

Highlight Tech Corp. and its Subsidiaries
Consolidated Financial Report and CPA's Review
Report for the Three Months Ended Mar. 31,
2026 and 2025

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Highlight Tech Corp. and its Subsidiaries
Consolidated Financial Report and CPA's Review Report for the
Three Months Ended Mar. 31, 2026 and 2025
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To Highlight Tech Corp.,

Foreword

We have reviewed the accompanying consolidated balance sheets of Highlight Tech Corp. (the “Company”) and its subsidiaries (collectively, the “Group”) as of Mar. 31, 2026 and 2025 and the relevant consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three months then ended, and notes to the consolidated financial statement including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). It is the management’s responsibility to prepare financial statements that fairly present the Group’s consolidated financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard (IAS) 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission (FSC). Our responsibility is to draw conclusions on the consolidated financial statements based on our reviews and other independent CPAs’ review reports.

Scope of the report

Except as stated in the “Basis for qualified conclusion” paragraph, we conducted the review in accordance with Standards on Review Engagements 2410 “Review of Financial Information”. The procedures performed when we reviewed the consolidated financial statements included inquiries (mainly from personnel in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of review work is obviously smaller than that of audit work, so we might not be able to detect all the material matters that could have been identified through audit work, hence we were unable to express an audit opinion.

Basis for qualified conclusion

As stated in Notes 4(3)B and Note 6(7) to the consolidated financial statements, the financial statements of some of the non-material subsidiaries and investees using the equity method included in the consolidated financial statements above in the same period have not been reviewed by us. Their total assets as of Mar. 31, 2026 and 2025 were NT\$ 958,917 thousand and NT\$ 725,125 thousand, accounting for 13.75% and 9.09% of the total consolidated assets, respectively; their total liabilities were NT\$ 344,206 and NT\$ 214,607 thousand, accounting for 9.04% and 5.18% of the total liabilities, respectively; for the three months ended Mar. 31, 2026 and 2025, its total comprehensive income (which includes its share of profit or loss and other comprehensive income of associates and joint ventures recognized using the equity method) amount to NT\$ 26,513 thousand and NT\$ 27,640 thousand, accounting for 13.70% and 33.16% of the total comprehensive income, respectively.

Qualified conclusion

According to our review results and other independent CPAs' review reports, except for the financial statements of the partial non-material subsidiaries and investees using the equity method described in "Basis for qualified conclusion" paragraph if reviewed by us may result in adjustment to the consolidated financial statements, we have not found any circumstances that cause us to believe that the foregoing consolidated financial statements have not been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, and as a result, are not a fair presentation of the consolidated financial position of the Company and its subsidiaries as of Mar. 31, 2026 and 2025, as well as consolidated financial performance and consolidated cash flows for the three months ended Mar. 31, 2026 and 2025.

Other matters - reference to reviews by other CPAs

As stated in Note 4(3) to the consolidated financial statements, the financial statements of certain non-significant subsidiaries and investees accounted for using the equity method included in the consolidated financial statements of the Company have not been reviewed by us but by other CPAs. Therefore, in the review report we issued on the consolidated financial statements, the amounts listed in the financial statements of said subsidiaries and investees accounted for using the equity method were based on the review reports by other CPAs. The total assets of the said subsidiaries and investees accounted for using the equity method as of Mar. 31, 2026 and 2025, were NT\$482,389 thousand and NT\$1,357,866 thousand, accounting for 6.92% and 17.02% of the total consolidated assets, respectively. The operating revenue for the three months ended Mar. 31, 2026 and 2025, was NT\$ 0 thousand and NT\$ 158,816 thousand, accounting for 0% and 18.84% of the total consolidated operating revenue, respectively.

PwC Taiwan

Wang, Ming-Yi

Lin, Yung-Chih

Financial Supervisory Commission R.O.C.

Approval Document No.: Jing-Guang-Zheng-Shen-Zi No. 1140351490

Jing-Guang-Zheng-Shen-Zi No. 1050029592

May 5, 2026

Highlight Tech Corp. and its Subsidiaries
Consolidated Balance Sheet
Mar. 31, 2026, Dec. 31, 2025 and Mar. 31, 2025

Unit: NTD thousand

Assets	Notes	Mar. 31, 2026		Dec. 31, 2025		Mar. 31, 2025		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 615,797	9	\$ 937,512	12	\$ 1,149,691	15
1136	Financial assets at amortized cost - current	6(3) and 8	5,759	-	167,666	2	22,002	-
1140	Contract assets - current	6(20)	377,255	5	421,420	6	397,661	5
1150	Notes receivable, net	6(4)	14,721	-	8,898	-	22,892	-
1170	Accounts receivable, net	6(4) and 7	462,452	7	621,076	8	695,942	9
1200	Other receivables		6,671	-	4,210	-	3,977	-
1210	Other receivables - related parties	7	31,085	1	-	-	-	-
1220	Current income tax assets		-	-	323	-	6,326	-
130X	Inventories	6(5)	1,302,301	19	1,561,123	20	1,534,037	19
1410	Prepayments		60,153	1	83,431	1	101,817	1
1460	Net non-current assets held for sale	6(6)	240,390	3	240,390	3	-	-
1470	Other current assets		45	-	5,742	-	3,937	-
11XX	Total current assets		<u>3,116,629</u>	<u>45</u>	<u>4,051,791</u>	<u>52</u>	<u>3,938,282</u>	<u>49</u>
Non-current assets								
1517	Financial assets at FVTOCI - non-current	6(2)	6,007	-	6,007	-	6,007	-
1535	Financial assets at amortized cost - non-current	6(3)	-	-	17,886	-	18,503	-
1550	Investments accounted for using equity method	6(7)	700,369	10	216,971	3	218,523	3
1600	Property, plant and equipment	6(8) and 8	2,919,904	42	3,199,313	41	3,468,999	44
1755	Right-of-use assets	6(9)	74,894	1	90,595	1	105,115	1
1780	Intangible assets	6(10)	86,271	1	135,326	2	104,960	1
1840	Deferred tax assets		48,968	1	53,415	1	43,847	1
1900	Other non-current assets	6(11) and 8	20,201	-	38,242	-	73,926	1
15XX	Total non-current assets		<u>3,856,614</u>	<u>55</u>	<u>3,757,755</u>	<u>48</u>	<u>4,039,880</u>	<u>51</u>
1XXX	Total assets		<u>\$ 6,973,243</u>	<u>100</u>	<u>\$ 7,809,546</u>	<u>100</u>	<u>\$ 7,978,162</u>	<u>100</u>

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Highlight Tech Corp. and its Subsidiaries
Consolidated Balance Sheet
Mar. 31, 2026, Dec. 31, 2025 and Mar. 31, 2025

Unit: NTD thousand

Liabilities and equity	Notes	Mar. 31, 2026		Dec. 31, 2025		Mar. 31, 2025		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6(12)	\$ 865,902	13	\$ 752,380	10	\$ 427,000	5
2130	Contract liabilities - current	6(20)	106,656	2	57,012	1	199,793	3
2150	Notes payable		-	-	10	-	-	-
2170	Accounts payable	7	375,208	5	432,729	6	449,584	6
2200	Other payables	6(13) and 7	412,497	6	343,556	4	478,523	6
2230	Current income tax liabilities		23,652	-	24,859	-	53,152	1
2250	Current provisions		19,438	-	31,491	-	20,074	-
2280	Lease liabilities - current		16,171	-	22,401	-	25,465	-
2320	Long-term liabilities due within one year or one operating cycle	6(14) and 8	869,454	13	822,152	11	650,441	8
2399	Other current liabilities - others		7,597	-	18,450	-	6,898	-
21XX	Total current liabilities		<u>2,696,575</u>	<u>39</u>	<u>2,505,040</u>	<u>32</u>	<u>2,310,930</u>	<u>29</u>
Non-current liabilities								
2540	Long-term borrowings	6(14) and 8	1,044,271	15	1,257,540	16	1,742,454	22
2570	Deferred tax liabilities		12,402	-	16,494	-	21,352	-
2580	Lease liabilities - non-current		40,539	1	47,982	1	60,408	1
2600	Other non-current liabilities		14,589	-	14,703	-	5,322	-
25XX	Total non-current liabilities		<u>1,111,801</u>	<u>16</u>	<u>1,336,719</u>	<u>17</u>	<u>1,829,536</u>	<u>23</u>
2XXX	Total liabilities		<u>3,808,376</u>	<u>55</u>	<u>3,841,759</u>	<u>49</u>	<u>4,140,466</u>	<u>52</u>
Equity								
Equity attributable to owners of the parent company								
Share capital								
3110	Common stock	6(17)	944,623	13	944,623	12	945,613	12
Capital surplus								
3200	Capital surplus	6(18)	320,371	4	326,739	4	335,035	4
Retained earnings								
3310	Legal reserve	6(19)	397,457	6	397,457	5	365,125	4
3320	Special reserve		64,768	1	64,768	1	64,768	1
3350	Undistributed earnings		1,389,684	20	1,398,418	18	1,254,437	16
Other equity								
3400	Other equity		(13,090)	-	(29,961)	-	2,628	-
31XX	Total equity attributable to owners of the parent company		<u>3,103,813</u>	<u>44</u>	<u>3,102,044</u>	<u>40</u>	<u>2,967,606</u>	<u>37</u>
36XX	Non-controlling interests	4(3)	<u>61,054</u>	<u>1</u>	<u>865,743</u>	<u>11</u>	<u>870,090</u>	<u>11</u>
3XXX	Total equity		<u>3,164,867</u>	<u>45</u>	<u>3,967,787</u>	<u>51</u>	<u>3,837,696</u>	<u>48</u>
Significant Contingent Liabilities and 9								
Unrecognized Commitments								
3X2X	Total liabilities and equity		<u>\$ 6,973,243</u>	<u>100</u>	<u>\$ 7,809,546</u>	<u>100</u>	<u>\$ 7,978,162</u>	<u>100</u>

The accompanying notes are part of the consolidated financial statements. Please refer to them together with the statements.

Chairman:
Ma, Chien-Yung

Manager:
Wu, Sheng Hsien

Accounting Manager:
Huang, Hsiang-Chun

Highlight Tech Corp. and its Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months ended Mar. 31, 2026 and 2025

Unit: NTD thousand (Except for earnings per share which is in NTD)

		For the three months ended Mar. 31					
		2026		2025			
Item	Notes	Amount	%	Amount	%		
4000	Operating revenue	\$ 752,827	100	\$ 842,956	100		
5000	Operating costs	(499,929)	(66)	(541,863)	(64)		
5900	Gross profit	252,898	34	301,093	36		
	Operating expenses						
6100	Selling and marketing expenses	(71,841)	(10)	(70,238)	(8)		
6200	Administrative expenses	(86,238)	(11)	(90,317)	(11)		
6300	Research and development expenses	(34,474)	(5)	(48,768)	(6)		
6450	Expected credit impairment losses	(2,221)	-	(5,732)	(1)		
6000	Total operating expenses	(194,774)	(26)	(215,055)	(26)		
6900	Net operating income	58,124	8	86,038	10		
	Non-operating income and expenses						
7100	Interest income	750	-	2,128	-		
7010	Other income	3,439	1	2,925	-		
7020	Other gains or losses	115,166	15	5,351	1		
7050	Financial costs	(13,385)	(2)	(13,588)	(1)		
7060	Share of profit or loss on associates and joint ventures accounted for using equity method	19,606	3	2,800	-		
7000	Total non-operating income and expenses	125,576	17	(384)	-		
7900	Net income before tax	183,700	25	85,654	10		
7950	Income tax expense	(7,501)	(1)	(14,156)	(1)		
8200	Net income	\$ 176,199	24	\$ 71,498	9		
	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
8311	Re-measurement of the defined benefit plan	\$ -	-	\$ 135	-		
	Items that may be reclassified subsequently to profit or loss						
8361	Exchange differences on translating the financial statements of foreign operations	19,821	3	13,581	1		
8370	Share of other comprehensive income of associates and joint ventures recognized using the equity method - items that may be reclassified subsequently to profit or loss	1,793	-	-	-		
8399	Income tax related to items that may be reclassified	(4,329)	(1)	(1,858)	-		
8360	Sum of items that may be reclassified subsequently to profit or loss	17,285	2	11,723	1		
8300	Other comprehensive income (net amount)	\$ 17,285	2	\$ 11,858	1		
8500	Total comprehensive income	\$ 193,484	26	\$ 83,356	10		
	Net income attributable to:						
8610	Owners of the parent company	\$ 179,719	25	\$ 58,806	8		
8620	Non-controlling interests	(3,520)	(1)	12,692	1		
	Net income	\$ 176,199	24	\$ 71,498	9		
	Total comprehensive income attributable to:						
8710	Owners of the parent company	\$ 197,004	26	\$ 68,704	8		
8720	Non-controlling interests	(3,520)	-	14,652	2		
	Total comprehensive income	\$ 193,484	26	\$ 83,356	10		
	Earnings per share - basic						
9750	Earnings per share - basic	\$	1.90	\$	0.62		
	Earnings per share - diluted						
9850	Earnings per share - diluted	\$	1.89	\$	0.62		

The accompanying notes are part of the consolidated financial statements. Please refer to them together with the statements.

Chairman:
Ma, Chien-Yung

Manager:
Wu, Sheng Hsien

Accounting Manager:
Huang, Hsiang-Chun

Highlight Tech Corp. and its Subsidiaries
Consolidated Statements of Changes in Equity
For the three months ended Mar. 31, 2026 and 2025

Unit: NTD thousand

Equity attributable to owners of the parent company													
Notes	Retained earnings					Other equity					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translating the financial statements of foreign operations	Re-measurement of the defined benefit plan	Unearned compensation	Total	Total				Total
<u>For the three months ended Mar. 31, 2025</u>													
Balance at Jan. 1, 2025	\$ 945,613	\$ 410,684	\$ 365,125	\$ 64,768	\$ 1,309,105	(\$ 12,786)	\$ 5,574	(\$ 58)	\$ 3,088,025	\$ 846,171	\$ 3,934,196		
Net income	-	-	-	-	58,806	-	-	-	58,806	12,692	71,498		
Other comprehensive income	-	-	-	-	-	9,860	38	-	9,898	1,960	11,858		
Total comprehensive income	-	-	-	-	58,806	9,860	38	-	68,704	14,652	83,356		
Earnings appropriation and allocation for 2024	6(19)												
Cash dividends	-	-	-	-	(113,474)	-	-	-	(113,474)	-	(113,474)		
Cash dividends paid out from capital surplus	6(19)	-	(75,649)	-	-	-	-	-	(75,649)	-	(75,649)		
Cash contributions from non-controlling interests for subsidiary establishment and capital increase		-	-	-	-	-	-	-	-	7,500	7,500		
Changes in ownership interests of subsidiaries		-	-	-	-	-	-	-	-	1,767	1,767		
Balance at Mar. 31, 2025	\$ 945,613	\$ 335,035	\$ 365,125	\$ 64,768	\$ 1,254,437	(\$ 2,926)	\$ 5,612	(\$ 58)	\$ 2,967,606	\$ 870,090	\$ 3,837,696		
<u>For the three months ended Mar. 31, 2026</u>													
Balance at Jan. 1, 2026	\$ 944,623	\$ 326,739	\$ 397,457	\$ 64,768	\$ 1,398,418	(\$ 35,461)	\$ 5,558	(\$ 58)	\$ 3,102,044	\$ 865,743	\$ 3,967,787		
Net income	-	-	-	-	179,719	-	-	-	179,719	(3,520)	176,199		
Other comprehensive income	-	-	-	-	-	17,285	-	-	17,285	-	17,285		
Total comprehensive income	-	-	-	-	179,719	17,285	-	-	197,004	(3,520)	193,484		
Earnings appropriation and allocation for 2025	6(19)												
Cash dividends	-	-	-	-	(188,925)	-	-	-	(188,925)	-	(188,925)		
Loss of control over a subsidiary	-	(6,368)	-	-	472	-	(472)	58	(6,310)	(801,169)	(807,479)		
Balance at Mar. 31, 2026	\$ 944,623	\$ 320,371	\$ 397,457	\$ 64,768	\$ 1,389,684	(\$ 18,176)	\$ 5,086	\$ -	\$ 3,103,813	\$ 61,054	\$ 3,164,867		

The accompanying notes are part of the consolidated financial statements. Please refer to them together with the statements.

Chairman: Ma, Chien-Yung

Manager: Wu, Sheng Hsien

Accounting Manager: Huang, Hsiang-Chun

Highlight Tech Corp. and its Subsidiaries
Consolidated Statements of Cash Flows
For the three months ended Mar. 31, 2026 and 2025

Unit: NTD thousand

	Notes	For the three months ended Mar. 31	
		2026	2025
<u>Cash flows from operating activities</u>			
Net income before tax		\$ 183,700	\$ 85,654
Adjustments			
Income and expenses			
Depreciation expenses	6(23)	58,195	62,708
Amortization expenses	6(23)	3,566	4,454
Expected credit impairment losses	12(2)	2,221	5,732
Interest expense	6(22)	13,385	13,588
Gains from lease modification	6(9) (	32)	-
Share-based payment	6(16)	-	1,767
Interest income	(	750)	(2,128)
Share of profit or loss on associates and joint ventures accounted for using equity method	6(7) (	19,606)	(2,800)
Gain on disposal of investments	6(21) (	118,126)	-
(Gain) loss on disposal of property, plant and equipment	6(21) (	6)	5
Changes in operating assets and liabilities			
Net changes in operating assets			
Contract assets - current	(	1,206)	5,427
Notes receivable	(	6,893)	14,969
Accounts receivable (including related parties)		36,699	105,541
Other receivables	(	3,607)	(398)
Other receivables - related parties	(	938)	-
Inventories		26,757	(217,539)
Prepayments	(	5,297)	(16,786)
Other current assets		31	(2,264)
Other non-current assets		-	(150)
Net changes in operating liabilities			
Contract liabilities - current		59,014	10,064
Notes payable	(	10)	-
Accounts payable (including related parties)	(	29,105)	24,497
Other payables	(	40,492)	(71,142)
Current provisions	(	5,034)	1,394
Other current liabilities	(	8,432)	(4,055)
Net defined benefit liabilities		-	(27)
Other non-current liabilities	(	137)	(90)
Cash inflow from operations		143,897	18,421
Interest received		265	3,637
Interest paid	(	12,985)	(15,468)
Income tax paid	(	6,135)	(2,152)
Income tax refund		1,415	-
Net cash inflow from operating activities		<u>126,457</u>	<u>4,438</u>

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Highlight Tech Corp. and its Subsidiaries
Consolidated Statements of Cash Flows
For the three months ended Mar. 31, 2026 and 2025

Unit: NTD thousand

	Notes	For the three months ended Mar. 31	
		2026	2025
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		\$ -	(\$ 260)
Disposal of financial assets at amortized cost		3,008	-
Acquisition of property, plant and equipment	6(28)	(20,333)	(67,871)
Proceeds from disposal of property, plant and equipment		6	-
Acquisition of intangible assets	6(10)	(3,564)	(11,640)
Increase in refundable deposits		-	(2,094)
Decrease in refundable deposits		525	1,618
Increase in prepayment for land and equipment		(3,180)	(4,480)
Other non-current assets		600	-
Decrease in cash from loss of control over a subsidiary		(379,794)	-
Net cash outflow from investing activities		(402,732)	(84,727)
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings		1,719,912	1,018,500
Decrease in short-term borrowings		(1,606,372)	(868,500)
Decrease in short-term notes payable		-	(40,000)
New long-term borrowings		100,000	25,027
Repayment of long-term borrowings		(265,857)	(142,076)
Repayment of lease liabilities	6(29)	(6,356)	(8,188)
Cash contributions from non-controlling interests for subsidiary establishment and capital increase		-	7,500
Net cash outflow from financing activities		(58,673)	(7,737)
Effect of changes in exchange rates on cash and cash equivalents		13,233	5,589
Decrease in cash and cash equivalents during the period		(321,715)	(82,437)
Opening balance of cash and cash equivalents		937,512	1,232,128
Ending balance of cash and cash equivalents		\$ 615,797	\$ 1,149,691

The accompanying notes are part of the consolidated financial statements. Please refer to them together with the statements.

Chairman:
Ma, Chien-Yung

Manager:
Wu, Sheng Hsien

Accounting Manager:
Huang, Hsiang-Chun

Highlight Tech Corp. and its Subsidiaries
Notes to Consolidated Financial Statements
Three Months Ended Mar. 31, 2026 and 2025

Unit: NTD thousand (unless otherwise specified)

1. Organization and Operations

Highlight Tech Corp. (the “Company”), which was incorporated in the Republic of China in April 1997, and its subsidiaries (collectively, the “Group”) mainly engage in the manufacturing of vacuum components for high-tech processes, the design and production of system modules, and the sales and maintenance of vacuum equipment.

Since December 2002, the Company’s stock has been listed on Taipei Exchange for trading.

2. Date and Procedures for Approval of the Financial Report

The consolidated financial statements were approved by the board of directors and authorized for issue on May 5, 2026.

3. Application of Newly Issued and Amended Standards and Interpretations

(1) The effect of adopting new or amended IFRS Accounting Standards as endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The table below summarizes the new, revised, and amended IFRS Accounting Standards endorsed by the FSC, applicable to 2026:

<u>New/ Revised/ Amended Standards and Interpretations</u>	<u>Effective date announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	Jan. 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	Jan. 1, 2026
IFRS 17 “Insurance Contracts”	Jan. 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	Jan. 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	Jan. 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	Jan. 1, 2026

As per the Group’s assessment, the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

(2) The effect of not adopting new or amended IFRS Accounting Standards as endorsed by the FSC

None.

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

The table below summarizes the new, revised, and amended IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC:

<u>New/ Revised/ Amended Standards and Interpretations</u>	<u>Effective date announced by IASB</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”	Jan. 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	Jan. 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	Jan. 1, 2027

Note: The FSC announced in a press release dated Sept. 25, 2025, that public companies shall apply International Financial Reporting Standard (IFRS) 18 (hereinafter referred to as “IFRS 18”) starting from the fiscal year 2028; furthermore, if an entity has a need for early adoption of IFRS 18, it may elect to apply the IFRS 18 provisions in advance after the FSC endorses the standard.

As per the Group’s assessment, except for those mentioned below, the above standards and interpretations have no material impact on the Group’s financial position and financial performance. The relevant amounts impacted will be disclosed when the assessment is completed:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” has replaced IAS 1, updated the structure of the statements of comprehensive income, added disclosures on management-defined performance measures, and enhanced the principles of aggregation and disaggregation used in the main financial statements and notes.

4. Summary of Significant Accounting Policies

Regarding significant accounting policies, the statement of compliance, basis of preparation, and basis of consolidation are described below. The remaining policies are consistent with Note 4 of the 2025 Consolidated Financial Statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

- A. The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended Dec. 31, 2025.

(2) Basis of preparation

- A. Except for the following major items, the consolidated financial statements have been prepared at historical cost:
 - (A) Financial assets and liabilities at fair value through profit or loss (including derivatives).
 - (B) Financial assets at fair value through other comprehensive income.

B. The preparation of the financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Bulletins (hereinafter referred to as IFRSs) as recognized by the Financial Supervisory Commission (FSC), requires the use of some critical accounting estimates. In the process of applying the Group's accounting policies, management also needed to exercise its judgment. For items requiring meticulous judgment or involving complexity, or involving critical assumptions and estimates in the financial statements, please refer to Note 5 for details.

(3) Basis of consolidation

A. The basis for preparation of consolidated financial statements are consistent with those of the year ended Dec. 31, 2025.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Nature of business	Shareholding percentage			Notes
			Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	
Highlight Tech Corp.	Finesse Technology Co., Ltd.	Electronic components, mechanical equipment maintenance and sales of related components	Note 1	30.17	30.32	Notes 2, 7 and 8
Highlight Tech Corp.	Highlight Tech Japan Co., Ltd.	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	100.00	100.00	100.00	-
Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	Maintenance of mechanical equipment and electronic parts	75.00	75.00	75.00	Notes 3, 8 and 10
Highlight Tech Corp.	Highlight Tech US LLC	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	100.00	100.00	-	Note 4
Highlight Tech Corp.	Highlight Tech International Corp.	A holding company that invests in businesses in Mainland China	100.00	100.00	100.00	-

Name of investor	Name of subsidiary	Nature of business	Shareholding percentage			Notes
			Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	
Highlight Tech International Corp.	Highlight Tech (Shanghai) Corp.	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	100.00	100.00	100.00	-
Highlight Tech Corp.	Shanorm Tech Co., Ltd.	Maintenance of mechanical equipment and electronic parts and retail of mechanical appliances and electronic materials	100.00	100.00	100.00	Notes 8, 9
Highlight Tech Corp.	Schmidt Scientific Taiwan Ltd.	Sales of medical equipment, electronic components, optical instruments, and automatic solar combined tabbers and stringers	61.12	61.12	60.96	Notes 5, 8 and 9
Finesse Technology Co., Ltd.			15.18	15.18	15.18	
Highlight Tech Corp.	Litho Med Trading Co., Ltd.	Wholesale and retail of medical equipment and machinery	100.00	100.00	100.00	Notes 8, 9
Finesse Technology Co., Ltd.	Finesse Technology Co., Ltd.	Semiconductor key subsystem development, material sourcing, manufacturing, assembly, testing, sales, and repair and maintenance services.	Note 1	100.00	100.00	Notes 7, 8
Finesse Technology Co., Ltd.	Seiki Semiconductor Co., Ltd.	Production and sales of chip and wafer bonding equipment; production and sales of ion beam surface treatment equipment; wafer bonding services and foundry.	Note 1	52.78	-	Notes 6, 8
Finesse Technology Co., Ltd.	Finesse Technology (Shanghai) Co., Ltd.	Electronic components, mechanical and electrical equipment maintenance and sales.	Note 1	100.00	100.00	Notes 7, 8

Name of investor	Name of subsidiary	Nature of business	Shareholding percentage			Notes
			Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	
Finesse Technology Co., Ltd.	Highlight Tech System International Limited	A holding company that invests in businesses in Mainland China	Note 1	100.00	100.00	Notes 7, 8
Highlight Tech System International Limited	Highlight Tech System (Shanghai) Corp.	Mechanical equipment manufacturing, electronic component design, manufacturing wholesale and retail.	Note 1	100.00	100.00	Notes 7, 8

Note 1: The Company is the single largest shareholder of Finesse Technology Co., Ltd., and both parties' number of some board directorships and key management are the same, the control is acquired, and Finesse Technology is listed as a subsidiary. Due to personnel changes in the Company's key management, and following a comprehensive reassessment of the key management and board directorships, it has been determined that control over Finesse Technology and its subsidiaries was lost effective from Jan. 1, 2026. For details regarding the fair value on the date control was lost and the gain arising from the relevant transactions, please refer to Note 6(7).

Note 2: In 2025, Finesse Technology Co., Ltd. repurchased treasury shares and employees exercised stock options, resulting in a decrease in the Company's shareholding ratio from 30.32% to 30.17%.

Note 3: In the first quarter of 2025, the Company established TetraTrio Tech Co., Ltd. as a subsidiary through a cash investment, acquiring a 75% equity interest.

Note 4: In the third quarter of 2025, the Company established Highlight Tech US LLC as a subsidiary through a cash investment, acquiring a 100% equity interest.

Note 5: In 2025, the Company acquired non-controlling interests in its subsidiary, Schmidt Scientific Taiwan Ltd., in cash, so its shareholding ratio increased from 60.96% to 61.12%. Please refer to Note 6(27) for details.

Note 6: In the fourth quarter of 2025, Finesse Technology Co., Ltd. established Seiki Semiconductor Co., Ltd. as a subsidiary through a cash investment, acquiring a 52.78% equity interest.

Note 7: The financial statements for the first quarter of 2025 were reviewed by the CPAs appointed by these companies.

Note 8: The financial statements for the years ended Dec. 31, 2025 were audited by the CPAs appointed by these companies.

Note 9: The financial statements of non-significant subsidiaries for the three months ended Mar. 31, 2026 and 2025, have not been reviewed by CPAs.

Note 10: The financial statements of non-significant subsidiaries for the three months ended Mar. 31, 2026, have not been reviewed by CPAs.

- C. Subsidiaries not included in the consolidated financial statement: None.
- D. Adjustment and treatment methods of subsidiaries' different accounting periods: None.
- E. Major restrictions: None.
- F. Subsidiaries with non-controlling interests that are material to the Group

The Group's total non-controlling interests as of Mar. 31, 2026, Dec. 31, 2025, and Mar. 31, 2025 were \$61,054, \$865,743, and \$870,090 respectively. The information on the non-controlling interests that are material to the Group and its subsidiaries is as follows:

Name of subsidiary	Principal business premises	Non-controlling interests					
		Mar. 31, 2026		Dec. 31, 2025		Mar. 31, 2025	
		Amount	Shareholding (%)	Amount	Shareholding (%)	Amount	Shareholding (%)
Finesse Technology Co., Ltd.	Taiwan	Note	-	\$ 813,451	69.83%	\$ 834,515	69.68%

Note: Please refer to Note 6 (7) B. for details.

Aggregate financial information of subsidiaries:

Balance sheet

	Finesse Technology Co., Ltd. and its Subsidiaries	
	Mar. 31, 2025	
Current assets	\$	1,026,635
Non-current assets		363,435
Current liabilities	(	174,826)
Non-current liabilities	(	20,208)
Total net assets	\$	<u>1,195,036</u>

Statement of comprehensive income

	Finesse Technology Co., Ltd. and its Subsidiaries	
	For the three months ended Mar. 31, 2025	
Revenue	\$	159,341
Net income before tax		19,332
Income tax expense	(	2,960)
Net income		16,372
Other comprehensive income (net amount after tax)		2,786
Total comprehensive income	\$	<u>19,158</u>
Total comprehensive income attributable to non-controlling interests	\$	<u>13,349</u>
Payment of dividends to non-controlling interests	\$	<u>-</u>

Statement of cash flows

	Finesse Technology Co., Ltd. and its Subsidiaries	
	For the three months ended Mar. 31, 2025	
Net cash outflow from operating activities	(\$	6,339)
Net cash outflow from investing activities	(	19,562)
Net cash outflow from financing activities	(	1,871)
Effect of changes in exchange rates on cash and cash equivalents		2,515
Decrease in cash and cash equivalents during the period	(	25,257)
Opening balance of cash and cash equivalents		548,412
Ending balance of cash and cash equivalents	\$	523,155

(4) Income tax

- A. As for the income tax expense for the interim period, the estimated annual average effective tax rate was adopted to calculate the pre-tax net income or loss for the interim period, and relevant information was disclosed in alignment with the aforementioned policies.
- B. When a tax rate change occurs during an interim period, The Group recognizes the entire impact of the change in the period the change occurs. For income tax related to items recognized outside profit or loss, the impact of the change is recognized in other comprehensive income or equity. For income tax related to items recognized in profit or loss, the impact of the change is recognized in profit or loss.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

No significant changes occurred during this period. Please refer to Note 5 of the 2025 Consolidated Financial Statements.

6. Summary of Significant Accounting Titles

(1) Cash and cash equivalents

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Cash on hand and petty cash	\$ 970	\$ 930	\$ 1,166
Check deposits and demand deposits	611,927	779,424	883,125
Time deposits	2,900	157,158	265,400
	<u>\$ 615,797</u>	<u>\$ 937,512</u>	<u>\$ 1,149,691</u>

- A. The financial institutions the Group works with have great credit ratings. The Group also works with various financial institutions at the same time to diversify credit risks. Therefore, the probability of default is expected to be low.
- B. The Group did not pledge cash or cash equivalents.

(2) Financial assets at fair value through other comprehensive income

<u>Item</u>	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Non-current items:			
Equity instruments			
Non-TWSE/TPEX listed stocks and stocks not listed on the emerging stock market	<u>\$ 6,007</u>	<u>\$ 6,007</u>	<u>\$ 6,007</u>

(3) Financial assets at amortized cost

<u>Item</u>	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Current items:			
Time deposits with original maturity date of more than 3 months	<u>\$ 5,759</u>	<u>\$ 167,666</u>	<u>\$ 22,002</u>
Non-current items:			
Time deposits with original maturity date of more than 1 year	<u>\$ -</u>	<u>\$ 17,886</u>	<u>\$ 18,503</u>

- A. With the collateral or other credit enhancements held aside, the maximum amounts of the exposures to the credit risk arising from the Group's financial assets at amortized cost as of Mar. 31, 2026, Dec. 31, 2025, and Mar. 31, 2025 were equivalent to their carrying amounts, respectively.
- B. Please refer to Note 8 for information on how the Group pledged financial assets at amortized cost as collateral.
- C. Please refer to Note 12(2) for information on the credit risk of financial assets at amortized cost. The trading counterparties of the Group's certificates of deposit are all financial institutions with great credit quality, and the probability of default is expected to be low.

(4) Notes and accounts receivable

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Notes receivable	<u>\$ 14,721</u>	<u>\$ 8,898</u>	<u>\$ 22,892</u>
Accounts receivable	<u>\$ 503,295</u>	<u>\$ 659,947</u>	<u>\$ 727,556</u>
Less: Allowance for uncollectible amounts	<u>(40,843)</u>	<u>(38,871)</u>	<u>(31,614)</u>
	<u>\$ 462,452</u>	<u>\$ 621,076</u>	<u>\$ 695,942</u>

- A. Please refer to Note 12(2) for information on an aging analysis of accounts and notes receivable.
- B. The balances of accounts and notes receivable as of Mar. 31, 2026, Dec. 31, 2025, and Mar. 31, 2025 were all from contracts with customers. In addition, the balance of receivables from the contracts with customers as of Jan. 1, 2025 was \$870,958.

C. With the collateral or other credit enhancements held aside, the maximum amounts of the exposures to the credit risk arising from the Group's notes and accounts receivable as of Mar. 31, 2026, Dec. 31, 2025, and Mar. 31, 2025 were equivalent to their carrying amounts, respectively.

(5) Inventories

	Mar. 31, 2026		
	Costs	Allowance for valuation losses	Carrying amount
Raw materials	\$ 421,742	(\$ 45,793)	\$ 375,949
Work in progress	268,667	(7,478)	261,189
Finished goods	450,997	(26,669)	424,328
Merchandise	250,782	(9,947)	240,835
	<u>\$ 1,392,188</u>	<u>(\$ 89,887)</u>	<u>\$ 1,302,301</u>

	Dec. 31, 2025		
	Costs	Allowance for valuation losses	Carrying amount
Raw materials	\$ 511,230	(\$ 58,743)	\$ 452,487
Work in progress	401,924	(21,952)	379,972
Finished goods	451,825	(30,411)	421,414
Merchandise	321,421	(14,171)	307,250
	<u>\$ 1,686,400</u>	<u>(\$ 125,277)</u>	<u>\$ 1,561,123</u>

	Mar. 31, 2025		
	Costs	Allowance for valuation losses	Carrying amount
Raw materials	\$ 584,456	(\$ 55,328)	\$ 529,128
Work in progress	385,344	(15,758)	369,586
Finished goods	488,864	(36,281)	452,583
Merchandise	198,041	(15,301)	182,740
	<u>\$ 1,656,705</u>	<u>(\$ 122,668)</u>	<u>\$ 1,534,037</u>

The inventory costs recognized by the Group in expenses for this period:

	For the three months ended Mar. 31	
	2026	2025
Cost of inventory sold	\$ 490,364	\$ 537,740
Inventory valuation losses	6,388	2,899
Others	3,177	1,224
	<u>\$ 499,929</u>	<u>\$ 541,863</u>

(6) Non-current assets held for sale

On May 8, 2025, the board of directors resolved to dispose of a portion of the land the Company holds under Land Parcel No. 3, Xinjing Section, Xinshi District, Tainan City, and Land Parcel No. 6, Shanjing Section, Shanhua District, Tainan City, in order to activate assets and increase the efficiency of capital utilization. Non-current assets held for sale amounted to \$240,390 as of Mar. 31, 2026.

A. Non-current assets held for sale:

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Land	\$ 240,390	\$ 240,390	\$ -

B. After assessment, the carrying amount of the non-current assets held for sale was lower than their fair value less costs to sell. As a result, no impairment was recognized.

(7) Investments accounted for using equity method

	<u>2026</u>	<u>2025</u>
Jan. 1	\$ 216,971	\$ 215,723
Loss of control over a subsidiary	492,146	-
Share of investment income and loss using the equity method	19,606	2,800
Issue of cash dividends	(30,147)	-
Changes in other equity interests	1,793	-
Mar. 31	<u>\$ 700,369</u>	<u>\$ 218,523</u>

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Associate:			
Htc & Solar Tech Service Limited	\$ 217,980	\$ 216,971	\$ 218,523
Finesse Technology Co., Ltd.	482,389	-	-
	<u>\$ 700,369</u>	<u>\$ 216,971</u>	<u>\$ 218,523</u>

A. Due to personnel changes in the Company's key management, and following a comprehensive reassessment of the key management and board directorships, it has been determined that control over Finesse Technology and its subsidiaries was lost effective from Jan. 1, 2026. The investment accounted for using the equity method was remeasured at fair value on the date control was lost, and a gain on disposal of investment of \$118,126 was recognized.

The Company holds 30.17% of the voting shares of Finesse Technology and is its largest shareholder. However, the shareholdings of the remaining shareholders are extremely dispersed and not significant, indicating that the Company does not have the practical ability to direct the relevant activities; therefore, the Company does not have control over Finesse Technology.

The assets and liabilities derecognized from the consolidated financial statements due to the loss of control are as follows:

	<u>Jan. 1, 2026</u>
<u>Current assets</u>	
Cash and cash equivalents	\$ 379,794
Financial assets at amortized cost - current	159,000
Contract assets - current	45,371
Notes receivable, net	1,070
Accounts receivable, net	119,304
Other receivables	1,630
Current income tax assets	4
Inventories	235,603
Prepayments	20,498
Total current assets	<u>\$ 962,274</u>
<u>Non-current assets</u>	
Financial assets at amortized cost - non-current	\$ 17,886
Property, plant and equipment	275,262
Right-of-use assets	10,329
Intangible assets	12,879
Deferred tax assets	6,825
Other non-current assets	5,220
Total non-current assets	<u>328,401</u>
Total assets	<u>\$ 1,290,675</u>
<u>Current liabilities</u>	
Contract liabilities - current	\$ 9,370
Accounts payable	30,127
Other payables	75,765
Current income tax liabilities	5,872
Current provisions	6,829
Lease liabilities - current	4,015
Other current liabilities	406
Total current liabilities	<u>\$ 132,384</u>
<u>Non-current liabilities</u>	
Deferred tax liabilities	\$ 8,396
Lease liabilities - non-current	3,828
Other non-current liabilities	194
Total non-current liabilities	<u>\$ 12,418</u>
Total liabilities	<u>\$ 144,802</u>

B. The basic information of the Group's significant associates is as follows:

<u>Company name</u>	<u>Principal business premises</u>	<u>Shareholding ratio</u>	<u>Nature of relationship</u>	<u>Measurement method</u>
		Mar. 31, 2026		
Finesse Technology Co., Ltd.	Taiwan	30.17%	Associate	Equity method

C. The summarized financial information of the Group's significant associates is as follows:

Balance sheet

	<u>Finesse Technology Co., Ltd.</u>	
	<u>Mar. 31, 2026</u>	
Current assets	\$	858,788
Non-current assets		476,331
Current liabilities	(	198,297)
Non-current liabilities	(	11,732)
Total net assets	<u>\$</u>	<u>1,125,090</u>
Share of net assets of associates	\$	339,450
Goodwill		142,939
Book value of associates	<u>\$</u>	<u>482,389</u>

Statement of comprehensive income

	<u>Finesse Technology Co., Ltd.</u>	
	<u>For the three months ended</u>	
	<u>Mar. 31, 2026</u>	
Revenue	\$	150,445
Net income of the current period from continuing operations		23,729
Other comprehensive income (net amount after tax)		4,334
Total comprehensive income	<u>\$</u>	<u>28,063</u>
Dividends received from associates	<u>\$</u>	<u>-</u>

- D. The Group's significant associate, Finesse Technology Co., Ltd., has publicly quoted market prices, and its fair value as of Mar. 31, 2026, was \$453,936.
- E. Htc & Solar Tech Service Limited is not significant to the Group.
- F. The financial statements of Htc & Solar Tech Service Limited for the three months ended Mar. 31, 2026 and 2025, have not been reviewed by CPAs.
- G. In 2025, the Company disposed of 516,500 shares of Htc & Solar Tech Service Limited for a price of \$13,389 and recognized a gain on the disposal of investments of \$4,291 (listed under other gains or losses).

(8) Property, plant and equipment

		2026							Construction in progress and equipment to be inspected	Total
		Land	Buildings, and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Others		
Jan. 1	Costs	\$ 928,953	\$ 2,309,671	\$ 850,819	\$ 9,958	\$ 49,426	\$ 70,203	\$ 389,550	\$ 1,484	\$ 4,610,064
	Accumulated depreciation	-	(726,590)	(459,316)	(5,100)	(34,958)	(13,515)	(171,272)	-	(1,410,751)
		<u>\$ 928,953</u>	<u>\$ 1,583,081</u>	<u>\$ 391,503</u>	<u>\$ 4,858</u>	<u>\$ 14,468</u>	<u>\$ 56,688</u>	<u>\$ 218,278</u>	<u>\$ 1,484</u>	<u>\$ 3,199,313</u>
Jan. 1	Loss of control over a subsidiary	\$ 928,953	\$ 1,583,081	\$ 391,503	\$ 4,858	\$ 14,468	\$ 56,688	\$ 218,278	\$ 1,484	\$ 3,199,313
	Loss of control over a subsidiary	(166,544)	(76,120)	(25,857)	(320)	(449)	(1,492)	(4,480)	-	(275,262)
	Additions	-	80	15,076	-	237	-	1,855	15	17,263
	Transfer	-	-	24,491	-	-	-	1,737	-	26,228
	Depreciation expenses	-	(20,995)	(17,931)	(350)	(830)	(852)	(10,935)	-	(51,893)
	Net exchange difference	-	1,980	466	91	129	(68)	1,657	-	4,255
Mar. 31		<u>\$ 762,409</u>	<u>\$ 1,488,026</u>	<u>\$ 387,748</u>	<u>\$ 4,279</u>	<u>\$ 13,555</u>	<u>\$ 54,276</u>	<u>\$ 208,112</u>	<u>\$ 1,499</u>	<u>\$ 2,919,904</u>
Mar. 31	Costs	\$ 762,409	\$ 2,228,245	\$ 833,230	\$ 9,015	\$ 48,281	\$ 60,511	\$ 373,947	\$ 1,499	\$ 4,317,137
	Accumulated depreciation	-	(740,219)	(445,482)	(4,736)	(34,726)	(6,235)	(165,835)	-	(1,397,233)
		<u>\$ 762,409</u>	<u>\$ 1,488,026</u>	<u>\$ 387,748</u>	<u>\$ 4,279</u>	<u>\$ 13,555</u>	<u>\$ 54,276</u>	<u>\$ 208,112</u>	<u>\$ 1,499</u>	<u>\$ 2,919,904</u>

2025

	Land	Buildings, and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be inspected	Total
Jan. 1									
Costs	\$ 1,169,343	\$ 2,270,620	\$ 812,019	\$ 6,732	\$ 49,824	\$ 18,184	\$ 335,633	\$ 83,316	\$ 4,745,671
Accumulated depreciation	-	(649,973)	(438,853)	(4,032)	(33,469)	(10,852)	(132,099)	-	(1,269,278)
	<u>\$ 1,169,343</u>	<u>\$ 1,620,647</u>	<u>\$ 373,166</u>	<u>\$ 2,700</u>	<u>\$ 16,355</u>	<u>\$ 7,332</u>	<u>\$ 203,534</u>	<u>\$ 83,316</u>	<u>\$ 3,476,393</u>
Jan. 1	\$ 1,169,343	\$ 1,620,647	\$ 373,166	\$ 2,700	\$ 16,355	\$ 7,332	\$ 203,534	\$ 83,316	\$ 3,476,393
Additions	-	5,223	14,723	210	485	119	5,110	251	26,121
Disposal	-	-	(5)	-	-	-	-	-	(5)
Transfer	-	30,240	11,812	-	-	-	1,349	(30,327)	13,074
Depreciation expenses	-	(21,261)	(20,989)	(264)	(1,093)	(407)	(10,571)	-	(54,585)
Net exchange difference	-	3,690	332	37	80	-	761	3,101	8,001
Mar. 31	<u>\$ 1,169,343</u>	<u>\$ 1,638,539</u>	<u>\$ 379,039</u>	<u>\$ 2,683</u>	<u>\$ 15,827</u>	<u>\$ 7,044</u>	<u>\$ 200,183</u>	<u>\$ 56,341</u>	<u>\$ 3,468,999</u>
Mar. 31									
Costs	\$ 1,169,343	\$ 2,316,220	\$ 837,037	\$ 7,035	\$ 50,522	\$ 18,303	\$ 342,372	\$ 56,341	\$ 4,797,173
Accumulated depreciation	-	(677,681)	(457,998)	(4,352)	(34,695)	(11,259)	(142,189)	-	(1,328,174)
	<u>\$ 1,169,343</u>	<u>\$ 1,638,539</u>	<u>\$ 379,039</u>	<u>\$ 2,683</u>	<u>\$ 15,827</u>	<u>\$ 7,044</u>	<u>\$ 200,183</u>	<u>\$ 56,341</u>	<u>\$ 3,468,999</u>

- A. Please refer to Note 8 for information on property, plant and equipment pledged as collateral.
- B. Transfers of the Group's property, plant and equipment during the three months ended Mar. 31, 2026, arose from inventories and prepayments for equipment (listed under other non-current assets); the transfers to the Group's property, plant and equipment during the three months ended Mar. 31, 2025, arose from inventories and prepayments for equipment (listed under other non-current assets).

(9) Lease transactions - lessee

- A. The assets leased by the Group included land, buildings, and company cars over lease terms of usually one to ten years. Each lease contract is negotiated individually and contains various terms and conditions, and no other restrictions are imposed except that the assets leased may not be used as collateral for loans.
- B. The information on the carrying amounts of the right-of-use assets and the depreciation expenses recognized is as follows:

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 20,897	\$ 21,508	\$ 23,423
Buildings	37,270	41,013	48,414
Transportation equipment (company cars)	15,684	26,972	31,997
Other equipment	1,043	1,102	1,281
	<u>\$ 74,894</u>	<u>\$ 90,595</u>	<u>\$ 105,115</u>

	<u>For the three months ended Mar. 31</u>	
	<u>2026</u>	<u>2025</u>
	Depreciation expenses	Depreciation expenses
Land	\$ 404	\$ 422
Buildings	2,731	3,553
Transportation equipment (company cars)	3,108	4,088
Other equipment	59	60
	<u>\$ 6,302</u>	<u>\$ 8,123</u>

- C. The additions of the Group's right-of-use assets during the three months ended Mar. 31, 2026 and 2025 were \$2,401 and \$7,805, respectively.
- D. The information on the net income or loss items related to lease contracts is as follows:

	<u>For the three months ended Mar. 31</u>	
	<u>2026</u>	<u>2025</u>
<u>Items affecting current net</u> <u>income or loss</u>		
Interest expense on lease liability \$	261	\$ 440
Expenses related to short-term lease contracts	1,167	702
Expenses related to leasing of low-value assets	567	461
Gains from lease modification	32	-

- E. The Group's total cash outflows from leases during the three months ended Mar. 31, 2026 and 2025 were \$8,090 and \$9,350, respectively.

(10) Intangible assets

	2026				
	Goodwill	Customer relations	Computer software	Professional technologies	Total
Jan. 1					
Costs	\$ 51,471	\$ 56,047	\$ 132,093	\$ 7,500	\$ 247,111
Accumulated amortization	-	(51,911)	(52,374)	(7,500)	(111,785)
	<u>\$ 51,471</u>	<u>\$ 4,136</u>	<u>\$ 79,719</u>	<u>\$ -</u>	<u>\$ 135,326</u>
Jan. 1	\$ 51,471	\$ 4,136	\$ 79,719	\$ -	\$ 135,326
Loss of control over a subsidiary	(36,738)	-	(12,879)	-	(49,617)
Additions	-	-	3,564	-	3,564
Amortization expenses	-	(259)	(3,307)	-	(3,566)
Net exchange difference	-	-	564	-	564
Mar. 31	<u>\$ 14,733</u>	<u>\$ 3,877</u>	<u>\$ 67,661</u>	<u>\$ -</u>	<u>\$ 86,271</u>
Mar. 31					
Costs	\$ 14,733	\$ 10,339	\$ 101,047	\$ -	\$ 126,119
Accumulated amortization	-	(6,462)	(33,386)	-	(39,848)
	<u>\$ 14,733</u>	<u>\$ 3,877</u>	<u>\$ 67,661</u>	<u>\$ -</u>	<u>\$ 86,271</u>
	2025				
	Goodwill	Customer relations	Computer software	Professional technologies	Total
Jan. 1					
Costs	\$ 51,471	\$ 56,047	\$ 82,250	\$ 7,500	\$ 197,268
Accumulated amortization	-	(50,877)	(41,402)	(7,254)	(99,533)
	<u>\$ 51,471</u>	<u>\$ 5,170</u>	<u>\$ 40,848</u>	<u>\$ 246</u>	<u>\$ 97,735</u>
Jan. 1	\$ 51,471	\$ 5,170	\$ 40,848	\$ 246	\$ 97,735
Additions	-	-	11,640	-	11,640
Amortization expenses	-	(259)	(4,098)	(97)	(4,454)
Net exchange difference	-	-	39	-	39
Mar. 31	<u>\$ 51,471</u>	<u>\$ 4,911</u>	<u>\$ 48,429</u>	<u>\$ 149</u>	<u>\$ 104,960</u>
Mar. 31					
Costs	\$ 51,471	\$ 56,047	\$ 89,666	\$ 7,500	\$ 204,684
Accumulated amortization	-	(51,136)	(41,237)	(7,351)	(99,724)
	<u>\$ 51,471</u>	<u>\$ 4,911</u>	<u>\$ 48,429</u>	<u>\$ 149</u>	<u>\$ 104,960</u>

- A. The details of amortization of intangible assets are as follows:

	For the three months ended Mar. 31	
	2026	2025
Operating costs	\$ 764	\$ 1,298
Selling and marketing expenses	354	382
Administrative expenses	1,263	961
Research and development expenses	1,185	1,813
	<u>\$ 3,566</u>	<u>\$ 4,454</u>

- B. The goodwill generated by the Group's acquisition of Finesse Technology Co., Ltd. came from the benefits brought by the expected benefits of the business integration and growth of mechanical equipment maintenance.
- C. The goodwill generated by the Group's acquisition of Shanorm Tech Co., Ltd. came from the expected benefits of the business integration and growth of vacuum pump maintenance as well as sales of used machines and spare parts.
- D. The Group did not recognize any impairment loss of goodwill for the three months ended Mar. 31, 2026 and 2025.
- E. Goodwill allocated to the Group's cash-generating units identified by operating segments:

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Finesse Technology Co., Ltd.	\$ -	\$ 36,738	\$ 36,738
Shanorm Tech Co., Ltd.	14,733	14,733	14,733
	<u>\$ 14,733</u>	<u>\$ 51,471</u>	<u>\$ 51,471</u>

- F. The Group's goodwill arising from mergers and acquisitions primarily reflects the expected benefits from revenue growth in the regions where the acquired companies operate and from their product and customer relationships. In accordance with IAS 36, goodwill acquired in mergers and acquisitions must be tested for impairment at least annually. The impairment test for goodwill involves allocating the goodwill to the cash-generating units expected to benefit from the mergers and acquisitions, each of which is a cash-generating unit capable of generating independent cash flows.

The recoverable amount for Finesse Technology Co., Ltd. is determined using fair value less costs to sell (since the closing price is from a centralized trading market, it is classified as Level 1 fair value); for Shanorm Tech Co., Ltd., the need for impairment is assessed based on value in use. The key assumptions used to calculate value in use are as follows:

	Shanorm Tech Co., Ltd.
	Dec. 31, 2025
Gross profit margin	15.00%
Revenue growth rate	0.81%
Discount rate	6.85%

(11) Other non-current assets

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Prepayment for land and equipment	\$ 6,859	\$ 23,102	\$ 56,696
Refundable deposits	13,082	14,280	16,848
Others	260	860	382
	<u>\$ 20,201</u>	<u>\$ 38,242</u>	<u>\$ 73,926</u>

(12) Short-term borrowings

<u>Category of borrowings</u>	<u>Mar. 31, 2026</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 50,000	1.901%	Land and buildings
Credit borrowings	815,902	0.8901%~2.75%	-
	<u>\$ 865,902</u>		
<u>Category of borrowings</u>	<u>Dec. 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 250,000	1.901%	Land and buildings
Credit borrowings	502,380	1.85%~2.39%	-
	<u>\$ 752,380</u>		
<u>Category of borrowings</u>	<u>Mar. 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	<u>\$ 427,000</u>	1.95%~2.33%	-

(13) Other payables

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Salaries and bonuses payable	\$ 68,097	\$ 146,178	\$ 76,051
Remuneration payable to directors, supervisors and employees	53,623	49,603	85,602
Equipment payable	5,810	8,880	11,302
Travel allowances payable to employees	10,269	7,594	14,028
Unused annual leave payable	9,502	14,656	12,108
Labor and health insurance expenses payable	9,139	9,521	10,280
Utility bill payable	3,066	5,542	4,601
Pension payable	4,611	6,189	4,506
Dividends payable	188,925	-	189,123
Others	59,455	95,393	70,922
	<u>\$ 412,497</u>	<u>\$ 343,556</u>	<u>\$ 478,523</u>

(14) Long-term borrowings

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	Mar. 31, 2026
Long-term bank borrowings				
Secured borrowings	From Feb. 26, 2020 through Feb. 26, 2040, and interest will be paid monthly.	1.375%~ 2.075%	Land and buildings	\$ 1,200,420
Credit borrowings	From Nov. 1, 2023 through Jul. 19, 2029, and interest will be paid monthly.	1.72%~ 2.48091%	-	<u>713,305</u>
				1,913,725
Less: Long-term borrowings due within one year or one operating cycle				<u>(869,454)</u>
				<u>\$ 1,044,271</u>

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	Dec. 31, 2025
Long-term bank borrowings				
Secured borrowings	From Feb. 26, 2020 through Feb. 26, 2040, and interest will be paid monthly.	1.375%~ 2.075%	Land and buildings	\$ 1,338,825
Credit borrowings	From Nov. 1, 2023 through Jul. 19, 2029, and interest will be paid monthly.	1.72%~ 2.32%	-	<u>740,867</u>
				2,079,692
Less: Long-term borrowings due within one year or one operating cycle				<u>(822,152)</u>
				<u>\$ 1,257,540</u>

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	Mar. 31, 2025
Long-term bank borrowings				
Secured borrowings	From Feb. 26, 2020 through Feb. 26, 2040, and interest will be paid monthly.	1.375%~ 2.075%	Land and buildings	\$ 1,696,861
Credit borrowings	From Nov. 1, 2023 through Jul. 19, 2029, and interest will be paid monthly.	1.7136%~ 2.22%	-	<u>696,034</u>
				2,392,895
Less: Long-term borrowings due within one year or one operating cycle				<u>(650,441)</u>
				<u>\$ 1,742,454</u>

Please refer to Note 8 for information on collateral for long-term borrowings.

(15) Pension

A. Defined benefit plans

- (A) The Company and domestic subsidiaries established the defined benefit pension regulations in accordance with the Labor Standards Act, which were applicable to all formal employees who were employed prior to the enforcement of the Labor Pension Act on Jul. 1, 2005 and to the formal employees who still chose the old pension scheme under the Labor Standards Act after the Labor Pension Act took effect. Pension is paid to employees who have met the retirement criteria based on the number of years of service and the average monthly salary of the last six months prior to retirement. Two units are granted for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. The Company makes a contribution, equal to 2% of the total salaries per month, to a pension fund and deposits it in the account in the name of the Labor Pension Funds Supervisory Committee with the Bank of Taiwan. In addition, the Company assesses the balance of the aforementioned labor pension reserve account at the end of each year. If the account balance is insufficient to pay the pension calculated in the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make a contribution to make up for the difference by the end of March of the following year.
- (B) The Group's pension costs under the above pension plan for the three months ended Mar. 31, 2026 and 2025 were \$0 and \$1, respectively.
- (C) The Group settled the labor pension reserve account in 2025.

B. Defined contribution plans

- (A) Effective on Jul. 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan under the Labor Pension Act, covering all employees of R.O.C. nationality. Under the Labor Pension Act, the Company and its domestic subsidiaries make a monthly contribution, equal to 6% of the employees' monthly salaries to their individual pension accounts with the Bureau of Labor Insurance. Employee pensions are paid monthly or in lump sum based on the amounts in their individual pension accounts and the benefits accumulated.
- (B) The Group's pension costs under the above pension plan for the three months ended Mar. 31, 2026 and 2025 were \$8,938 and \$10,647, respectively.

(16) Share-based payment

Finesse Technology Co., Ltd.

- A. The share-based payment agreement for the three months ended Mar. 31, 2025 is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Vesting conditions</u>
Employee stock option plan	Apr. 3, 2023	2,000	2-3 years of service

- B. An employee stock option plan with 2,000 units was issued on Apr. 3, 2023:

	<u>For the three months ended Mar. 31, 2025</u>	
	<u>Number of stock options</u>	<u>Weighted average strike price (NTD)</u>
Stock options outstanding at the beginning of the period	2,000	\$ 45.00
Stock options exercised in this period	-	-
Stock options outstanding at the end of the period	<u>2,000</u>	45.00
Exercisable stock options at the end of the period	<u>-</u>	-

- C. As for the above share-based payment - employee stock options, the Black-Scholes model was adopted to estimate the fair value of the stock options. The relevant information is as follows:

Type of agreement	Grant date	Stock price (Note)	Strike price	Expected volatility	Expected duration	Expected dividends	Risk-free rate	Fair value per unit
Employee stock option plan	Apr. 3, 2023	-	45.00	40.92%~ 41.94%	3 - 3.5 years	-	1.0626%~ 1.0839%	42.60

Note: Finesse Technology Co., Ltd. undertook a public offering on Sept. 22, 2023.

- D. The expenses incurred for share-based payment are as follows:

	<u>For the three months ended Mar. 31, 2025</u>
Employee stock options	<u>\$ 1,767</u>

(17) Share capital

- A. As of Mar. 31, 2026, the Group's authorized capital was \$2,500 thousand and paid-in capital was \$944,623, totaling 94,462,343 shares, at a par value of \$10 per share. The Company has received all the capital payments for the shares issued.

The number of outstanding shares of the Company's common stock at the beginning and end of the period is adjusted as follows:

	<u>2026</u>	<u>2025</u>
Jan. 1 (same as Mar. 31)	<u>94,462,343</u>	<u>94,561,343</u>

- B. Treasury shares

- (A) In order to protect the Company's credit and shareholders' equity, the Company repurchased 99,000 treasury shares for a total of \$4,341 during 2025 and completed the registration change to cancel the shares in the third quarter of 2025.

- (B) According to the Securities and Exchange Act, the number of shares repurchased by a company may not exceed ten percent of the total number of issued shares of the company. The total amount of the shares repurchased may not exceed the amount of the retained earnings plus premium on capital stock plus realized capital surplus.
- (C) According to the Securities and Exchange Act, the treasury shares held by the Company may not be pledged and no shareholders' rights may be exercised before the transfer is completed.
- (D) According to the Securities and Exchange Act, shares repurchased to protect the company's credit and shareholders' equity shall be registered for cancellation within six months from the date of their repurchase.

(18) Capital surplus

According to the Company Act, the capital surplus, including the income derived from issuing shares in excess of par and endowments, in addition to being used to offset a deficit, where the Company has no cumulative deficit, may be used to issue new shares or pay out cash in proportion to the shareholders' shareholdings. In addition, as per the Securities and Exchange Act, where the capital surplus above is used for capitalization, the total amount should not exceed 10% of the paid-in capital each year. The Company should not use the capital surplus to offset capital losses, unless the surplus reserve is insufficient to offset such losses.

	Additional paid-in capital	Employee stock options	Changes in ownership interests in subsidiaries and associates recognized	Exercise of disgorgement by the Company	Expired stock options	Total
Jan. 1, 2026	\$ 221,656	\$ 2,765	\$ 86,868	\$ 215	\$ 15,235	\$ 326,739
Loss of control over a subsidiary	2,765	(2,765)	(6,368)	-	-	(6,368)
Mar. 31, 2026	<u>\$ 224,421</u>	<u>\$ -</u>	<u>\$ 80,500</u>	<u>\$ 215</u>	<u>\$ 15,235</u>	<u>\$ 320,371</u>

	Additional paid-in capital	Employee stock options	Changes in ownership interests in subsidiaries and associates recognized	Exercise of disgorgement by the Company	Expired stock options	Total
Jan. 1, 2025	\$ 297,538	\$ 2,765	\$ 94,931	\$ 215	\$ 15,235	\$ 410,684
Cash dividends distributed from capital surplus	(75,649)	-	-	-	-	(75,649)
Mar. 31, 2025	<u>\$ 221,889</u>	<u>\$ 2,765</u>	<u>\$ 94,931</u>	<u>\$ 215</u>	<u>\$ 15,235</u>	<u>\$ 335,035</u>

(19) Retained earnings

- A. The Company's profit distribution is made after the end of each half of the fiscal year. If there is a surplus in the final accounts of each half of the fiscal year, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, the Company will estimate the retained employee compensation and director remuneration before setting aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. In addition, the special reserve shall be set aside or reversed in accordance with laws and regulations, and the balance shall be added to the accumulated undistributed surplus of previous years as dividends and bonuses available for distribution of shareholders. The amount of distribution shall be prepared by the board of directors with a surplus distribution plan and when the distribution is made in cash, it shall be resolved by the board of directors; when

the distribution is made by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution. If there is a surplus in the final accounts of a fiscal year, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, the Company will set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. In addition, after the special reserve shall be set aside or reversed in accordance with laws and regulations, the remaining balance is included in the cumulative undistributed earnings for the first half of the fiscal year, the amount of distribution shall be prepared by the board of directors with a surplus distribution plan and when the distribution is made in cash, it shall be resolved by the board of directors; when the distribution is made by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution.

Pursuant to Paragraph 5, Article 240 of the Company Act, the Company authorizes the board of directors to resolve to distribute the dividends and bonuses or all or part of the legal reserve and capital surplus as stipulated in Paragraph 1, Article 241 of the Company Act in the form of cash with a majority vote of attending directors at a board meeting attended by two-thirds of all directors, which shall be reported to the shareholders' meeting.

- B. For the employee compensation and directors' remuneration distribution policy stipulated in the Company's Articles of Incorporation, please refer to Note 6(24).
- C. The legal reserve shall not be appropriated when its balance reaches the amount of the Company's total paid-in capital. The legal reserve may be used to make up for losses. When the Company does not suffer losses, the part of the legal reserve in excess of 25% of the total paid-in capital can be distributed in cash in addition to being used to replenish the capital.
- D. The Company set aside and reversed a special reserve in accordance with the FSC Letters Jin-Guan-Zheng-Fa-Zi No. 1010012865, Jin-Guan-Zheng-Fa-Zi No. 1010047490, Jin-Guan-Zheng-Fa-Zi No. 1030006415, and the directive, entitled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs."
- E. Special reserve
 - (A) In accordance with the FSC Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated Mar. 31, 2021, when IFRSs are adopted for the first time, for the cumulative translation adjustments (gains) under shareholders' equity, a special reserve shall be set aside in the same amount of the portion reclassified to retained earnings for application of the exemption as in IFRS 1. As the increase in retained earnings generated due to the first-time application of IFRSs was insufficient to be recognized, the increase in retained earnings generated due to the conversion to IFRSs by \$50,031 was recognized in special reserves.
 - (B) The appraised cost of the Company's acquisition of land from a related party in 2017 was lower than the actual transaction price. Therefore, the Company set aside a special reserve of \$14,737 for the difference in accordance with the provisions of the Securities and Exchange Act.

F. The Company's 2025 and 2024 earnings distribution plans are as follows:

	2025		2024	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Legal reserve provided	\$ 23,512		\$ 32,332	
Cash paid out from capital surplus	-	\$ -	75,649	\$ 0.80
Cash dividends distributed from earnings	188,925	2.00	113,474	1.20
Total	<u>\$ 212,437</u>	<u>\$ 2.00</u>	<u>\$ 221,455</u>	<u>\$ 2.00</u>

As for the surplus distribution plans for the fiscal year 2025, except for the cash dividend which has been resolved by the Board of Directors on Mar. 10, 2026 and only required to be reported to the shareholders' meeting, the remaining distribution plans haven't been resolved by the Shareholders' Meeting as of May 5, 2026.

As for the surplus distribution plans for the fiscal year 2024, except for the cash dividend which has been resolved by the Board of Directors on Mar. 4, 2025 and only required to be reported to the shareholders' meeting, the remaining distribution plans haven't been resolved by the Shareholders' Meeting on May 27, 2025.

(20) Operating revenue

A. Breakdown of revenue from customer contracts

	For the three months ended Mar. 31	
	2026	2025
Merchandise sales revenue	\$ 515,924	\$ 534,970
Service income	235,668	304,820
Others	1,235	3,166
	<u>\$ 752,827</u>	<u>\$ 842,956</u>

B. Contract assets and contract liabilities

The contract assets and contract liabilities related to the revenue from contracts with customers recognized by the Group are as follows:

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	Jan. 1, 2025
Contract assets	<u>\$ 377,255</u>	<u>\$ 421,420</u>	<u>\$ 397,661</u>	<u>\$ 403,088</u>
Contract liabilities	<u>\$ 106,656</u>	<u>\$ 57,012</u>	<u>\$ 199,793</u>	<u>\$ 189,729</u>

(A) The opening balances of contract liabilities on Jan. 1, 2026 and 2025 were recognized in revenue of \$33,103 and \$107,331 for the three months ended Mar. 31, 2026 and 2025, respectively.

(B) Please refer to Note 12(2) for information on the credit risk of contract assets.

(21) Other gains or losses

	For the three months ended Mar. 31	
	2026	2025
Gain (loss) on disposal of property, plant and equipment	\$ 6	(\$ 5)
Gains from lease modification	32	-
Foreign currency exchange gains	4,609	5,683
Gain on disposal of investments (Note)	118,126	-
Others	(7,607)	(327)
	<u>\$ 115,166</u>	<u>\$ 5,351</u>

Note: Please refer to Note 6 (7) B. for details.

(22) Financial costs

	For the three months ended Mar. 31	
	2026	2025
Interest on bank borrowings	\$ 13,124	\$ 13,148
Interest on lease liabilities	261	440
	<u>\$ 13,385</u>	<u>\$ 13,588</u>

(23) Depreciation and amortization

	For the three months ended Mar. 31	
	2026	2025
An analysis of depreciation expenses by function		
Operating costs	\$ 39,032	\$ 37,485
Operating expenses	19,163	25,223
	<u>\$ 58,195</u>	<u>\$ 62,708</u>
An analysis of amortization expenses by function		
Operating costs	\$ 764	\$ 1,298
Operating expenses	2,802	3,156
	<u>\$ 3,566</u>	<u>\$ 4,454</u>

(24) Employee benefits expenses

	For the three months ended Mar. 31	
	2026	2025
Salaries and wages expenses	\$ 169,156	\$ 179,700
Labor and health insurance expenses	12,715	16,783
Pension expense	8,938	10,648
Other personnel expenses	9,217	11,857
	<u>\$ 200,026</u>	<u>\$ 218,988</u>

- A. If the Company generates a profit for the year (i.e., pre-tax income before employee compensation and director remuneration is deducted), it shall allocate not less than 8% of the balance as employee compensation (of which the compensation for entry-level employees shall be not less than 30% of the total employee compensation) and not more than 2% of said balance as director remuneration. However, if the Company has accumulated losses, the amount required to cover the loss shall be reserved first.

The above employee compensation may be distributed in the form of stock or cash. Eligible recipients may include employees at the controlling company or subsidiaries who met certain criteria, with the conditions and distribution methods to be determined by the Board of Directors.

The two preceding items shall be resolved by the Board of Directors and reported to the Shareholders' Meeting.

- B. For the three months ended Mar. 31, 2026 and 2025, the Company's estimated employee compensation amounted to \$16,558 and \$7,280, respectively; estimated director remuneration amounted to \$4,139 and \$1,456, respectively, and the aforementioned amounts were recognized in salaries and wages.

The employee compensation and director remuneration distributed for 2025 as approved by the board of directors by resolution were \$25,862 and \$5,747, respectively, and the amounts recognized in the 2025 financial statements were the same. It has not yet been distributed. as of Mar. 31, 2026.

Please visit the Market Observation Post System (MOPS) for information on employee compensation and director remuneration approved by the Company's board of directors.

(25) Income tax

A. Income tax expense

(A) Components of income tax expenses:

	For the three months ended Mar. 31	
	2026	2025
Current income tax:		
Income tax from current income	\$ 3,755	\$ 10,056
Income tax underestimates (overestimates) for prior years	<u>633</u>	<u>(4,101)</u>
Total current income tax	<u>4,388</u>	<u>5,955</u>
Deferred tax:		
Initial arising and reversal of temporary differences	<u>3,113</u>	<u>8,201</u>
Income tax expense	<u>\$ 7,501</u>	<u>\$ 14,156</u>

(B) The amount of income tax related to other comprehensive income:

	For the three months ended Mar. 31	
	2026	2025
Exchange differences on translating foreign operations	<u>(\$ 4,329)</u>	<u>(\$ 1,858)</u>

- (C) Changes in deferred income tax that do not affect profit or loss and other comprehensive income:

	For the three months ended Mar. 31	
	2026	2025
Loss of control over a subsidiary	\$ 1,571	\$ -

- B. The Company's profit-seeking enterprise income tax returns filed up to 2024 have been approved by the tax authority.
- C. The profit-seeking enterprise income tax returns filed by Shanorm Tech Co., Ltd., and Schmidt Scientific Taiwan Ltd. up to 2024 have been approved by the tax authority.

(26) Earnings per share

	For the three months ended Mar. 31, 2026		
	Amount after tax	Weighted average number of issued shares (in thousands)	Earnings per share (NTD)
<u>Earnings per share - basic</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 179,719	94,462	\$ 1.90
<u>Earnings per share - diluted</u>			
Effect of potentially dilutive ordinary shares			
Employee compensation	-	779	
Current net income attributable to ordinary shareholders of the parent company, plus effect of potential ordinary shares	\$ 179,719	95,241	\$ 1.89
	For the three months ended Mar. 31, 2025		
	Amount after tax	Weighted average number of issued shares (in thousands)	Earnings per share (NTD)
<u>Earnings per share - basic</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 58,806	94,561	\$ 0.62
<u>Earnings per share - diluted</u>			
Effect of potentially dilutive ordinary shares			
Employee compensation	-	747	
Current net income attributable to ordinary shareholders of the parent company, plus effect of potential ordinary shares	\$ 58,806	95,308	\$ 0.62

(27) Transactions with non-controlling interests

Acquisition of additional equity in subsidiary

During the second and third quarter of 2025, the Company acquired non-controlling interests in its subsidiary, Schmidt Scientific Taiwan Ltd., in cash, so its shareholding ratio increased from 60.96% to 61.12%. With this transaction, the non-controlling interests decreased by \$191 and the equity attributable to the parent company increased by \$191.

(28) Supplementary information on cash flows

A. Investing activities with partial cash payment:

	For the three months ended Mar. 31	
	2026	2025
Purchase of property, plant and equipment	\$ 17,263	\$ 26,121
Add: Equipment payable at the beginning of the period	8,880	53,052
Less: Equipment payable at the end of the period	(5,810)	(11,302)
Cash paid in this period	<u>\$ 20,333</u>	<u>\$ 67,871</u>

B. Financing activities with no cash flow effects

	For the three months ended Mar. 31	
	2026	2025
Cash dividends declared but yet to be paid	<u>\$ 188,925</u>	<u>\$ 189,123</u>

(29) Changes in liabilities from financing activities

	For the three months ended Mar. 31, 2026					
	Short-term borrowings	Short-term notes payable	Long-term borrowings	Lease liabilities	Guarantee deposits	Total
Jan. 1	\$ 752,380	\$ -	\$ 2,079,692	\$ 70,383	\$ 1,557	\$ 2,904,012
Changes in cash flows of financing activities	113,540	-	(165,857)	(6,356)	-	(58,673)
Acquisition of right-of-use assets	-	-	-	2,401	-	2,401
Impact from change in exchange rate	(18)	-	(110)	944	-	816
Other non-cash changes	-	-	-	(10,662)	24	(10,638)
Mar. 31	<u>\$ 865,902</u>	<u>\$ -</u>	<u>\$ 1,913,725</u>	<u>\$ 56,710</u>	<u>\$ 1,581</u>	<u>\$ 2,837,918</u>

For the three months ended Mar. 31, 2025

	Short-term					Total
	Short-term borrowings	notes payable	Long-term borrowings	Lease liabilities	Guarantee deposits	
Jan. 1	\$ 277,000	\$ 40,000	\$ 2,506,286	\$ 83,687	\$ 1,361	\$ 2,908,334
Changes in cash flows of financing activities	150,000	(40,000)	(117,049)	(8,188)	-	(15,237)
Acquisition of right-of-use assets	-	-	-	7,805	-	7,805
Impact from change in exchange rate	-	-	3,658	2,283	12	5,953
Other non-cash changes	-	-	-	286	-	286
Mar. 31	<u>\$ 427,000</u>	<u>\$ -</u>	<u>\$ 2,392,895</u>	<u>\$ 85,873</u>	<u>\$ 1,373</u>	<u>\$ 2,907,141</u>

7. Related Party Transactions

(1) Name of related parties and relationship

Name of related party	Relationship with the Group
Htc & Solar Tech Service Limited	Associate
Finesse Technology Co., Ltd.	Associate (Originally a subsidiary, became an associate effective from Jan. 1, 2026)
Finesse Technology (Shanghai) Co., Ltd.	Associate (Originally a subsidiary, became an associate effective from Jan. 1, 2026)
Highlight Tech System (Shanghai) Corp.	Associate (Originally a subsidiary, became an associate effective from Jan. 1, 2026)
Yu Xun Technology Co.	Became a substantive related party effective from Mar. 18, 2026
Sung, Ching-Fu	Became a substantive related party effective from Mar. 18, 2026

(2) Significant transactions with related parties

A. Operating revenue

	For the three months ended Mar. 31	
	2026	2025
Sales revenue:		
Associate	<u>\$ 60</u>	<u>\$ 8</u>

(A) The Group's revenue is from the sales of various types of components and customized products, as well as cleaning. There is no major difference in the unit price of the various components sold from that offered to regular customers; the

customized products and the parts of each customer's customized products for maintenance and replacement are different, so the prices cannot be compared.

- (B) The Group's collection of the sales revenue from the above-mentioned related parties is open account (O/A) with net 90 days. O/A with net 30 days to 120 days for general customers

B. Purchases

	For the three months ended Mar. 31	
	2026	2025
Merchandise purchase:		
Associate	\$ 2,016	\$ 184
Substantive related party	630	-
	<u>\$ 2,646</u>	<u>\$ 184</u>

- (A) The Group's purchases from related parties mainly include parts. Since the Company does not purchase the same products from other non-related parties, the prices cannot be compared.

- (B) The Group's purchases from the above-mentioned related parties are based on O/A with net 60-90 days after acceptance, and there is no major difference from general suppliers.

C. Receivables from related parties

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Accounts receivable:			
Associate	<u>\$ 63</u>	<u>\$ 97</u>	<u>\$ 9</u>
Other receivables:			
Associate	<u>\$ 31,085</u>	<u>\$ -</u>	<u>\$ -</u>

- (A) Amounts receivable from related parties mainly arise from sales, and each amount from the sales is due at the end of three full months after each sale date. The receivables are not interest-bearing and unsecured. No allowance for losses was provided for receivables from related parties.

- (B) Other receivables originated from dividends receivable, other income, and advances made on behalf of others.

D. Payables to related parties

	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Accounts payable:			
Associate	\$ 13,322	\$ 5,902	\$ 5,822
Substantive related party	630	-	-
	<u>\$ 13,952</u>	<u>\$ 5,902</u>	<u>\$ 5,822</u>
Other payables:			
Associate	<u>\$ -</u>	<u>\$ 3,706</u>	<u>\$ -</u>

- (A) Amounts payable to related parties mainly arise from purchases, and each amount from the purchases is due at the end of two to three full months after each purchase date. The payables are not interest-bearing.

- (B) Other payables arise from processing and maintenance services provided by related parties.

E. Other income:

	For the three months ended Mar. 31, 2026
Associate	<u>\$ 1,106</u>

Other income consists of lease income and the provision of manpower support services to related parties.

F. Endorsements and guarantees provided by related parties:

	Mar. 31, 2026
Sung, Ching-Fu	<u>\$ 100,000</u>

Represent guarantees provided for the borrowings of the subsidiary, TetraTrio Tech Co., Ltd.

(3) Transactions with other related parties

The processing and maintenance fees paid by the Group to its associates during the three months ended Mar. 31, 2026 and 2025 were \$5,986 and \$4,024, respectively, which were recognized in production overheads and R&D expenses.

(4) Information on remuneration of key management personnel

	For the three months ended Mar. 31	
	2026	2025
Short-term employee benefits	\$ 20,785	\$ 12,678
Post-employment benefits	455	255
	<u>\$ 21,240</u>	<u>\$ 12,933</u>

8. Pledged Assets

The details of the assets pledged by the Group as collateral are as follows:

Asset	Book value			Purpose
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	
Non-current assets held for sale - Land	\$ 240,390	\$ 240,390	\$ -	Long-term borrowings
Land	720,190	720,190	960,580	Long-term borrowings
Buildings, and structures	1,422,784	1,438,220	1,473,136	Long-term borrowings
Financial assets at amortized cost - current	-	3,000	7,026	Short-term borrowings and customs guarantee
Refundable deposits				Leases and golf club membership certificates
	<u>13,082</u>	<u>14,280</u>	<u>16,848</u>	
	<u>\$ 2,396,446</u>	<u>\$ 2,416,080</u>	<u>\$ 2,457,590</u>	

9. Significant Contingent Liabilities and Unrecognized Commitments

As of Mar. 31, 2026, the amount of the performance guarantees provided by the banks entrusted by the Group for the purchase of goods from suppliers was \$10 thousand.

10. Major Disaster Loss

None.

11. Material Events After the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's capital management is to optimize the balances of debts and equity to make effective use of capital and ensure the smooth operation of each company. The Group's capital structure is composed of liabilities and equity without the need for compliance with other external capital requirements. The Group's main management reviews the capital structure quarterly, including considering the costs of various types of capital and relevant risks while investing in financial products to increase the Company's income and manage the capital structure.

(2) Financial instruments

A. Categories of financial instruments

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designated equity instrument investments selected	\$ 6,007	\$ 6,007	\$ 6,007
Financial assets at amortized cost			
Cash and cash equivalents	\$ 615,797	\$ 937,512	\$ 1,149,691
Financial assets at amortized cost	5,759	185,552	40,505
Notes receivable	14,721	8,898	22,892
Accounts receivable (including related parties)	462,452	621,076	695,942
Other receivables (including related parties)	37,756	4,210	3,977
Refundable deposits	13,082	14,280	16,848
	<u>\$ 1,149,567</u>	<u>\$ 1,771,528</u>	<u>\$ 1,929,855</u>

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 865,902	\$ 752,380	\$ 427,000
Notes payable	-	10	-
Accounts payable (including related parties)	375,208	432,729	449,584
Other payables	412,497	343,556	478,523
Long-term borrowings (including due within one year or one operating cycle)	1,913,725	2,079,692	2,392,895
Guarantee deposits	1,581	1,557	1,373
	<u>\$ 3,568,913</u>	<u>\$ 3,609,924</u>	<u>\$ 3,749,375</u>
Lease liabilities	<u>\$ 56,710</u>	<u>\$ 70,383</u>	<u>\$ 85,873</u>

B. Risk management policy

The Group's financial management department provides services to various business units, coordinates the operations in the domestic and international financial markets, and supervises and manages the financial risks related to the Group's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

C. Nature and level of material financial risks

(A) Market risk

Exchange rate risk

- a. The Group operates business across borders and is therefore subject to exchange rate risks arising from transactions in currencies that are different from the functional currencies (USD and CNY) used by the Company and its subsidiaries. The relevant exchange rate risks arise from future business transactions and assets and liabilities recognized.
- b. The Group's management has formulated policies to require each company of the Group to manage the exchange rate risks arising from their functional currencies. Each company should hedge its overall exchange rate risks through the Group's finance department. Exchange rate risks are measured through a forecast of highly probable USD and CNY expenditures and forward exchange agreements are used to reduce the impact of exchange rate fluctuations on expected inventory purchase costs.
- c. The Group's business involves certain non-functional currencies (the functional currency used by the Company and some of its subsidiaries is NTD, and the functional currencies used by some of its subsidiaries are CNY and USD). Therefore, the Group is subject to exchange rate fluctuations. The information on foreign-currency assets and liabilities affected by significant exchange rate fluctuations is as follows:

				Mar. 31, 2026		
				Foreign currency		Carrying
				(thousand)	Exchange rate	amount (NTD)
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
Monetary item						
	USD: NTD	\$	5,435	31.9950		173,893
	USD: CNY		714	6.9194		22,845
	CNY: NTD		465	4.6240		2,150
	JPY: NTD		123,309	0.2005		24,723
	JPY: CNY		5,698	0.0434		1,143
<u>Financial liabilities</u>						
Monetary item						
	USD: NTD	\$	618	31.9950		19,773
	USD: CNY		51	6.9194		1,632
	CNY: NTD		383	4.6240		1,771
	JPY: NTD		107,729	0.2005		21,600
				Dec. 31, 2025		
				Foreign currency		Carrying
				(thousand)	Exchange rate	amount (NTD)
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
Monetary item						
	USD: NTD	\$	10,365	31.4300		325,772
	USD: CNY		1,023	7.0288		32,148
	CNY: NTD		12,687	4.4716		56,731
	JPY: NTD		152,274	0.2008		30,577
<u>Financial liabilities</u>						
Monetary item						
	USD: NTD	\$	972	31.4300		30,550
	CNY: NTD		1,943	4.4716		8,688
	JPY: NTD		79,129	0.2008		15,889
				Mar. 31, 2025		
				Foreign currency		Carrying
				(thousand)	Exchange rate	amount (NTD)
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
Monetary item						
	USD: NTD	\$	6,967	33.2050		231,339
	USD: CNY		697	7.1782		23,144
	CNY: NTD		11,156	4.6258		51,605
	JPY: NTD		115,120	0.2227		25,637

Mar. 31, 2025			
	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)
<u>Financial liabilities</u>			
Monetary item			
USD: NTD	\$ 878	33.2050	\$ 29,154
JPY: NTD	66,338	0.2227	14,773

- d. The aggregate amounts of (realized and unrealized) exchange gains or losses of the Group's monetary items recognized for the three months ended Mar. 31, 2026 and 2025 due to the significant impact of exchange rate fluctuations were \$4,609 and \$5,683, respectively.
- e. The analysis of the Group's foreign currency market risk due to significant exchange rate fluctuations is as follows:

Mar. 31, 2026			
Sensitivity analysis			
	Movement (%)	Impact on profit or loss	Impact on other comprehensive income
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
Monetary item			
USD: NTD	±1%	\$ 1,739	\$ -
USD: CNY	±1%	228	-
CNY: NTD	±1%	22	-
JPY: NTD	±1%	247	-
JPY: CNY	±1%	11	-
<u>Financial liabilities</u>			
Monetary item			
USD: NTD	±1%	\$ 198	\$ -
USD: CNY	±1%	16	-
CNY: NTD	±1%	18	-
JPY: NTD	±1%	216	-

Dec. 31, 2025			
Sensitivity analysis			
	Movement (%)	Impact on profit or loss	Impact on other comprehensive income
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
Monetary item			
USD: NTD	±1%	\$ 3,258	\$ -
USD: CNY	±1%	321	-
CNY: NTD	±1%	567	-

		Dec. 31, 2025		
		Sensitivity analysis		
		Movement (%)	Impact on profit or loss	Impact on other comprehensive income
	JPY: NTD	±1%	306	-
<u>Financial liabilities</u>				
Monetary item				
	USD: NTD	±1%	\$ 306	\$ -
	CNY: NTD	±1%	87	-
	JPY: NTD	±1%	159	-
		Mar. 31, 2025		
		Sensitivity analysis		
		Movement (%)	Impact on profit or loss	Impact on other comprehensive income
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
Monetary item				
	USD: NTD	±1%	\$ 2,313	\$ -
	USD: CNY	±1%	231	-
	CNY: NTD	±1%	516	-
	JPY: NTD	±1%	256	-
<u>Financial liabilities</u>				
Monetary item				
	USD: NTD	±1%	\$ 292	\$ -
	JPY: NTD	±1%	148	-

Price risks

The Group's equity instruments exposed to the price risk are its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk of equity instrument investment, the Group has diversified its investment portfolio, and the method of the diversification is based on the limits it set.

Interest rate risks from cash flows and fair values

The Group's interest rate risk mainly arises from long-term borrowings at floating interest rates, which exposes the Group to cash flow interest rate risk. The risk is partially offset by the Group's cash and cash equivalents at floating interest rates. The Group's borrowings at floating interest rates taken out during the three months ended Mar. 31, 2026 and 2025 were mainly denominated in NTD.

(B) Credit risk

- a. The Group's credit risk is the risk of financial loss suffered arising from the failure of customers or counterparties of financial instruments to fulfill contractual obligations. It mainly comes from counterparties' inability to settle accounts receivable in accordance with the payment terms.
- b. The Group has established a credit risk management mechanism from a group-

wide perspective. Only banks and financial institutions with their credit ratings independently determined at “A” or higher can be accepted as transaction counterparties. In accordance with the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis of each new customer before deciding payment and delivery terms and conditions. The internal risk control system evaluates the credit quality of customers by considering their financial positions, past experience, and other factors. Individual risk limits are set by the board of directors based on internal or external ratings, and the drawdown of credit limits is regularly monitored.

- c. The Group adopts IFRS 9 to set the premise and assumption that when a contract payment is past due by more than 90 days in accordance with the agreed payment terms, it is deemed to have been in default.
- d. The Group adopts IFRS 9 to set the premise and assumption that when a contract payment is past due by more than 30 days in accordance with the agreed payment terms, it is deemed that the credit risk of a financial asset has increased significantly since the initial recognition.
- e. The Group adopts a simplified approach to estimate expected credit losses using a loss ratio method.
- f. The Group incorporates the forward-looking considerations in the Taiwan Institute of Economic Research’ Business Indicator Report and adjusts the loss ratio set based on historical and present information for a specific period, to estimate an allowance for losses on contract assets, notes receivable, and accounts receivable; the loss ratio methods used as of Mar. 31, 2026, Dec. 31, 2025, and Mar. 31, 2025 are as follows:

	Not past due	Past due for less than 90 days	Past due for less than 180 days	Past due for 181 days or more	Total
<u>Mar. 31, 2026</u>					
Expected loss ratio	0%-0.74%	0.00%-10.57%	0%-50%	2.78%~100%	
Total book value	\$ 717,695	\$ 93,383	\$ 36,257	\$ 47,936	\$ 895,271
Allowance for losses	\$ 1,266	\$ 3,093	\$ 6,548	\$ 29,936	\$ 40,843

	Not past due	Past due for less than 90 days	Past due for less than 180 days	Past due for 181 days or more	Total
<u>Dec. 31, 2025</u>					
Expected loss ratio	0%~0.81%	0%~11.68%	4.16%~51.92%	2.78%~100%	
Total book value	\$ 922,828	\$ 85,683	\$ 35,662	\$ 46,092	\$ 1,090,265
Allowance for losses	\$ 1,795	\$ 3,078	\$ 5,333	\$ 28,665	\$ 38,871

	Not past due	Past due for less than 90 days	Past due for less than 180 days	Past due for 181 days or more	Total
<u>Mar. 31, 2025</u>					
Expected loss ratio	0%~0.27%	0%~11.59%	0.68%~100%	38.74%~100%	
Total book value	\$ 1,021,507	\$ 73,095	\$ 29,607	\$ 23,900	\$ 1,148,109
Allowance for losses	\$ 1,107	\$ 2,597	\$ 5,695	\$ 22,215	\$ 31,614

- g. The table of the changes in the Group's allowance for losses on account receivable with a simplified approach is as follows:

	For the three months ended Mar. 31	
	2026	2025
	Accounts receivable	Accounts receivable
Jan. 1	\$ 38,871	\$ 25,882
Provision for impairment loss	2,221	5,732
Effect of exchange rate changes	488	-
Loss of control over a subsidiary	(737)	-
Mar. 31	\$ 40,843	\$ 31,614

(C) Liquidity risk

- a. Cash flow forecasts are made by each operating entity of the Group and aggregated by the Group's finance department. The Group's finance department monitors the forecasts on the group-wide liquidity needs to ensure that the Group has sufficient funds to meet operational needs and maintain sufficient undrawn borrowing commitment at all times so that it will not violate relevant borrowing limit requirements or terms. The forecasts take into account the Group's debt financing plans, compliance with debt terms, and alignment with financial ratio targets in the internal balance sheet.
- b. Borrowings from banks are an important source of liquidity for the Group. As of Mar. 31, 2026, Dec. 31, 2025, and Mar. 31, 2025, the Group's undrawn bank financing commitment amounted to \$2,310,767, \$2,448,767, and \$1,827,380, respectively.
- c. The table below details the Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or gross basis, which are grouped by maturity dates. Non-derivative financial liabilities were analyzed based on the remaining period from the balance sheet date to the contract maturity date; derivative financial liabilities were analyzed based on the remaining period from the balance sheet date to the expected maturity date. The contractual cash flows disclosed in the table below are undiscounted amounts.

Mar. 31, 2026	Less than 1 year	More than 1 year
<u>Non-derivative financial liabilities:</u>		
Non-interest-bearing liabilities	\$ 787,705	\$ 1,581
Lease liabilities	18,146	41,407
Floating interest rate instruments	1,765,350	1,074,018
Dec. 31, 2025	Less than 1 year	More than 1 year
<u>Non-derivative financial liabilities:</u>		
Non-interest-bearing liabilities	\$ 776,295	\$ 1,557
Lease liabilities	27,962	49,706
Floating interest rate instruments	1,595,419	1,298,050

Mar. 31, 2025	<u>Less than 1 year</u>	<u>More than 1 year</u>
<u>Non-derivative financial liabilities:</u>		
Non-interest-bearing liabilities	\$ 928,107	\$ 1,373
Lease liabilities	25,901	60,547
Floating interest rate instruments	1,096,674	1,784,207

(3) Fair value information

A. The fair value levels of the financial instruments and non-financial instruments measured using the valuation technique are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date. An active market refers to a market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs, other than quoted market prices within level 1 that are observable, either directly or indirectly for assets or liabilities.

Level 3: Unobservable inputs for assets or liabilities.

B. Financial and non-financial instruments at fair value are classified by the Group based on the nature, characteristics, risks, and levels of fair values of assets and liabilities. The relevant information is as follows:

The Group classified assets and liabilities by nature. The relevant information is as follows:

Mar. 31, 2026	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 6,007	\$ 6,007
Dec. 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 6,007	\$ 6,007
Mar. 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 6,007	\$ 6,007

- C. The table below shows the changes in Level 3 fair values during the three months ended Mar. 31, 2026 and 2025:

	For the three months ended Mar. 31	
	2026	2025
	Equity securities	Equity securities
Equity instrument investments at fair value through other comprehensive income		
Beginning and ending balances	\$ 6,007	\$ 6,007

- D. There was no transfer in/out to/from Level 3 fair values during the three months ended Mar. 31, 2026 and 2025.
- E. In the Group's valuation process for fair values classified as at Level 3, the finance department is responsible for independent fair value verification for financial instruments, uses data from independent sources to make the valuation results close to the market level, and confirms that the source of the data is independent, reliable, consistent with other resources, and representative of the executable price, while regularly calibrating the valuation model, conducting back-testing, updating the inputs and data required by the valuation model, and making any other necessary fair value adjustments to ensure that the valuation results are reasonable.
- F. The quantitative information on the significant unobservable inputs of the valuation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input changes are stated as follows:

	Fair value on Mar. 31, 2026	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 6,007	Net asset value method	Not applicable	-	Not applicable
	Fair value on Dec. 31, 2025	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 6,007	Net asset value method	Not applicable	-	Not applicable
	Fair value on Mar. 31, 2025	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 6,007	Net asset value method	Not applicable	-	Not applicable

- G. The Group has selected a valuation model and valuation parameters after prudent evaluation, but different valuation results may occur due to the use of different valuation models or valuation parameters. For financial assets and financial liabilities classified as at Level 3, if the valuation parameters change, the effect on the current profit or loss or other comprehensive income is as follows:

			Mar. 31, 2026			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Input		Change				
Financial assets						
Equity instruments	Market-to-book ratio; discount for lack of marketability	±1%	\$ -	\$ -	\$ 60	(\$ 60)
			Dec. 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Input		Change				
Financial assets						
Equity instruments	Market-to-book ratio; discount for lack of marketability	±1%	\$ -	\$ -	\$ 60	(\$ 60)
			Mar. 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Input		Change				
Financial assets						
Equity instruments	Market-to-book ratio; discount for lack of marketability	±1%	\$ -	\$ -	\$ 60	(\$ 60)

13. Additional Disclosures

(1) Information on significant transactions

- A. Loaning funds to others: None.
- B. Endorsements/Guarantees provided: Please refer to Table 1.
- C. Holding of significant securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture): Please refer to Table 2.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital or more: None.
- F. Business relationship and significant transactions between the parent company and its subsidiaries: Please refer to Table 3.

(2) Information on investees

Information on names and locations of investees (excluding investees in Mainland China): Please refer to Table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 5.

B. Significant transactions with investees in Mainland China, either directly or indirectly, through a business in a third region: Please refer to Note 13(1).

14. Segments Information

(1) General information

The Group's management has identified reportable segments based on the reporting information used by the board of directors in making decisions.

The Group as a whole belongs to an operating segment for manufacturing, maintaining, and trading electronic components. The information provided to chief operating decision makers to allocate resources and evaluate segment performance is focused on the operating results of the Group. The information on the Group's segment assets and liabilities is not provided to the main management for decision-making purposes, so there is no need to disclose segment assets and liabilities.

(2) Evaluation of segment information

The Group's board of directors evaluates the performance of each operating segment based on its profit and loss. Interest income and expenses were not apportioned to the operating segments as this task is managed by the finance department, which is responsible for the Company's cash position.

(3) Information on segment profit or loss, assets, and liabilities

The information on reportable segments provided to the chief operating decision-maker is as follows:

For the three months ended Mar. 31, 2026	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Others	Reconciliation and write-off	Consolidated
External revenue	\$ 531,385	\$ 148,665	\$ 72,777	\$ -	\$ 752,827
Inter-segment revenue	43,396	1,571	8,522	(53,489)	-
Segment revenue	<u>\$ 574,781</u>	<u>\$ 150,236</u>	<u>\$ 81,299</u>	<u>(\$ 53,489)</u>	<u>\$ 752,827</u>
Segment profit or loss	<u>\$ 57,319</u>	<u>\$ 4,691</u>	<u>(\$ 5,214)</u>	<u>\$ 1,328</u>	<u>\$ 58,124</u>
Depreciation and amortization	\$ 41,960	\$ 12,385	\$ 7,157	\$ 259	\$ 61,761

For the three months ended Mar. 31, 2025	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Reconciliation and write-off	Consolidated
External revenue	\$ 425,596	\$ 168,693	\$ 158,816	\$ 89,851	\$ -	\$ 842,956
Inter-segment revenue	128,513	2,422	525	2,489	(133,949)	-
Segment revenue	<u>\$ 554,109</u>	<u>\$ 171,115</u>	<u>\$ 159,341</u>	<u>\$ 92,340</u>	<u>(\$ 133,949)</u>	<u>\$ 842,956</u>
Segment profit or loss	<u>\$ 50,604</u>	<u>\$ 10,634</u>	<u>\$ 16,274</u>	<u>\$ 7,195</u>	<u>\$ 1,331</u>	<u>\$ 86,038</u>
Depreciation and amortization	\$ 43,953	\$ 11,550	\$ 6,503	\$ 5,329	(\$ 173)	\$ 67,162

Segment profit or loss refers to the profit earned by each segment, excluding non-operating income and expenditures and income tax expenses. The amounts measured are provided to the chief operating decision maker to allocate resources to the segment and measure its performance.

(4) Information on the reconciliation of segment profit or loss

Inter-segment sales are conducted on an arm's length basis. The external revenue that the Company presented to the chief operating decision-maker is measured in the same manner as used for the revenue in the income statement.

The reconciliation of segment profit or loss and pre-tax net income or loss of continuing operations for the three months ended Mar. 31, 2026 and 2025 is as follows:

	For the three months ended Mar. 31	
	2026	2025
Segment income	\$ 58,124	\$ 86,038
Interest income	750	2,128
Other income	3,439	2,925
Other gains or losses	115,166	5,351
Financial costs	(13,385)	(13,588)
Share of profit or loss on associates accounted for using equity method	19,606	2,800
Net income before tax	<u>\$ 183,700</u>	<u>\$ 85,654</u>

Highlight Tech Corp. and its Subsidiaries
Endorsement/Guarantee Provided
Mar. 31, 2026

Table 1

Unit: NTD thousand (unless otherwise specified)

No. (Note 1)	Endorsement/ Guarantee Provider	Party Endorsed/Guaranteed		Limit of Endorsement/ Guarantee for Single Enterprise (Note 3)	Maximum Endorsement/ Guarantee Balance in this Period	Ending Balance of Endorsements/ Guarantees Provided	Amount Actually Drawn	Amount of Endorsements/ Guarantees with Assets Pledged	Ratio of Accumulated Endorsement/ Guarantee Amount to the Net Worth as Shown Through Financial Statement of the Most Recent Term	Upper Limit on Endorsements/ Guarantees (Notes 4 & 5)	Parent Company to Subsidiary	Subsidiary to Parent Company	To Entity in Mainland China	Remarks
		Company Name	Relationship (Note 2)											
0	Highlight Tech Corp.	HIGHLIGHT TECH JAPAN Co., Ltd.	3	\$ 931,144	\$ 163,760	\$ 160,400	\$ 81,704	\$ -	5.17%	\$ 1,551,907	Y	N	N	-
0	Highlight Tech Corp.	Litho Med Trading Co., Ltd.	3	620,763	30,000	30,000	300	-	0.97%	1,551,907	Y	N	N	-
0	Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	3	620,763	450,000	450,000	125,000	-	14.50%	1,551,907	Y	N	N	-

Note 1: How the fields should be entered is stated below:

- (1) The issuer is coded "0".
- (2) The investees are coded sequentially beginning from "1" by each individual company.

Note 2: (1) A company with which it does business.

- (2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) A company that directly or indirectly holds more than 50% of the voting shares in the Company.
- (4) A company in which the Company directly or indirectly holds more than 90% of the voting shares.

Note 3: The limit of endorsement/guarantee for a single enterprise is 20% of the net worth of the Company or any of its subsidiaries at the end of the period, but for a single overseas associate, it shall not exceed 30% of the net worth of the Company or any of its subsidiaries at the end of the period.

Note 4: The upper limit of endorsements/guarantees provided to external entities is 50% of the Company's net worth at the end of the period.

Note 5: The upper limit of endorsements/guarantees provided to external entities by a subsidiary is 50% of the subsidiary's net worth at the end of the period.

Note 6: The total external endorsements/guarantees provided by the Company and its subsidiaries are limited to no more than 50% of the net consolidated worth at the end of the period, and the total endorsements/guarantees provided to a single enterprise is limited to no more than 20% of the net consolidated worth at the end of the period, except for a single overseas associate, which shall not exceed 30% of the net consolidated worth at the end of the period.

Highlight Tech Corp. and its Subsidiaries

Holding of significant securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture)

Mar. 31, 2026

Table 2

Unit: NTD thousand (unless otherwise specified)

Holding Company	Type and Name of Marketable Securities		Marketable Securities Relationship with Securities Issuer	Classification	End of Period				
	Type	Name			Number of Shares (par Value)/Number of Units (Share)	Carrying Amount	Shareholding Ratio	Fair Value	Remarks
Shanorm Tech Co., Ltd.	Stocks	ProMOS Technologies Inc.	-	Financial assets at FVTOCI - non-current	2,210	\$ 22	-	\$ 22	-
Schmidt Scientific Taiwan Ltd.	Stocks	Syntec Scientific Corporation	-	Financial assets at FVTOCI - non-current	598,500	5,985	4.52%	5,985	-

Highlight Tech Corp. and its Subsidiaries

Business Relationship and Significant Transactions Between the Parent Company and its Subsidiaries

For the three months ended Mar. 31, 2026

Table 3

Unit: NTD thousand (unless otherwise specified)

Transaction Details							
No. (Note 1)	Name of Company	Transaction Counterparty	Relations with Company (Note 2)	Classification	Amount	Transaction Conditions	As a Percentage of the Total Consolidated Revenue or Total Assets (Note 3)
0	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	1	Sales revenue	\$ 24,318	Agreed upon by both parties	3.23%
0	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	1	Accounts receivable	17,647	Agreed upon by both parties	0.25%
0	Highlight Tech Corp.	Shanorm Tech Co., Ltd.	1	Sales revenue	17,801	Agreed upon by both parties	2.36%
0	Highlight Tech Corp.	Shanorm Tech Co., Ltd.	1	Accounts receivable	24,042	Agreed upon by both parties	0.34%
0	Highlight Tech Corp.	Shanorm Tech Co., Ltd.	1	Contract assets	16,972	Agreed upon by both parties	0.24%
1	Highlight Tech US LLC	Highlight Tech Corp.	2	Sales revenue	6,401	Agreed upon by both parties	0.85%
1	Highlight Tech US LLC	Highlight Tech Corp.	2	Accounts receivable	6,475	Agreed upon by both parties	0.09%

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the number field. The number should be entered as follows:

- (1) Enter 0 for the parent company.
- (2) Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

Note 2: There are the three types of "Relations with company", just indicate the type (if it is the same transaction between a parent company and a subsidiary of its or between its subsidiaries, there is no need to disclose it repeatedly. For example, as for a transaction between the parent company and a subsidiary of its, if the parent company has disclosed it, the subsidiary does not need to disclose it again; as for a transaction between its subsidiaries, if one subsidiary has disclosed it, the other one does not need to disclose it again):

- (1) Parent company to subsidiary
- (2) Subsidiary to parent company
- (3) Subsidiary to subsidiary

Note 3: The calculation of a transaction as a percentage of the total consolidated revenue or total assets. If it is an asset and a liability, the ending balance should be divided by the consolidated total assets; if it is a profit or a loss, the interim cumulative amount should be divided by the total consolidated revenue.

Note 4: The Company may decide whether the important transactions in this table need to be listed based on the principle of materiality.

Highlight Tech Corp. and its Subsidiaries

Information on Investees

For the three months ended Mar. 31, 2026

Table 4

Unit: NTD thousand (unless otherwise specified)

Name of Investor	Name of Investee (Notes 1 & 2)	Location	Main Business Activities	Initial Investment Amount		Held at the End of Period			Current Profit or Loss of Investees (Note 2(2))	Investment Income or Loss Recognized in this Period (Note 2(3))	Remarks
				End of Current Period	End of Last Year	Number of Shares	Percentage (%)	Carrying Amount			
Highlight Tech Corp.	Highlight Tech International Corp.	British Virgin Islands	Holding company of indirect investment in Mainland China	\$ 731,086 (USD 22,850 thousand)	\$ 731,086 (USD 22,850 thousand)	18,414,695	100.00	586,566	\$ 6,361	\$ 5,713	Subsidiary
Highlight Tech Corp.	Finesse Technology Co., Ltd.	Hsinchu County	Electronic components, mechanical equipment maintenance and sales of related components	217,061	217,061	10,189,353	30.17	482,389	23,729	7,277	Investees accounted for using the equity method
Highlight Tech Corp.	Shanorm Tech Co., Ltd.	Hsinchu County	Maintenance of mechanical equipment and electronic parts and retail of mechanical appliances and electronic materials	114,831	114,831	8,600,000	100.00	116,890	2,562	2,304	Subsidiary
Highlight Tech Corp.	Schmidt Scientific Taiwan Ltd.	Taipei City	Sales and maintenance of medical equipment, electronic parts, optical instruments, semiconductor and optoelectronic process facilities, testing equipment, and automatic solar cell stringer machines	1,655	1,655	2,558,046	61.12	75,800	(7,428)	(4,544)	Subsidiary
Highlight Tech Corp.	Highlight Tech Japan Co., Ltd.	Japan	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	59,950 (JPY 299,000 thousand)	39,900 (JPY 199,000 thousand)	29,900	100.00	24,075	(3,460)	(3,460)	Subsidiary
Highlight Tech Corp.	Highlight Tech US LLC	USA	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	31,995 (USD 1,000 thousand)	15,998 (USD 500 thousand)	-	100.00	32,476	1,549	1,549	Subsidiary
Highlight Tech Corp.	Litho Med Trading Co., Ltd.	Tainan City	Wholesale and retail of medical equipment and machinery	50,000	50,000	5,000,000	100.00	72,025	1,912	1,824	Subsidiary
Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	Tainan City	Maintenance of mechanical equipment and electronic parts	22,500	22,500	2,250,000	75.00	38,520	(2,520)	(1,890)	Subsidiary
Highlight Tech Corp.	Htc & Solar Tech Service Limited	Hsinchu County	Equipment maintenance and cleaning business	112,119	112,119	11,805,552	34.31	217,980	33,094	12,329	Investees accounted for using the equity method

Note 1: If a public issuer has a foreign holding company and takes the consolidated financial statements as the main financial report in accordance with local laws and regulations, it may disclose relevant information only on the holding company as for the requirement for the disclosure of information on the foreign investees.

Note 2: If the situation is not as stated in Note 1, please enter the fields according to the rules below:

- (1) The fields "Name of investee", "Location", "Main business activities", "Initial investment amount", and "Shareholding at the end of the period" should be entered in order according to the investments by the company (public issuer) and investments by each directly or indirectly controlled investee; and the relationship between each investee and the company (public issuer) (such as a subsidiary or sub-subsidiary) should be indicated in the Remarks field.
- (2) As for the field "Current profit or loss of investee", current profit or loss of each investee should be entered.
- (3) As for the field "Investment income or loss recognized in this period", it is only necessary to enter the amount of profit and loss of each subsidiary recognized by the company (public issuer) as a direct investment and each investees accounted for using the equity method. As for the field "Current profit or loss of each subsidiary recognized as a direct investment", it is necessary to confirm that the amount of current profit and loss of each subsidiary has included the investment income and loss from such subsidiaries' investments that should be recognized in accordance with regulations.

Note 3: Please refer to Table 5 for relevant information on investees in mainland China.

Note 4: It is only necessary to list the amount of profit and loss of each subsidiary recognized by the Company as a direct reinvestment and each subsidiaries accounted for using the equity method.

Highlight Tech Corp. and its Subsidiaries
Information on investments in Mainland China - Basic Information
For the three months ended Mar. 31, 2026

Table 5

Unit: NTD thousand (unless otherwise specified)

Name of Investee	Main Business Activities	Paid-in Capital (Note 3)	Method of Investments (Note 1)	Cumulative Amount of Remittance from Taiwan to Mainland China, Beginning of Current Period	Amount Remitted from Taiwan to Mainland China/Amount Remitted Back to Taiwan for Current Period		Cumulative Amount of Remittance from Taiwan to Mainland China, End of Current Period	Current Profit or Loss of Investees	Shareholding ratio of the Company (Direct or Indirect)	Investment Income or Loss Recognized in the Current Period (Note 2)	Carrying Amount of Investments at the End of the Period	Cumulative Amount of Investment Income Repatriated to Taiwan as of the Current Period	Remarks
					Outflow	Inflow							
Highlight Tech (Shanghai) Corp.	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	\$ 647,899 (USD 20,250 thousand)	Highlight Tech International Corp.	\$ 647,899 (USD 20,250 thousand)	-	\$ -	\$ 647,899 (USD 20,250 thousand)	\$ 6,306	100%	\$ 6,306	\$ 599,512	\$ -	Note 1(2) Note 2(2)
Company Name		Cumulative Amount of Remittance from Taiwan to Mainland China, End of Current Period	Investment Amount Approved by the Investment Commission of MOEA	Limit on Investments in Mainland China imposed by the Investment Commission									
The Company		\$ 647,899 (USD 20,250 thousand)	\$ 916,657 (USD 28,650 thousand)	\$ 1,862,288									

Note 1: Investment methods are divided into the following three types, just enter the code:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in mainland China through third-region companies (please indicate the investment companies in the third regions).
- (3) Other methods.

Note 2: The basis of recognizing investment income or loss is divided into the three types below, which should be indicated.

- (1) Financial statements reviewed by an international accounting firm with a partnership with an accounting firm in the Republic of China.
- (2) Financial statements reviewed by CPAs appointed by the parent company in Taiwan.
- (3) Others.

Note 3: Relevant figures in this table should be presented in NTD, and USD were translated into NTD at an exchange rate of US\$1 to NT\$31.995.