners of the Corporation	\$ 5,900,076	\$ 5,746,462	\$ 5,660,331
Non-controlling interests of CWTC	5,708,702	5,563,851	5,687,449
Non-controlling interests of CWTC's subsidiaries	<u>157,664</u>	<u>153,931</u>	<u>182,608</u>
	<u>\$ 11,766,442</u>	<u>\$ 11,464,244</u>	<u>\$ 11,530,388</u>

	For the Three Months Ended March 31	
	2026	2025
Revenue	<u>\$ 3,671,848</u>	<u>\$ 3,180,425</u>
Net profit for the period	\$ 484,978	\$ 424,417
Other comprehensive income for the period	<u>220,527</u>	<u>(77,563)</u>
Total comprehensive income for the period	<u>\$ 705,505</u>	<u>\$ 346,854</u>
Net profit attributable to:		
Owners of the Corporation	\$ 248,178	\$ 209,851
Non-controlling interests of CWTC	236,784	214,537
Non-controlling interests of CWTC's subsidiaries	<u>16</u>	<u>29</u>
	<u>\$ 484,978</u>	<u>\$ 424,417</u>
Total comprehensive income attributable to:		
Owners of the Corporation	\$ 362,071	\$ 173,648
Non-controlling interests of CWTC	344,400	172,858
Non-controlling interests of CWTC's subsidiaries	<u>(966)</u>	<u>348</u>
	<u>\$ 705,505</u>	<u>\$ 346,854</u>
Cash flow from:		
Operating activities	\$ 76,056	\$ 572,819
Investing activities	(471,150)	557,099
Financing activities	90,235	(222,468)
Effects of changes in exchange rate	<u>218,870</u>	<u>104,011</u>
Net cash inflow (outflow)	<u>(\$ 85,989)</u>	<u>\$ 1,011,461</u>

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD - INVESTMENTS IN ASSOCIATES

	March 31, 2026	December 31, 2025	March 31, 2025
Associates that are individually material			
JMC	\$ 715,693	\$ 725,144	\$ 1,457,072
Guangdong How Weih	810,419	816,201	864,332
Wellstech	601,538	580,362	620,988
Silver	<u>404,544</u>	<u>386,419</u>	<u>393,121</u>
	<u>\$ 2,532,194</u>	<u>\$ 2,508,126</u>	<u>\$ 3,335,513</u>

Name of Associate	Main Business	Operating Location	Proportion of Ownership and Voting Rights (%)		
			March 31, 2026	December 31, 2025	March 31, 2025
JMC Electronics Co., Ltd. ("JMC")	Manufacturing, processing, and selling of COF substrates	Taiwan	42.81	42.81	42.81
Guangdong How Weih Electronics Co., Ltd. ("Guangdong How Weih")	Researching, developing, manufacturing and selling of new electronic components, precision hardware, plastic components and other products	China	25.16	25.16	25.16
Wellstech Optical Co., Ltd. ("Wellstech")	Manufacturing and retailing of electronic components, computers and peripherals, and precision instruments	Taiwan	37.37	37.37	37.37
Silver Connection Co., Ltd. ("Silver")	Manufacturing and selling of electrical contact materials such as silver contact and metal shaped materials, etc.	Cayman	30	30	30

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Associate	March 31, 2026	December 31, 2025	March 31, 2025
JMC	<u>\$ 911,380</u>	<u>\$ 895,391</u>	<u>\$ 1,053,506</u>

Investments accounted for using the equity method and the shares of profit or loss and other comprehensive income of associates were recognized and disclosed based on the unaudited financial statements of such associates, except for JMC, whose financial statements for the corresponding periods have been reviewed by independent auditors.

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2026	December 31, 2025	March 31, 2025
Assets used by the Corporation and its subsidiaries	\$ 3,447,235	\$ 3,315,782	\$ 3,755,820
Assets leased under operating leases	<u>37,492</u>	<u>38,808</u>	<u>44,155</u>
	<u>\$ 3,484,727</u>	<u>\$ 3,354,590</u>	<u>\$ 3,799,975</u>

a. Assets used by the Corporation and its subsidiaries

For the Three Months Ended March 31, 2026

	Land	Buildings	Machinery and Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost									
Balance at January 1, 2026	\$ 55,498	\$ 3,275,193	\$ 6,417,784	\$ 4,360,421	\$ 41,512	\$ 121,080	\$ 735,310	\$ 278,052	\$ 15,284,850
Additions	-	10,529	9,448	17,718	5,882	755	5,475	213,749	263,556
Disposals	-	-	(34,847)	(9,068)	(3,367)	(1,449)	(197)	-	(48,928)
Reclassification	-	-	-	-	-	-	-	(224)	(224)
Effect of foreign currency exchange difference	-	35,085	84,628	69,813	514	1,723	3,331	6,303	201,397
Balance at March 31, 2026	<u>55,498</u>	<u>3,320,807</u>	<u>6,477,013</u>	<u>4,438,884</u>	<u>44,541</u>	<u>122,109</u>	<u>743,919</u>	<u>497,880</u>	<u>15,700,651</u>
Accumulated depreciation									
Balance at January 1, 2026	-	(1,880,419)	(5,311,779)	(4,039,165)	(30,718)	(95,838)	(434,443)	-	(11,792,362)
Depreciation	-	(27,742)	(71,070)	(36,555)	(1,400)	(1,956)	(19,753)	-	(158,476)
Disposals	-	-	34,847	9,046	3,367	1,449	198	-	48,907
Effect of foreign currency exchange difference	-	(31,266)	(72,845)	(65,276)	(299)	(1,599)	(2,954)	-	(174,739)
Balance at March 31, 2026	<u>-</u>	<u>(1,939,427)</u>	<u>(5,420,847)</u>	<u>(4,132,450)</u>	<u>(29,050)</u>	<u>(97,944)</u>	<u>(456,952)</u>	<u>-</u>	<u>(12,076,670)</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Tooling Equipment	Transportatio n Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
<u>Accumulated impairment</u>									
Balance at January 1, 2026	-	(45,115)	(11,145)	(120,226)	-	-	(220)	-	(176,706)
Effect of foreign currency exchange difference	-	(1)	(32)	-	-	-	(7)	-	(40)
Balance at March 31, 2026	-	(45,116)	(11,177)	(120,226)	-	-	(227)	-	(176,746)
Carrying amount at December 31, 2025	\$ 55,498	\$ 1,349,659	\$ 1,094,860	\$ 201,030	\$ 10,794	\$ 25,242	\$ 300,647	\$ 278,052	\$ 3,315,782
Carrying amount at March 31, 2026	\$ 55,498	\$ 1,336,264	\$ 1,044,989	\$ 186,208	\$ 15,491	\$ 24,165	\$ 286,740	\$ 497,880	\$ 3,447,235

(Concluded)

For the Three Months Ended March 31, 2025

	Land	Buildings	Machinery and Equipment	Tooling Equipment	Transportatio n Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>									
Balance at January 1, 2025	\$ 384,070	\$ 3,470,768	\$ 6,413,907	\$ 4,330,098	\$ 42,358	\$ 115,057	\$ 593,868	\$ 82,256	\$ 15,432,382
Additions	-	2,597	18,836	38,176	-	4,625	9,358	25,972	99,564
Effect of foreign currency exchange difference	-	-	(13,202)	(11,340)	-	(503)	(903)	-	(25,948)
Balance at March 31, 2025	384,070	3,491,557	6,461,411	4,392,478	42,652	120,213	603,657	108,721	15,604,759
<u>Accumulated depreciation</u>									
Balance at January 1, 2025	-	(1,831,084)	(5,100,791)	(4,003,615)	(27,219)	(93,124)	(369,988)	-	(11,425,821)
Depreciation	-	(27,886)	(87,658)	(44,953)	(1,189)	(1,628)	(18,492)	-	(181,806)
Disposals	-	-	13,202	8,774	-	503	902	-	23,381
Effect of foreign currency exchange difference	-	(15,889)	(35,860)	(33,762)	(187)	(955)	(1,236)	-	(87,889)
Balance at March 31, 2025	-	(1,874,859)	(5,211,107)	(4,073,556)	(28,595)	(95,204)	(388,814)	-	(11,672,135)
<u>Accumulated impairment</u>									
Balance at January 1, 2025	-	(45,115)	(11,164)	(120,226)	-	-	(283)	-	(176,788)
Effect of foreign currency exchange difference	-	(2)	(14)	-	-	-	-	-	(16)
Balance at March 31, 2025	-	(45,117)	(11,178)	(120,226)	-	-	(283)	-	(176,804)
Carrying amount at March 31, 2025	\$ 384,070	\$ 1,521,581	\$ 1,239,126	\$ 198,696	\$ 14,057	\$ 25,009	\$ 214,560	\$ 108,721	\$ 3,755,820

b. Assets leased under operating leases

For the Three Months Ended March 31, 2026

	Cost	Rental Assets
<u>Cost</u>		
Balance at January 1, 2026 and March 31, 2026		<u>\$ 112,007</u>
<u>Accumulated depreciation</u>		
Balance at January 1, 2026		73,199
Depreciation		<u>1,316</u>
Balance at March 31, 2026		<u>74,515</u>
Carrying amount at December 31, 2025		<u>\$ 38,808</u>
Carrying amount at March 31, 2026		<u>\$ 37,492</u>

For the Three Months Ended March 31, 2025

	Rental Assets
<u>Cost</u>	
Balance at January 1, 2025 and March 31, 2025	<u>\$115,007</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2025	69,385
Depreciation	<u>1,467</u>
Balance at March 31, 2025	<u>70,852</u>
Carrying amount at March 31, 2025	<u>\$ 44,155</u>

The subsidiary, Chang Wah Energy Technology Co., Ltd., leases solar energy equipment as operating leases with lease term of 20 years. The lessees do not have purchase options to acquire the assets at the end of the lease periods.

The above lease contracts stipulated that the lessees shall pay on a monthly basis the variable lease payment according to the specific percentage of the monthly Taipower wholesale purchase rate, which is different from the index or the rate.

Some of the lease contracts between the subsidiary and the lessees included the terms related to general risk management to reduce the risk on the remaining assets of the leased solar equipment at the end of the lease period.

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

Buildings	
Main buildings	15-50 years
Renovation	2-25 years
Machinery and equipment	
Solar energy equipment	7-20 years
Others	2-10 years
Tooling equipment	2-5 years
Transportation equipment	3-5 years
Office equipment	2-5 years
Other equipment	2-10 years
Rental equipment	
Solar energy equipment	7-20 years
Others	5 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Land	\$ 662,261	\$ 659,465	\$ 408,928
Buildings	43,620	48,353	57,672
Transportation equipment	<u>1,419</u>	<u>1,551</u>	<u>232</u>
	<u>\$ 707,300</u>	<u>\$ 709,369</u>	<u>\$ 466,832</u>
	For the Three Months Ended March 31		
	2026	2025	
Depreciation charge for right-of-use assets			
Land	\$ 3,912	\$ 2,538	
Buildings	5,243	5,190	
Transportation equipment	<u>133</u>	<u>116</u>	
	<u>\$ 9,288</u>	<u>\$ 7,844</u>	

Except for the aforementioned depreciation of right-of-use assets, the Corporation and its subsidiaries did not have significant additions, sublease or impairment of right-of-use assets during the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Current	<u>\$ 21,883</u>	<u>\$ 22,647</u>	<u>\$ 24,818</u>
Non-current	<u>\$ 69,050</u>	<u>\$ 74,110</u>	<u>\$ 82,641</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Land	1.8255~2.171	1.8255~2.171	1.8255~2.171
Buildings	0.6661~5.0932	0.6661~5.0932	0.6661~5.0932
Transportation equipment	1.798	1.798	1.1033

c. Material lease activities and terms

The Corporation and its subsidiaries, CWTC, leased land from the government. The lease term will expire in January 2033, and the Corporation and its subsidiaries have the option to renew or terminate the contract. The Corporation and its subsidiaries, CWTC, do not have a purchase option to acquire the leased land at the expiration of the lease period. The government has the option to adjust the lease payments based on the changes in announced land value.

The Corporation's subsidiary, CWTC, leases buildings from its associate, JMC. The lease term will expire in August 2026, and under certain conditions, CWTC has the option to renew or terminate the contract. CWTC does not have bargain purchase options to acquire the leasehold buildings at the end of the lease term.

The main lease agreements of the subsidiaries SHEC, SHS and MSHE are right-of-use agreements for the lease of land with lease terms of 48-97 years. The subsidiaries SHEC, SHS and MSHE do not have bargain purchase options to acquire the leased assets at the end of the lease term.

The main lease agreement of the subsidiary SHPC relates to factories. The lease term will expire in September 2028, and the subsidiary has the option to renew or terminate the contract. The subsidiary, SHPC, does not have a purchase option to acquire the leased assets at the expiration of the lease period.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases and low-value asset leases	\$ <u>2,817</u>	\$ <u>2,742</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ <u>782</u>	\$ <u>752</u>
Total cash outflow for leases	\$ <u>10,438</u>	\$ <u>10,212</u>

For the leases of staff dormitory that qualify as short-term leases and other equipment that qualify as low-value asset leases, the Corporation and its subsidiaries have elected to apply the recognition exemption; thus, the Corporation and its subsidiaries did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

For the Three Months Ended March 31, 2026

	Land	Buildings	Right-of-use Assets	Total
<u>Cost</u>				
Balance at January 1, 2026	\$ 328,572	\$ 253,934	\$ 15,055	\$ 597,561
Reclassification	<u>-</u>	<u>224</u>	<u>-</u>	<u>224</u>
Balance at March 31, 2026	<u>328,572</u>	<u>254,158</u>	<u>15,055</u>	<u>597,785</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2026	-	147,443	4,551	151,994
Depreciation expense	<u>-</u>	<u>1,603</u>	<u>371</u>	<u>1,974</u>
Balance at March 31, 2026	<u>-</u>	<u>149,046</u>	<u>4,922</u>	<u>153,968</u>
Carrying amount at December 31, 2025	<u>\$ 328,572</u>	<u>\$ 106,491</u>	<u>\$ 10,504</u>	<u>\$ 445,567</u>
Carrying amount at March 31, 2026	<u>\$ 328,572</u>	<u>\$ 105,112</u>	<u>\$ 10,133</u>	<u>\$ 443,817</u>

For the Three Months Ended March 31, 2025

	Land	Buildings	Right-of-use Assets	Total
<u>Cost</u>				
Balance at January 1, 2025 and March 31, 2025	\$ -	\$ 130,877	\$ 15,055	\$ 145,932
<u>Accumulated depreciation</u>				
Balance at January 1, 2025	-	125,979	3,069	129,048
Depreciation expense	-	119	372	491
Balance at March 31, 2025	-	126,098	3,441	129,539
Carrying amount at March 31, 2025	\$ -	\$ 4,779	\$ 11,614	\$ 16,393

Investment properties are depreciated on a straight-line basis over their useful lives as follows:

Buildings	10-35 years
Right-of-use-assets	10 years

The Corporation and its subsidiaries' investment properties are located at the Nanzih Technology Industrial Park and Daliao Dist., Kaohsiung, respectively. The Corporation and its subsidiaries' management were unable to reliably measure the fair value of the investment property located at the Nanzih Technology Industrial Park because the land belongs to the government and is used under a long-term lease, and the Corporation and its subsidiaries only hold ownership of the building. The market transactions are infrequent and comparable properties in an active market and alternative reliable measurements of fair value are not available; therefore, the Corporation and its subsidiaries determined that the fair value of the investment property is not reliably measurable. For the investment property of the subsidiary, Chang Wah Technology Co., Ltd., located in Daliao District, Kaohsiung, the fair value was determined based on a valuation conducted by an independent valuation firm, which is unrelated to the subsidiary, on February 10, 2022. The fair value of the leased area on March 31, 2026, was assessed at NT\$452,271 thousand. The valuation was measured using the sales comparison approach and the cost comparison approach. Since there is no significant change in the transaction price of real estate in this area, there should be no significant difference between the fair value as of March 31, 2026 and December 31, 2025 and the aforementioned fair value assessed by the independent valuation firm.

Right-of-use assets included in investment properties represent the land leased by the Corporation located in Nanzih Technology Industrial Park and subleased under operating leases to its invested company using equity method, JMC. The abovementioned investment properties are leased out until March 2027. The lease contracts contain market review clauses in the event that the lessee exercises its option to extend. The lessee does not have purchase options to acquire the investment properties at the expiry of the lease period. To reduce the residual asset risk related to the investment properties, the Corporation prepared the lease contract according to its general risk management strategy.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Within 9 months/1 year	\$ 16,285	\$ 26,915	\$ 16,285
Year 2	15,046	12,526	19,115
Year 3	7,800	7,800	4,725
Year 4	7,800	7,800	-
Year 5	<u>5,200</u>	<u>5,850</u>	<u>-</u>
	<u>\$ 52,131</u>	<u>\$ 60,891</u>	<u>\$ 40,125</u>

17. GOODWILL

	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of SHAP's ownership	\$ 679,064	\$ 679,064	\$ 679,064
Acquisition of other company's ownership	488	488	488
Effect of foreign currency exchange difference	<u>17,460</u>	<u>11,783</u>	<u>29,617</u>
	<u>\$ 697,012</u>	<u>\$ 691,335</u>	<u>\$ 709,169</u>

The Corporation and its subsidiaries will test the recoverable amount of goodwill at the end of the annual financial reporting period.

18. OTHER INTANGIBLE ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Patent	\$ 64,383	\$ 66,288	\$ 70,547
Computer software	<u>12,661</u>	<u>14,170</u>	<u>19,500</u>
	<u>\$ 77,044</u>	<u>\$ 80,458</u>	<u>\$ 90,047</u>

Intangible assets are amortized on a straight-line basis over their useful lives as follows:

Patent	10-20 years
Computer software	2-10 years

19. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Bank credit loans	<u>\$ 3,020,106</u>	<u>\$ 3,020,010</u>	<u>\$ 1,290,000</u>
Interest rate range (%)	0-1.775	0-1.795	1.7405-1.83

b. Long -term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Bank credit loans			
Maturities before June 2030	\$ 9,965,551	\$ 9,021,052	\$ 9,276,557
Less: current portion	<u>364,577</u>	<u>401,006</u>	<u>426,006</u>
	<u>\$ 9,600,974</u>	<u>\$ 8,620,046</u>	<u>\$ 8,850,551</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, the annual interest rates of bank credit loans were at 0.725%-1.855%, 0.725%-1.85% and 0.72%-1.85%, respectively.

- a) Under certain loan agreements, the Corporation and its subsidiaries are required to meet certain percentages and amounts for the current ratio, debt ratio, interest coverage ratio and total equity, which are reviewed at least once every six months. If the Corporation and its subsidiaries are not in compliance with the aforementioned financial ratio and amount requirements, the Corporation and its subsidiaries are required to make improvements after the end of the year or the end of the second quarter of the following year. Upon such improvement, the Corporation and its subsidiaries will not be deemed to be in default under the agreements; however, the applicable interest rates will be adjusted upward accordingly. As of December 31, 2025, the Corporation and its subsidiaries were in compliance with the loan agreements.
- b) In March 2024, the Corporation entered into a syndicated loan agreement of NT\$3,000,000 thousand with twelve banks led by Taishin International Bank. The credit line can be used for loan A and loan B. The credit line of loan A is NT\$3,000,000 thousand (or an equivalent amount in USD, RMB or JPY), and the joint credit line of loan B cannot exceed NT\$3,000,000 thousand. The credit line of loan B is NT\$1,800,000 thousand, which can be used on a revolving basis during the loan period (5 years from the initial drawdown date), and is used for the purpose of repaying the loans of financial institutions and enriching medium-term working capital.
- c) The Corporation's subsidiary, CWTC, entered into a syndicated loan agreement of NT\$7,200,000 thousand with seven banks led by First Commercial Bank in December 2020. The credit line can be used for loan A and loan B. The credit line of loan A is NT\$7,200,000 thousand (or equivalent amount in USD, RMB or JPY), and the joint credit line with loan B cannot exceed NT\$7,200,000 thousand. The credit line of loan B is NT\$5,760,000 thousand, which can be used on a revolving basis during the loan period (5 years from the initial drawdown date), and is used for the purpose of repaying the loans of financial institutions and enriching medium-term working capital. In addition, CWTC may extend the loan period by 2 years after obtaining the consent of the seven banks, within the period of six months starting from 4 years after the initial drawdown date.
- d) The Corporation's subsidiary, CWTC, obtained the business qualification verification letter from the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" hosted by the Ministry of Economic Affairs in September 2019. Subsequently, CWTC entered into credit agreements with banks with a credit period of 7 to 10 years. The purpose of the credit is to build the plant, purchase machinery, and fulfill working capital requirements, etc.

20. ACCOUNTS PAYABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	<u>\$ 2,640,690</u>	<u>\$ 2,281,619</u>	<u>\$ 1,906,037</u>
Accounts payable - related parties	<u>\$ 108,097</u>	<u>\$ 145,000</u>	<u>\$ 82,494</u>

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

21. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Payables for salaries and bonuses	\$ 924,710	\$ 1,011,773	\$ 971,925
Payables for compensation of employees and remuneration of directors	70,199	49,378	122,511
Payables for equipment	42,141	43,309	60,487
Others	<u>489,357</u>	<u>420,975</u>	<u>362,642</u>
	<u>\$ 1,526,407</u>	<u>\$ 1,525,435</u>	<u>\$ 1,517,565</u>

22. RETIREMENT BENEFIT PLANS

The pension plans of the Corporation and its domestic subsidiaries include defined contribution plans and defined benefit plans. The defined contribution plans adopted under the Labor Pension Act (“LPA”) are state-managed pension plans under which the Corporation and its subsidiaries make monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. Pension expenses under the defined benefit plans are calculated based on actuarially determined pension cost rates.

The subsidiaries in foreign countries contribute monthly to pension funds based on a certain percentage of employees’ monthly salaries and wages according to local laws and regulations.

23. EQUITY

a. Share capital

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
Shares authorized	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Number of shares issued and fully paid (in thousands)	<u>725,648</u>	<u>725,648</u>	<u>725,648</u>
Shares issued	<u>\$ 725,648</u>	<u>\$ 725,648</u>	<u>\$ 725,648</u>

b. Capital surplus

For the adjustments of all types of capital surplus balance, refer to Table 10.

c. Retained earnings and dividend policy

The Corporation’s Articles of Incorporation stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of the six months of the fiscal year. If the Corporation made a profit in the six months of a fiscal year, the profit shall be first utilized for offsetting losses of previous years, estimating and reserving for taxes, compensation of employees and remuneration of directors to be paid, then setting aside as legal reserve 10% of the remaining profit until the accumulated legal reserve equals the Corporation’s paid-in capital, 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 Corporation's board of directors as the basis for proposing a distribution plan. If the distribution is in the form of issuing new shares, it should be resolved in the shareholders' meeting; if the distribution is in the form of cash, it should be resolved in the board of director's meeting.

If the Corporation made a 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 until the accumulated legal capital reserve equals the Corporation's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit after distribution of dividends from the preferred shares in accordance with Rule No.4-1, together with any undistributed retained earnings should be used by the Corporation's board of directors as the basis for proposing a distribution plan and reported to the shareholders' meeting. If the distribution is in the form of issuing new shares, it should be resolved in the shareholders' meeting.

Remuneration of directors is set aside within a fixed annual budget of NT\$8 million. When the Corporation's profit before tax, before deducting compensation of employees and remuneration of directors, exceeds NT\$800 million for the year, the portion exceeding NT\$800 million and up to NT\$1 billion may be allocated as remuneration of directors at a rate not exceeding 2%, and the portion exceeding NT\$1 billion may be allocated at a rate not exceeding 4%, and such allocation shall be reported to the shareholders' meeting. Remuneration of directors is determined by reference to the views of the remuneration committee authorized by the board of directors, and paid in accordance with each director's level of participation in the Corporation's operations, the value of each director's contribution, and the prevailing level of remuneration among peer companies.

The Corporation shall undertake an aggressive business plan to keep the Corporation operating as a going concern and in stable prosperity in view of the economic environment and the trend of industry growth. Dividend policy is mainly based on a residual dividend concept, i.e. the Corporation shall measure its annual cash requirement in accordance with its capital budget and regular operational cash requirement to determine the amounts of dividends in cash and/or in stock, but cash dividend shall not be less than 10% of the total amount of dividends.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. Legal reserve may be used to offset deficit. 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.

In accordance with the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards", the Corporation should appropriate or reverse a special reserve.

The appropriations of earnings for 2025, which had been approved by the Corporation's board of directors are as follows:

	2nd Half of the Year 2025	1st half of the Year 2025
Date of the board of directors' meeting	March 10, 2026	November 5, 2025
Legal reserve	<u>\$ 67,506</u>	<u>\$ 44,504</u>
Cash dividends	<u>\$ 494,109</u>	<u>\$ 513,981</u>
Dividend per share (NT\$)	<u>\$ 0.68</u>	<u>\$ 0.71</u>

The Corporation's board of directors resolved to distribute cash dividends of NT\$953,726 thousand from capital surplus, equivalent to NT\$1.32 per share, in March 2026.

The appropriations of earnings for 2024, which had been approved by the Corporation's board of directors are as follows:

	2nd Half of the Year 2024	1st half of the Year 2024
Date of the board of directors' meeting	March 12, 2025	November 5, 2024
Legal reserve	<u>\$ 103,728</u>	<u>\$ 105,746</u>
Cash dividends	<u>\$ 1,378,520</u>	<u>\$ 506,742</u>
Dividend per share (NT\$)	<u>\$ 1.90</u>	<u>\$ 0.70</u>

The Corporation's board of directors resolved to distribute cash dividends of \$69,315 thousand from capital surplus, equivalent to NT\$0.10 per share, in March 2025.

d. Special reserve

On first-time adoption of IFRS Accounting Standards, the amount of the cumulative translation differences transferred to retained earnings was NT\$1,277 thousand, and the same amount was appropriated as the special reserve.

e. Other equity items

a) Exchange differences on translation of foreign operations

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of the period	\$ 58,895	\$ 167,684
Recognized during the year		
Exchange differences on translation of foreign operations	106,775	48,841
Share of exchange differences of associates accounted for using the equity method	38,929	17,371
Related income tax	(<u>7,721</u>)	(<u>3,201</u>)
Balance, end of the period	<u>\$ 196,878</u>	<u>\$ 230,695</u>

b) Unrealized gains and losses on financial assets at FVTOCI

	For The three Months Ended March 31	
	2026	2025
Balance, beginning of the period	\$ 7,192,816	\$ 5,568,208
Recognized for the year		
Unrealized gains and losses - equity instruments	701,149	(845,408)
Share of associates accounted for using the equity method	13,331	(8,852)
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	(<u>83,120</u>)	(<u>2,332</u>)
Balance, end of the period	<u>\$ 7,824,176</u>	<u>\$ 4,711,616</u>

f. Treasury shares

Purpose of Treasury Shares	Thousand Shares			March 31	
	Beginning of the Period	Addition	Reduction	Thousands Shares	Carrying Amount
For the three Months Ended March 31, 2026					
Shares held by the subsidiaries	19,585	1,116	4	20,697	\$ 726,893
Shares Transferred to employees	<u>1,731</u>	<u>-</u>	<u>-</u>	<u>1,731</u>	<u>59,468</u>
	<u>21,316</u>	<u>1,116</u>	<u>4</u>	<u>22,428</u>	<u>\$ 786,361</u>
For the three Months Ended March 31, 2025					
Shares held by the subsidiaries	18,647	166	-	18,813	\$ 647,130
Shares Transferred to employees	<u>1,731</u>	<u>-</u>	<u>-</u>	<u>1,731</u>	<u>59,468</u>
	<u>20,378</u>	<u>166</u>	<u>-</u>	<u>20,544</u>	<u>\$ 706,598</u>

The Corporation's shares acquired and held by its subsidiaries, CWTC and SZI for the purpose of investments are accounted for as treasury shares (subsidiaries recorded those shares as financial asset at FVTOCI - non-current) based on the percentage of ownership held. The Corporation's subsidiaries, CWTC and SZI do not directly or indirectly hold more than 50% of the shares of the Corporation; therefore, its rights to hold the Corporation's shares are the same as ordinary shareholders. Refer to Table 3 for the subsidiaries' ownership of the Corporation's stock. As of March 31, 2026 and 2025, the market value of the above treasury share, based on the proportion of the Corporation's shareholding at the end of the year, was NT\$880,661 thousand and NT\$786,364 thousand, respectively.

Under the Securities and Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholders' rights, such as the rights to dividends and to vote on these shares.

g. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of the period	\$ 4,653,774	\$ 4,890,272
Share of net profit for the period	236,013	215,386
Other comprehensive income (loss) in the period		
Exchange differences on translation of foreign operations	149,913	70,888
Income tax related to exchange differences on translation of foreign operations	(49,602)	(23,333)
Unrealized gains and losses on financial assets at FVTOCI	28,907	(3,618)
Acquisition of the Corporation's shares held by subsidiaries	(58,524)	-
Disposal of parent company shares by subsidiary taken as treasury stock transaction	286	-
Non-controlling interests from acquisition of subsidiaries (Note 29)	1,427	(71,870)
Cash dividends paid	(206,013)	(214,945)
Others	<u>6,225</u>	<u>84,902</u>
Balance, end of the period	<u>\$ 4,762,406</u>	<u>\$ 4,947,682</u>

24. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 5,358,744	\$ 4,462,725
Revenue from rendering of services	<u>44,829</u>	<u>27,392</u>
	5,403,573	4,490,117
Rental revenue	7,435	7,492
Other operating revenue	<u>11,388</u>	<u>6,262</u>
	<u>\$ 5,422,396</u>	<u>\$ 4,503,871</u>

a. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes and accounts receivable	<u>\$ 4,503,585</u>	<u>\$ 4,262,291</u>	<u>\$ 3,751,512</u>	<u>\$ 3,606,858</u>
Contract liabilities (including current and non-current)				
Sale of goods	<u>\$ 222,477</u>	<u>\$ 289,373</u>	<u>\$ 314,709</u>	<u>\$ 291,380</u>

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

Revenue recognized in the current reporting period from the satisfaction of performance obligation of the contract liabilities at the beginning of the year was as follows:

	For the Three Months Ended March 31	
	2026	2025
Sale of goods	<u>\$ 120,532</u>	<u>\$ 41,880</u>

b. Disaggregation of revenue

For the Three Months Ended March 31, 2026

	IC Leadframe	LED Leadframe	EME	Substrate	Others	Total
Type of revenue						
Sale of goods	\$ 2,557,329	\$ 270,074	\$ 1,479,754	\$ 496,051	\$ 555,536	\$ 5,358,744
Rendering of services	149	-	11,552	-	33,128	44,829
Rental revenue	-	-	-	-	7,435	7,435
Others	<u>1,130</u>	<u>285</u>	<u>2,506</u>	<u>1,246</u>	<u>6,221</u>	<u>11,388</u>
	<u>\$ 2,558,608</u>	<u>\$ 270,359</u>	<u>\$ 1,493,812</u>	<u>\$ 497,297</u>	<u>\$ 602,320</u>	<u>\$ 5,422,396</u>

For the Three Months Ended March 31, 2025

	IC Leadframe	LED Leadframe	EME	Substrate	Others	Total
Type of revenue						
Sale of goods	\$ 2,334,239	\$ 237,114	\$ 1,274,712	\$ 256,206	\$ 360,454	\$ 4,462,725
Rendering of services	859	-	6,514	-	20,019	27,392
Rental revenue	-	-	-	-	7,492	7,492
Others	<u>443</u>	<u>442</u>	<u>4,424</u>	<u>16</u>	<u>937</u>	<u>6,262</u>
	<u>\$ 2,335,541</u>	<u>\$ 237,556</u>	<u>\$ 1,285,650</u>	<u>\$ 256,222</u>	<u>\$ 388,902</u>	<u>\$ 4,503,871</u>

c. Partially completed contracts

The transaction prices, excluding any estimated amounts of variable consideration that are constrained, allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Sale of goods			
Fulfillment in first	\$ 208,811	\$ 279,068	\$ 295,466
Fulfillment in second and thereafter	<u>13,666</u>	<u>10,305</u>	<u>19,243</u>
	<u>\$ 222,477</u>	<u>\$ 289,373</u>	<u>\$ 314,709</u>

25. PROFIT BEFORE INCOME TAX

The following items were included in profit before income tax:

a. Other income

	<u>For the Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Dividend income	\$ 11,056	\$ 12,416
Government grants	12,218	5,219
Others	<u>6,656</u>	<u>16,669</u>
	<u>\$ 29,930</u>	<u>\$ 34,304</u>

b. Other gains and losses

	<u>For the Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Net foreign exchange gain	\$ 36,947	\$ 104,137
Gain on financial assets mandatorily classified as at FVTPL	22,315	5,071
Others	<u>(2,488)</u>	<u>(1,186)</u>
	<u>\$ 56,774</u>	<u>\$ 108,022</u>

c. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	\$ 55,393	\$ 46,979
Interest on lease liabilities	488	600
Other finance costs	<u>1,050</u>	<u>1,020</u>
	<u>\$ 56,931</u>	<u>\$ 48,599</u>

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Depreciation expense		
Property, plant and equipment	\$ 159,792	\$ 183,273
Right-of-use assets	9,288	7,844
Investment properties	<u>1,974</u>	<u>491</u>
	<u>\$ 171,054</u>	<u>\$ 191,608</u>
Analysis of depreciation expense by function		
Operating costs	\$ 154,266	\$ 177,307
Operating expenses	15,185	14,182
Non-operating income and expenses	<u>1,603</u>	<u>119</u>
	<u>\$ 171,054</u>	<u>\$ 191,608</u>
Amortization expense		
Computer software	\$ 1,823	\$ 2,524
Patent	1,921	1,975
Others	<u>276</u>	<u>262</u>
	<u>\$ 4,020</u>	<u>\$ 4,761</u>
Analysis of amortization expense by function		
Operating costs	\$ 2,470	\$ 2,843
Operating expenses	<u>1,550</u>	<u>1,918</u>
	<u>\$ 4,020</u>	<u>\$ 4,761</u>

e. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2026	2025
Direct operating expenses on investment properties that generated rental income	<u>\$ 807</u>	<u>\$ 769</u>

f. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2026	2025
Post-employment benefits		
Defined contribution plans	\$ 24,757	\$ 23,042
Defined benefit plans	<u>327</u>	<u>321</u>
	25,084	23,363
Other employee benefits	<u>567,855</u>	<u>538,349</u>
	<u>\$ 592,939</u>	<u>\$ 561,712</u>
Analysis of employee benefits by function		
Operating costs	\$ 370,986	\$ 333,423
Operating expenses	<u>221,953</u>	<u>228,289</u>
	<u>\$ 592,939</u>	<u>\$ 561,712</u>

The Articles of Incorporation of the Corporation stipulate the distribution of employee compensation and directors' remuneration at rates ranging between 1%-12% and of income exceeding a specified amount of pre-tax profit. In May 2025, the shareholders of the Corporation approved an amendment to the Articles of Incorporation, stipulating that in any year in which employee compensation is allocated, no less than 20% of such compensation shall be distributed to non-executive employees.

The estimated compensation of employees and remuneration of directors were as follows:

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	\$ 8,070	\$ 7,450
Remuneration of directors	-	-
Accrued Ratio		
Compensation of employees (%)	2.0	2.0
Remuneration of directors (%)	-	-

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.

The compensation of employees and remuneration of directors for 2025 and 2024 approved by the Corporation's board of directors in March 2026 and 2025, respectively, are as follows:

	For the Year Ended December 31	
	2025	2024
Compensation of employees - cash	\$ 16,663	\$ 34,489
Remuneration of directors - cash	663	32,979

There is no difference between the actual amounts of compensation of employees and remuneration of directors 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 approved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAX

a. Income tax recognized in profit or loss

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	\$ 161,830	\$ 125,084
Adjustments for prior years	(10,835)	(21,486)
Deferred tax		
In respect of the current year	4,207	24,291
Adjustments for prior years	(2,954)	-
	<u>\$ 152,248</u>	<u>\$ 127,889</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
Deferred tax		
Exchange differences on translation of foreign operations	<u>\$ 57,323</u>	<u>\$ 26,534</u>

c. Income tax assessments

The income tax returns of the Corporation and its subsidiary, SZI, through 2023, and those of the subsidiaries, CWTC and CWEC, through 2024 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share 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 Corporation	<u>\$362,396</u>	<u>\$332,187</u>

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 the computation of basic earnings per share	703,844	705,146

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>493</u>	<u>829</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>704,337</u>	<u>705,975</u> (Concluded)

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 are 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.

28. SHARE-BASED PAYMENT ARRANGEMENTS

a Treasury shares transferred to employee

In May 2026, the Corporation's board of directors resolved to transfer 1,510 thousand treasury shares repurchased under the first share buyback program in 2023 to eligible employees of the Corporation for the purpose of motivating employees and enhancing employee cohesion. The grant date was July 7, 2026, and the transfer price was NT\$34 per share.

b Employee restricted share awards of a subsidiary

The board of directors of the subsidiary, CWTC, approved the issuance of RSAs of 5,925 thousand shares (par value of NT\$0.4) in October 2022. The grant date and issuance date were October 11, 2022. The fair value of the RSAs at the grant date was NT\$30.6 per share. For the three months ended March 31, 2026 and 2025, remuneration costs of NT\$5,317 thousand and NT\$7,434 thousand were recognized, respectively.

c Treasury shares transferred to employee of a subsidiary

In May 2026, the board of directors of the subsidiary, CWTC, resolved to transfer 3,500 thousand treasury shares repurchased under the second share buyback program in 2025 to eligible employees of CWTC for the purpose of motivating employees and enhancing employee cohesion. The grant date was July 7, 2026, and the transfer price was NT\$35 per share.

The share-based payment arrangement on the grant date is calculated by using the closing price of the shares on the grant date, less the exercise price, to estimate the fair value of the share options.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the three months ended March 31, 2026, the subsidiary, SZI, disposed of CWTC shares from the market. For the three months ended March 31, 2025, the subsidiary, SZI, bought back CWTC shares from the market, and the subsidiary, CWTC, bought back its treasury shares from the market.

The above transactions were accounted for as equity transactions, since the Corporation did not cease to have control over the subsidiary. Information was as follows:

	For the Three Months Ended March 31	
	2026	2025
Cash received in the acquisition of additional interest	\$ 1,834	\$ -
Cash consideration paid to acquire additional interest	-	(96,491)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(<u>1,427</u>)	<u>71,870</u>
Differences recognized from equity transaction	<u>\$ 407</u>	(<u>\$ 24,621</u>)

The above transactions were accounted for as equity transactions and were adjusted by the following line items:

	For the Three Months Ended March 31	
	2026	2025
Capital surplus - share of changes in equity of subsidiaries	<u>\$ 407</u>	(<u>\$ 24,621</u>)

30. NON-CASH TRANSACTIONS

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

	For the Three Months Ended March 31	
	2026	2025
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	\$ 263,556	\$ 99,564
Decrease in prepayments for equipment (recorded under other non-current assets)	(18,949)	(16,878)
Decrease in payables for equipment (recorded under other payables)	<u>3,543</u>	<u>8,247</u>
Cash paid	<u>\$ 248,150</u>	<u>\$ 90,933</u>
Acquisition of intangible assets	\$ 302	\$ 1,701
Decrease in prepayments for equipment (recorded under other non-current assets)	1,972	2,167
Increase in payables for equipment (recorded under other payables)	(<u>1,455</u>)	(<u>289</u>)
Cash paid	<u>\$ 819</u>	<u>\$ 3,579</u>
Acquisition of financial assets at FVTOCI	\$ 430,983	\$ 83,576
Increase in other payables	(<u>26,693</u>)	<u>-</u>
Cash paid	<u>\$ 404,290</u>	<u>\$ 83,576</u>

31. CAPITAL MANAGEMENT

The Corporation and its subsidiaries manage their capital to ensure that the entities 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 Corporation and its subsidiaries consist of net debt and equity. The Corporation and its subsidiaries' long-term borrowings are subject to certain capital and ratio requirements based on signed contracts. See Note 19 for information on long-term borrowings.

The key management personnel of the Corporation and its subsidiaries review the capital structure periodically, based on the condition of industry operation and future development of the Corporation and its subsidiaries, and consider the changes in the external environment. As part of this 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 and its subsidiaries adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

32. FINANCIAL INSTRUMENTS

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

a) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial instruments at FVTPL</u>				
Non-derivative financial assets				
Mutual funds	\$ 114,380	\$ -	\$ -	\$ 114,380
Foreign private equity funds	-	-	253,199	253,199
	<u>\$ 114,380</u>	<u>\$ -</u>	<u>\$ 253,199</u>	<u>\$ 367,579</u>
<u>Financial instruments at FVTOCI</u>				
Equity instruments				
Domestic listed shares	\$14,682,714	\$ -	\$ -	\$14,682,714
Domestic privately placed ordinary shares of listed companies	-	280,349	-	280,349
Foreign unlisted shares	-	-	242,668	242,668
Foreign listed shares	62,094	-	-	62,094
Domestic unlisted shares	-	-	31,917	31,917
	<u>\$14,744,808</u>	<u>\$ 280,349</u>	<u>\$ 274,585</u>	<u>\$15,299,742</u>

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial instruments at FVTPL</u>				
Non-derivative financial assets				
Mutual funds	\$ 94,570	\$ -	\$ -	\$ 94,570
Foreign private equity funds	-	-	256,029	256,029
	<u>\$ 94,570</u>	<u>\$ -</u>	<u>\$ 256,029</u>	<u>\$ 350,599</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial instruments at FVTOCI</u>				
Equity instruments				
Domestic listed shares	\$13,686,884	\$ -	\$ -	\$13,686,884
Domestic privately placed ordinary shares of listed companies	-	280,349	-	280,349
Foreign unlisted shares	-	-	238,383	238,383
Foreign listed shares	68,784	-	-	68,784
Domestic unlisted shares	-	-	31,837	31,837
	<u>\$13,755,668</u>	<u>\$ 280,349</u>	<u>\$ 270,220</u>	<u>\$14,306,237</u>
				(Concluded)

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial instruments at FVTPL</u>				
Non-derivative financial assets				
Mutual funds	\$ 73,990	\$ -	\$ -	\$ 73,990
Foreign private equity funds	-	-	259,507	259,507
	<u>\$ 73,990</u>	<u>\$ -</u>	<u>\$ 259,507</u>	<u>\$ 333,497</u>

Financial instruments at FVTOCI

Equity instruments				
Domestic listed shares	\$10,905,321	\$ -	\$ -	\$10,905,321
Foreign unlisted shares	-	-	221,079	221,079
Domestic preferred shares of listed companies sold to specific group	-	157,065	-	157,065
Domestic unlisted shares	-	-	31,533	31,533
Foreign listed shares	28,409	-	-	28,409
	<u>\$10,933,730</u>	<u>\$ 157,065</u>	<u>\$ 252,612</u>	<u>\$11,343,407</u>

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

b) Reconciliation of Level 3 fair value measurements of financial assets

For the Three Months Ended March 31, 2026

	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Foreign Private Equity Fund	Equity Instruments	
Balance, beginning of the period	\$ 256,029	\$ 270,220	\$ 526,249
Recognized in profit or loss (recognized under other gains and losses)	(2,830)	-	(2,830)
Recognized in other comprehensive income	-	4,365	4,365
Balance, end of the period	<u>\$ 253,199</u>	<u>\$ 274,585</u>	<u>\$ 527,784</u>

For the Three Months Ended March 31, 2025

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Foreign Private Equity Fund	Equity Instruments	Total
Balance, beginning of the period	\$ 249,561	\$ 251,834	\$ 501,395
Purchases	-	10,000	10,000
Recognized in profit or loss (recognized under other gains and losses)	9,946	-	9,946
Recognized in other comprehensive income	<u> </u>	(<u>9,222</u>)	(<u>9,222</u>)
Balance, end of the period	<u>\$ 259,507</u>	<u>\$ 252,612</u>	<u>\$ 512,119</u>

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

The fair value of domestic privately placed ordinary shares of listed companies is determined by valuation model.

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

The fair value of foreign private equity fund is determined by the net asset valuation report provided by the investment companies.

In non-active markets, the fair values of domestic and foreign unlisted shares were determined using the purchase price or the market approach. In the market approach, the fair market values are estimated by reference to the type of industry, similar companies, the company's operations and expected future economic benefits to be derived from the ownership of these investees.

b. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets mandatorily classified as at FVTPL	\$ 367,579	\$ 350,599	\$ 333,497
Financial assets at amortized cost (Note 1)	15,118,853	14,774,316	14,483,507
Financial assets at FVTOCI - equity instruments	15,299,742	14,306,237	11,343,407
Financial liabilities			
Financial liabilities at amortized cost (Note 2)	17,268,868	16,001,952	14,080,525

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

2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings,

notes payable, accounts payable (including related parties), other payables, long-term borrowings (including current portion) and guarantee deposits (included in other non-current liabilities).

c. Financial risk management objectives and policies

The Corporation and its subsidiaries' major financial instruments include equity investments, notes and accounts receivable, accounts payable, borrowing and lease liabilities. The Corporation and its subsidiaries' 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 and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

a) Market risk

The Corporation and its subsidiaries' activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below), interest rates (see (2) below) and other price (see (3) below).

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

1) Foreign currency risk

The Corporation and its subsidiaries were exposed to foreign currency risk due to sales, purchases, capital expenditures and equity investments denominated in foreign currencies. Exchange rate exposures were managed by 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 and its subsidiaries' significant non-functional currency denominated monetary assets and liabilities at the balance sheet date, refer to Note 37.

Sensitivity analysis

The Corporation and its subsidiaries are mainly exposed to the USD and JPY. The following table details the Corporation and its subsidiaries' sensitivity to a 1% increase and decrease in the functional currencies 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.

	USD Impact		JPY Impact	
	For the Three Months		For the Three Months	
	Ended March 31		Ended March 31	
	2026	2025	2026	2025
Profit before income tax (Note)	(\$ 44,389)	(\$ 44,522)	(\$ 10,533)	(\$ 9,259)

Note: This was mainly attributable to the exposure to outstanding cash and cash equivalents, accounts receivable (including related parties), other receivables, other financial assets, accounts payable (including related parties) and other payables 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 USD and JPY will fluctuate according to the terms of contracts and business cycle.

2) Interest rate risk

The Corporation and its subsidiaries were exposed to interest rate risk because the Corporation and its subsidiaries borrowed funds at both fixed and floating interest rates. The risk is managed by the Corporation and its subsidiaries by utilizing low-interest-rate financing methods. By taking advantage of the low interest rates, the Corporation and its subsidiaries incur low financing costs and have sufficient lines of credit to utilize.

The carrying amounts of the Corporation and its subsidiaries' 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 liabilities	\$ 90,933	\$ 96,757	\$ 107,459
Cash flow interest rate risk			
Financial assets	4,732,336	4,536,733	4,864,672
Financial liabilities	12,685,647	11,741,052	10,566,557

The sensitivity analysis below was determined based on the Corporation and its subsidiaries' 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% 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 and its subsidiaries' pre-tax profit for the three months ended March 31, 2026 and 2025 would have decreased/increased by NT\$31,714 thousand and NT\$26,416 thousand, respectively.

3) Other price risk

The Corporation and its subsidiaries were exposed to equity price risk through its investments in Level 1 fair value measurements of equity securities and bonds investments. If equity prices had been 1% higher/lower, pre-tax profit for the three months ended March 31, 2026 and 2025

would have increased/decreased by NT\$1,144 thousand and NT\$740 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2026 and 2025 would have increased/decreased by NT\$147,448 thousand and NT\$109,337 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

b) 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 and its subsidiaries. As of the balance sheet date, the Corporation and its subsidiaries' maximum exposure to credit risk is the carrying amount of the financial assets on the consolidated balance sheets.

Business units grant credit amount according to the experience in various credit transactions, and monitor customer payment situations regularly. The Corporation and its subsidiaries do not expect significant credit risk because the counterparties are creditworthy financial institutions.

Accounts receivable counterparties are concentrated in a number of significant customers. They are mostly engaged in commercial activities, and have similar economic characteristics and similar ability to fulfill contracts affected by the economic or other conditions. The receivables (notes receivable, accounts receivable and other receivables), including related parties with significant credit risk were as follows:

Customer	March 31, 2026	December 31, 2025	March 31, 2025
A Corporation	<u>\$ 554,269</u>	<u>\$ 538,240</u>	<u>\$ 505,131</u>

c) Liquidity risk

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

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Corporation and its subsidiaries' unused credit facilities were NT\$22,625,434 thousand, NT\$24,604,528 thousand and NT\$24,581,827 thousand, respectively.

The following table details the Corporation and its subsidiaries' 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 and its subsidiaries 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 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				
Non-interest bearing liabilities	\$ 6,144,675	\$ 3,393	\$ 4,624	\$ 6,152,692
Lease liabilities	23,520	46,880	28,813	99,213
Variable interest rate liabilities	3,259,028	9,740,762	-	12,999,790
Fixed interest rate liabilities	300,010	-	-	300,010
December 31, 2025				
Non-interest bearing liabilities	4,860,566	2,970	4,471	4,868,007
Lease liabilities	24,442	51,020	30,053	105,515
Variable interest rate liabilities	3,278,082	8,760,192	-	12,038,274
Fixed interest rate liabilities	300,010	-	-	300,010
March 31, 2025				
Non-interest bearing liabilities	5,311,827	4,403	3,469	5,319,699
Lease liabilities	26,865	56,917	33,775	117,557
Variable interest rate liabilities	1,870,858	8,932,595	14,308	10,817,761

33. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Corporation and its subsidiaries and related parties were disclosed below:

a. Related party names and relationships

Related Party Name	Relationship
Wah Lee Industrial Corp.	Corporate director
Tian Zheng International Precision Machinery Co., Ltd.	The Corporation is appointed as member of the board of directors
JMC	Investment accounted for using the equity method
Wellstech	Investment accounted for using the equity method
Silver	Investment accounted for using the equity method
Dongguan Huagang International Trading Co., Ltd.	Corporate director's subsidiary
Shanghai Yikang Chemicals & Industries Co., Ltd.	Corporate director's subsidiary
Shin East Enterprise Co., Ltd.	Other related parties (since February 2026)
Yan Lin Co., Ltd.	Other related parties (since February 2026)
Hung Yung Co., Ltd.	Other related parties (since February 2026)
Shi Jong Enterprise Co., Ltd.	Other related parties (since February 2026)

b. Operating revenues

Account Item	Related Party Category	For the Three Months Ended March 31	
		2026	2025
Revenue from sales of goods	Corporate director's subsidiaries	\$ 20,348	\$ 25,359

Sales to related parties were made at prices similar to those of general transactions. Transaction terms with related parties were made under normal terms.

c. Purchase of goods

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Corporate director	\$ 90,220	\$ 56,286
Investments accounted for using the equity method	21,673	28,283
Corporate director's subsidiaries	<u>2,880</u>	<u>2,479</u>
	<u>\$ 114,773</u>	<u>\$ 87,048</u>

The Corporation and its subsidiaries purchased from the above related parties and did not purchase similar products from non-related parties. Therefore, the purchase price is not comparable with non-related parties. Payments to related parties were made under normal terms.

d. Other transactions with related parties

Lease arrangement - the Corporation is lessee

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities			
Investments accounted for using the equity method-JMC	<u>\$ 17,193</u>	<u>\$ 18,909</u>	<u>\$ 23,999</u>

The subsidiary, CWTC, leases buildings from associate, JMC. The rent is decided by negotiation and payments are received pursuant to the contract. The contract price is equivalent to the local general rental rate.

Lease arrangement - the Corporation is lessor

The Corporation leases right-of-use of land to JMC (investments accounted for using equity method) under an agreement expiring in March 2027, and the rent is collected monthly. Rental revenue (included in operating revenue) amounted to NT\$4,726 thousand for each of the three months ended March 31, 2026 and 2025.

The rent is decided by negotiation and payments are received pursuant to the contract. The contract price is equivalent to the local general rental rate.

Contract for rendering of service

The Corporation provides management service to its investment accounted for using the equity method, Silver. The service income amounted to NT\$257 thousand for each of the three months ended March 31, 2026 and 2025.

Purchases of consumable supplies and outsourced services

The subsidiary, CWTC, purchased consumable supplies and outsourced services from related parties (recorded under operating costs). The transaction prices were determined with reference to prevailing market prices, and the payment terms did not differ significantly from those offered by ordinary suppliers.

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Other related parties	\$ 37,484	\$ -
Corporate director	<u>13,048</u>	<u>9,916</u>
	<u>\$ 50,532</u>	<u>\$ 9,916</u>

e. Balance at period-end

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable - related parties			
Corporate director's subsidiaries	\$ 23,363	\$ 33,299	\$ 28,918
Investments accounted for using the equity method	1,648	1,629	1,628
Other related parties	<u>605</u>	<u>-</u>	<u>-</u>
	<u>\$ 25,616</u>	<u>\$ 34,928</u>	<u>\$ 30,546</u>
Other receivables			
Investments accounted for using the equity method	\$ 996	\$ 920	\$ 1,267
Corporate director	134	59	108
Other related parties	<u>5</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,135</u>	<u>\$ 979</u>	<u>\$ 1,375</u>
Accounts payable - related parties			
Corporate director	\$ 93,587	\$ 113,644	\$ 58,359
Investments accounted for using the equity method	11,915	27,141	21,424
Corporate director's subsidiaries	<u>2,595</u>	<u>4,215</u>	<u>2,711</u>
	<u>\$ 108,097</u>	<u>\$ 145,000</u>	<u>\$ 82,494</u>
Other payables			
Other related parties	\$ 47,184	\$ -	\$ -
Corporate director	14,721	15,455	10,947
The Corporation is appointed as member of the board of directors	4,215	12	-
Investments accounted for using the equity method	<u>269</u>	<u>264</u>	<u>209</u>
	<u>\$ 66,389</u>	<u>\$ 15,731</u>	<u>\$ 11,156</u>

f. Balance at period-end

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

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 13,701	\$ 13,358
Share-based payment	2,404	3,341
Post-employment benefits	<u>144</u>	<u>98</u>
	<u>\$ 16,249</u>	<u>\$ 16,797</u>

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The Corporation and its subsidiaries provided the following assets as collaterals for guarantees for purchase performance and import tariff:

	March 31, 2026	December 31, 2025	March 31, 2025
Other financial assets (including current and non-current)			
Time deposits	<u>\$ 23,942</u>	<u>\$ 47,813</u>	<u>\$ 23,943</u>

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. In September 2016, Chipbond Technology Corp. filed a civil lawsuit against the Corporation for infringement of trade secrets. The main contents of the lawsuit included the prohibition on the use or disclosure of business secrets of Chipbond Technology Corp., the destruction of relevant files and the destruction of products that infringed upon 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 the case. 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 there will be no significant impact on the Corporation's business and financial position. As of March 10, 2026, the aforementioned case has not been adjudicated by the court. The final outcome of the lawsuit is yet to be heard from the judicial authorities.
- b. The amount that the subsidiaries have committed to purchase property, plant and equipment of which NT\$525,109 thousand was unpaid.

36. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On May 4, 2026, the board of directors of the subsidiary, CWTC, approved, on behalf of SHS, the execution of an investment cooperation agreement with the Weihai Torch High-Tech Industrial Development Zone Administrative Committee for the establishment of a new company in Weihai, Shandong. The total investment amount will be RMB30,000 thousand.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Corporation and its subsidiaries and the exchange rates between the foreign currencies and the respective functional currencies 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	\$ 130,448	31.995	(USD:NTD)	\$ 4,173,672
USD	60,773	6.9194	(USD:RMB)	1,944,420
JPY	7,826,495	0.2005	(JPY:NTD)	1,569,212
RMB	191,224	4.624	(RMB:NTD)	884,219
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	338,189	31.995	(USD:NTD)	10,820,350
RMB	88,728	4.624	(RMB:NTD)	410,279
Associates accounted for using the equity method				
RMB	262,752	4.624	(RMB:NTD)	1,214,963
Financial assets at fair value through profit or loss				
USD	7,914	31.995	(USD:NTD)	253,199
Financial assets at fair value through other comprehensive income				
USD	7,585	31.995	(USD:NTD)	242,668
JPY	309,706	0.2005	(JPY:NTD)	62,094
Financial liabilities				
Monetary items				
USD	43,430	31.995	(USD:NTD)	1,389,551
USD	9,053	6.9194	(USD:RMB)	289,648
JPY	2,573,341	0.2005	(JPY:NTD)	515,955
RMB	35,052	4.624	(RMB:NTD)	162,080
December 31, 2025				
Financial assets				
Monetary items				
USD	125,063	31.43	(USD:NTD)	3,930,716
USD	62,527	7.0288	(USD:RMB)	1,965,237
JPY	7,352,988	0.2008	(JPY:NTD)	1,476,480
RMB	172,064	4.4716	(RMB:NTD)	769,403

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	\$ 330,549	31.43	(USD:NTD)	\$ 10,389,151
RMB	84,432	4.4716	(RMB:NTD)	377,546
Associates accounted for using the equity method				
RMB	268,946	4.4716	(RMB:NTD)	1,202,620
Financial assets at fair value through profit or loss				
USD	8,146	31.43	(USD:NTD)	256,029
Financial assets at fair value through other comprehensive income				
USD	7,585	31.43	(USD:NTD)	238,383
JPY	342,550	0.2008	(JPY:NTD)	68,784
Financial liabilities				
Monetary items				
USD	38,302	31.43	(USD:NTD)	1,203,833
USD	10,074	7.0288	(USD:RMB)	316,641
JPY	2,756,644	0.2008	(JPY:NTD)	553,534
RMB	33,642	4.4716	(RMB:NTD)	150,434
March 31, 2025				
Financial assets				
Monetary items				
USD	130,388	33.205	(USD:NTD)	4,329,547
USD	45,534	7.1782	(USD:RMB)	1,511,957
JPY	6,217,519	0.2227	(JPY:NTD)	1,384,642
RMB	146,919	4.6258	(RMB:NTD)	679,617
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	283,707	33.205	(USD:NTD)	9,420,475
RMB	74,712	4.6258	(RMB:NTD)	345,603
Associates accounted for using the equity method				
RMB	281,835	4.6258	(RMB:NTD)	1,257,453
Financial assets at fair value through profit or loss				
USD	7,815	33.205	(USD:NTD)	259,507
Financial assets at fair value through other comprehensive income				
USD	6,658	33.205	(USD:NTD)	221,079
JPY	127,571	0.2227	(USD:RMB)	28,409
				(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
Financial liabilities			
Monetary items			
USD	\$ 33,743	33.205 (USD:NTD)	\$ 1,120,421
USD	8,097	7.1782 (USD:RMB)	268,868
JPY	2,059,953	0.2227 (JPY:NTD)	458,752
RMB	33,555	4.6258 (RMB:NTD)	155,220
			(Concluded)

The realized and unrealized foreign exchange net gains and losses of the Corporation and its subsidiaries, refer to Note 25. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies.

38. ADDITIONAL DISCLOSURES

- a. Information about significant transactions and investees:
 - a) Financing provided to others (Table 1)
 - b) Endorsements/guarantees provided (Table 2)
 - c) Significant marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
 - d) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - e) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - f) Intercompany relationships and significant intercompany transactions (Table 8)
- b. Information on investees (Table 6)
- c. Information on investments in mainland China
 - a) 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 gains or losses, 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 7)
 - b) 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:
 - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 4)

- 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 4)
- 3) The amount of property transactions and the amount of the resultant gains or losses (None)
- 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes (Table 2)
- 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds (Table 1)
- 6) 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 receiving of services (None)

39. 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 Corporation and its subsidiaries' reportable segments were as follows:

- The Corporation - It trades electrical, communication, semiconductor materials and parts, and engages in import and export trade and manufacturing and selling, leasing of electrical appliances, telecommunications equipment, mechanical parts, and retail of EME, electronic materials and components.
- CWTC and its subsidiaries - Mainly industry is referred to Note 4.
- Others - Other subsidiaries which were below the quantitative threshold were not listed as reportable segments, refer to Note 4 for details.

a. Segment revenue and results

The analysis of the Corporation and its subsidiaries' revenue and results from continuing operations by reportable segment is referred to Table 9.

Segment profit represented the profit before tax earned by each segment without interest income, other income, other gains and losses, share of profits of subsidiaries and associates accounted for using the equity method, 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.

b. Segment total assets and liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Segment assets			
The Corporation	\$ 27,253,985	\$ 25,965,227	\$ 23,638,781
CWTC and its subsidiaries	23,935,440	22,854,318	21,726,873
			(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Others	\$ 294,137	\$ 291,858	\$ 329,559
Adjustment and elimination	(8,437,562)	(8,209,459)	(8,011,847)
Consolidated total assets	<u>\$ 43,046,000</u>	<u>\$ 40,901,944</u>	<u>\$ 37,683,366</u>
Segment liabilities			
The Corporation	\$ 9,576,133	\$ 8,004,323	\$ 8,109,732
CWTC and its subsidiaries	12,168,998	11,390,074	10,196,485
Others	104,920	97,441	101,774
Adjustment and elimination	(1,244,309)	(1,204,572)	(1,201,356)
Consolidated total liabilities	<u>\$ 20,605,742</u>	<u>\$ 18,287,266</u>	<u>\$ 17,206,635</u> (Concluded)

TABLE 1

Chang Wah Electromaterials Inc. and Subsidiaries

FINANCING PROVIDED TO OTHERS

FOR THE THREE MONTHS ENDED MARCH 31, 2026

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

[illegible]

Note 1: According to “The Process of Financing Other” established by the Corporation, limits are as follows:

1. The total amount of loans shall not exceed 40% of the Corporation's net worth in its latest audited or reviewed financial statements.
2. The amount of loans to any individual borrower shall not exceed 20% the Corporation's net worth in its latest audited or reviewed financial statements.

The amount of loans for advance in installments or via revolving utilization shall not exceed 10% of the Corporation's net worth in its latest audited or reviewed financial statements.

Note 2: The maximum amount of the total loan funds provided by a subsidiary for the companies or parties and the same object requiring short-term financing shall not exceed net worth in the latest audited or reviewed financial statements of the loan company. If the loan is made to a company in which the parent company directly or indirectly holds 100% of the ownership or voting rights of the Corporation, the term of the loan shall exceed five years.

Note 3: The nature for financing is as follows:

1. Business relationship
2. The need for short-term financing

Note 4: Amount was eliminated from the consolidated financial statements.

TABLE 2

Chang Wah Electromaterials Inc. and Subsidiaries

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorsement/ Guarantor Provider	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Amount for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiary in Mainland China	Note
		Name	Relationship (Note 3)											
0	The Corporation	Shanghai Chang Wah Electromaterials Inc.	2, 6	\$ 3,535,570	\$ 54,871	\$ 54,871	\$ 54,871	\$ -	0.31	\$ 8,838,926	Yes	No	Yes	Note 1
1	Chang Wah Technology Co., Ltd.	Shanghai Chang Wah Electromaterials Inc.	2, 6	2,259,685	124,301	124,301	124,301	-	1.1	5,649,212	No	No	Yes	Note 2

Note 1: In accordance with the Corporation’s “Procedures for Provision of Endorsements and Guarantees”, limits are as follows:

1. The total amount of guarantees provided by the Corporation shall not exceed 50% of the Corporation’s net worth in its latest audited or reviewed financial statements.
2. Except where the guarantor has a business relationship with the guaranteed entity, the amount of guarantees to any individual entity shall not exceed 20% of the Corporation’s net worth in its latest audited or reviewed financial statements.
3. The total amount of guarantees provided by the Corporation and its subsidiaries shall not exceed the Corporation’s net worth in its latest audited or reviewed financial statements.
4. Except where the guarantor has a business relationship with the guaranteed entity, the total amount of guarantees to any individual entity shall not exceed 50% of the Corporation’s net worth in its latest audited or reviewed financial statements.

Note 2: Chang Wah Technology Co., Ltd.: The amount of guarantees to any individual entity shall not exceed 20% of its net worth. The total amount of guarantees shall not exceed 50% of its net worth.

Note 3: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

1. A company that the Corporation has business relationship with.
2. The Corporation owns directly or indirectly over 50% ownership of the investee company.
3. The company that owns directly or indirectly hold over 50% ownership of the Corporation.
4. In between companies that were held over 90% of voting shares directly or indirectly by an entity.
5. The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
6. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
7. According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

TABLE 3

Chang Wah Electromaterials Inc. and Subsidiaries

SIGNIFICANT MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES)
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 Value	Percentage of Ownership (%)	Fair Value	
The Corporation	<u>Stock - ordinary shares</u> Cleanaway Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	15,010,000	\$ 441,294	1.32	\$ 441,294	
	Sino-American Silicon Products Inc		Financial assets at fair value through other comprehensive income - current	5,024,000	540,080	0.78	540,080	
	Greatek Electronics Inc.	-	Financial assets at fair value through other comprehensive income - current	5,832,000	492,804	1.03	492,804	
	Everlight Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	14,174,000	946,823	3.20	946,823	
	Taiflex Scientific Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	15,002,336	1,597,749	5.69	1,597,749	
	Chipbond Technology Corp.	-	Financial assets at fair value through other comprehensive income - current	40,215,000	2,794,943	5.40	2,794,943	
	Tian Zheng International Precision Machinery Co., Ltd.	The Corporation is appointed as member of the board of directors	Financial assets at fair value through other comprehensive income - non-current	1,271,800	116,243	3.10	116,243	
	VizionFocus Inc.		Financial assets at fair value through other comprehensive income - non-current	8,105,970	1,463,128	13.85	1,463,128	
	Advanced Echem Materials Company Limited	The Corporation is appointed as member of the board of directors	Financial assets at fair value through other comprehensive income - non-current	5,546,500	4,426,107	5.98	4,426,107	
	Sino-American Silicon Products Inc		Financial assets at fair value through other comprehensive income – non-current	1,518,000	163,185	0.24	163,185	
	Bridge Roots II Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	199,031	16.67	199,031	
	<u>Stock - domestic privately placed ordinary shares of listed companies</u> Tian Zheng International Precision Machinery Co., Ltd.	The Corporation is appointed as member of the board of directors	Financial assets at fair value through other comprehensive income - non-current	3,700,000	280,349	9.03	280,349	
	<u>Fund</u> SMART Growth Fund, L.P.	-	Financial assets at fair value through profit or loss - non-current	-	253,199	1.75	253,199	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Chang Wah Technology Co., Ltd.	<u>Stock - ordinary shares</u> Globalwafers Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	537,000	\$ 225,809	0.11	\$ 225,809	Note
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through other comprehensive income - current	1,591,000	171,033	0.25	171,033	
	JMC Electronics Co., Ltd.	Associate	Financial assets at fair value through other comprehensive income - current	35,000	898	0.04	898	
	Chang Wah Electromaterials Inc.	Parent company	Financial assets at fair value through other comprehensive income - non-current	38,123,000	1,622,134	5.25	1,622,134	
	Taiflex Scientific Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,067,085	326,645	1.16	326,645	
	Everlight Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,999,000	133,533	0.45	133,533	
	Acter Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	437,000	300,656	0.35	300,656	
	<u>Fund</u> Yuanta Taiwan High-yield Leading Company Fund	-	Financial assets at fair value through profit or loss - current	7,000,000	114,380	-	114,380	
Shing Zheng Investment Co., Ltd.	<u>Stock - ordinary shares</u> Chang Wah Electromaterials Inc.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	5,358,000	227,983	0.74	227,983	Note
	Chang Wah Technology Co., Ltd.	Parent company	Financial assets at fair value through other comprehensive income - non-current	21,391,642	998,990	2.25	998,990	
	JMC Electronics Co., Ltd.	Associate	Financial assets at fair value through other comprehensive income - non-current	278,000	7,131	0.33	7,131	
	Tian Zheng International Precision Machinery Co., Ltd.	The ultimate parent company serves as a corporate director-	Financial assets at fair value through other comprehensive income - non-current	596,000	54,474	1.45	54,474	

Note: Refer to Note 23, the Corporation's shares held by subsidiaries are treated as treasury shares.

(Concluded)

TABLE 4

Chang Wah Electromaterials Inc. and Subsidiaries

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

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance	% to Total	
Chang Wah Technology Co., Ltd.	The Corporation	Parent Company	Sales	(\$ 686,843)	(40)	60 days	Not significantly different	60 days	\$ 724,120	48	Note 1
SH Electronics Chengdu Co., Ltd.	Chang Wah Technology Co., Ltd.	Parent Company	Sales	(271,319)	(70)	45 days	Not significantly different	45 days	221,401	77	Note 1
SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Sister Company	Sales	(169,030)	(100)	60 days	Not significantly different	60 days	114,829	100	Note 1
SH Electronics Suzhou Co., Ltd.	Chang Wah Technology Co., Ltd.	Parent Company	Sales	(226,003)	(39)	45 days	Not significantly different	45 days	168,590	34	Note 1

Note 1: Amount was eliminated from the consolidated financial statements.

Note 2: Since the par value of the Corporation's share is NT\$1, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the Corporation.

TABLE 5

Chang Wah Electromaterials Inc. 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, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Chang Wah Technology Co., Ltd.	The Corporation	Parent Company	Accounts receivable \$ 724,120	0.98	\$ -	-	\$ 405,010	\$ -
SH Electronics Chengdu Co., Ltd.	Chang Wah Technology Co., Ltd.	Parent Company	Accounts receivable 221,401	1.40	-	-	82,260	-
SH Electronics Suzhou Co., Ltd.	Chang Wah Technology Co., Ltd.	Parent Company	Accounts receivable 168,590	1.22	-	-	73,229	-
SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Sister Company	Accounts receivable 114,829	1.62	-	-	77,169	-
SH Asia Pacific Pte. Ltd.	Malaysian SH Electronics Sdn. Bhd.	Sister Company	Other receivables 319,950	Note 2	-	-	-	-

Note 1: Amount was eliminated from the consolidated financial statements.

Note 2: Amounts include other receivables, such as intercompany loans and interest receivables. Therefore, the turnover rate is not applicable.

Note 3: Since the par value of the Corporation's share is NT\$1, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the Corporation.

TABLE 6

Chang Wah Electromaterials Inc. and Subsidiaries

**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
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		Balance 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	Percentage of Ownership (%)	Carrying Amount			
The Corporation	CWE Holding Co., Ltd.	Samoa	International investment activities	\$ 76,788	\$ 76,788	2,400,000	100	\$ 82,060	\$ 2,244	\$ 2,244	Notes 1 and 2
The Corporation	Wellstech Optical Co., Ltd.	Taiwan	Manufacturing and retailing of electronic components, computers and peripherals, and precision instruments	198,742	198,742	19,314,164	37.37	601,538	32,655	12,204	
The Corporation	Chang Wah Technology Co., Ltd.	Taiwan	Manufacturing of plastic products and electronic components for industrial use; retailing and wholesaling of electronic components and machinery	3,194,059	3,194,059	454,336,925	49.47	5,653,849	468,971	231,868	Notes 1 and 3
The Corporation	JMC Electronics Co., Ltd.	Taiwan	Manufacturing, processing and selling of COF substrates	595,062	595,062	35,531,390	42.81	715,693	(54,116)	(22,812)	Note 3
The Corporation	Chang Wah Energy Technology Co., Ltd.	Taiwan	Power generation of non-public business and renewable energy for equipment; leasing business; installing and retailing of electrical equipment, machinery and computer equipment	90,000	90,000	9,000,000	100	105,769	2,286	2,387	Notes 1 and 3
The Corporation	Silver Connection Co., Ltd.	British Cayman Islands	Manufacturing and selling of electrical contact materials such as silver contact and metal shaped materials, etc.	295,152	295,152	300,000	30	404,544	26,889	8,007	Note 2
The Corporation	Shing Zheng Investment Co., Ltd.	Taiwan	Investment activities	100,000	100,000	10,000,000	10	109,832	9,667	4	Notes 1 and 3
Chang Wah Technology Co., Ltd.	SH Asia Pacific Pte. Ltd	Singapore	Trading of electronic components and equipment; investing activities	3,273,072	3,273,072	21,206,103	100	8,125,425	97,867	91,763	Notes 1, 2 and 3
Chang Wah Technology Co., Ltd.	Shing Zheng Investment Co., Ltd.	Taiwan	Investment activities	490,000	490,000	49,000,000	49	553,498	9,667	20	Notes 1 and 3
Chang Wah Technology Co., Ltd.	Malaysian SH Electronics Sdn. Bhd.	Malaysia	Manufacturing and selling of leadframe and semiconductor materials	1,173,703	1,173,703	108,246,000	100	2,694,925	95,197	94,548	Notes 1, 2 and 3
SH Asia Pacific Pte. Ltd.	WSP Electromaterials Ltd.	British Virgin Islands	International investment activities	693,279	681,036	5,235,000	100	1,543,293	46,297	46,297	Notes 1 and 2

Note 1: Amount was eliminated from the consolidated financial statements as of March 31, 2026.

Note 2: Translated into NTD using the average exchange rate for the reporting period and exchange rate at the balance sheet date.

Note 3: The differences between the net income (loss) of investees and the investment income or loss recognized by the Corporation were attributable to the unrealized gains and losses on the intercompany transactions, the amortization of the investment cost premium and dividend income received by subsidiaries from holding the Corporation’s shares.

TABLE 7

Chang Wah Electromaterials Inc. and Subsidiaries

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

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	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 of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Amount as of March 31, 2026(Note 2)	Accumulated Repatriation of Investment Income as of March 31, 2026	Note
					Outward	Inward							
Guangdong How Weih Electronics Co., Ltd.	Researching, developing, manufacturing and selling of new electronic components and precision hardware and plastic components.	\$ 693,600	3	\$ -	\$ -	\$ -	\$ -	(\$ 24,400)	25.16	(\$ 6,140)	\$ 810,419	\$ 59,002	Note 3
SH Electronics Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	271,958	2	66,077	-	-	66,077	20,742	100	20,866	1,640,354	1,010,592	Notes 3 and 7
Shanghai Chang Wah Electromaterials Inc. SH Precision Chengdu Co., Ltd.	Acting as an agent for IC packaging materials and equipment	127,980	1 and 2	149,668	-	-	149,668	52,204	100	52,204	888,084	181,110	Notes 3 and 7
	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	111,983	2	31,807	-	-	31,807	13,363	100	12,738	700,520	464,517	Notes 3 and 7
CWTC (Shanghai) Inc.	Selling of lighting materials and equipment, communication devices, semiconductor materials and equipment, electronic products, machinery and equipment, etc.	63,990	1	64,308	-	-	64,308	3,566	100	3,566	138,378	-	Note 7
SH Electronics Suzhou Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor packaging materials and precision tools	799,875	2	-	-	-	-	(1,875)	100	(1,957)	1,700,904	125,080	Notes 3 and 7

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 6)
The Corporation (Note 4)	\$ 530,229 (USD16,957 thousand)	\$ 1,227,015 (USD38,350 thousand)	\$ -
Chang Wah Technology Co., Ltd. (Note 5)	64,308 (USD 2,000 thousand)	1,460,349 (USD45,643 thousand)	-

Note 1: Investment methods are classified into the following three categories:

- 1. Direct investment
- 2. Invest through holding company registered in a third region.
- 3. Others.

Note 2: Except for Guangdong How Weih Electronics Co., Ltd., whose financial statements have not been reviewed by independent auditors, the investment gains or losses and the ending carrying amounts of investments for the current period were recognized and disclosed based on the financial statements for the corresponding periods reviewed by the Corporation’s independent auditors.

(Continued)

- Note 3: Guangdong How Weih Electronics Co., Ltd. accumulated repatriation of investment income of RMB6,290 thousand (USD915 thousand); SH Electronics Chengdu Co., Ltd. accumulated repatriation of investment income of RMB230,205 thousand (USD32,967 thousand); SH Precision Chengdu Co., Ltd. accumulated repatriation of investment income of RMB107,496 thousand (USD15,330 thousand); Shanghai Chang Wah Electromaterials Inc. accumulated repatriation of investment income of RMB39,682 thousand (USD6,027 thousand); SH Electronics Suzhou Co., Ltd. accumulated repatriation of investment income of RMB28,407 thousand (USD4,000 thousand).
- Note 4: According to the Ministry of Economic Affairs’ approvals, the difference between the Corporation’s authorized investment amount and the cumulative outward remittances from Taiwan totals USD21,393 thousand. This amount includes the transfer of equity in SH Electronics Chengdu Co., Ltd., SH Precision Chengdu Co., Ltd., SH Electronics Suzhou Co., Ltd., and Shanghai Chang Wah Electromaterials Inc. to CWTC and its subsidiaries, for which the Ministry of Economic Affairs determined a reduction of USD16,682 thousand in the Corporation’s investment amount due to such equity transfers. In addition, the original indirect investment through How Weih Holding (Cayman) Co., Ltd. was restructured into a direct investment in Guangdong How Weih Electronics Co., Ltd of USD22,326 thousand via a share-exchange arrangement, together with an indirect investment of USD9,838 thousand through Silver Connection Co., Ltd., as well as a net investment impact of USD5,911 thousand arising from other equity transfers.
- Note 5: For subsidiary CWTC, the difference between the investment amount approved by the Ministry of Economic Affairs and the cumulative investment remitted from Taiwan totals USD43,643 thousand. This amount includes indirect investments through SHAP of USD23,279 thousand in SH Electronics Chengdu Co., Ltd., USD8,035 thousand in SH Precision Chengdu Co., Ltd. USD3,659 thousand in SH Electronics Suzhou Co., Ltd., and USD8,670 thousand in Shanghai Chang Wah Electromaterials Inc.
- Note 6: Pursuant to Paragraph 3 of the “Regulations Governing the Review of Investment or Technical Cooperation in Mainland China” issued by the Ministry of Economic Affairs, R.O.C., the Corporation and its subsidiary CWTC have obtained certificates from the Ministry of Economic Affairs confirming that they operate within the approved business scope of their operational headquarters. Accordingly, there is no ceiling on the amount of investments in Mainland China.
- Note 7: Amount was eliminated from the consolidated financial statements as of March 31, 2026.

(Concluded)

TABLE 8

Chang Wah Electromaterials Inc. and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE THREE MONTHS ENDED MARCH 31, 2026

(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% Total Sales or Assets
1	Chang Wah Technology Co., Ltd.	The Corporation	Subsidiary to parent	Sales	\$ 686,843	Follow the terms of contract	12.67
1	Chang Wah Technology Co., Ltd.	The Corporation	Subsidiary to parent	Accounts receivable	724,120	Follow the terms of contract	1.68
2	SH Asia Pacific Pte. Ltd.	Malaysian SH Electronics Sdn. Bhd.	Subsidiary to subsidiary	Other receivables	319,950	Follow the terms of contract	0.74
3	SH Electronics Chengdu Co., Ltd.	Chang Wah Technology Co., Ltd.	Subsidiary to parent	Sales	271,319	Follow the terms of contract	5.00
3	SH Electronics Chengdu Co., Ltd.	Chang Wah Technology Co., Ltd.	Subsidiary to parent	Accounts receivable	221,401	Follow the terms of contract	0.51
4	SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Subsidiary to subsidiary	Sales	169,030	Follow the terms of contract	3.12
4	SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Subsidiary to subsidiary	Accounts receivable	114,829	Follow the terms of contract	0.27
5	SH Electronics Suzhou Co., Ltd.	Chang Wah Technology Co., Ltd.	Subsidiary to parent	Sales	226,003	Follow the terms of contract	4.17
5	SH Electronics Suzhou Co., Ltd.	Chang Wah Technology Co., Ltd.	Subsidiary to parent	Accounts receivable	168,590	Follow the terms of contract	0.39

Note: Amount was eliminated from the consolidated financial statements.

TABLE 9**Chang Wah Electromaterials Inc. and Subsidiaries****SEGMENT INFORMATION****FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025****(In Thousands of New Taiwan Dollars)**

	The Corporation	CWTC and Its Subsidiaries	Others	Adjustment and Elimination	Total
For the Three Months Ended March 31, 2026					
Revenue from external customers	\$ 2,417,193	\$ 2,993,062	\$ 12,141	\$ -	\$ 5,422,396
Inter-segment revenue	580	678,786	-	(679,366)	-
Segment revenue	<u>\$ 2,417,773</u>	<u>\$ 3,671,848</u>	<u>\$ 12,141</u>	<u>(\$ 679,366)</u>	<u>\$ 5,422,396</u>
Segment income	\$ 146,835	\$ 507,625	\$ 3,170	\$ 100	\$ 657,730
Interest income	9,107	62,441	814	(467)	71,895
Other income	8,393	22,525	143	(1,131)	29,930
Other gains and losses	10,482	44,892	1,450	(50)	56,774
Share of profit or loss of subsidiaries and associates accounted for using the equity method	243,748	-	-	(252,489)	(8,741)
Finance costs	(23,118)	(33,879)	(476)	542	(56,931)
Profit before income tax	395,447	603,604	5,101	(253,495)	750,657
Income tax expense	33,051	118,626	571	-	152,248
Net profit for the period	<u>\$ 362,396</u>	<u>\$ 484,978</u>	<u>\$ 4,530</u>	<u>(\$ 253,495)</u>	<u>\$ 598,409</u>
For the Three Months Ended March 31, 2025					
Revenue from external customers	\$ 1,863,125	\$ 2,629,056	\$ 11,690	\$ -	\$ 4,503,871
Inter-segment revenue	1,200	551,369	-	(552,569)	-
Segment revenue	<u>\$ 1,864,325</u>	<u>\$ 3,180,425</u>	<u>\$ 11,690</u>	<u>(\$ 552,569)</u>	<u>\$ 4,503,871</u>
Segment income	\$ 79,028	\$ 409,905	\$ 3,092	\$ 3,498	\$ 495,523
Interest income	9,261	71,980	994	(522)	81,713
Other income	8,062	27,631	-	(1,389)	34,304
Other gains and losses	67,614	39,382	1,026	-	108,022
Share of profit or loss of subsidiaries and associates accounted for using the equity method	219,740	-	-	(215,241)	4,499
Finance costs	(18,666)	(29,956)	(536)	559	(48,599)
Profit before income tax	365,039	518,942	4,576	(213,095)	675,462
Income tax expense	32,852	94,525	512	-	127,889
Net profit for the period	<u>\$ 332,187</u>	<u>\$ 424,417</u>	<u>\$ 4,064</u>	<u>(\$ 213,095)</u>	<u>\$ 547,573</u>

TABLE 10**Chang Wah Electromaterials Inc.**
**RECONCILIATION OF CAPITAL SURPLUS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)**

	Arising from Issuance of Common Shares (Note 1)	Arising from Consolidation Excess (Note 1)	Arising from Conversion of Bonds (Note 1)	Arising from Treasury Shares Transactions (Note 1)	Arising from Changes in Equity of Associates Accounted for Using the Equity Method (Note 3)	Arising from Changes in Equity of Subsidiaries (Notes 2 and 3)	Arising from the Difference Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed (Note 1)	Others (Notes 1 and 4)	Total
Balance at January 1, 2026	\$ 587,150	\$ 566,837	\$ 2,780,932	\$ 169,669	\$ 56,598	\$ 730,606	\$ 1,291,844	\$ 1,209	\$ 6,184,845
Distribute cash dividends from capital surplus	-	-	(953,726)	-	-	-	-	-	(953,726)
Disposal of the Parent company's shares by subsidiaries	-	-	-	37	-	-	-	-	37
Arising from changes in equity of subsidiaries	-	-	-	-	-	(380)	-	-	(380)
Balance at March 31, 2026	<u>\$ 587,150</u>	<u>\$ 566,837</u>	<u>\$ 1,827,206</u>	<u>\$ 169,706</u>	<u>\$ 56,598</u>	<u>\$ 730,226</u>	<u>\$ 1,291,844</u>	<u>\$ 1,209</u>	<u>\$ 5,230,776</u>
Balance at January 1, 2025	\$ 656,465	\$ 566,837	\$ 2,780,932	\$ 121,089	\$ 56,598	\$ 918,476	\$ 1,291,844	\$ 1,209	\$ 6,393,450
Distribute cash dividends from capital surplus	(69,315)	-	-	-	-	-	-	-	(69,315)
Arising from changes in equity of subsidiaries	-	-	-	-	-	(20,175)	-	-	(20,175)
Balance at March 31, 2025	<u>\$ 587,150</u>	<u>\$ 566,837</u>	<u>\$ 2,780,932</u>	<u>\$ 121,089</u>	<u>\$ 56,598</u>	<u>\$ 898,301</u>	<u>\$ 1,291,844</u>	<u>\$ 1,209</u>	<u>\$ 6,303,960</u>

Note 1: 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).

Note 2: Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using the equity method.

Note 3: Such capital surplus may be used only to offset a deficit.

Note 4: Capital surplus - others: The Corporation's shares for cash capital increase reserved for employees to subscribe, and the employees did not exercise part of the subscription. This column is for forfeited employee stock options.