Stock Code:4953

WITS CORP.
(Original Name: WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION) AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025

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Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8～9
(4) Summary of significant accounting policies	10～12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	12～29
(7) Related-party transactions	29～30
(8) Pledged assets	31
(9) Significant commitments and contingencies	31
(10) Losses due to major disasters	31
(11) Subsequent events	31
(12) Other	31
(13) Other disclosures	
(a) Information on significant transactions	33～37
(b) Information on investees	38
(c) Information on investment in Mainland China	39～40
(14) Segment information	32

Independent Auditors' Review Report

To the Board of Directors of WITS Corp.:

Introduction

We have reviewed the accompanying consolidated balance sheets of WITS Corp. and its subsidiaries ("the Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 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

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and of its consolidated financial performance for the three months ended March 31, 2026 and 2025 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 review resulting in this independent auditors' review report are Chia-Chien Tang and Yun-Chu Yang.

KPMG

Taipei, Taiwan (The Republic of China)
May 5, 2026

<u>Notes to Readers</u>

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

WITS CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2026, December 31 and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 1,274,754	20	1,744,053	27	1,219,143	22
1140	Current contract assets (note 6(n))	12,930	-	13,022	-	14,076	-
1170	Notes and accounts receivable, net (notes 6(b) and (n))	4,158,198	64	3,586,784	56	3,327,192	59
1180	Accounts receivable-related parties, net (notes 6(b), (n) and 7)	52,211	1	53,049	1	49,927	1
1200	Other receivables	628	-	319	-	381	-
1220	Current tax assets	293	-	311	-	13	-
1410	Prepayments	41,665	1	26,973	1	34,961	1
1470	Other current assets (notes 6(f) and 8)	37,814	1	34,811	1	23,645	1
	Total current assets	5,578,493	87	5,459,322	86	4,669,338	84
	Non-current assets:						
1600	Property, plant and equipment (notes 6(c))	735,130	11	722,643	11	750,234	13
1755	Right-of-use assets (note 6(d))	88,715	1	88,194	1	68,913	1
1780	Intangible assets (note 6(e))	20,717	-	21,850	-	20,528	-
1840	Deferred tax assets	70,852	1	69,387	1	76,764	1
1900	Other non-current assets (notes 6(f) and 8)	25,530	-	25,169	1	26,014	1
	Total non-current assets	940,944	13	927,243	14	942,453	16
	Total assets	$ 6,519,437	100	6,386,565	100	5,611,791	100

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(g))	$ 250,000	4	-	-	-	-
2130	Current contract liabilities (notes 6(n))	55,531	1	57,627	1	29,889	1
2170	Notes and accounts payable	57,209	1	56,126	1	60,172	1
2219	Other payables (note 6(h) and (o))	1,532,204	24	1,714,439	27	1,200,629	21
2230	Current tax liabilities	84,097	1	73,528	1	62,330	1
2280	Current lease liabilities (note 6(i))	34,508	-	30,390	1	29,945	1
2399	Other current liabilities	87,236	1	110,425	2	64,802	1
	Total current liabilities	2,100,785	32	2,042,535	33	1,447,767	26
	Non-Current liabilities:						
2570	Deferred tax liabilities	107,466	2	107,193	2	100,008	2
2580	Non-current lease liabilities (note 6(i))	57,880	1	59,071	1	41,898	1
2640	Net defined benefit liability, non-current	189	-	-	-	3,208	-
2670	Other non-current liabilities	2,093	-	2,099	-	2,307	-
	Total non-current liabilities	167,628	3	168,363	3	147,421	3
	Total liabilities	2,268,413	35	2,210,898	36	1,595,188	29
	Equity (notes 6(l)):						
3110	Common stock	731,470	11	731,470	11	729,652	13
3150	Stock dividends to be distributed	1,794	-	-	-	1,818	-
3200	Capital surplus	1,353,880	21	1,335,336	21	1,334,602	23
3300	Retained earnings	2,308,984	35	2,139,603	33	1,920,147	34
3400	Other equity	73,254	1	(30,742)	(1)	30,384	1
3500	Treasury shares	(218,358)	(3)	-	-	-	-
	Total equity	4,251,024	65	4,175,667	64	4,016,603	71
	Total liabilities and equity	$ 6,519,437	100	6,386,565	100	5,611,791	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

WITS CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		For the three-month periods ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000	**Net revenue (notes 6(n) and 7)**	$ 3,398,886	100	2,641,667	100
5000	**Cost of sales (notes 6(c), (d), (e), (i), (j) and 12)**	(2,915,079)	(86)	(2,256,153)	(85)
	Gross profit	483,807	14	385,514	15
	Operating expenses (notes 6(b), (c), (d), (e), (i), (j), (n), (o) and 12)				
6100	Selling expenses	(77,795)	(2)	(71,558)	(3)
6200	Administrative expenses	(218,937)	(6)	(190,105)	(7)
6300	Research and development expenses	(12,353)	-	(11,961)	-
6450	Expected credit gains	19,722	-	5,982	-
	Total operating expenses	(289,363)	(8)	(267,642)	(10)
	Net operating income	194,444	6	117,872	5
	Non-operating income and expenses (notes 6(i) and (p)):				
7100	Interest income	2,131	-	1,549	-
7010	Other income	8,515	-	2,733	-
7020	Other gains and losses	1,686	-	2,291	-
7050	Finance costs	(1,072)	-	(565)	-
	Total non-operating income and expenses	11,260	-	6,008	-
	Profit before tax	205,704	6	123,880	5
7950	**Income tax expenses (note 6(k))**	(36,323)	(1)	(13,477)	(1)
	Net profit	169,381	5	110,403	4
8300	**Other comprehensive income (note 6(l)):**				
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	103,996	3	64,905	3
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	103,996	3	64,905	3
8300	**Other comprehensive income**	103,996	3	64,905	3
	Total comprehensive income	$ 273,377	8	$ 175,308	7
	Earnings per share (in New Taiwan dollars) (note 6(m))				
9750	**Basic earnings per share**	$ 2.32		$ 1.51	
9850	**Diluted earnings per share**	$ 2.30		$ 1.50	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

WITS CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Capital stock				Retained earnings				Other equity		
	Common stock	Stock dividends to be distributed	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
Balance at January 1, 2025	$ 729,652	-	729,652	1,316,225	337,025	142,252	1,330,467	1,809,744	(34,521)	-	3,821,100
Net profit	-	-	-	-	-	-	110,403	110,403	-	-	110,403
Other comprehensive income	-	-	-	-	-	-	-	-	64,905	-	64,905
Total comprehensive income	-	-	-	-	-	-	110,403	110,403	64,905	-	175,308
New share issued through employees' profit sharing bonus	-	1,818	1,818	18,182	-	-	-	-	-	-	20,000
Other changes in capital surplus	-	-	-	195	-	-	-	-	-	-	195
Balance at March 31, 2025	**$ 729,652**	**1,818**	**731,470**	**1,334,602**	**337,025**	**142,252**	**1,440,870**	**1,920,147**	**30,384**	**-**	**4,016,603**
Balance at January 1, 2026	$ 731,470	-	731,470	1,335,336	383,518	34,521	1,721,564	2,139,603	(30,742)	-	4,175,667
Net profit	-	-	-	-	-	-	169,381	169,381	-	-	169,381
Other comprehensive income	-	-	-	-	-	-	-	-	103,996	-	103,996
Total comprehensive income	-	-	-	-	-	-	169,381	169,381	103,996	-	273,377
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(218,358)	(218,358)
New share issued through employees' profit sharing bonus	-	1,794	1,794	18,206	-	-	-	-	-	-	20,000
Other changes in capital surplus	-	-	-	338	-	-	-	-	-	-	338
Balance at March 31, 2026	**$ 731,470**	**1,794**	**733,264**	**1,353,880**	**383,518**	**34,521**	**1,890,945**	**2,308,984**	**73,254**	**(218,358)**	**4,251,024**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

WITS CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three-month periods ended March 31	
	2026	2025
Cash flows generated from (used in) operating activities:		
Profit before tax	$ 205,704	123,880
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	19,977	19,232
Amortization expense	1,116	1,023
Expected credit gains	(19,722)	(5,982)
Interest expense	1,072	565
Interest income	(2,131)	(1,549)
Gains on disposal of property, plant and equipment	(5)	(35)
Total adjustments to reconcile profit	307	13,254
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in current contract assets	434	(5,388)
Increase in notes and accounts receivable, net	(456,575)	(290,538)
Decrease (increase) in accounts receivable-related parties	838	(2,386)
Increase in other receivables	(198)	(72)
Increase in prepayments	(13,735)	(7,680)
Decrease in other current assets	151	957
Decrease in net defined benefit assets, non-current	17	-
Total changes in operating assets	(469,068)	(305,107)
Changes in operating liabilities:		
Decrease in current contract liabilities	(2,004)	(17,686)
Increase (decrease) in notes and accounts payable	603	(1,555)
Decrease in other payables	(219,184)	(203,687)
Decrease in other current liabilities	(25,138)	(5,400)
Increase in net defined benefit liability, non-current	189	129
Total changes in operating liabilities	(245,534)	(228,199)
Net changes in operating assets and liabilities	(714,602)	(533,306)
Total adjustments	(714,295)	(520,052)
Cash used in operations	(508,591)	(396,172)
Interest received	2,114	1,523
Interest paid	(712)	(569)
Income taxes (paid) refund	(26,332)	4,912
Net cash flows used in operating activities	(533,521)	(390,306)
Cash flows generated from (used in) investing activities:		
Acquisition of property, plant and equipment	(14,535)	(3,742)
Proceeds from disposal of property, plant and equipment	9	46
Increase in refundable deposits	(640)	(1,078)
Increase in other financial assets	(1,640)	-
Net cash flows used in investing activities	(16,806)	(4,774)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	270,000	34,207
Repayments of short-term loans	(20,000)	(38,483)
Repayments of the principal portion of lease liabilities	(7,925)	(7,926)
Payments to acquire treasury shares	(194,045)	-
Other changes in capital surplus	338	195
Net cash flows generated from (used in) financing activities	48,368	(12,007)
Effect of exchange rate changes on cash and cash equivalents	32,660	24,944
Net Decrease in cash and cash equivalents	(469,299)	(382,143)
Cash and cash equivalents at beginning of period	1,744,053	1,601,286
Cash and cash equivalents at end of period	$ 1,274,754	1,219,143

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, unless otherwise specified)

(1) Company history

Mirrors International, Inc. was incorporated on June 1, 1992 as a company limited by shares under the laws of the Republic of China (R.O.C); and in July 2004, it changed its name to WITS Corp. (the “Company”). WITS Corp. and subsidiaries (the “Group”) are primarily engaged in the development and maintenance of the IT system, IT consulting and outsourcing services.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements for the three months ended March 31, 2026 and 2025 were authorized for issue by the Board of Directors on May 5, 2026.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(b) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IAS 21"Translation to a Hyperinflationary Presentation Currency"

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC). The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to "IFRS Accounting Standards" endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Major operations	Location	Percentage of ownership 2026.03.31	2025.12.31	2025.3.31	Note
The Company	Wistron Information Technology and Services Inc. (WIBI)	Professional investment enterprise	B.V.I	100.00%	100.00%	100.00%	
	WITS (Hong Kong) Limited (WIHK)	Research, develop, design of software, and IT consulting service	Hong Kong	100.00%	100.00%	100.00%	
	WITS Japan Inc. (WIJP)	"	Japan	100.00%	100.00%	100.00%	
	WITS AMERICA, CORP. (WIAM)	"	America	100.00%	100.00%	100.00%	
	WITS Taiwan, Inc. (WISS)	"	Taiwan	100.00%	100.00%	100.00%	
The Company/ WISS	WITS (INDIA) PRIVATE LIMITED (WIIN)	"	India	100.00%	100.00%	-	(Note 1)
WIBI	WITS (HONG KONG) HOLDING LIMITED (WIHH)	Professional investment enterprise	Hong Kong	100.00%	100.00%	100.00%	(Note 2)
WIHH	WITS (Beijing) Co., Ltd. (WIBJ)	Research, develop, design of software, and IT consulting service	China	100.00%	100.00%	100.00%	(Note 3)
WIBJ	Beijing Enovation Technology Co. Ltd. (WIYC)	"	China	-	-	100.00%	(Note 4)
	WITS (Wuhan) Co., Ltd. (WIWZ)	"	China	100.00%	100.00%	100.00%	(Note 5)

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Major operations	Location	Percentage of ownership 2026.03.31	2025.12.31	2025.3.31	Note
WIBJ	WITS (Haikou) Co., Ltd. (WIYN)	Research, develop, design of software, and IT consulting service	China	100.00%	100.00%	100.00%	(Note 6)
WIWZ	WITS (Hangzhou) Co., Ltd. (WIHZ)	"	China	100.00%	100.00%	100.00%	(Note 7)
	WITS (Dalian) Co., Ltd. (WIDL)	"	China	100.00%	100.00%	100.00%	(Note 8)
	WITS InnoTech (Beijing) Co., Ltd. (WIWB)	"	China	100.00%	-	-	(Note 9)
	WITS (Shanghai) Co., Ltd. (WIWS)	"	China	100.00%	-	-	(Note 10)

(Note 1) The company was set up in August 2025, and injected in October 2025.

(Note 2) WIHH originally named " Wistron ITS (Hong Kong) Limited" was renamed to " WITS (HONG KONG) HOLDING LIMITED" in November, 2025.

(Note 3) WIBJ originally named "Wistron ITS (Beijing) Inc." was renamed to "WITS (Beijing) Co., Ltd." in January, 2026.

(Note 4) The company was liquidated in September 2025.

(Note 5) WIWZ originally named "Wistron ITS (Wuhan) Co." was renamed to "WITS (Wuhan) Co., Ltd." in January, 2026.

(Note 6) WIYN originally named " Hai Kou Enovation Technology Co.,Ltd." was renamed to "WITS (Haikou) Co., Ltd." in January, 2026.

(Note 7) WIHZ originally named "Wistron ITS (Hangzhou) Ltd." was renamed to "WITS (Hangzhou) Co., Ltd." in February, 2026.

(Note 8) WIDL originally named "Wistron ITS (Dalian) Ltd." was renamed to "WITS (Dalian) Co., Ltd." in February, 2026.

(Note 9) The company was set up in February, 2026, and injected in March, 2026.

(Note 10) The company was set up in February, 2026, and injected in April, 2026.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period. However, the Company incurs a pretax loss for interim reporting period and anticipates having a tax benefit for the full year when the management estimates its effective annual tax rate. An amount of deferred income tax benefit is recognized by multiplying pretax loss for the interim reporting period with the effective annual tax rate. Deferred income tax assets are adjusted relatively.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The 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 fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Significant accounting estimates and assumptions made by the management may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has considered the economic implications of climate change on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts

Except for the following disclosures, there were no significant differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2025 consolidated financial statements. Please refer to note 6 of the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 380	443	391
Demand and checking deposits	1,164,520	1,692,492	1,177,893
Time deposits	109,854	51,118	40,859
Cash and cash equivalents in the consolidated statement of cash flows	$ 1,274,754	1,744,053	1,219,143

Please refer to note 6(q) for the currency rate risk and sensitivity analysis of the financial assets of the Group.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Notes and accounts receivable (including related parties)

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 111,263	67,858	112,286
Accounts receivable	4,066,598	3,557,708	3,232,348
Accounts receivable-related parties	52,211	53,049	49,927
Less: Loss allowance	(19,663)	(38,782)	(17,442)
	$ 4,210,409	3,639,833	3,377,119

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and days past due, as well as the incorporated forward-looking information.

The loss allowance provision was determined as follows:

	March 31, 2026		
	Gross carrying amount	Weighted-average expected credit loss rate	Lifetime expected credit loss allowance
Not overdue	$ 3,039,149	0%~0.561%	478
Overdue within 30 days	598,435	0%~2.104%	467
Overdue 31~60 days	286,066	0%~13.400%	1,145
Overdue 61~120 days	227,986	0%~50%	4,314
Overdue 121~180 days	47,227	0%~50%	5,644
Overdue 181~365 days	30,494	0%~80%	6,900
Overdue more than 365 days	715	100%	715
	$ 4,230,072		19,663

	December 31, 2025		
	Gross carrying amount	Weighted-average expected credit loss rate	Lifetime expected credit loss allowance
Not overdue	$ 2,772,643	0%~0.739%	601
Overdue within 30 days	450,970	0%~10%	2,042
Overdue 31~60 days	164,933	0%~17.300%	2,512
Overdue 61~120 days	168,021	0%~26.964%	10,493
Overdue 121~180 days	66,092	0%~33.227%	5,405
Overdue 181~365 days	46,695	0%~50%	8,468
Overdue more than 365 days	9,261	100%	9,261
	$ 3,678,615		38,782

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	March 31, 2025		
	Gross carrying amount	Weighted-average expected credit loss rate	Lifetime expected credit loss allowance
Not overdue	$ 2,509,929	0%~1.888%	925
Overdue within 30 days	451,561	0%~7.560%	1,132
Overdue 31~60 days	189,940	0%~42.499%	1,354
Overdue 61~120 days	161,921	0%~49.509%	1,578
Overdue 121~180 days	43,833	0%~49.509%	1,261
Overdue 181~365 days	29,583	0%~78.671%	3,398
Overdue more than 365 days	7,794	100%	7,794
	$ 3,394,561		17,442

The movements in the allowance for notes and accounts receivable were as follow:

	For the three-month periods ended March 31	
	2026	2025
Balance as of January 1	$ 38,782	$ 18,574
Impairment reversed recognized	(19,709)	(6,144)
Amount written off	(304)	-
Recovery of written-off amounts	-	4,696
Effect of changes in foreign exchange rate	894	316
Balance as of March 31	$ 19,663	$ 17,442

As of March 31, 2026, December 31 and March 31, 2025, the notes and accounts receivable were not discounted and pledged.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Property, plant and equipment

The movements in cost and accumulated depreciation of property, plant and equipment were as follows:

	Land	Buildings and structures	Computers and other equipment	Transportation equipment	Office equipment	Lease improvements	Unfinished construction and equipment pending acceptance	Total
Cost：								
Balance as of January 1, 2026	$ 190,856	602,267	135,401	4,081	55,559	41,996	-	1,030,160
Additions	-	-	2,558	-	702	-	11,275	14,535
Disposals	-	-	(44)	-	(72)	-	-	(116)
Effect of changes in foreign exchange rates	-	8,391	1,803	121	1,291	944	145	12,695
Balance as of March 31, 2026	$ 190,856	610,658	139,718	4,202	57,480	42,940	11,420	1,057,274
Balance as of January 1, 2025	$ 190,856	602,173	131,159	4,080	55,150	42,144	74	1,025,636
Additions	-	-	3,648	-	77	17	-	3,742
Reclassification	-	-	52	-	24	-	(76)	-
Disposals	-	-	(139)	-	(69)	-	-	(208)
Effect of changes in foreign exchange rates	-	5,052	1,486	73	911	945	2	8,469
Balance as of March 31, 2025	$ 190,856	607,225	136,206	4,153	56,093	43,106	-	1,037,639
Accumulated depreciation：								
Balance as of January 1, 2026	$ -	119,308	107,151	3,877	46,627	30,554	-	307,517
Depreciation	-	4,747	3,049	207	441	1,285	-	9,729
Disposals	-	-	(40)	-	(72)	-	-	(112)
Effect of changes in foreign exchange rates	-	1,721	1,488	118	1,057	626	-	5,010
Balance as of March 31, 2026	$ -	125,776	111,648	4,202	48,053	32,465	-	322,144
Balance as of January 1, 2025	$ -	100,460	100,162	3,060	44,329	25,416	-	273,427
Depreciation	-	4,721	3,415	205	810	1,492	-	10,643
Disposals	-	-	(134)	-	(63)	-	-	(197)
Effect of changes in foreign exchange rates	-	877	1,212	57	725	661	-	3,532
Balance as of March 31, 2025	$ -	106,058	104,655	3,322	45,801	27,569	-	287,405
Carrying value：								
Balance as of January 1, 2026	$ 190,856	482,959	28,250	204	8,932	11,442	-	722,643
Balance as of March 31, 2026	$ 190,856	484,882	28,070	-	9,427	10,475	11,420	735,130
Balance as of January 1, 2025	$ 190,856	501,713	30,997	1,020	10,821	16,728	74	752,209
Balance as of March 31, 2025	$ 190,856	501,167	31,551	831	10,292	15,537	-	750,234

As of March 31, 2026, December 31 and March 31, 2025, the property, plant and equipment were not pledged.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(d) Right-of-use assets

The Group leases buildings and structures, transportation equipment and office equipment. The movements in right-of-use assets were as follows:

	Buildings and structures	Transportation equipment	Office equipment	Total
Cost:				
Balance as of January 1, 2026	$ 161,715	1,369	554	163,638
Additions	8,735	-	-	8,735
Decrease	(9,237)	-	-	(9,237)
Effect of changes in foreign exchange rates	3,385	-	17	3,402
Balance as of March 31, 2026	$ 164,598	1,369	571	166,538
Balance as of January 1, 2025	$ 122,558	1,355	554	124,467
Additions	1,732	-	-	1,732
Effect of changes in foreign exchange rates	2,977	-	10	2,987
Balance as of March 31, 2025	$ 127,267	1,355	564	129,186
Accumulated depreciation:				
Balance as of January 1, 2026	$ 74,964	152	328	75,444
Depreciation	10,106	114	28	10,248
Decrease	(9,237)	-	-	(9,237)
Effect of changes in foreign exchange rates	1,357	-	11	1,368
Balance as of March 31, 2026	$ 77,190	266	367	77,823
Balance as of January 1, 2025	$ 48,807	1,054	218	50,079
Depreciation	8,448	113	28	8,589
Effect of changes in foreign exchange rates	1,601	-	4	1,605
Balance as of March 31, 2025	$ 58,856	1,167	250	60,273
Carrying amount:				
Balance as of January 1, 2026	$ 86,751	1,217	226	88,194
Balance as of March 31, 2026	$ 87,408	1,103	204	88,715
Balance as of January 1, 2025	$ 73,751	301	336	74,388
Balance as of March 31, 2025	$ 68,411	188	314	68,913

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(e) Intangible assets

The movements in intangible assets were as follows:

	Software	Goodwill	Total
Cost:			
Balance as of January 1, 2026	$ 71,114	14,093	85,207
Effect of changes in foreign exchange rates	860	(56)	804
Balance as of March 31, 2026	$ 71,974	14,037	86,011
Balance as of January 1, 2025	$ 66,221	14,724	80,945
Effect of changes in foreign exchange rates	611	869	1,480
Balance as of March 31, 2025	$ 66,832	15,593	82,425
Accumulated amortization:			
Balance as of January 1, 2026	$ 63,357	-	63,357
Amortization	1,116	-	1,116
Effect of changes in foreign exchange rates	821	-	821
Balance as of March 31, 2026	$ 65,294	-	65,294
Balance as of January 1, 2025	$ 60,306	-	60,306
Amortization	1,023	-	1,023
Effect of changes in foreign exchange rates	568	-	568
Balance as of March 31, 2025	$ 61,897	-	61,897
Carrying value:			
Balance as of January 1, 2026	$ 7,757	14,093	21,850
Balance as of March 31, 2026	$ 6,680	14,037	20,717
Balance as of January 1, 2025	$ 5,915	14,724	20,639
Balance as of March 31, 2025	$ 4,935	15,593	20,528

(f) Other current assets and other non-current assets

(i) Other current assets

	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits	$ 34,465	32,974	22,836
Temporary payment	1,688	1,837	809
Other financial assets	1,661	-	-
	$ 37,814	34,811	23,645

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Other non-current assets

	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits	$ 25,194	24,693	25,364
Net defined benefit assets	-	17	-
Others	336	459	650
	$ 25,530	25,169	26,014

(iii) As of March 31, 2026, December 31, and March 31, 2025, the other current assets and other non-current assets were pledged, please refer to note 8.

(g) Short-term loans

	March 31, 2026			
	Currency	Interest rate collar	Expiration year	Amount
Unsecured bank loans	NTD	1.78%~1.80%	2026	$ 250,000
Unused bank credit lines				$ 2,424,152

As of December 31 and March 31, 2025, the Group had no short-term loans. Additionally, the unused bank credit lines amount of short-term loans as of December 31 and March 31, 2025 are $2,635,361 and $2,281,479, respectively.

(h) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Accrued payroll and bonus	$ 1,021,974	1,156,989	777,511
Accrued employees' and directors' remuneration	110,640	137,880	79,670
Tax Payable	61,535	85,050	44,383
Others	338,055	334,520	299,065
	$ 1,532,204	1,714,439	1,200,629

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 34,508	30,390	29,945
Non-current	$ 57,880	59,071	41,898

For the maturity analysis, please refer to note 6(q).

The amount recognized in profit or loss were as follows:

	For the three-month periods ended March 31	
	2026	2025
Interest expenses on lease liabilities	$ 691	535
Expenses relating to short-term leases	$ 997	726
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	$ 1,967	1,547

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the three-month periods ended March 31	
	2026	2025
Total cash outflow for leases	$ 11,580	10,734

(i) Leases of buildings, structures and equipment

The Group leases buildings and structures for its office space, with lease terms which run for a period of 1 to 10 years. Furthermore, the Group leases transportation and office equipment, with lease terms that typically run for 3 years and 5 to 10 years, respectively.

(ii) Other leases

The Group leases some office space and equipment. These leases are short-term or leases of low-value items. The Group has selected not to recognize right-of use assets and lease liabilities for these leases.

(j) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2025 and 2024.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The expenses recognized in profit or loss for the Group were as follows:

	For the three-month periods ended March 31	
	2026	**2025**
Cost of sales	$ 241	159
Selling expenses	44	30
Administration expenses	61	66
	$ 346	255

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	For the three-month periods ended March 31	
	2026	**2025**
Cost of sales	$ 179,735	135,928
Selling expenses	4,546	3,977
Administration expenses	7,691	6,403
Research and development expenses	611	587
	$ 192,583	146,895

(k) Income tax

(i) Income tax expense

The components of income tax expense were as follows:

	For the three-month periods ended March 31	
	2026	**2025**
Current tax expense	$ 36,323	13,477

(ii) There is no income tax recognized directly in equity or other comprehensive income for the three-month periods ended March 31, 2026 and 2025.

(iii) Income tax assessment

a) The Company's corporate income tax returns for the year through 2024 were assessed by the local tax authorities.

b) The Company's domestic subsidiary－WITS Taiwan, Inc.'s corporate income tax returns for the year through 2024 were assessed by the local tax authorities.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(l) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2026 and 2025. For the related information, please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2025.

(i) Common stock

As of March 31, 2026, December 31, and March 31, 2025, the Company's authorized common stock were 120,000 thousand shares with a par value of NT$10 per share, amounting to $1,200,000, of which 73,326 thousand shares, 73,147 thousand shares and 73,147 thousand shares, respectively, were issued (including the stock dividends). And the actual share capital amounts were $733,264, $731,470 and $731,470. All proceeds from shares issued have been collected.

The Company conducted a cash capital increase, wherein the amount of $20,000 (consisting of 179 thousand shares) of the total amount had been distributed as employee profit-sharing bonus, based on a resolution decided during the board meeting held on March 6, 2026. The application of the capital increase was not yet approved by the Financial Supervisory Commission.

The Company conducted a cash capital increase, wherein the amount of $20,000 (consisting of 182 thousand shares) of the total amount had been distributed as employee profit-sharing bonus, with the base date for the capital increase set on May 28, 2025, based on a resolution decided during the board meeting held on March 6, 2025, with the approval of the Financial Supervisory Commission. All relevant registration procedures had been completed.

(ii) Retained earning

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, after paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company' s capital; and also set aside special reserve in accordance with relevant regulations or as requested by the authorities. Any balance left over and the beginning balance of retaining earnings shall be distributed by way of cash or stock dividends; and the ratio for all dividends shall exceed 5% of the remaining earnings. The Company' s appropriations of earnings are approved in the meeting of the Board of Directors and are presented for approval in the Company's shareholders' meeting.

The Company considers that the current industrial development of the Company is in a stage of stable growth. In order to cooperate with the Company' s long-term capital planning for sustainable operation and stable growth, the Company adopts the residual dividend policy, wherein the annual cash dividends paid shall not be less than 10% of the total cash and stock dividends.

The appropriations of earning for 2025 and 2024 had been approved by the Company's Board of Directors meeting held on March 6, 2026 and the shareholders' meeting held on May 27, 2025, respectively. The appropriations and dividends were as follows:

	2025	2024
Common stock dividends		
Cash dividends	$ 365,735	291,861

(iii) Treasury shares

1) In order to motivate employees and improve operating performance, the Company's Board of Directors approved a resolution on March 6, 2026, in accordance with the requirements under Article 28(2) of the Securities and Exchange Act, to repurchase its own common stock as treasury shares for transfer to employees. The repurchase period was from March 9, 2026 to May 8, 2026, with a repurchase price range of NT$80 to NT$160 per share. As of March 31, 2026, the Company had repurchased 1,906 thousand shares for a total amount of NT$218,358. The share repurchase program was completed on April 7, 2026. As of April 7, 2026, the Company had repurchased a total of 2,000 thousand shares at an average price of NT$114.41 per share, for a total amount of $228,825.

2) Treasury stock cannot be pledged for debts, and treasury shares do not carry any shareholder rights until it is transferred.

(iv) Other equity interest, net of tax

	Exchange differences on translation of foreign financial statements
Balance as of January 1, 2026	$ (30,742)
Foreign currency translation differences	103,996
Balance as of March 31, 2026	$ 73,254
Balance as of January 1, 2025	$ (34,521)
Foreign currency translation differences	64,905
Balance as of March 31, 2025	$ 30,384

(m) Earnings per share ("EPS")

(i) Basic earnings per share

	For the three-month periods ended March 31	
	2026	2025
Net profit belonging to common shareholders	$ 169,381	$ 110,403
Weighted average common stock outstanding (in thousands shares)	72,957	73,016
Basic earnings per share (in dollars)	$ 2.32	$ 1.51

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

	For the three-month periods ended March 31	
	2026	**2025**
Net profit belonging to common shareholders	$ 169,381	$ 110,403
Weighted average common stock outstanding (in thousands shares)	72,957	73,016
Effect of potentially dilutive common stock (in thousands shares)		
Employees' profit sharing bonus (in thousands shares)	846	646
Weighted average number of common stock (diluted) (in thousands shares)	73,803	73,662
Diluted earnings per share (in dollars)	$ 2.30	1.50

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three-month periods ended March 31	
	2026	**2025**
Primary geographical markets:		
China	$ 2,517,549	$ 1,898,477
Taiwan	500,855	415,341
Japan	186,268	176,382
Other countries	194,214	151,467
	$ 3,398,886	2,641,667
Major products:		
IT service revenue	$ 3,398,886	2,641,667

(ii) Balance of contracts

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Notes and accounts receivable (including related parties)	$ 4,230,072	3,678,615	3,394,561
Less: loss allowance	(19,663)	(38,782)	(17,442)
	$ 4,210,409	3,639,833	3,377,119

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	March 31, 2026	December 31, 2025	March 31, 2025
Contract assets	$ 13,330	13,425	14,511
Less: loss allowance	(400)	(403)	(435)
	$ 12,930	13,022	14,076

The movements in the allowance for contract assets were as follow:

	For the three-month periods ended March 31	
	2026	2025
Balance as of January 1	$ 403	267
Impairment losses (reversed) recognized	(13)	162
Effect of changes in foreign exchange rate	10	6
Balance as of March 31	$ 400	435

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities	$ 55,531	57,627	29,889

For details of notes and accounts receivable and loss allowance, please refer to note 6(b).

The Group uses a simplified approach to contract assets to estimate expected credit losses based on the loss rate method.

The amount of revenue recognized for the three months ended March 31, 2026 and 2025 that was included in the contract liabilities balance at the beginning of the year was $24,929 and $26,238, respectively.

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no significant changes during the period.

(o) Remunerations to employees and directors

On May 27, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit (which means income before tax excluding the amounts of remunerations to employees and directors) it shall be contributed by the following rules. However, if the Company has accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) The Company shall allocate not less than 10% of annual profit as employees' remuneration, with at least 5% of the aforementioned allocated amount designated specifically for the remuneration of non-executive employees. The Company may distribute in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company, depend on certain specific requirements determined by the Board of Directors.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) The Company shall allocate not more than 2% of annual profit as the remuneration to directors in cash.

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit (which means income before tax excluding the amounts of remunerations to employees and directors) it shall be contributed by the following rules. However, if the amount Company have accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) The Company shall allocate not less than 10% of annual profit as employees' remuneration. The Company may distribute in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company, depend on certain specific requirements determined by the Board of Directors.

(ii) The Company shall allocate no more than 2% of profit as the remuneration to directors in cash.

The estimated amounts of remuneration for the Company's employees and directors (including transferred to subsidiary employees) were as follows:

		For the three-month periods ended March 31	
		2026	**2025**
Employee's remuneration	$	25,400	16,440
Directors' remuneration		2,110	1,820
	$	27,510	18,260

The amounts are calculated by the net profit before tax excluding employees' and directors' remuneration, of each period multiplied by the percentage of employees' and directors' remuneration as specified in the Company's Article of Incorporation. The amounts excluding the part of subsidiaries are accounted for under operating expense in 2026 and 2025. The differences between the estimated amounts in the financial statements and the actual amounts approved by the Board of directors, if any, shall be accounted for as a change in accounting estimate and recognized in next year. If the Company's Board of Directors approved to distribute employee's remuneration by shares, the number of shares were calculated based on the closing price of the Company's common stock, one day before the date of the meeting of Board of Directors. Related information would be available at the Market Observation Post System website.

The Company accrued and recognized employees' remuneration of $94,350 and $72,310 and directors' remuneration of $9,250 for the years ended December 31, 2025 and 2024. The amounts resolved by the Board of Directors were in agreement with those amounts recognized. Related information would be available at the Market Observation Post System website.

(p) Non-operating income and expenses

(i) Interest income

		For the three-month periods ended March 31	
		2026	**2025**
Interest income	$	2,131	1,549

(ii) Other income

	For the three-month periods ended March 31	
	2026	2025
Government grants	$ 8,515	2,733

(iii) Other gains and losses

	For the three-month periods ended March 31	
	2026	2025
Foreign exchange gains, net	$ 1,210	2,046
Gains on disposals of property, plant and equipment, net	5	35
Others	471	210
	$ 1,686	2,291

(iv) Finance costs

	For the three-month periods ended March 31	
	2026	2025
Interest expense	$ (1,072)	(565)

(q) Financial instruments

Except for the following disclosures, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2025.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Receivables and contract assets

For credit risk exposure of notes and accounts receivable, please refer to note 6(b). For the detail and impairment of contract asset, please refer to note 6(n).

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following were the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	Over 2 years
As of March 31, 2026					
Non-derivative financial liabilities					
Short-term loans	$ 250,000	250,261	250,261	-	-
Accounts payable	57,209	57,209	57,209	-	-
Other payables	1,470,669	1,470,669	1,470,669	-	-
Lease liabilities (current and non-current)	92,388	96,612	36,788	31,110	28,714
Guarantee deposits received	48	48	-	-	48
	$ 1,870,314	1,874,799	1,814,927	31,110	28,762
As of December 31, 2025					
Non-derivative financial liabilities					
Notes and accounts payable	$ 56,126	56,126	56,126	-	-
Other payables	1,629,389	1,629,389	1,629,389	-	-
Lease liabilities (current and non-current)	89,461	93,766	32,498	28,936	32,332
Guarantee deposits received	47	47	-	-	47
	$ 1,775,023	1,779,328	1,718,013	28,936	32,379
As of March 31, 2025					
Non-derivative financial liabilities					
Accounts payable	$ 60,172	60,172	60,172	-	-
Other payables	1,156,246	1,156,246	1,156,246	-	-
Lease liabilities (current and non-current)	71,843	75,129	31,523	22,023	21,583
Guarantee deposits received	36	36	-	-	36
	$ 1,288,297	1,291,583	1,247,941	22,023	21,619

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Group’s significant exposure to foreign currency risk were as follows:

	March 31, 2026				December 31, 2025			
	Foreign currency (in thousands)	Exchange rate		NTD	Foreign currency (in thousands)	Exchange rate		NTD
Financial assets								
Monetary items								
USD	$ 696	USD/NTD	31.980	22,249	770	USD/NTD	31.438	24,215
USD	2,718	USD/HKD	7.8392	86,918	3,356	USD/HKD	7.7842	105,513
JPY	90,562	JPY/HKD	0.0491	18,142	126,573	JPY/HKD	0.0498	25,457
Financial liabilities								
Monetary items								
USD	$ 249	USD/HKD	7.8392	7,974	408	USD/HKD	7.7842	12,831
CNY	1,855	CNY/HKD	1.135	8,590	552	CNY/HKD	1.1134	2,483

	March 31, 2025				
	Foreign currency (in thousands)		Exchange rate		NTD
Financial assets					
Monetary items					
USD	$ 422	USD/NTD	33.182		14,006
USD	3,144	USD /HKD	7.7797		104,311
JPY	55,983	JPY/HKD	0.0522		12,454
Financial liabilities					
Monetary items					
USD	91	USD/HKD	7.7797		3,008
CNY	2,301	CNY/HKD	1.0728		10,526

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, notes and accounts payable, and other payables that are denominated in foreign currency. A weakening (strengthening) 5% of the NTD against the USD, CNY, and JPY for the three-month periods ended March 31, 2026 and 2025 would have increased (decreased) the net profit before tax by $5,801 and $6,036, respectively. The analysis assumes that all other variables remain constant.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three-month periods ended March 31, 2026 and 2025, foreign exchange gain, including realized and unrealized portions, amounted to $1,210 and $2,046, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

As of March 31, 2026, the Group had no variable-rate loans. As of December 31 and March 31, 2025, the Group had no short-term or long-term loans.

(v) Fair value information - Categories and fair values of financial instruments

The carrying amount of the financial assets and liabilities is reasonably close to the fair value, so the disclosure of the fair value information is not required.

(r) Management of financial risk

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(s) of the consolidated financial statements for the year ended December 31, 2025.

(s) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2025 for further details.

(t) Investing and financing activities not affecting current cash flow

		Cash flows		Non-cash changes		
	January 1, 2026	**Proceeds from loans**	**Repayments of loans and lease liabilities**	**Others**	**Effect of changes in foreign exchange rate**	**March 31, 2026**
Short-term loans	$ -	270,000	(20,000)	-	-	250,000
Lease liabilities (current and non-current)	89,461	-	(7,925)	8,735	2,117	92,388
	$ 89,461	270,000	(27,925)	8,735	2,117	342,388

		Cash flows		Non-cash changes		
	January 1, 2025	**Proceeds from loans**	**Repayments of loans and lease liabilities**	**Others**	**Effect of changes in foreign exchange rate**	**March 31, 2025**
Short-term loans	$ 4,262	34,207	(38,483)	-	14	-
Lease liabilities (current and non-current)	76,623	-	(7,926)	1,732	1,414	71,843
	$ 80,885	34,207	(46,409)	1,732	1,428	71,843

(7) Related party transactions

(a) Names and relationship with related parties

The following are entities that have transactions with the Group during the periods covered in the financial statements.

Name of related party	Relationship with the Group
Wistron Corporation (Wistron)	The entity with significant influence over the Group
Wistron Digital Technology Holding Company(WDH)	Corporate director of the Company
Wiwynn Corporation (WYHQ)	Other related parties
WiAdance Technology Corporation (WIA)	Other related parties
Weidu Corporation (WETW)	Other related parties
Abilliant Corporation(WAC)	Other related parties
WNC Corporation (WNC)	Other related parties
Wiwynn Smart Manufacturing Corporation (WYMTN)	Other related parties

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Significant transactions with related parties

(i) Provide service to related parties

The amounts of significant sales transactions and outstanding balances between the Group and its related parties were as follows:

	Revenue		Accounts receivable -related parties		
	For the three-month periods ended March 31				
	2026	2025	March 31, 2026	December 31, 2025	March 31, 2025
The entity with significant influence over the Group	$ 46,550	46,829	32,659	32,599	36,949
Other related parties	19,244	12,670	19,552	20,450	12,978
Total	$ 65,794	59,499	52,211	53,049	49,927

The selling price for related parties approximated the market price. The credit terms ranged from one to three months. Accounts receivable from related parties were uncollateralized, and no expected credit loss was required after the assessment by the management.

(ii) Receivables to related parties were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Receivables－related parties:			
Accounts receivable	$ 52,211	53,049	49,927

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three-month periods ended March 31	
	2026	2025
Short-term employee benefits (Note)	$ 23,247	22,061
Post-employment benefits	364	407
	$ 23,611	22,468

(Note): Short-term employee benefits included the estimated employee remuneration.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits－other current assets	Performance guarantee	$ 2,531	2,531	2,803
Other financial assets－other current assets	Property Preservation	1,661	-	-
Refundable deposits－other non-current assets	Performance guarantee	1,745	1,745	1,553
		$ 5,937	4,276	4,356

(9) Significant commitments and contingencies: None.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	For the three-month period ended, March 31, 2026			For the three-month period ended, March 31, 2025		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salaries	2,376,097	211,434	2,587,531	1,819,581	182,987	2,002,568
Labor and health insurance	137,949	13,454	151,403	105,291	12,365	117,656
Pension	179,976	12,953	192,929	136,087	11,063	147,150
Others	26,316	4,380	30,696	22,404	3,674	26,078
Depreciation	1,534	18,443	19,977	1,597	17,635	19,232
Amortization	-	1,116	1,116	43	980	1,023

(b) Seasonality of operations

The Group’s operations were not affected by seasonality or cyclicality factors.

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three-month period ended March 31, 2026:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: Please refer to Table 1.

(iii) Material securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 2.

(v) Accounts receivable from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 3.

(vi) Business relationships and significant intercompany transactions: Please refer to Table 4.

(b) Information on investees (excluding information on investees in Mainland China): Please refer to Table 5.

(c) Information on investment in Mainland China: Please refer to Table 6.

(14) Segment information

The Group’s chief operating decision maker determined its operating segment as the single reportable segment since the segment is mainly involved in IT Services. The performance of the operating segment is consistent with the consolidated financial report. Please refer to consolidated balance sheet and consolidated statement of comprehensive income.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Guarantees and endorsements for other parties

March 31, 2026

Table 1

No.	Endorsement/ guarantee provider	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Maximum balance 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 amount for guarantees and endorsements (Note 1)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China	Notes
		Name	Relationship with the company (Note 2)											
0	The Company	WIWZ	2	2,125,512	654,900	654,900	-	-	15.41%	4,251,024	Y	N	Y	-
0	The Company	WIAM	2	2,125,512	63,960	63,960	-	-	1.50%	4,251,024	Y	N	N	-
0	The Company	WIHK	2	2,125,512	127,920	127,920	-	-	3.01%	4,251,024	Y	N	N	-
1	WIWZ	WIHK	4	788,796	55,562	55,562	1,139	-	2.11%	2,629,322	N	N	N	-

(Note 1) 1. The total amount for guarantees and endorsements provided by the Company shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

Except for the subsidiary which was owned more than 90% by the guarantor which the total amount for guarantees and endorsements provided by the Company shall not exceed 50% of the Company's net worth, which was audited or reviewed by Certified Public Accountant. The total amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's net worth, which was audited or reviewed by Certified Public Accountant.

The amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

Except for the subsidiary which was owned more than 90% by the guarantor which the total amount for guarantees and endorsements provided by the Company shall not exceed 50% of the Company's net worth, which was audited or reviewed by Certified Public Accountant. The amount for guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's net worth, was audited or reviewed by Certified Public Accountant.

2.The total amount for guarantees and endorsements provided by WIWZ shall not exceed WIWZ's net worth, which was audited or reviewed by Certified Public Accountant (hereinafter referred to as "WIWZ's net worth").

Except for the subsidiary which was owned more than 90% by the guarantor which the total amount for guarantees and endorsements provided by WIWZ shall not exceed 50% of WIWZ's net worth. The total amount for guarantees and endorsements provided by WIWZ to any individual entity shall not exceed 30% of WIWZ's net worth.

The amount for guarantees and endorsements provided by WIWZ and its subsidiaries to other entities shall not exceed WIWZ's net worth.

Except for the subsidiary which was owned more than 90% by the guarantor which the total amount for guarantees and endorsements provided by WIWZ and its subsidiaries shall not exceed 50% of WIWZ's net worth. The amount for guarantees and endorsements provided by WIWZ and its subsidiaries to any individual entity shall not exceed 30% of WIWZ's net worth.

(Note 2) Relationship with the Company:

1. Ordinary business relationship.
2. Subsidiary which was owned more than 50% by the guarantor.
3. An investee which was owned more than 50% in total by both the guarantor and its subsidiary.
4. The entities in which the guarantor owned, directly or indirectly, 90% or more of the voting shares.
5. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

March 31, 2026

Table 2

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/(Sales)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	Notes
WIDL	WIWZ	Parent - subsidiary company	(Sales)	(334,376)	(56.72)%	Monthly settlement: 60 days	Not significantly different from the transactions of the third-parties	Approximately the same with third party transactions	127,527	28.60%	(Note)
WIWZ	WIDL	Parent - subsidiary company	Purchases	334,376	99.44%	〃	〃	〃	(127,527)	(98.23)%	〃

(Note) The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Accounts receivable from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock

March 31, 2026

Table 3

Name of company	Related party	Nature of relationship	Balance of receivables from related party	Turnover rate	Overdue receivables		Amounts collected subsequent to the balance sheet date	Allowance for doubtful accounts	Notes
					Amount	Action taken			
WIDL	WIWZ	Parent - subsidiary company	127,527	12.23	-		127,527	-	(Note)

(Note) The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Business relationships and significant intercompany transactions

March 31, 2026

Table 4

No. (Note 1)	Company name	Related party	Nature of relationship (Note 2)	Transaction			
				Financial statements item (Note 3)	Amount	Trading conditions	Percentage of the consolidated net revenue or total assets (Note 4)
0	The Company	WIHK	1	Revenue	26,384	Monthly settlement: 60 days	0.78%
1	WIHK	WIJP	3	〃	13,879	〃	0.41%
1	WIHK	WIAM	3	〃	19,095	〃	0.56%
2	WIBJ	WIWZ	3	〃	14,107	〃	0.42%
2	WIBJ	WIDL	3	〃	12,527	〃	0.37%
3	WIWZ	WIBJ	3	〃	50,227	〃	1.48%
3	WIWZ	WIDL	3	〃	16,967	〃	0.50%
3	WIWZ	WIHK	3	〃	22,475	〃	0.66%
3	WIWZ	WIHZ	3	〃	13,994	〃	0.41%
4	WIDL	WIBJ	3	〃	5,239	〃	0.15%
4	WIDL	WIWZ	3	〃	334,376	〃	9.84%
0	The Company	WIHK	1	Accounts receivable-related parties	4,006	Monthly settlement: 60 days	0.06%
1	WIHK	WIJP	3	〃	4,201	〃	0.06%
1	WIHK	WIAM	3	〃	19,378	〃	0.30%
2	WIBJ	WIWZ	3	〃	5,007	〃	0.08%
2	WIBJ	WIDL	3	〃	4,906	〃	0.08%

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Business relationships and significant intercompany transactions

March 31, 2026

Table 4

No. (Note 1)	Company name	Related party	Nature of relationship (Note 2)	Transaction			
				Financial statements item (Note 3)	Amount	Trading conditions	Percentage of the consolidated net revenue or total assets (Note 4)
3	WIWZ	WIBJ	3	Accounts receivable-related parties	19,207	Monthly settlement: 60 days	0.29%
3	WIWZ	WIDL	3	〃	7,272	〃	0.11%
3	WIWZ	WIHK	3	〃	8,590	〃	0.13%
3	WIWZ	WIHZ	3	〃	46,713	〃	0.72%
4	WIDL	WIBJ	3	〃	2,371	〃	0.04%
4	WIDL	WIWZ	3	〃	127,527	〃	1.96%

Note 1: Company numbering as follows:

1. Parent company - 0
2. Subsidiaries starts from 1

Note 2: Relationship:

1. Transactions between parent company and subsidiary
2. Transactions between subsidiary and parent company
3. Transactions between subsidiary and subsidiary

Note 3: The section only discloses the information of sales and accounts receivable of intercompany transactions, as well as the purchase and accounts payable of counter - party.

Note 4: Calculated by using the transaction amount, divided by the consolidated net revenues and total assets.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Information on investees (excluding investees in Mainland China)

March 31, 2026

Table 5

Name of investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
The Company	WIBI	B.V.I	Professional investment enterprise	294,184	294,184	180,000,000	100.00%	3,652,159	108,924	108,924	(Note)
The Company	WIJP	Japan	Research, develop, design of software, and IT consulting service	29,564	29,564	1,960	100.00%	180,637	10,036	10,036	〃
The Company	WIHK	Hong Kong	Research, develop, design of software, and IT consulting service	44	44	10,000	100.00%	78,150	1,854	1,854	〃
The Company	WIAM	America	Research, develop, design of software, and IT consulting service	7,586	7,586	250,000	100.00%	42,738	(1,553)	(1,553)	〃
The Company	WISS	Taiwan	Research, develop, design of software, and IT consulting service	5,000	5,000	500,000	100.00%	1,581	(4)	(4)	〃
WIBI	WIHH	Hong Kong	Professional investment enterprise	3,012	3,012	62,773,559	100.00%	3,652,036	108,924	Not required to disclose	〃
The Company/ WISS	WIIN	India	Research, develop, design of software, and IT consulting service	14,806	14,806	4,250,000	100.00%	14,162	(274)	(274)	〃

Note: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Information on investment in Mainland China

March 31, 2026

Table 6

1. Information on Investment in Mainland China:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	Net income (losses) of the investee	Direct/ indirect shareholding (%) by the Company	Investment income (losses) (Notes 2、9)	Carrying amount as of March 31, 2026 (Note 2、9)	Accumulated inward remittance of earnings as of March 31, 2026	Notes
					Outflow	Inflow							
WIBJ	Research, develop, design of software, and IT consulting service	1,723,429	(Note 1)1.	169,420	-	-	169,420	108,938 (Note 3)	100.00%	108,938 (Note 3)	3,649,443	-	-
WIWZ	Research, develop, design of software, and IT consulting service	932,328	(Note 1)2.	-	-	-	-	100,580 (Note 3)	100.00%	100,580 (Note 3)	2,629,322	-	-
WIHZ	Research, develop, design of software, and IT consulting service	45,603	(Note 1)2.	-	-	-	-	459 (Note 3)	100.00%	459 (Note 3)	48,114	-	-
WIDL	Research, develop, design of software, and IT consulting service	22,245	(Note 1)2.	-	-	-	-	12,260 (Note 3)	100.00%	12,260 (Note 3)	328,101	-	-
WIYN	Research, develop, design of software, and IT consulting service	6,965	(Note 1)2.	-	-	-	-	(74) (Note 3)	100.00%	(74) (Note 3)	6,851	-	-
WIWB	Research, develop, design of software, and IT consulting service	13,750	(Note 1)2.	-	-	-	-	961 (Note 3)	100.00%	961 (Note 3)	14,864	-	(Note 7)
WIWS	Research, develop, design of software, and IT consulting service	-	(Note 1)2.	-	-	-	-	34 (Note 3)	100.00%	34 (Note 3)	34	-	(Note 8)

WITS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Information on investment in Mainland China

March 31, 2026

2. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2026 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA (Note 4) (Note 6)	Upper Limit on Investment (Note 5)
228,061 (USD 7,131,356)	1,869,594 (USD 58,461,356)	2,550,614

(Note 1)：Ways to invest in Mainland China:

1. Indirect investment in Mainland China company through the company established in a third region.
2. Indirect investment in Mainland China company through Mainland China company.

(Note 2)：The amount of the net income (losses) and the investee company carrying value as of March 31, 2026 were recognized by the investment through subsidiaries established in a third region or Mainland China.

(Note 3)：The financial statements of the investee company were reviewed by the Group's auditor.

(Note 4)：Translated using the ending rate on March 31, 2026, which was USD: NTD = 1: 31.98.

(Note 5)：According to the "Principles for the Review of Investment or Technical Joint Venture in Mainland China", cumulative investments into the Mainland shall not exceed 60% of the investor's net worth or consolidated net worth, whichever is higher or NTD 80 million dollars. In addition, the amount of capital increase from earnings does not account for accumulated investment in Mainland China.

(Note 6)：Of which USD 1,000,000 was the investment in the dissolved subsidiary at Hangzhou. Due to operating losses, the investment has been completely lost and cannot be remitted; Of which USD 757,756 was the investment in the dissolved subsidiary at Zhejiang; Of which USD 73,600 was the investment in the dissolved subsidiary at Shanghai.

(Note 7)：The company was set up in February, 2026, and injected in March, 2026.

(Note 8)：The company was set up in February, 2026, and injected in April, 2026.

(Note 9)：The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

3. Significant transactions：

For the three-month period ended March 31, 2026, the significant transactions of the entities in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".