

CyberTAN Technology Inc. and the subsidiaries
Consolidated Financial Report and Independent Auditors' Review
Report
Q1 2026 and 2025
(Stock Code: 3062)

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CyberTAN Technology Inc. and the subsidiaries

2026 and 2025 Consolidated Financial Report and Independent Auditors' Review Report

Table of Contents

Item	Page no.
I. Cover Page	1
II. Table of Contents	2–3
III. Independent Auditors' Review Report	4–5
IV. Consolidated Balance Sheet	6–7
V. Consolidated Statement of Comprehensive Income	8–9
VI. Consolidated Statement of Changes in Shareholders' Equity	10
VII. Consolidated Statement of Cash Flow	11–12
VIII. Notes to Consolidated Financial Statements	13–66
(1) Company History and Business Scope	13
(2) Approval Date and Procedures of the Financial Statements	13
(3) New Standards, Amendments, and Interpretations Adopted	14
(4) Summary of Significant Accounting Policies	14–27
(5) Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions	27
(6) Description of Significant Accounting Items	28–51
(7) Transactions of the Related Party	51–54
(8) Pledged Assets	55

Item	Page no.
(9) Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts	55
(10) Losses Due to Major Disasters	55
(11) Significant Subsequent Events	55
(12) Others	55–65
(13) Noted Disclosures	65–66
(14) Business Segment Information	66

Independent Auditors' Review Report

(115)Cai-Shen-Bao-Zi No.26000452

To CyberTAN Technology Inc.:

Foreword

We have reviewed the consolidated balance sheets of CyberTAN Technology Inc. and its subsidiaries (hereinafter referred to as the “CyberTAN Group”) as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting,” as endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope

Except as stated in the “basis of qualified conclusion” paragraph, we conducted the review in accordance with the “Review of Financial Statements” of the Auditing Standard No. 2410. The procedures to be performed when reviewing the consolidated financial statements include inquiry (mainly with the responsible personnel in finance and accounting), analytical procedures and other review procedures. The scope of review work is clearly smaller than the scope of audit work. Therefore, we may not be able to identify all material matters through the audit work, so we are not in a position to express an audit opinion.

Basis of qualified conclusion

As stated in notes 4(3) and 6(6) to the consolidated financial statements, the financial statements of some non-material subsidiaries and investees accounted for under the equity method, included in the consolidated financial statements, have not been reviewed by CPAs. As of March 31, 2026, and 2025, the total assets of these companies (including investments using the equity method) amounted to NTD 361,903 thousand and NTD 76,147 thousand, respectively, representing 6% and 1% of total consolidated assets. The

total liabilities amounted to NTD 7,177 thousand and NTD 1,278 thousand, respectively, representing 0% of consolidated total liabilities in both years. The total comprehensive income (including the share of profit or loss of associates and other comprehensive income under the equity method) for the three months ended March 31, 2026 and 2025 amounted to NTD 18,973 thousand and NTD (786) thousand, respectively, representing (11%) and 0% of consolidated total comprehensive income.

Qualified conclusion

Based on our review, except for the potential adjustments that might have been necessary to the consolidated financial statements if the financial statements of certain non-material subsidiaries and investments accounted for using the equity method, as described in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and consolidated cash flows for the three months ended March 31, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting,” as endorsed and issued into effect by the FSC.

PricewaterhouseCoopers Taiwan

PO-CHUAN LIN

CPA

CHIH-HUA HU

FSC

Approval Reference No.: Jin-Guan-Zheng-Shen-Zi No. 1100350706

Jin-Guan-Zheng-Shen-Zi No. 1120348565

May 14, 2026

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
March 31, 2026, December 31, 2025, and March 31, 2025.

Unit: NTD thousand

Assets	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 768,601	12	\$ 897,033	13	\$ 1,134,365	17
1136	Financial assets measured at amortized cost – current	6(3)	389,068	6	360,557	5	177,977	3
1170	Accounts receivable, net	6(4)	584,361	10	919,045	14	576,017	9
1180	Accounts receivable – the related party, net	6(4) and 7	455,715	7	332,076	5	309,277	5
1200	Other receivables	7	6,899	-	3,596	-	97,417	1
1220	Income tax assets in the current period		5,309	-	7,511	-	7,612	-
130X	Inventory	6(5)	1,190,763	19	1,168,485	17	1,188,637	18
1470	Other current assets		39,914	1	27,678	1	11,478	-
11XX	Total current assets		<u>3,440,630</u>	<u>55</u>	<u>3,715,981</u>	<u>55</u>	<u>3,502,780</u>	<u>53</u>
Non-current assets								
1517	Financial assets measured at fair value through other comprehensive income – non-current	6(2)	132,294	2	254,221	4	307,373	5
1535	Financial assets measured at amortized cost – non-current	6(3) and 8	312,529	5	312,529	5	312,528	5
1550	Investment at equity method	6(6)	28,407	-	27,865	-	27,270	-
1600	Property, plant and equipment	6(7)	1,887,545	30	1,886,124	28	1,768,454	27
1755	Right-of-use assets	6(8)	298,391	5	317,696	5	363,254	5
1780	Intangible assets		2,702	-	3,198	-	6,652	-
1840	Deferred income tax assets		2,336	-	3,003	-	106,839	2
1900	Other non-current assets	6(10) and 8	200,703	3	205,396	3	215,772	3
15XX	Total non-current assets		<u>2,864,907</u>	<u>45</u>	<u>3,010,032</u>	<u>45</u>	<u>3,108,142</u>	<u>47</u>
1XXX	Total assets		<u>\$ 6,305,537</u>	<u>100</u>	<u>\$ 6,726,013</u>	<u>100</u>	<u>\$ 6,610,922</u>	<u>100</u>

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
March 31, 2026, December 31, 2025, and March 31, 2025.

Unit: NTD thousand

Liabilities and equity	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term loans	6(11)	\$ 415,935	7	\$ 440,020	7	\$ 27,329	-
2120	Financial liabilities measured at fair value through profit or loss – current	6(12)	40,137	1	45,977	1	17,268	-
2130	Contract liabilities – current	6(21)	11,961	-	2,552	-	4,222	-
2170	Accounts payable		1,084,091	17	1,225,879	18	984,672	15
2180	Accounts payable – the related party	7	71,015	1	126,172	2	29,286	1
2200	Other payables	6(13)	322,339	5	332,297	5	393,212	6
2220	Other payables – the related party	7	6,742	-	7,115	-	18,189	-
2230	Income tax liabilities in the current period		498	-	518	-	469	-
2250	Liability reserve – current	6(16)	1,383	-	414	-	1,553	-
2280	Lease liabilities – current		21,215	-	21,923	-	33,980	1
2399	Other current liabilities – others		431	-	4,817	-	1,148	-
21XX	Total current liabilities		<u>1,975,747</u>	<u>31</u>	<u>2,207,684</u>	<u>33</u>	<u>1,511,328</u>	<u>23</u>
Non-current liabilities								
2550	Liability reserve – non-current	6(16)	13,751	-	10,823	-	11,070	-
2570	Deferred income tax liabilities		16,133	-	15,168	-	18,514	-
2580	Lease liabilities – non-current		162,232	3	176,828	3	217,538	4
2600	Other non-current liabilities	7	7,698	-	7,698	-	6,911	-
25XX	Total non-current liabilities		<u>199,814</u>	<u>3</u>	<u>210,517</u>	<u>3</u>	<u>254,033</u>	<u>4</u>
2XXX	Total liabilities		<u>2,175,561</u>	<u>34</u>	<u>2,418,201</u>	<u>36</u>	<u>1,765,361</u>	<u>27</u>
Equity attributable to parent company shareholders								
Capital stock								
3110	Common stock	6(17)	3,300,918	52	3,301,360	49	3,303,104	50
Capital reserves								
3200	Capital reserves	6(18)	560,010	9	560,569	8	563,275	9
Retained earnings								
3310	Legal reserve	6(19)	825,257	13	825,257	12	825,257	12
3320	Special reserve		58,176	1	58,176	1	155,470	2
3350	Undistributed earnings		(227,975)	(3)	256,526	4	731,257	11
Other equity								
3400	Other equity	6(20)	(321,128)	(5)	(628,794)	(9)	(499,635)	(7)
Treasury stocks								
3500	Treasury stocks	6(17)	(65,282)	(1)	(65,282)	(1)	(233,167)	(4)
31XX	Total equity attributable to parent company shareholders		<u>4,129,976</u>	<u>66</u>	<u>4,307,812</u>	<u>64</u>	<u>4,845,561</u>	<u>73</u>
3XXX	Total equity		<u>4,129,976</u>	<u>66</u>	<u>4,307,812</u>	<u>64</u>	<u>4,845,561</u>	<u>73</u>
Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts								
3X2X	Total liabilities and equity		<u>\$ 6,305,537</u>	<u>100</u>	<u>\$ 6,726,013</u>	<u>100</u>	<u>\$ 6,610,922</u>	<u>100</u>

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2026 and 2025

Unit: NTD thousand
(Except the unit of earnings (losses) per share is NTD)

Item	Notes	January 1 to March 31, 2026		January 1 to March 31, 2025		
		Amount	%	Amount	%	
4000	Operating revenue	6(21) and 7	\$ 1,113,318	100	\$ 868,288	100
5000	Operating cost	6(5), (26) (27) and 7	(1,100,293)	(99)	(779,056)	(90)
5950	Net operating gross profit		<u>13,025</u>	<u>1</u>	<u>89,232</u>	<u>10</u>
	Operating expense	6(26) (27) and 7				
6100	Selling expenses		(35,883)	(3)	(40,633)	(4)
6200	Administrative expenses		(43,153)	(4)	(67,785)	(8)
6300	R&D expenses		(82,344)	(7)	(128,605)	(15)
6450	Expected credit impairment losses	12(2)	(7,716)	(1)	(1,947)	-
6000	Total operating expenses		(169,096)	(15)	(238,970)	(27)
6900	Operating losses		(156,071)	(14)	(149,738)	(17)
	Non-operating revenue and expenses					
7100	Interest revenue	6(22)	6,204	1	7,135	1
7010	Other revenue	6(23) and 7	16,183	1	16,821	2
7020	Other gains and losses	6(24)	(19,568)	(2)	876,433	101
7050	Finance costs	6(25)	(4,904)	-	(2,319)	(1)
7055	Expected credit impairment losses	12(2)	(18,684)	(2)	-	-
7060	The share of the profit or loss of affiliated companies, joint ventures recognized under the equity method	6(6)	(60)	-	(53)	-
7000	Total non-operating income and expense		(20,829)	(2)	898,017	103
7900	Net profit (loss) before tax		(176,900)	(16)	748,279	86
7950	Income tax expenses	6(28)	(1,714)	-	(5,362)	-
8200	Net profit (loss) for the period		<u>(\$ 178,614)</u>	<u>(16)</u>	<u>\$ 742,917</u>	<u>86</u>

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2026 and 2025

Unit: NTD thousand
(Except the unit of earnings (losses) per share is NTD)

Item	Notes	January 1 to March 31, 2026		January 1 to March 31, 2025	
		Amount	%	Amount	%
Other comprehensive income					
Items not reclassified to profit or loss					
8316	Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income	6(2), (20)			
		(\$ 33,191)	(3)	(\$ 482,029)	(56)
8320	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items not reclassified to profit or loss	6(6), (20)			
		602	-	4,382	-
8310	Total of items not reclassified to profit or loss	(32,589)	(3)	(486,411)	(56)
Items may be reclassified to profit or loss subsequently					
8361	Exchange difference in the financial statement translation of the foreign operation	6(20)			
		33,957	3	9,720	1
8399	Income tax related to items may be reclassified	6(20) (28)			
		-	-	134	-
8360	Total of items may be reclassified to profit or loss subsequently				
		33,957	3	9,586	1
8300	Other comprehensive income (net amount)				
		\$ 1,368	-	(\$ 476,825)	(55)
8500	Total comprehensive income for the year				
		(\$ 177,246)	(16)	\$ 266,092	31
Net profit attributable to:					
8610	Parent company shareholders				
		(\$ 178,614)	(16)	\$ 742,917	86
The total comprehensive income attributable to:					
8710	Parent company shareholders				
		(\$ 177,246)	(16)	\$ 266,092	31
Earnings (losses) per share 6(29)					
9750	Basic earnings (losses) per share				
		(\$ 0.54)		\$ 2.31	
9850	Diluted earnings (losses) per share				
		(\$ 0.54)		\$ 2.28	

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to March 31, 2026 and 2025

Unit: NTD thousand

	Notes	Equity attributable to parent company shareholders									
		Retained earnings					Other equity				
		Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	Total
<u>2025</u>											
Balance at January 1, 2025		\$ 3,303,254	\$ 598,676	\$ 825,257	\$ 155,470	\$ 26,706	(\$ 10,414)	(\$ 47,762)	(\$ 6,628)	(\$ 205,694)	\$ 4,638,865
Current net profit		-	-	-	-	742,917	-	-	-	-	742,917
Other comprehensive income for the year	6(20)	-	-	-	-	-	9,586	(486,411)	-	-	(476,825)
Total comprehensive income for the year		-	-	-	-	742,917	9,586	(486,411)	-	-	266,092
Revocation of restricted employee shares	6(15), (17), (18), (20)	(150)	(195)	-	-	-	-	-	345	-	-
Share-based payment expenses	6(15), (20)	-	-	-	-	-	-	-	1,665	-	1,665
Disposal of investments accounted for using the equity method	6(18), (20)	-	(35,206)	-	-	(26,170)	1,618	26,170	-	-	(33,588)
Disposal of equity instrument measured at fair value through other comprehensive income	6(20)	-	-	-	-	(12,196)	-	12,196	-	-	-
Repurchase of treasury shares		-	-	-	-	-	-	-	-	(27,473)	(27,473)
Balance at March 31, 2025		\$ 3,303,104	\$ 563,275	\$ 825,257	\$ 155,470	\$ 731,257	\$ 790	(\$ 495,807)	(\$ 4,618)	(\$ 233,167)	\$ 4,845,561
<u>2026</u>											
Balance at January 1, 2026		\$ 3,301,360	\$ 560,569	\$ 825,257	\$ 58,176	\$ 256,526	(\$ 81,371)	(\$ 546,307)	(\$ 1,116)	(\$ 65,282)	\$ 4,307,812
Current net loss		-	-	-	-	(178,614)	-	-	-	-	(178,614)
Other comprehensive income for the year	6(20)	-	-	-	-	-	33,957	(32,589)	-	-	1,368
Total comprehensive income for the year		-	-	-	-	(178,614)	33,957	(32,589)	-	-	(177,246)
Revocation of restricted employee shares	6(15), (17), (18), (20)	(442)	(559)	-	-	-	-	-	1,001	-	-
Share-based payment expenses	6(15), (20)	-	-	-	-	-	-	-	(590)	-	(590)
Disposal of equity instrument measured at fair value through other comprehensive income	6(20)	-	-	-	-	(305,887)	-	305,887	-	-	-
Balance at March 31, 2026		\$ 3,300,918	\$ 560,010	\$ 825,257	\$ 58,176	(\$ 227,975)	(\$ 47,414)	(\$ 273,009)	(\$ 705)	(\$ 65,282)	\$ 4,129,976

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: NTD thousand

	Notes	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Cash flow from operating activities</u>			
Net profit (loss) before tax for the period		(\$ 176,900)	\$ 748,279
Adjustment items			
Income/expenses items			
Depreciation expenses	6(26)	46,585	33,773
Miscellaneous expenses – depreciation expenses	6(24)	3,497	4,035
Amortization expenses	6(26)	529	2,200
Expected credit impairment losses	12(2)	26,400	1,947
Net loss on financial liabilities measured at fair value through profit or loss.	6(12) (24)	26,447	21,759
Interest expenses	6(25)	4,904	2,319
Miscellaneous expenses – Interest expenses	6(24)	318	403
Interest revenue	6(22)	(6,204)	(7,135)
Share of profit or loss from affiliated companies under the equity method	6(6)	60	53
Gains on disposal of investment accounted for using equity method	6(24)	-	(707,714)
Loss on disposal of property, plant and equipment	6(24)	33	-
Share-based payment expenses	6(15) (27)	(590)	1,665
Lease modification profit	6(8), (24)	-	(232,533)
Changes of assets/liabilities related to operating activities			
Net changes of assets/liabilities related to operating activities			
Accounts receivable (including the related party)		203,329	113,431
Inventory		(22,278)	(368,426)
Other receivables		(18,797)	30,639
Other current assets		(12,236)	602
Net changes of liabilities related to operating activities			
Financial liabilities measured at fair value through profit or loss		(32,287)	(24,034)
Contract liabilities - current		9,409	(37,221)
Accounts payable (including the related party)		(196,945)	126,867
Other payables (including the related party)		(8,752)	75,320
Liability reserve		3,897	1,658
Other current liabilities		(4,386)	(46,950)
Cash outflow from operations		(153,967)	(259,063)
Returned (paid) income tax		2,050	(191)
Net cash outflow from operating activities		(151,917)	(259,254)

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: NTD thousand

	Notes	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at amortized cost		(\$ 28,511)	\$ -
Disposal of financial assets measured at amortized cost		-	99,061
Proceeds from disposal of financial assets measured at fair value through other comprehensive income		89,133	223,959
Proceeds from disposal of investment under equity method	6(6)	-	55,107
Acquisition of property, plant, and equipment	6(30)	(23,283)	(106,419)
Disposal of property, plant, and equipment proceeds		398	12,564
Decrease (increase) in refundable deposit		4,693	(314)
Increase in advance payments for equipment		-	(5,162)
Acquisition of intangible asset		-	(689)
Interest received		3,014	4,523
Net cash inflow from investing activities		45,444	282,630
<u>Cash flow from financing activities</u>			
Decrease in short-term loans		(24,085)	(67,210)
Repayment of lease principal	6(31)	(5,312)	(8,629)
Interest paid		(5,222)	(2,722)
Repurchase of treasury shares		-	(27,473)
Net cash outflow from financing activities		(34,619)	(106,034)
Foreign exchange rate effect		12,660	12,108
Decrease in cash and cash equivalents in the current period		(128,432)	(70,550)
Balance of cash and cash equivalents, beginning		897,033	1,204,915
Balance of cash and cash equivalents, ending		\$ 768,601	\$ 1,134,365

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Raoul Oyang

Finance & Accounting Officer: Chiu-Ju Chen

CyberTAN Technology Inc. and the subsidiaries
Notes to Consolidated Financial Statements
Q1 2026 and 2025

Unit: NTD thousand
(Unless otherwise specified)

1. Company History and Business Scope

CyberTAN Technology Inc. (hereinafter referred to as the “the Company”) was established in the Republic of China. The Company and its subsidiaries (hereinafter referred to as “the Group”) have primarily engaged in the manufacturing of wired communication mechanical equipment and electronic components, as well as the research, development, and sales of broadband Internet routers, gateways, virtual private networks, firewalls, Layer 3 and Layer 4 switches, wired broadband network security routers, and wireless broadband network security routers. The Company’s stock has been listed and traded on the Taiwan Stock Exchange since July 28, 2003.

2. Approval Date and Procedures of the Financial Statements

The consolidated financial report was released after being approved by the board of directors on May 14, 2026.

3. New Standards, Amendments, and Interpretations Adopted

(1) Effect of adopting the new promulgated or amended IFRS endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The following table sets forth the standards and interpretations of new releases, amendments, and amendments of the IFRSs applicable in 2026 that were approved and promulgated by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Amendments to IFRS 9 and IFRS 7 “Amendment to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

The Group evaluated that the above standards and interpretations have no significant impact on the financial status and business results of the Group.

(2) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

None.

(3) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

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

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date per 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 decided by IASB
IFRS 18 “Presentation and Disclosures of Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency.”	January 1, 2027

Note: In a press release dated September 25, 2025, the FSC announced that International Financial Reporting Standards (hereinafter referred to as “IFRS 18”) will be applicable to publicly listed companies from 2028 onwards. In addition, companies may elect to apply IFRS 18 early upon FSC approval.

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on its financial position and performance:

IFRS 18 “Presentation and Disclosures of Financial Statements”

IFRS 18 “Presentation and Disclosures of Financial Statements” replaces IAS 1 and updates the structure of the statement of comprehensive income. It adds the disclosure of management-defined performance measures and enhances the guidance on the organization and grouping of information in the primary financial statements and the notes.

4. Summary of Significant Accounting Policies

The major accounting policies applied to prepare the consolidated financial statements are as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(1) Compliance Statement

The consolidated financial report was 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.

(2) Basis of preparation

A. Except the following important items, the consolidated financial report was prepared based on the historical cost:

- (A) Financial assets and financial liabilities (including derivatives) measured at fair value through profit or loss
- (B) Financial assets measured at fair value through other comprehensive income based on fair value.
- (C) Defined benefit assets stated based on the net after pension fund assets less the present value of defined benefit obligations.

B. The preparation of financial statements in conformity with the IFRS Accounting Standards and Interpretations (hereinafter referred to as IFRSs), as endorsed and issued into effect by

the FSC, requires the use of significant accounting estimates. In applying the Group's accounting policies, management is also required to exercise judgment. Certain items involve a higher degree of judgment or complexity, or significant assumptions and estimates in the consolidated financial report. Please refer to Note 5 for further details.

(3) Basis of consolidation

A. Principle for the preparation of consolidated financial statements

- (A) The Group included all of the subsidiaries into the consolidated financial statements. Subsidiaries are entities, including structured entities, that are controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are included in the consolidated financial statements on the date when the Group acquires the controlling power, and the consolidation shall be suspended as of the date when the Group forfeits the controlling power.
- (B) Intra-group transactions, balances and unrealized gains and losses have been eliminated in full. Accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (C) Elements of the income and other comprehensive income shall be vested in parent company shareholders and non-controlling equity. The total comprehensive income shall be vested in parent company shareholders and non-controlling equity, even if the non-controlling equity suffers loss.
- (D) Where the changes in shareholdings of subsidiaries don't result in forfeiture of controlling power (transactions with non-controlling equity), they shall be processed as equity transactions, which are identified as the transactions with parent company shareholders. The price difference between the adjustment value of non-controlling equity and fair value of paid or collected consideration was directly recognized as equity.
- (E) When the Group forfeits control over its subsidiaries, its residual investment in the subsidiaries shall be remeasured based on fair value, and identified as the fair value of financial asset recognized initially or cost of the investment in affiliated companies or joint ventures recognized initially. The price difference between the fair value and book value is stated into current income. Where the accounting treatment for amounts previously recognized in other comprehensive income in relation to the subsidiary is the same as would be required if the related assets or liabilities were directly disposed of – i.e. if the gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss upon disposal of the related assets or liabilities – such amounts are reclassified from equity to profit or loss when the Group loses control of the subsidiary.

B. The subsidiaries covered within the consolidated financial report:

Name of investor	Name of subsidiary	Nature of business	Equity percentage			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	CyberTAN Corp(U.S.A)	Sales company	100%	100%	100%	(1)
"	Ta Tang Investment Co., Ltd.	General investment business	100%	100%	100%	
"	CyberTAN (B.V.I) Investment Corp.	"	100%	100%	100%	
"	SonicFi Inc.	Sales company	100%	100%	100%	(1)
CyberTAN (B.V.I) Investment Corp.	FU HAI Technology Company Limited	Manufacturing company	100%	100%	100%	
CyberTAN (B.V.I) Investment Corp.	HON YAO FU Technology Company Limited	Manufacturing company	100%	100%	100%	
CyberTAN (B.V.I) Investment Corp.	CyberTAN Technology (HONG KONG) Limited	General investment business	100%	100%	100%	(2)
CyberTAN Technology (HONG KONG) Limited	Fuhongkang Technology (Shenzhen) Co., Ltd.	Manufacturing company	100%	100%	100%	(2)
CyberTAN Technology (HONG KONG) Limited	Guangzhou Fuguang Communication Technology Co., Ltd.	R&D company	100%	100%	100%	(1)
Fuhongkang Technology (Shenzhen) Co., Ltd.	Chongqing Hongdaofu Technology Co., Ltd.	Manufacturing company	100%	100%	100%	(2)

(A) As they do not meet the definition of a material subsidiary, their financial statements as of March 31, 2026 and 2025 were not reviewed by CPAs.

(B) As they do not meet the definition of a material subsidiary, their financial statements as of March 31, 2026 were not reviewed by CPAs.

C. The subsidiaries that are not included in the consolidated financial statements: None.

D. Different adjustment and treatment by subsidiaries in the accounting period: None.

E. Significant restrictions: None.

F. Subsidiaries over which the Group holds important non-controlling equity: None.

(4) Translation of foreign currency

Each entity within the Group measures the items included in its financial statements using the currency of the primary economic environment in which the entity operates (i.e. its functional currency). The consolidated financial report was prepared in the Company's functional currency, "NTD."

A. Foreign currency transaction and balance

- (A) Foreign currency transaction converts the conversion difference generated by the transaction to functional currency adopting the spot exchange rate on the date of transactions or measurement date and recognizes the difference as current profit or loss.
- (B) The monetary assets and balance of liabilities in foreign currency are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by adjustment is recognized as current profit or loss.
- (C) For non-monetary assets and balance of liabilities in foreign currency, those measured at fair value through profit or loss are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by adjustment is recognized as current profit or loss; those measured at fair value through other comprehensive income are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by adjustment is recognized as other comprehensive income item; those not measured at fair value are measured at historical exchange rate on initial transaction date.
- (D) All exchange gain or loss is listed in “Other Profit and Loss” of profit and loss statement.

B. Translation of the foreign operation

- (A) For all Group’s entities, affiliated companies and joint agreements with differences in functional currency and presentation currency, the business result and financial status is converted to presentation currency by the following method:
 - (a) The assets and liabilities presented in each balance sheet were translated based on the exchange rates closed on every balance sheet date;
 - (b) The profits and losses presented in each statement of comprehensive income were translated in accordance with the average exchange rates in the current period; and
 - (c) All resulting exchange differences were recognized under other comprehensive income.
- (B) When the foreign operations partially disposed or sold are affiliated companies or under joint agreements, the exchange differences under other comprehensive income will be reclassified into the current profit or loss proportionately as part of the gains or losses on the sale. However, when the Group retains a portion of its interest in a former associate or joint arrangement but has lost significant influence over an associate within a foreign operation or joint control over a joint arrangement within a foreign operation, it is accounted for as a disposal of the entire interest in the foreign operation.

(5) Classification of assets and liabilities as current and non-current

A. Assets that match any of the following conditions shall be classified as current assets:

- (A) Assets expected to be realized, or intended to be sold or consumed, during the normal operating cycle.
- (B) Primarily for trading purposes.
- (C) Assets expected to be realized within 12 months after the reporting period.
- (D) Cash or cash equivalents, except for those that are restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all assets that do not meet the above criteria as non-current assets.

- B. Liabilities that meet any of the following conditions shall be classified as current liabilities:
- (A) Liabilities expected to be settled in the normal business cycle.
 - (B) Primarily for trading purposes.
 - (C) Liabilities expected to be settled within 12 months after the reporting period.
 - (D) Liabilities for which the entity does not have the right to defer settlement for at least twelve months after the end of the reporting period.

The Group classifies all liabilities that do not meet the above criteria as non-current liabilities.

(6) Cash equivalents

Cash equivalent includes short-term and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value. The time deposits that fall into the above definition and are intended to satisfy the short-term cash commitment shall be classified as cash equivalents.

(7) Financial assets measured at fair value through profit or loss

- A. This refers to financial assets not measured at amortized cost or measured at fair value through other comprehensive income.
- B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at fair value through profit or loss.
- C. It is initially recognized at fair value by the Group while the transaction cost is recognized in profit or loss upon incurred. Subsequent valuation is based on the fair value measurement and the resulting gain or loss is recognized as profit or loss.

(8) Financial assets measured at fair value through other comprehensive income

- A. This refers to irrevocable choice at initial recognition to recognize the later fair value change of the equity instrument investment held not for transaction in other comprehensive profit or loss; or at the same time the debt instrument investment meets the following conditions:
 - (A) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or to sell.
 - (B) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at fair value through other comprehensive income.
- C. It is initially recognized at fair value plus the transaction cost by the Group and the subsequent valuation is measured at fair value:
 - (A) The changes in fair value belonging to equity instrument investment is recognized as other comprehensive income. During derecognition, accumulated profit or loss previously recognized in other comprehensive income shall not be subsequently reclassified as profit or loss but classified as retained earnings. When the Group is entitled to collect dividends, the economic effect related to the dividend may inflow and the amount of revenue can be measured reliably. Therefore, the related dividend revenue shall be recognized as profit or loss.
 - (B) For debt instruments measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income. Impairment losses, interest income, and foreign exchange gains or losses recognized prior to derecognition are recognized in profit or loss. Upon derecognition, the cumulative

gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets measured at amortized cost

- A. This refers to those meeting the following conditions at the same time:
 - (A) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
 - (B) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at amortized cost.
- C. The Group measures financial assets at fair value plus transaction costs at initial recognition. Subsequently, interest income is recognized using the effective interest method over the period, and impairment losses are recognized. Upon derecognition, any gain or loss is recognized in profit or loss.
- D. The time deposit not complying with cash equivalents held by the Group is measured at investment amount since the impact of discounting was insignificant.

(10) Accounts receivable

- A. This refers to accounts from the rights to receive consideration without any condition due to commodity transfer or labor service based on contract agreement.
- B. This represents short-term non-interest-bearing accounts receivable. As the effect of discounting is immaterial, the Group measures them at the original invoice amount.

(11) Impairment of financial assets

For debt instrument investments measured at fair value through other comprehensive income, financial assets measured at amortized cost, and accounts receivable that comprise material financial components, the Group assesses the loss allowance based on 12-month expected credit losses for those without a significant increase in credit risk after initial recognition, after considering reasonable and supporting materials (including forward-looking information) on each balance sheet date. For those with a significant increase in credit risk after initial recognition, the loss allowance is measured based on the amount of expected credit losses over the duration. For accounts receivable that exclude material financial components, the loss allowance is measured at the amount of expected credit losses over the duration.

(12) Derecognition of the financial assets

When the Group's contractual rights to receive cash flows from a financial asset expire, the financial asset is derecognized.

(13) Lease transactions of lessor – operating lease

The lease income from operating a lease deducting any given incentives of the lessee is amortized and recognized as current profit or loss under straight-line method over the lease period.

(14) Inventory

Inventories are measured at the lower of cost or net realizable value while the cost is determined by weighted average method. The cost of finished product and goods in process includes material, direct manpower, other direct costs and manufacturing expenses related to production

(amortized based on normal productivity) without loan cost. The item-by-item comparison method is adopted when comparing the cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost of sales balance.

(15) Investments accounted for using the equity method – affiliated companies

- A. The affiliated companies refer to the entity in which the Group has a significant impact and often holds more than 20% of voting shares directly or indirectly. The investment of the Group in the affiliated companies adopts the equity method for disposal and is recognized based on cost upon acquisition.
- B. The shares in profit or loss acquired from affiliated companies by the Group was recognized as current profit or loss and shares of other comprehensive income was recognized as other comprehensive income. In the event that the Group's shares of loss in the affiliated companies are equal to or exceed its equity in the affiliated companies (including other unsecured receivables), the Group does not recognize further losses, unless in the event of the occurrence of legal obligations, presumed obligations, or within the scope that the Group made payment on behalf of the affiliated companies.
- C. When changes to equity irrespective of profit and loss or comprehensive income occur to affiliated companies with no impact on the shareholding ratio of the Group, all of changes in equity will be recognized as "capital reserves" based on shareholding ratio by the Group.
- D. The unrealized profit or loss deriving from the transactions between the Group and the affiliated companies were written off based on the equity ratio of the affiliated companies; the unrealized loss was written off unless the evidence displayed the impairment of transferred assets in such transaction. Accounting policies of the affiliated companies have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. If the Group fails to subscribe or acquire new shares in proportion to the issuance of new shares by the affiliated enterprise, resulting in a change in the proportion of investment but still a material influence on the affiliate, the increase or decrease in the change in the net value of the equity will be the adjustment of the "capital reserves" and "investments under the equity method." If the investment ratio decreases as a result, in addition to the above-mentioned adjustment, the profit or loss recognized under other comprehensive income related to the decrease in ownership interest must be reclassified to profit or loss, in proportion to the decrease, if any.
- F. When the Group lost significant influence over an associate, its residual investment in the former associate was remeasured at fair value. The difference between the fair value and the book value has been recognized as part of the profit or loss for the current period.
- G. When the Group disposes of an associate and loses significant influence over it, amounts previously recognized in other comprehensive income in relation to that associate are accounted for on the same basis as would be required if the related assets or liabilities were directly disposed of, i.e. if such gains or losses would be reclassified to profit or loss upon disposal of the related assets or liabilities, they are reclassified from equity to profit or loss when the Group loses significant influence over the associate. Provided that where it still has material influence over the affiliated companies, the amount previously recognized in other comprehensive income is transferred according to the method stated above based on the proportion.

- H. When the Group disposes of an affiliate, the capital surplus of the affiliate is transferred to profit or loss if the Group loses significant influence over the affiliate. If there is still significant influence, profit or loss shall be transferred in proportion to the disposal.

(16) Property, plant and equipment

- A. Property, plant and equipment is accounted at acquisition cost at initiation and the relevant interest is capitalized during the purchase and construction period.
- B. The subsequent cost is included in the book value of assets or recognized as single asset only when future economic benefits related to such item will probable inflow to the Group and the cost of such item can be measured reliably. The book value of the replaced part shall be derecognized. All other repair expenses are recognized as profit or loss upon occurring.
- C. Except for land, which is not depreciated, the subsequent measurement of property, plant, and equipment adopts the cost model, and the depreciation is calculated over the estimated useful lives in accordance with the straight-line method. Property, plant and equipment are depreciated for each and every major part individually.
- D. The Group reviews the residual value, useful life, and depreciation method of each asset at the end of each financial year. If expectations differ from previous estimates, or if there is a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, such changes are accounted for as changes in accounting estimates in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” and are applied prospectively from the date of change. The useful life of each asset is as follows:

House and buildings (The useful life of interior construction is 3~10 years)	3–41 years
Machinery and equipment	3–10 years
Transportation equipment	5 years
Office equipment	2–10 years
Other equipment	2–5 years

(17) Lease transactions of lessee – right-of-use assets/lease liabilities

- A. The lease asset is recognized as right-of-use assets and lease liabilities upon the date available for use by the Group. When the lease contract is a short-term lease or a low-valued underlying asset lease, the lease payment is recognized as expenses on a straight-line method within the lease period.
- B. The unpaid lease payment is recognized as lease liability based on present value discounted at the Group’s incremental borrowing rate of interest on the start date of the lease. The lease payment consists of a fixed payment deducting any received lease incentives.
- C. Subsequently, it is measured at the amortized cost under the interest method, and the interest expenses are recognized during the lease period. When changes in lease term or lease payment are not caused by contract modification, lease liabilities will be reevaluated, and the remeasurement will be used to adjust right-of-use assets.
- D. The right-of-use assets are recognized based on the cost on the starting date of the lease, the cost includes:
- (A) The original measured amount of lease liability;
 - (B) Any lease payment paid before or on the starting date; and
 - (C) Initial direct costs incurred.

Subsequently, the right-of-use assets are measured using the cost model, with depreciation recognized over the shorter of the asset's useful life or the lease term. When the lease liabilities are reassessed, the right-of-use assets will adjust any remeasurement of the lease liabilities.

- E. For the lease modification regarding the decrease in scope of the lease, the lessee will decrease the book amount of right-of-use assets to reflect partial or overall termination of the lease and will recognize the difference between it and the remeasurement amount of lease liabilities as profit or loss. For all other lease modifications, the remeasured amount of lease liabilities shall be adjusted to the right-of-use assets accordingly.

(18) Intangible assets

Computer software is recognized by acquisition cost and is amortized under the straight-line method based on 1–3 years of useful life.

(19) Impairment of non-financial assets

The Group will estimate the recoverable amount of the assets which show signs of impairment on the balance sheet date, and an impairment loss will be recognized if the recoverable amount falls below the asset's carrying amount. The recoverable amount is the fair value of an asset less the disposition cost or the use value, whichever is higher. Impairment loss recognized in previous years on assets may be reversed if the basis of impairment no longer exists or is reduced. Notwithstanding, the increase in book value of the asset resulting from the reversal must not exceed the face value of the asset less depreciation or amortization without impairment.

(20) Loans

This refers to short-term amounts borrowed from the bank. At initial recognition, the Group measures financial liabilities at fair value less transaction costs. Subsequently, any difference between the amount received, net of transaction costs, and the redemption value is amortized using the effective interest method over the term of the instrument and recognized as interest expense in profit or loss.

(21) Accounts payable

- A. This means debt generated from the purchase of materials, commodities or labor services on credit, and accounts payable due to business and non-business reasons.
- B. This represents short-term non-interest-bearing accounts payable. As the effect of discounting is immaterial, the Group measures them at the original invoice amount.

(22) Financial liabilities measured at fair value through profit or loss

- A. Refers to financial liabilities held for trading with the main purpose of repurchasing them in the near future, and derivative financial instruments that are not designated as hedging instruments by hedge accounting. When a financial liability meets one of the following conditions, the Group designates it to be measured at fair value through profit or loss at the time of initial recognition:
 - (A) It is a hybrid (combined) contract; or
 - (B) The measurement or recognition inconsistency can be eliminated or significantly reduced; or
 - (C) It is a tool for managing and evaluating its performance on a fair value basis in accordance with documented risk management policies.

B. It is initially recognized at fair value by the Group while the transaction cost is recognized in profit or loss upon incurred. Subsequent valuation is based on the fair value measurement and the resulting gain or loss is recognized as profit or loss.

(23) Derecognition of the financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are extinguished, canceled, or expire.

(24) Offsetting of financial assets and liabilities

The financial assets and liabilities may be offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts of the financial assets and liabilities and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(25) Liability reserve

The reserve for warranty liabilities shall be recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The reserve for liabilities is measured by the best estimated present value paid to settle the obligation on the balance sheet date. The discount rate adopts the pre-tax discount rate that reflects the specific risk assessment of the current market toward the time value of money and the liabilities. The discounted amortization is then recognized as interest expenses. The future operating loss shall not be recognized in the reserve for liabilities.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at non-discounted amount expected to be paid, and stated as expenses when the relevant services are provided.

B. Pension

(A) Defined contribution plan

Under the defined contribution plan, every contribution made to the pension fund is recognized as pension cost in the period occurred using the accrual basis. The prepaid contribution may be stated as assets, insofar as it may be refunded in cash or the future payment is reduced.

(B) Defined benefit plan

(a) The net obligation under the defined benefit pension plan is converted to the present value based on the future benefit earned from the services provided by the employees under various benefit plans in the current period or in the past, and the present value of defined benefit obligations on the balance sheet date less the fair value of the planned assets. An actuary uses the Projected Unit Credit Method to estimate defined benefit obligations each year. The discount rate is based on the market yield rate of government bonds (on the balance sheet date) that have the same currency exposure and maturity date as the obligations on the balance sheet date.

(b) The rereasurement generated from the defined benefit plan is stated as other comprehensive income in the period when it is incurred, and presented in the

retained earnings.

- (c) Expenses related to the service cost in the previous period are immediately recognized in profit or loss.
- (d) The pension cost for the interim period was calculated using the actuarially determined pension cost rate at the end of the previous fiscal year, applied to the period from the beginning of the year through the current period end. If significant market changes and major reductions, settlements, or other major one-time events occur after the end date, adjustments will be made, and the relevant information will be disclosed in accordance with the aforementioned policies.

C. Severance benefits

Severance benefits are provided to employees upon termination of employment prior to the normal retirement date or when an employee accepts the Company's offer of benefits in exchange for termination of employment. The Group recognizes severance benefits as expenses when the offer of benefits can no longer be withdrawn, or the related reorganization costs are recognized, whichever occurs earlier. Benefits that are not expected to be settled in full within 12 months of the balance sheet date should be discounted.

D. Remuneration to employees and directors

The remuneration to employees and directors/supervisors shall be recognized as expenses and liabilities only when legal or constructive obligations and the value thereof may be estimated reasonably. Subsequently, if the actual distributed amount resolved is different from the estimate, the difference shall be treated as a change in the accounting estimate. If employee remuneration is settled in shares, the basis for calculating the number of shares shall be the closing price on the day prior to the Board of Directors' resolution.

(27) Share-based payments to employees

New restricted employee shares:

- A. Remuneration costs are recognized over the vesting period on the basis of the fair value of the equity instrument given on the grant date.
- B. If the right to participate in the distribution of dividends is not restricted, and employees do not need to return the dividends they have received if they resign during the vested period, then, on the date of dividend declaration, the portion of dividends allocated to employees who are expected to resign during the vested period is recognized as a remuneration cost based on the fair value of the dividends.

(28) Income Tax

- A. The income tax expenses consist of current income tax and deferred income tax. The income tax is recognized in the profit or loss except the income taxes relevant to the items which are recognized under other comprehensive income or directly counted into the items of equity, is recognized under other comprehensive income or directly counted into equity respectively.
- B. The Group calculates the income tax related to the current period based on the statutory tax rate or tax rate substantially enacted in the countries where the Company is operating and generating taxable income on the balance sheet date. Management regularly assesses income tax filings in accordance with applicable income tax laws and, where appropriate, recognizes income tax liabilities based on the estimated amounts expected to be paid to the

tax authorities. Income tax on undistributed earnings is imposed under the Income Tax Act. Such income tax is recognized in the year following the year in which the earnings are generated, and only after the shareholders' meeting approves the earnings distribution, based on the actual distribution of earnings.

- C. Deferred tax is stated based on the temporary differences between taxation basis for assets and liabilities and the face value thereof on the consolidated balance sheet using the balance sheet method. Deferred tax liabilities arising from the initial recognition of goodwill are not recognized. Deferred income tax arising from the initial recognition of an asset or liability in a transaction (other than a business combination) is not recognized if, at the time of the transaction, it affects neither accounting profit nor taxable income (tax loss) and does not give rise to equal taxable and deductible temporary differences. If temporary differences arise from investments in subsidiaries and affiliates, and the Group can control the timing of the reversal of those temporary differences, and it is highly probable that they will not reverse in the foreseeable future, then no deferred tax liabilities are recognized. Deferred income tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and that are expected to apply when the related deferred tax assets are realized or deferred tax liabilities are settled.
- D. Deferred income tax assets shall be recognized insofar as the temporary difference is very likely to be credited against future taxable income, and deferred income tax assets which are recognized and unrecognized shall be reevaluated on each balance sheet date.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. Unused tax credits arising from the purchase of equipment or technology, research and development expenditures, and equity investments are recognized as deferred tax assets, to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized.
- G. The income tax expense for the interim period is calculated by applying the estimated annual effective tax rate to the interim period's profit or loss before tax. Relevant information is disclosed in accordance with the above policies.
- H. When a tax rate change occurs during an interim period, the Group recognizes the effect of the change in the period in which it occurs. For income tax related to items recognized outside of profit or loss, the effect of the change is recognized in other comprehensive income or in equity. If the income tax is related to items recognized in profit or loss, the effect of the change is recognized in profit or loss.

(29) Capital stock

- A. Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or stock options are recognized in equity as a deduction from the proceeds, net of income tax.
- B. When the Company repurchases outstanding shares, the consideration paid, including any directly attributable incremental cost, shall be recognized as a deduction of shareholder equity after tax. When the repurchased shares are subsequently reissued, the difference

between the consideration received, net of any directly attributable incremental costs, and the effect of income tax and the carrying amount is recognized as an adjustment to shareholder equity.

(30) Allocation of dividends

The dividends allocated to the Company's shareholders are recognized in the financial report upon allocation of dividends resolved by the shareholders' meeting or resolved specially by the board of directors of the Company. The distributed cash dividend is recognized as a liability, and the distributed stock dividend is recognized as a stock dividend to be distributed and reclassified as common shares on the date of new share issuance.

(31) Recognition of revenue

A. Sale of goods

- (A) The Group researches and develops, manufactures and sells products related to wire communication and wireless broadband network. The sales revenue is recognized upon the transfer of product control to the customer, i.e. the timing when the product is delivered to the buyer, the buyer has the discretionary power regarding the selling channels and prices of product and the Group has no unfulfilled contract obligations that may affect the reception of such product by the buyer. When the product is delivered to the specified location, the risk of obsolescence and loss is transferred to the buyer and the buyer accepts the product based on the sales contract or there is objective evidence indicating all acceptance standards have been met, the commodity delivery is thus completed.
- (B) The sales revenue of communication products is recognized by the net amount of contract price deducting estimated sales discount. Sales discounts granted to customers are generally calculated based on cumulative sales volume over a 12-month period. The Group estimates sales discounts using the expected value method based on historical experience. Revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur in the future. Estimates are updated at each balance sheet date. As of the balance sheet date, the estimated sales discount payable to the customer related to the sales is recognized as refund liabilities. The collection conditions of trading are agreed upon based on the general business trading model.
- (C) The Group provides a standard warranty for products sold and has a responsibility to provide refunds for defective products, which is recognized in reserve for liabilities upon sales.
- (D) The accounts receivable is recognized upon the delivery of product to the customer because the Group has unconditional rights to contract proceeds from that time and can collect consideration from the customer after that time.

B. Technical service revenue

- (A) The Group's revenue is from providing technical services for design and development. Labor service income is recognized as revenue during the reporting period in which the services are provided to the customer. Revenue for fixed-price contracts is recognized based on the proportion of services actually provided to date as of the balance sheet date to the total services to be provided. The percentage of completion of services is determined based on the ratio of actual labor hours worked to the estimated total labor hours cost. The customer pays the contract proceeds in accordance with the agreed payment schedule. A contract asset is recognized when the services provided by the Group exceed the amount payable by the customer, and

a contract liability is recognized when the customer's payment exceeds the services provided by the Group.

- (B) The Group adjusts its estimates of revenue, cost, and percentage of completion as circumstances change. Any changes in estimated income, cost increases, or decreases resulting from revisions to estimates are reflected in profit or loss during the period management becomes aware of the circumstances leading to the revision.

C. Cost of acquiring customer contract

The Group expected to recover the additional cost generated from the acquisition of customer contract. However, the related contract term is less than one year so such cost shall be recognized in expenses when incurred.

(32) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the entity will comply with the conditions attached to the grant and that the grant will be received. If the government subsidies, in nature, are intended to compensate for expenses incurred by the Group, the government subsidies shall be stated as current income on a systematic basis when the related expenses are incurred.

(33) Business segment

The Group's business segment information adopts the same reporting method as the internal management report provided for the main operating decision-maker. The main operating decision-maker is responsible for distributing resources to the business segment and evaluating their performance. The main operating decision-maker of the Group is identified to be the board of directors.

5. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

When preparing the consolidated financial report of the Group, the management decided on the adopted accounting policy by their judgment and made accounting estimates and assumptions based on the reasonable expectation toward future events subject to current circumstances on the balance sheet date. The actual results might be different from the major accounting estimates and assumptions, so the historical experience and other factors will be considered for constant evaluation and adjustment. These estimates and assumptions involve a risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year. The following are the description of uncertainty to significant accounting judgments, estimates and assumptions:

(1) Significant judgments on choice of accounting policy

None.

(2) Accounting estimates and assumptions

Valuation of inventory

Inventory shall be evaluated on the basis of the lower of the cost and net realizable value. As a result, the Group must make judgments and estimates to determine the net realizable value of the inventory on the balance sheet date. Due to rapid technological changes, the Group assesses inventories for normal loss, obsolescence, or items with no marketability at the balance sheet date, and writes down the cost of inventories to net realizable value. The valuation of inventory is mainly estimated according to the product demand within a certain period in the future, therefore significant changes may occur.

As of March 31 2026, the book value of the Group's inventory was NTD 1,190,763.

6. Description of Significant Accounting Items

(1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand and working fund	\$ 708	\$ 685	\$ 586
Current deposit	455,308	768,317	690,679
Time deposit	202,521	128,031	182,926
Cash equivalents – repurchase bonds	110,064	-	260,174
Total	<u>\$ 768,601</u>	<u>\$ 897,033</u>	<u>\$ 1,134,365</u>

A. The financial institutions trading with the Group are reputable banks and the Group trades with various financial institutions to spread the credit risk. Thus, the possibility of expected default is low.

B. The Group has reclassified time deposits with original maturities over three months and those with restricted use under “Financial assets measured at amortized cost.” Please refer to the description in Note 6(3).

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

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
Equity instruments			
TWSE/TPEX listed stocks	\$ 322,275	\$ 717,688	\$ 736,568
Unlisted, OTC (TPEX), and emerging stocks	103,462	102,670	76,294
Valuation adjustment	(293,443)	(566,137)	(505,489)
Total	<u>\$ 132,294</u>	<u>\$ 254,221</u>	<u>\$ 307,373</u>

A. The Group elected to classify equity instrument investments belonging to strategic investment as financial assets at fair value through other comprehensive income. The fair value of these investments as of March 31, 2026, December 31, 2025 and March 31, 2025 was NTD 132,294, NTD 254,221 and NTD 307,373, respectively.

- B. The details of financial assets measured at FVOCI recognized in comprehensive income are as follows:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
<u>Equity instrument</u> <u>measured at fair value</u> <u>through other</u> <u>comprehensive income</u>		
Fair value changes recognized in other comprehensive income	(\$ 33,191)	(\$ 482,029)
Accumulated gains or losses reclassified to retained earnings upon derecognition	(\$ 305,887)	(\$ 12,196)

- C. In January 2025, the Group recognized the financial assets measured at fair value through other comprehensive income due to the loss of significant influence over some of the investments accounted for using the equity method. Please refer to the descriptions in Note 6(6) for details.

- D. For information related to financial assets measured at fair value through other comprehensive income, please refer to Note 12, (3).

(3) Financial assets measured at amortized cost

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Time deposits with original maturity of more than three months	\$ 389,068	\$ 360,557	\$ 177,977
Non-current items:			
Ordinary corporate bonds	\$ 290,000	\$ 290,000	\$ 290,000
Pledged time deposit	22,529	22,529	22,528
Total	<u>\$ 312,529</u>	<u>\$ 312,529</u>	<u>\$ 312,528</u>

- A. Without taking into account any collateral held or other credit enhancements, the maximum credit risk exposure of the Group's financial assets measured at amortized cost as of March 31, 2026, December 31, 2025, and March 31, 2025 is represented by their carrying amounts.
- B. For pledged financial assets measured at amortized cost by the Group, please refer to Note 8.
- C. The Group's investments in time deposits and ordinary corporate bonds are with financial institutions of good credit quality with a very low likelihood of default expected.

(4) Accounts receivable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable	\$ 586,513	\$ 923,615	\$ 589,325
Accounts receivable – the related party	475,395	341,621	309,277
Less: Allowance for expected credit losses	<u>(21,832)</u>	<u>(14,115)</u>	<u>(13,308)</u>
	<u>\$ 1,040,076</u>	<u>\$ 1,251,121</u>	<u>\$ 885,294</u>

- A. For aging analysis of accounts receivable (including the related party), please refer to Note 12(2).
- B. The balances of accounts receivable (including related parties) as of March 31, 2026, December 31, 2025, and March 31, 2025 all arose from customer contracts. In addition, the balance of accounts receivable from customer contracts as of January 1, 2025 was NT\$1,000,672.
- C. The accounts receivable (including the related party) of the Group does not include collaterals.
- D. Without taking into account any collateral held or other credit enhancements, the maximum credit risk exposure of the Group's accounts receivable as of March 31, 2026, December 31, 2025, and March 31, 2025 is represented by their carrying amounts.
- E. Please refer to Note 12(2) for details on the credit risk of accounts receivable.

(5) Inventory

	<u>March 31, 2026</u>		
	<u>Costs</u>	<u>Allowance for valuation loss</u>	<u>Book amount</u>
Materials	\$ 912,466	(\$ 80,079)	\$ 832,387
Goods in process and semi-finished goods	146,537	(472)	146,065
Finished products	176,460	(2,606)	173,854
Inventory in transit	<u>38,457</u>	<u>-</u>	<u>38,457</u>
Total	<u>\$ 1,273,920</u>	<u>(\$ 83,157)</u>	<u>\$ 1,190,763</u>
	<u>December 31, 2025</u>		
	<u>Costs</u>	<u>Allowance for valuation loss</u>	<u>Book amount</u>
Materials	\$ 813,862	(\$ 86,783)	\$ 727,079
Goods in process and semi-finished goods	103,081	(2,868)	100,213
Finished products	120,315	(21,034)	99,281
Inventory in transit	<u>241,912</u>	<u>-</u>	<u>241,912</u>
Total	<u>\$ 1,279,170</u>	<u>(\$ 110,685)</u>	<u>\$ 1,168,485</u>

	March 31, 2025		
	Costs	Allowance for valuation loss	Book amount
Materials	\$ 976,423	(\$ 100,839)	\$ 875,584
Goods in process and semi-finished goods	101,716	(8,115)	93,601
Finished products	215,063	(8,418)	206,645
Inventory in transit	12,807	-	12,807
Total	<u>\$ 1,306,009</u>	<u>(\$ 117,372)</u>	<u>\$ 1,188,637</u>

The inventory cost recognized in expenses in current period by the Group:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Cost of sold inventory	\$ 1,110,974	\$ 721,030
Idle production capacity	16,847	42,148
(Reversal of impairment gain) valuation loss	<u>(27,528)</u>	<u>15,878</u>
	<u>\$ 1,100,293</u>	<u>\$ 779,056</u>

For the three months ended March 31, 2026, the Group saw a rise in profits due to inventory liquidation gains.

(6) Investment at equity method

	2026	2025
January 1	\$ 27,865	\$ 374,582
Disposal of investments accounted for using the equity method	-	(342,877)
Share in profit or loss of affiliated companies under equity method	(60)	(53)
Share of other comprehensive income from affiliated companies under the equity method	<u>602</u>	<u>(4,382)</u>
March 31	<u>\$ 28,407</u>	<u>\$ 27,270</u>

	March 31, 2026	December 31, 2025	March 31, 2025
Affiliated companies:			
Mega Power Ventures Inc.	<u>\$ 28,407</u>	<u>\$ 27,865</u>	<u>\$ 27,270</u>

A. From January 1 to January 9, 2025, the Group disposed of 1,473 thousand shares of its associate, Microelectronics Technology, Inc., for total consideration of NTD 55,107. A gain of NTD 38,991 on the disposal of an investment accounted for using the equity method was recognized, thereby decreasing its ownership interest from 11.22% to 10.63%.

B. The Group was originally the largest single shareholder of Microelectronics Technology. However, due to the transfer of more than half of the shares held at the time of board appointment, the Group was legally and automatically disqualified from its board position.

As a result, the Group lost significant influence over Microelectronics Technology on January 9, 2025. On that date, the Group derecognized the carrying amount of the investment previously accounted for using the equity method, reclassified it as a financial asset at fair value through other comprehensive income based on its fair value, and recognized a gain on the disposal of the investment in the amount of NTD 668,723 for the difference.

(7) Property, plant and equipment

	House and buildings	Machinery and equipment	Others	Unfinished construction and equipment to be inspected	Total
January 1, 2026					
Costs	\$ 1,892,224	\$ 502,879	\$ 157,587	\$ 900	\$ 2,553,590
Accumulated depreciation	(421,544)	(128,873)	(117,049)	-	(667,466)
	<u>\$ 1,470,680</u>	<u>\$ 374,006</u>	<u>\$ 40,538</u>	<u>\$ 900</u>	<u>\$ 1,886,124</u>
<u>2026</u>					
January 1	\$ 1,470,680	\$ 374,006	\$ 40,538	\$ 900	\$ 1,886,124
Increase	1,501	2,852	17,352	-	21,705
Disposal (cost)	-	(615)	(732)	-	(1,347)
Disposal (accumulated depreciation)	-	184	732	-	916
Depreciation expenses	(12,079)	(18,805)	(13,001)	-	(43,885)
Net exchange differences	17,640	6,228	164	-	24,032
March 31	<u>\$ 1,477,742</u>	<u>\$ 363,850</u>	<u>\$ 45,053</u>	<u>\$ 900</u>	<u>\$ 1,887,545</u>
March 31, 2026					
Costs	\$ 1,911,762	\$ 512,118	\$ 174,536	\$ 900	\$ 2,599,316
Accumulated depreciation	(434,020)	(148,268)	(129,483)	-	(711,771)
	<u>\$ 1,477,742</u>	<u>\$ 363,850</u>	<u>\$ 45,053</u>	<u>\$ 900</u>	<u>\$ 1,887,545</u>

	House and buildings	Machinery and equipment	Others	Unfinished construction and equipment to be inspected	Total
January 1, 2025					
Costs	\$ 884,948	\$ 425,179	\$ 252,184	\$ 909,026	\$ 2,471,337
Accumulated depreciation	(385,805)	(248,067)	(137,502)	-	(771,374)
	<u>\$ 499,143</u>	<u>\$ 177,112</u>	<u>\$ 114,682</u>	<u>\$ 909,026</u>	<u>\$ 1,699,963</u>
<u>2025</u>					
January 1	\$ 499,143	\$ 177,112	\$ 114,682	\$ 909,026	\$ 1,699,963
Increase	-	6,560	5,479	55,645	67,684
Disposal (cost)	-	(37,349)	(663)	-	(38,012)
Disposal (accumulated depreciation)	-	24,786	662	-	25,448
Depreciation expenses	(5,919)	(17,840)	(4,702)	-	(28,461)
Reclassificati on (cost)	-	3,644	-	(3,644)	-
Net exchange differences	-	23,839	6,378	11,615	41,832
March 31	<u>\$ 493,224</u>	<u>\$ 180,752</u>	<u>\$ 121,836</u>	<u>\$ 972,642</u>	<u>\$ 1,768,454</u>
March 31, 2025					
Costs	\$ 884,948	\$ 447,248	\$ 269,290	\$ 972,642	\$ 2,574,128
Accumulated depreciation	(391,724)	(266,496)	(147,454)	-	(805,674)
	<u>\$ 493,224</u>	<u>\$ 180,752</u>	<u>\$ 121,836</u>	<u>\$ 972,642</u>	<u>\$ 1,768,454</u>

The property, plant, and equipment of the Group were not provided as collateral or capitalized interest.

(8) Lease transactions – Lessee

- A. The underlying assets leased by the Group include land, buildings, and transportation equipment. The term of lease contract is usually 3 to 43 years. The lease contract employs individual negotiation and includes various terms and conditions. Besides the fact that the rented assets shall not be used as loan guarantees, there are no other restrictions.
- B. The lease terms of parking spaces rented by the Group are less than 12 months, and the underlying leased assets of low value are water dispensers and photocopiers.

- C. The following information is the book value and recognized depreciation expenses of right-of-use assets:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Book amount</u>	<u>Book amount</u>	<u>Book amount</u>
Land	\$ 293,792	\$ 312,096	\$ 314,550
House	2,790	3,417	48,105
Transportation equipment	1,809	2,183	599
	<u>\$ 298,391</u>	<u>\$ 317,696</u>	<u>\$ 363,254</u>

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Land	\$ 5,116	\$ 5,149
House	707	3,828
Transportation equipment	374	370
	<u>\$ 6,197</u>	<u>\$ 9,347</u>

- D. For the three months ended March 31, 2026 and 2025, the Group's right-of-use assets increased by NTD 0 and NTD 601, respectively.

- E. The following is information regarding the profit or loss items related to lease contracts:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
<u>Item influencing current profit or loss</u>		
Interest expenses of lease liabilities	\$ 971	\$ 1,252
Expenses for short-term lease contracts	-	461
Expenses for lease of low-price assets	50	70
Lease modification profit	-	232,533

In 2025, due to the early termination of the lease contract through a supplemental agreement for plant and office usage rights, the Group recognized a gain on lease modification in the amount of \$232,533. Please refer to Note 6(24) for details.

- F. The Group's total cash outflow of lease for the three months ended March 31, 2026 and 2025 were NTD 6,333 and NTD 10,412, respectively.

(9) Lease transactions – Lessor

- A. The underlying assets leased by the Group is the building and the term of lease contract is usually 1 to 20 years. The lease contract adopts individual negotiation and includes various different terms and conditions. To ensure the use condition of the leased assets, it is often required that the lessee shall not use the leased assets for loan guarantee.

- B. The Group recognized rent revenue of NTD 15,140 and NTD 15,315 based on operating lease contracts for the three months ended March 31, 2026 and 2025, respectively. None of the rent revenue was attributable to variable lease payments.
- C. The maturity analysis of lease payments based on operating lease of the Group is as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Not more than 1 year	\$ 21,260	\$ 33,755	\$ 62,799
2 to 5 years	19,929	22,835	17,015
More than 5 years	714	743	729
Total	<u>\$ 41,903</u>	<u>\$ 57,333</u>	<u>\$ 80,543</u>

(10) Other non-current assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Offset against business tax payable	\$ 133,979	\$ 133,979	\$ 148,980
Net defined benefit assets	63,972	63,972	56,652
Advance payments for equipment	-	-	5,162
Refundable deposits	2,752	7,445	4,978
Total	<u>\$ 200,703</u>	<u>\$ 205,396</u>	<u>\$ 215,772</u>

(11) Short-term loans

<u>Nature of loan</u>	<u>March 31, 2026</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	<u>\$ 415,935</u>	3.90%	None
<u>Nature of loan</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	<u>\$ 440,020</u>	3.9%~4.1%	None
<u>Nature of loan</u>	<u>March 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	<u>\$ 27,329</u>	5.15%	None

(12) Financial liabilities measured at fair value through profit or loss

<u>Liabilities</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Cross-currency	<u>\$ 40,137</u>	<u>\$ 45,977</u>	<u>\$ 17,268</u>

swap

- (A) Details of financial liabilities measured at fair value through profit or loss recognized in profit or loss are as follows:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Recognized in profit or loss:		
Financial liabilities mandatorily measured at fair value through profit or loss		
Cross-currency swap	(\$ 26,447)	(\$ 21,759)

- (B) The information on transactions and contracts of derivative financial liabilities for which hedge accounting is not applied by the Group is as follows:

	<u>March 31, 2026</u>		
	Contract amount		
Derivative financial liabilities	(Notional principal) (thousands)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	1,471,714	2025.10.14–2026.09.24
	USD(SELL)	47,000	2025.10.14–2026.09.24
			<u>December 31, 2025</u>

	Contract amount		
Derivative financial liabilities	(Notional principal) (thousands)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	1,436,780	2025.08.19–2026.06.16
	USD(SELL)	47,000	2025.08.19–2026.06.16

	<u>March 31, 2025</u>		
	Contract amount		
Derivative financial liabilities	(Notional principal) (thousands)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	1,349,668	2025.01.09–2025.06.24
	USD(SELL)	41,000	2025.01.09–2025.06.24

Cross-currency swap contracts

The cross-currency swap contracts entered into by the Group are to meet the needs of capital allocation. In terms of foreign currency exchange, the principal of the two currencies is swapped at the same exchange rate at the beginning and the end of the period,

so there is no exchange rate risk. In terms of interest rate swap, the fixed interest rate between the two currencies is exchanged with a fixed interest rate, and there is no interest rate fluctuation risk.

- (C) See Note 12(3) for the fair value information of financial assets measured at fair value through profit or loss.

(13) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and bonuses payable	\$ 75,349	\$ 84,298	\$ 68,400
Payables for discount	79,210	77,811	90,017
Employee bonus payable	29,159	29,159	70,982
Collections payable	26,457	26,124	48,969
Payables for equipment	49,101	50,679	42,499
Other fees payable	63,063	64,226	72,345
	<u>\$ 322,339</u>	<u>\$ 332,297</u>	<u>\$ 393,212</u>

(14) Pension

- A. (A) The Company has established the regulation for retirement with welfare in accordance with the “Labor Standards Act,” which is applicable to the years of service for full-time employees before the implementation of the “Labor Pension Act” on July 1, 2005, and the employees continued to adopt the “Labor Standards Act” after the “Labor Pension Act” came into effect. Employees who meet the retirement requirements will receive a pension based on their years of service and the average salary or wage from the six (6) months prior to retirement. Two units are accrued for each year of service for the first 15 years, and one unit is accrued for each additional year thereafter, up to a maximum of 45 units. The Company contributes 2% of total payroll on a monthly basis to the labor pension reserve fund and deposits it into a designated account under the name of the Supervisory Committee of Labor Pension Reserve at the Bank of Taiwan. Before the end of the fiscal year, the Company calculates the balance of the said labor pension fund account. If the pension account balance is insufficient to pay for the pension of employees expecting to meet the retirement conditions in the following year, the spread amount shall be deposited by the Company in a lump sum before the end of March in the following year.
- (B) In January 2026, the Science Park Administration approved the Company to suspend the appropriation of the labor pension reserve.
- (C) The Company is scheduled to contribute NTD 0 to the pension plan in 2026.
- B. (A) As of July 1, 2005, the Company and its domestic subsidiaries instituted the defined contribution pension plan according to the Labor Pension Act applicable to employees who are nationals of the country where the Company operates. For employees who have elected to participate in the pension system under the Labor Pension Act, the Company and its domestic subsidiaries contribute 6% of the employees’ monthly salary to their individual pension accounts maintained by the Bureau of Labor Insurance. Pension benefits are paid out based on the balance of the personal pension account, including accumulated returns, and may be received either as monthly payments or as a lump sum.
- (B) The subsidiaries in China and Vietnam make monthly contributions to the endowment

insurance based on a certain percentage of the local employees' total salary in accordance with the endowment insurance system stipulated by the local government and deposit them in a dedicated employee account. Employee pensions are arranged by the government. Except for the contribution of funds on a monthly basis, the Company mentioned above shall bear no other obligations.

(C) For the three months ended March 31, 2026 and 2025, the Group recognized pension costs of NTD 11,120 and NTD 8,098, respectively, in accordance with the above pension regulations.

(15) Share-based payment for remuneration

A. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's share-based payment for remuneration agreements were as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Amount given</u>	<u>Contract period</u>	<u>Criteria for vesting</u>
New restricted employee shares plan	2022.09.13	1,110 thousand shares	3 years	Descriptions (1) and (6)
New restricted employee shares plan	2022.11.08	500 thousand shares	3 years	Descriptions (2) and (6)
New restricted employee shares plan	2023.08.11	100 thousand shares	3 years	Descriptions (3) and (6)
New restricted employee shares plan	2023.11.10	30 thousand shares	3 years	Descriptions (4) and (6)
New restricted employee shares plan	2024.05.10	260 thousand shares	3 years	Descriptions (5) and (6)
Transfer of treasury shares to employees	2025.06.30	5,500 thousand shares	-	Vested immediately

- (A) According to the different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with an expiration date of September 12, 2025.
- (B) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on November 7, 2025.
- (C) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on August 10, 2026.
- (D) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on November 9, 2026.
- (E) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on May 9, 2027.
- (F) The new restricted employee shares issued by the Company are issued without consideration and may not be transferred during the vesting period. However, they are not restricted in terms of voting rights or the right to participate in dividend distributions. If an employee resigns during the vesting period, he/she must return the shares but not the dividends received.
- (G) On June 26, 2025, the Company's board of directors resolved to transfer the repurchased treasury shares to employees. The transfer was 5,500 thousand shares at a price of NTD 15 per share.
- (H) The above share-based payment agreements are all settled through equity.

B. The details of the above share-based payment agreements are shown below:

	2026	2025
	Quantity (thousand shares)	Quantity (thousand shares)
New restricted employee shares on January 1	171	614
Canceled in the current period	(44)	(15)
New restricted employee shares on March 31	<u>127</u>	<u>599</u>

C. Share-based payment transactions granted on the grant date are measured at the fair value of the options using the Black-Scholes option pricing model, based on the grant date share price less the exercise price. The relevant information is as follows:

Type of agreement	Grant date	Stock price (NTD)	Exercise price (NTD)	Expected volatility (%)	Expected duration	Expected dividends	Risk-free rate (%)	Fair value per unit (NTD)
New restricted employee shares plan	2022.09.13	29.70	-	-	3 years	-	-	29.70
New restricted employee shares plan	2022.11.08	23.05	-	-	3 years	-	-	23.05
New restricted employee shares plan	2023.08.11	20.05	-	-	3 years	-	-	20.05
New restricted employee shares plan	2023.11.10	21.95	-	-	3 years	-	-	21.95
New restricted employee shares plan	2024.05.10	21.95	-	-	3 years	-	-	21.95
Transfer of treasury shares to employees	2025.06.30	22.63	15	58.52	0.1 years	-	1.22	7.67

D. The expenses generated from share-based payment transactions are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Equity settled	<u>(\$ 590)</u>	<u>\$ 1,665</u>

(16) Liability reserve

	Warranty	
	2026	2025
Balance, January 1	\$ 11,236	\$ 10,965
Increase in liability reserve in	5,162	2,596

current period		
Used liability reserve in current period	(1,264)	(938)
Balance, March 31	<u>\$ 15,134</u>	<u>\$ 12,623</u>

The analysis of liability reserve is as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current	<u>\$ 1,383</u>	<u>\$ 414</u>	<u>\$ 1,553</u>
Non-current	<u>\$ 13,751</u>	<u>\$ 10,823</u>	<u>\$ 11,070</u>

The Group's reserve for warranty liabilities is estimated based on the historical warranty information of these products to project possible after-sale service in the future. The warranty liabilities of the Group, estimated to be incurred in 2027 and 2028, are NTD 1,383 and NTD 13,751, respectively.

(17) Capital stock

- A. As of March 31, 2026, the Company's authorized capital was NTD 5,000,000, divided into 500,000 thousand shares (including 14,000 thousand shares reserved for employee stock options), and the paid-in capital amounted to NTD 3,300,918, with a par value of NTD 10 per share. All shares issued by the Company were paid in full.

A reconciliation of the Company's outstanding common shares at the beginning and end of the period is as follows:

	<u>2026 (thousand shares)</u>	<u>2025 (thousand shares)</u>
January 1	328,096	323,679
Cancellation of new restricted employee shares	(44)	(15)
Recovery of shares	-	(854)
March 31	<u>328,052</u>	<u>322,810</u>

- B. On March 5, 2025, the Company's board of directors resolved to cancel 15 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 150. The reduction date was set as March 5, 2025, and the change of registration was completed on March 20, 2025.
- C. On May 9, 2025, the Company's board of directors resolved to cancel 11 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 110. The reduction date was set as May 9, 2025, and the change of registration was completed on June 13, 2025.
- D. On August 7, 2025, the Company's board of directors resolved to cancel 122 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 1,220. The reduction date was set as August 7, 2025, and the Company completed registration of change on August 26, 2025.
- E. On November 11, 2025, the Company's board of directors resolved to cancel 41 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 414. The reduction date was set as November 11, 2025, and the change of registration was completed on November 26, 2025.

F. On March 5, 2026, the Company's board of directors resolved to cancel 44 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 442. The redemption date was set as March 5, 2026, and the change of registration was completed on March 17, 2026.

G. Treasury stocks

(A) Reasons for the redemption of shares and their quantities:

		March 31, 2026	
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
	For transfer of		
The Company	shares to employees	2,040	\$ 65,282
		December 31, 2025	
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
	For transfer of		
The Company	shares to employees	2,040	\$ 65,282
		March 31, 2025	
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
	For transfer of		
The Company	shares to employees	7,500	\$ 233,167

(B) On November 13, 2024, the Company's board of directors resolved to buy back 3,000 thousand shares of the Company from November 14, 2024 to January 13, 2025, at the price of NTD 24.85–NTD 37.30 per share to protect the Company's credit and shareholder equity. If the market price falls below the lower limit of the original price range, the repurchase of the Company's shares will continue. As of the expiration of the exercise period, a total of 3,000 thousand shares have been repurchased at a total cost of NTD 96,224 thousand.

(C) Pursuant to the Securities and Exchange Act, the number of shares repurchased by the Company shall not exceed 10% of the total number of issued shares. The total amount used for such repurchase shall not exceed the sum of retained earnings, share premium, and realized capital surplus.

(D) According to the Securities and Exchange Act, the treasury stock held by the Company shall not be pledged and shall not be entitled to the rights of shareholders before transfer.

(E) Pursuant to the Securities and Exchange Act, shares repurchased due to the transfer of shares to employees shall be transferred within five years from the repurchase date. Failure to transfer the shares within this period will be treated as if the Company has not issued the shares, and the Company must proceed to change the registration to cancel the shares. For the repurchased shares to protect the Company's credit and shareholders' rights and interests, a change of registration shall be made to cancel the shares within six months from the date of repurchase.

(F) On June 26, 2025, the Company's Board of Directors approved the transfer of 5,500 thousand treasury shares to employees at a transfer price of NT\$15 per share, of which 5,460 thousand shares were actually transferred.

(18) Capital reserves

According to the Company Act, for capital reserves that include shares issued at a premium exceeding the par value and gains in the form of gifts, the Company shall distribute the capital reserve by issuing new shares or cash in proportion to the original shareholding ratio of the shareholders, provided that the Company incurs no losses. In addition, according to the relevant regulation of the Securities and Exchange Act, the capital surplus mentioned above that can be capitalized annually shall not exceed 10% of the total paid-in capital. When the reserve is insufficient to cover the capital losses, the Company shall not use capital reserve for offset.

<u>2026</u>				
	<u>Stock premium</u>	<u>New restricted employee shares</u>	<u>Others</u>	<u>Total</u>
January 1	\$ 484,632	\$ 66,662	\$ 9,275	\$ 560,569
Cancellation of new restricted employee shares	-	(559)	-	(559)
March 31	<u>\$ 484,632</u>	<u>\$ 66,103</u>	<u>\$ 9,275</u>	<u>\$ 560,010</u>

<u>2025</u>					
	<u>Stock premium</u>	<u>Changes in net worth of equity of affiliated companies and joint ventures recognized under equity method</u>	<u>New restricted employee shares</u>	<u>Others</u>	<u>Total</u>
January 1	\$ 484,632	\$ 35,206	\$ 69,870	\$ 8,968	\$ 598,676
Cancellation of new restricted employee shares	-	-	(195)	-	(195)
Disposal of investments accounted for using the equity method	-	(35,206)	-	-	(35,206)
March 31	<u>\$ 484,632</u>	<u>\$ -</u>	<u>\$ 69,675</u>	<u>\$ 8,968</u>	<u>\$ 563,275</u>

(19) Retained earnings

- A. If the Company has a profit at the year's final accounting, it shall first be used to pay the income tax and to offset any cumulative losses in accordance with the law, and 10% of the balance shall be appropriated as a legal reserve, unless the existing legal reserve reaches the amount of the Company's paid-in capital. The rest of the balance shall be used for the provision/reversal of special reserves pursuant to the law. The residual balance, if any, shall be added to the cumulative undistributed earnings. The board of directors shall draft a proposal for the allocation of the residual balance plus the undistributed earnings and submit it to the shareholders' meeting to determine whether shareholder bonuses shall be distributed.
- B. The Company authorizes the board of directors to make a resolution with respect to payment of all or part of the distributable dividends, bonuses, capital reserves or legal reserves in cash by a majority vote at a meeting attended by over two-thirds of the directors

and report such payment to the shareholders' meeting without being subject to the resolution of the shareholders' meeting referred to in the preceding paragraph.

- C. The dividend policy of the Company is as follows: CyberTAN is currently in the growth stage. Its policy for the distribution of bonuses to shareholders must be based on the current and future investment environment, funding needs, domestic and international competition, capital budget, and other factors, and it must take into account shareholder interests and CyberTAN's long-term financial plan. Bonuses to shareholders shall be allocated from the accumulated distributable earnings and shall be no less than 15% of the distributable earnings of the current year. No distribution is required if the distributable earnings of the current year are less than 3% of the paid-in capital. Cash dividends shall account for no less than 10% of the bonuses to shareholders.
- D. The legal reserve shall not be used except for covering losses, issuing new shares, or distributing cash in proportion to the original shareholding ratio of the shareholders. The new shares or cash allocated shall not exceed 25% of the paid-in capital.
- E. In accordance with the law, when distributing earnings, the Company shall appropriate a special reserve from the debit balance of other equity items as of the balance sheet date before such earnings may be distributed. If the debit balance of other equity items is subsequently reversed, the reversed amount may be included in distributable earnings.
- F. The Company's earnings distribution proposal for 2025 was approved by the Board of Directors on March 5, 2026, and the earnings distribution for 2024 was approved by the shareholders' meeting held on May 29, 2025, as follows:

	2025		2024	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Reversal of special reserves	\$ -	\$ -	\$97,294	\$ -
Allocated legal reserve	13,252		-	
Allocated special reserve	<u>243,274</u>		<u>-</u>	
Total	<u>\$256,526</u>		<u>\$97,294</u>	

For the Company's 2025 earnings distribution, no dividends will be distributed. The aforementioned earnings distribution is subject to resolution by the shareholders' meeting.

(20) Other equity items

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2026	(\$ 546,307)	(\$ 81,371)	(\$ 1,116)	(\$ 628,794)
Valuation adjustment	(33,191)	-	-	(33,191)
Valuation adjustment – Affiliated companies	602	-	-	602
Valuation adjustment transferred to retained earnings	305,887	-	-	305,887
Currency translation differences:				
- Group	-	33,957	-	33,957
Cancellation of new restricted employee shares	-	-	1,001	1,001
Share-based payment expenses	-	-	(590)	(590)
March 31, 2026	<u>(\$ 273,009)</u>	<u>(\$ 47,414)</u>	<u>(\$ 705)</u>	<u>(\$ 321,128)</u>

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2025	(\$ 47,762)	(\$ 10,414)	(\$ 6,628)	(\$ 64,804)
Valuation adjustment	(482,029)	-	-	(482,029)
Valuation adjustment – Affiliated companies	(4,382)	-	-	(4,382)
Valuation adjustment transferred to retained earnings	12,551	-	-	12,551
Valuation adjustment transferred to retained earnings – Affiliated companies	(355)	-	-	(355)
Currency translation differences:				

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
- Group	-	9,720	-	9,720
- Group's tax	-	(134)	-	(134)
Cancellation of new restricted employee shares	-	-	345	345
Share-based payment expenses	-	-	1,665	1,665
Disposal of investments accounted for using the equity method	26,170	1,618	-	27,788
March 31, 2025	<u>(\$ 495,807)</u>	<u>\$ 790</u>	<u>(\$ 4,618)</u>	<u>(\$ 499,635)</u>

(21) Operating revenue

	January 1 to March 31, 2026	January 1 to March 31, 2025
Revenue from customer contracts	<u>\$ 1,113,318</u>	<u>\$ 868,288</u>

A. Details of revenue from customer contracts

The Group's revenue is derived from the sale of goods transferred over time and goods transferred at a point in time. Revenue is disaggregated by major product lines and geographical regions as follows:

<u>January 1 to March 31, 2026</u>	<u>America</u> Communication products	<u>Europe</u> Communication products	<u>Asia</u> Communication products	<u>Other departments</u>	<u>Total</u>
Timing of revenue recognition					
Revenue recognized at a point in time	\$ 319,522	\$ 203,879	\$ 544,467	\$ 36,549	\$ 1,104,417
Revenue recognized over time	-	-	-	8,901	8,901

	<u>\$ 319,522</u>	<u>\$ 203,879</u>	<u>\$ 544,467</u>	<u>\$ 45,450</u>	<u>\$ 1,113,318</u>
	America	Europe	Asia		
<u>January 1 to</u> <u>March 31, 2025</u>	Communication products	Communication products	Communication products	Other departments	Total
Revenue from external customer contracts	<u>\$ 515,689</u>	<u>\$ 237,313</u>	<u>\$ 44,843</u>	<u>\$ 70,443</u>	<u>\$ 868,288</u>

B. Contract liabilities

(A) The balance of contract liabilities – advance sale receipts recognized by the Group on March 31, 2026, December 31, 2025, March 31, 2025 and January 1, 2025 were NTD 11,961, NTD 2,552, NTD 4,222 and NTD 41,443, respectively.

(B) Contract liabilities at the beginning recognized in the revenue in current period

	<u>January 1 to March 31,</u> <u>2026</u>	<u>January 1 to March 31,</u> <u>2025</u>
Balance of the contract liabilities at the beginning recognized in the revenue in current period	<u>\$ 2,055</u>	<u>\$ 40,902</u>

(22) Interest revenue

	<u>January 1 to March 31,</u> <u>2026</u>	<u>January 1 to March 31,</u> <u>2025</u>
Bank deposit interest	<u>\$ 2,166</u>	<u>\$ 2,285</u>
Interest income from financial assets measured at amortized cost.	3,547	3,982
Other interest income	491	868
	<u>\$ 6,204</u>	<u>\$ 7,135</u>

(23) Other revenue

	<u>January 1 to March 31,</u> <u>2026</u>	<u>January 1 to March 31,</u> <u>2025</u>
Rental revenue	<u>\$ 15,140</u>	<u>\$ 15,315</u>
Other revenues – others	1,043	1,506
	<u>\$ 16,183</u>	<u>\$ 16,821</u>

(24) Other gains and losses

	January 1 to March 31, 2026	January 1 to March 31, 2025
Gains on disposal of investment	\$ -	\$ 707,714
Lease modification profit (Note)	-	232,533
Profit (Loss) on foreign currency exchange	15,811 (37,112)
Other expenses – interest	(318)	(403)
Other expenses – depreciation	(3,497)	(4,035)
Financial liabilities loss measured at fair value through profit or loss	(26,447)	(21,759)
Loss on disposal of property, plant and equipment	(33)	-
Miscellaneous expenses	(5,084)	(505)
	<u>\$ 19,568</u>	<u>\$ 876,433</u>

Note: The Group's China subsidiary, Chongqing Hongdaofu Technology Co., Ltd., originally entered into an 18-year factory lease with the lessee. As the Group had fully relocated its production lines to Vietnam, a supplementary agreement was signed on January 20, 2025, to terminate the lease early. A lease modification gain of NTD 232,533 was recognized based on the difference between the lease liability and the right-of-use asset.

(25) Finance costs

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest expenses:		
Bank loans	\$ 4,251	\$ 1,470
Lease liabilities	653	849
	<u>\$ 4,904</u>	<u>\$ 2,319</u>

(26) Additional Information on the Nature of Expense

	January 1 to March 31, 2026	January 1 to March 31, 2025
Employee benefit expenses	\$ 168,362	\$ 221,330
Depreciation expenses of property, plant and equipment	42,026	26,316
Depreciation expenses of right-of- use assets	4,559	7,457
Amortization expense of intangible assets	529	2,200
	<u>\$ 215,476</u>	<u>\$ 257,303</u>

(27) Employee benefit expenses

	January 1 to March 31, 2026	January 1 to March 31, 2025
Salary expenses	\$ 141,517	\$ 198,405
Employee stock option	(590)	1,665
Expenses for labor and health insurance	11,266	8,575
Pension expenses	11,120	8,098
Other employment expenses	5,049	4,587
	<u>\$ 168,362</u>	<u>\$ 221,330</u>

A. According to the Articles of Incorporation of the Company, if the Company makes a profit in a year, it shall allocate no less than 6% of the profit as employee remuneration, with no less than 25% of the total amount of employee remuneration allocated to entry-level employees. However, if the Company has accumulated losses, a provision shall first be made to offset those losses, and then no less than 6% of the profit shall be allocated as employee remuneration.

B. For the three months ended March 31, 2026 and 2025, the Company accrued employee remuneration in the amounts of NT\$0 and NT\$69,506, respectively, while director remuneration was NT\$0 for both periods. The aforementioned amounts were recorded under salary expenses.

For the three months ended March 31, 2026 and 2025, the estimated amounts were calculated based on the profit for the period, at rates of 0% and 8.5%, respectively.

As resolved by the board of directors, the amount of employee remuneration and director remuneration in 2025 was NTD 29,159 and NTD 0, respectively, consistent with the amounts recognized in the 2025 financial statements.

C. Please refer to the “Market Observation Post System” for information related to the remuneration to employees and directors of the Company approved by the board of directors.

(28) Income Tax

A. Income tax (benefits) expenses

(A) Components of income tax (benefits) expenses:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Income tax in the current period:		
Income tax generated from the current income	\$ 82	\$ 62
Total income tax in the current period	82	62
Deferred income tax:		
Initial occurrence and reversal of temporary difference	1,632	5,300
Total deferred income tax	1,632	5,300
Income tax expenses	\$ 1,714	\$ 5,362

(B) Income tax related to other comprehensive income:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Exchange differences on the translation of the foreign operation	\$ -	\$ 134

B. The Company's profit-seeking business income tax have been certified by the tax authority up until 2024.

(30) Supplementary information on cash flow

Partial cash payment investment activities:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Purchase of property, plant and equipment	\$ 21,705	\$ 67,684
Add: Payables for equipment, beginning	50,679	81,234
Less: payables for equipment, ending	(49,101)	(42,499)
Cash paid in current period	<u>\$ 23,283</u>	<u>\$ 106,419</u>

(31) Changes in liabilities from financing activities

	Lease liabilities	
	2026	2025
January 1	\$ 198,751	\$ 443,843
Changes in cash flow from financing activities	(5,312)	(8,629)
Other non-cash changes	-	(193,507)
Impact of changes in exchange rate	(9,992)	9,811
March 31	<u>\$ 183,447</u>	<u>\$ 251,518</u>

Besides lease liabilities, the Group's changes in liabilities from financing activities for the three months ended March 31, 2026 and 2025 were changes in cash flow from financing without any non-cash changes. Please refer to the consolidated statement of cash flow.

7. Transactions of the Related Party

(1) Name of the related party and relationship

Name of the related party	Relationship with the Group
Gwong-Yih Lee	Key management of the Group
Microelectronics Technology, Inc. and its subsidiaries (Note)	Other related parties
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (Hon Hai)	"
FOXCONN Technology Co., Ltd. and its subsidiaries	"
Garuda Technology Co., Ltd. and its subsidiaries	"
Pan-International Industrial Corp.	"
Cloud Network Technology Singapore Pte. Ltd.(Cloud Network)	"

Note: Microelectronics Technology, Inc. and its subsidiaries were previously related parties of the Company. However, since the Group ceased to hold a board seat on January 9, 2025, it no longer has significant influence over Microelectronics Technology, Inc. Therefore, it reclassified the company as an other related party, effective January 9, 2025.

(2) Significant transactions with the related party

A. Operating revenue

	January 1 to March 31, 2026	January 1 to March 31, 2025
Sale of goods:		
Other related parties		
-Cloud Network	\$ 177,575	\$ 238,080
- Hon Hai Precision Ind. Co., Ltd.	396,932	144,513
- Others	16,303	6,682
Labor sales:		
Other related parties	8,901	-
Total	<u>\$ 599,711</u>	<u>\$ 389,275</u>

Except for transactions that have no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, the selling prices of the Group to the aforementioned related parties are similar to the selling prices for ordinary customers. The credit terms are 20 days from the shipment date to 120 days after the month-end. For general customers, the credit terms are 60 days after the month-end. Labor service sales are negotiated with related parties on a cost-plus basis.

B. Purchase

	January 1 to March 31, 2026	January 1 to March 31, 2025
Purchase of commodities:		
Other related parties	<u>\$ 75,121</u>	<u>\$ 38,159</u>

Except for transactions with no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, all other transactions of the Group involve purchasing from related parties at prevailing market prices. The Company's payment terms are 30 days from the shipment date to 120 days after month-end. For general suppliers, the payment terms are 60 days after month-end.

C. Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable – the related party			
Other related parties			
-Cloud Network	\$ 178,587	\$ 186,309	\$ 219,661
- Hon Hai Precision Ind. Co., Ltd.	277,055	145,767	84,709
- Others	19,753	9,545	4,907
Less: Allowance for expected credit losses	(19,680)	(9,545)	-
Total	<u>\$ 455,715</u>	<u>\$ 332,076</u>	<u>\$ 309,277</u>

D. Other receivables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other receivables – the related party			
Other related parties			
- Microelectronics Technology and its subsidiaries	\$ 61,975	\$ 43,211	\$ 87,075
- Others	774	467	1,061
Less: Allowance for expected credit losses	<u>(61,895)</u>	<u>(43,211)</u>	<u>-</u>
<u>Total</u>	<u>\$ 854</u>	<u>\$ 467</u>	<u>\$ 88,136</u>

Other receivables from the related party mainly are the purchase amount on behalf of the related party and rental revenue.

E. Accounts payable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts payable – the related party			
Other related parties	<u>\$ 71,015</u>	<u>\$ 126,172</u>	<u>\$ 29,286</u>

F. Other payables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other payables – the related party			
Other related parties	<u>\$ 6,742</u>	<u>\$ 7,115</u>	<u>\$ 18,189</u>

Other payables to the related party mainly are payables of processing fee, labor service fee and freight.

G. Processing expenses

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Other related parties	<u>\$ 517</u>	<u>\$ 1,382</u>

H. Labor service fee

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Other related parties	<u>\$ 600</u>	<u>\$ 600</u>

I. Freight costs

	January 1 to March 31, 2026	January 1 to March 31, 2025
Other related parties	\$ 398	\$ 14,248

J. Rental revenue

	January 1 to March 31, 2026	January 1 to March 31, 2025
Other related parties		
- Microelectronics Technology and its subsidiaries	\$ 12,298	\$ 13,616
- Hon Hai Precision Ind. Co., Ltd.	1,660	1,654
Total	\$ 13,958	\$ 15,270

For the three months ended March 31, 2026 and 2025, the Group leased property, plant and equipment to the related party. Under the lease contract, the rent was agreed with reference to the market price and was collected on a quarterly basis.

K. Guarantee deposits received

	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties			
- Microelectronics Technology and its subsidiaries	\$ 5,765	\$ 5,765	\$ 5,765
- Others	690	690	690
Total	\$ 6,455	\$ 6,455	\$ 6,455

(3) Information on the remuneration to the key management:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term employee benefits	\$ 6,004	\$ 5,605
Benefits after severance/retirement	144	144
Total	\$ 6,148	\$ 5,749

8. Pledged Assets

The details of the Group's assets provided as collateral are as follows:

Asset item	Book value			Purpose of collateral
	March 31, 2026	December 31, 2025	March 31, 2025	
Time deposit (listed financial assets measured at amortized cost – non-current)	\$ 22,529	\$ 22,529	\$ 22,528	Guarantee deposits of superficies

9. Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts

(1) Contingency

None.

(2) Commitments

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group had signed contracts with a total contract value of NTD 912,393, NTD 896,280, and NTD 1,164,711. Payments made to date were NTD 863,507, NTD 846,089, and NTD 831,691, leaving outstanding balances of NTD 48,886, NTD 50,191, and NTD 333,020.

10. Losses Due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Capital Management

The Group's capital management objective is intended to protect its continued operation and maintain an optimal capital structure to reduce capital costs and provide remuneration to shareholders. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce liabilities.

(2) Financial instruments

A. Categories of financial instruments

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets</u>			
Financial assets measured at fair value through other comprehensive income Selection of specified equity instrument investment	\$ 132,294	\$ 254,221	\$ 307,373
Financial assets measured at amortized cost	<u>2,519,925</u>	<u>2,832,281</u>	<u>2,612,559</u>
	<u>\$ 2,652,219</u>	<u>\$ 3,086,502</u>	<u>\$ 2,919,932</u>
<u>Financial liabilities</u>			
Financial liabilities measured at fair value through profit or loss			
Financial liabilities mandatorily measured at fair value through profit or loss	\$ 40,137	\$ 45,977	\$ 17,268
Financial liabilities measured at amortized cost	1,907,820	2,139,182	1,459,599
Lease liabilities	<u>183,447</u>	<u>198,751</u>	<u>251,518</u>
	<u>\$ 2,131,404</u>	<u>\$ 2,383,910</u>	<u>\$ 1,728,385</u>

Note: Financial assets at amortized cost include cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties), other receivables, and deposits paid. Financial liabilities at amortized cost include short-term borrowings, accounts payable (including related parties), other payables (including related parties), and deposits received.

B. Risk management policy

- (A) Various financial risks have an impact on the daily operation of the Group, including market risk (including the exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. To reduce the adverse impact of uncertainty on the Group's financial performance, the Group used forward exchange contracts to hedge the risk of exchange rate. The derivative tools used by the Group are for hedging purposes instead of trading or speculation.
- (B) The risk management work is executed by the Group's financial department based on the policy approved by the board of directors. The Group's financial department is responsible for identifying, evaluating and hedging financial risks through close cooperation with each business unit in the Group. The board of directors has established written principles for the overall risk management while providing written policy for certain scope and matters, such as exchange rate risk, interest rate

risk, credit risk, utilization of the financial and non-financial instruments and the investment principles of remained current funds.

C. Nature and degree of important financial risk

(A) Market risk

Exchange rate risk

- (A) The Group is a multinational corporation. Therefore, the exchange rate risk resulting from transactions with functional currencies relatively different from the Company and its subsidiaries mainly involve USD, RMB, and VND. Related exchange rate risks come from future commercial transactions and recognized assets and liabilities.
- (B) The management of the Group has established a policy that regulates the management of exchange rate risk relative to the functional currency of the Companies in the Group. Each Company shall adopt a hedging policy against the overall exchange rate risk via the Group's financial department. The exchange rate risk is measured by the expected transactions with a high possibility of generating USD, RMB, and VND expenses, which adopt forward exchange contracts to reduce the impact of exchange rate fluctuations on the expected purchase inventory cost.
- (C) The Group's business lines involved some non-functional currencies (the functional currency of the Company and some of its subsidiaries was NTD, and that of some subsidiaries is USD, RMB, and VND). Therefore, the Company would be subject to effects produced by fluctuation in foreign exchange rates. The information about assets and liabilities denominated in foreign currency exposed to significant effects produced by fluctuations in the foreign exchange rate is stated as follows:

March 31, 2026

	Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Sensitivity analysis		
				Range of change	Impact on profit or loss	Impact on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$48,074	31.995	\$1,538,128	2%	\$ 24,610	\$ -
RMB : NTD	2,157	4.629	9,985	2%	160	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	33,154	31.995	1,060,762	2%	16,972	-

December 31, 2025						
Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Sensitivity analysis			
			Range of change	Impact on profit or loss	Impact on other comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$57,990	31.430	\$1,822,626	2%	\$ 29,162	\$ -
RMB : NTD	2,157	4.496	9,698	2%	155	-
USD : VND	396	26,748.911	12,446	2%	199	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	51,085	31.430	1,605,602	2%	25,690	-

March 31, 2025						
Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Sensitivity analysis			
			Range of change	Impact on profit or loss	Impact on other comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$36,742	33.205	\$1,220,018	2%	\$ 19,520	\$ -
RMB : NTD	2,157	4.573	9,864	2%	158	-
USD : VND	950	22,222.222	31,244	2%	500	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	19,301	33.205	640,890	2%	10,254	-
USD : VND	18,996	22,222.222	624,757	2%	9,996	-

(D) For the three months ended March 31, 2026 and 2025, the Group's monetary items experienced a significant impact from exchange rate fluctuations, resulting in total exchange gains (losses) – including realized and unrealized amounts – of NTD 15,811 and NTD (37,112), respectively.

Price risk

- (a) The Group's equity instruments exposed to price risk are the holding financial assets measured at the fair value through profit or loss and financial assets measured at the fair value through other comprehensive income. To manage the price risk of equity investments, the Group diversifies its investment portfolio in accordance with limits established by the Group.
 - (b) The Group mainly invested in equity instruments issued at home and abroad. The price of such equity instruments is affected by the uncertainty of the investment's future value. If the price of the equity instrument had increased or decreased by 1%, and all other factors remained unchanged, other comprehensive income for the three months ended March 31, 2026 and 2025 would have increased or decreased by NTD 1,313 and NTD 2,997, respectively, due to the profit or loss in the equity instrument measured at fair value through other comprehensive income.
- (B) Credit risk
- (a) The Group's credit risk represents the risk of financial loss if customers or counterparties to financial instruments fail to meet their contractual obligations. It mainly arises from the inability of counterparties to settle accounts receivable in accordance with payment terms and to fulfill the contractual cash flows of debt instruments measured at amortized cost.
 - (b) The Group manages credit risk from a group-wide perspective. For trading banks and financial institutes, only those with good credit can be accepted as trading counterparties. According to the loan policy expressly defined internally, each business department within the Group shall conduct a management and credit risk analysis on each new customer before setting payment and proposing the delivery terms and conditions. The internal risk control evaluates customers' credit quality by taking into consideration the customers' financial position, past experience and other factors. The individual risk limit is set by the board of directors according to the internal or external ratings. The management will also control the periodic draw down of credit limits.
 - (c) The Group adopts IFRS 9 for presumption that when the contract payment is past due for over 90 days based on the agreed payment terms, the Group takes it as a default of the contract.
 - (d) The Group applies the following presumption under IFRS 9 as a basis for assessing whether the credit risk of a financial instrument has increased significantly since initial recognition:
 - (i) When the contract payment is past due for over 30 days based on the agreed payment terms, it is determined that the credit risk of the financial instrument has increased significantly after the initial recognition.
 - (ii) For bond investments traded on the Taipei Exchange, those financial assets with investment grading rated by any external credit rating agency on the balance sheet date are considered to be low credit risk.
 - (e) The Group's indicators used to determine whether debt instrument investments are credit-impaired are as follows:
 - (i) Issuer has major financial difficulty or is likely to wind up or proceed with other financial reorganizations;
 - (ii) The active market of financial assets might extinguish due to the financial difficulty of the issuer;

- (iii) Overdue or non-performance of interest or principal payment by the issuer;
 - (iv) National or regional adverse economic changes related to the default of issuer.
- (f) The Group assesses expected credit losses on accounts receivable by individually evaluating material receivables that are in default. For the remaining balances, the Group groups accounts receivable based on customer credit ratings and types and adopts a simplified approach to estimate expected credit losses using a provision matrix.
- (g) The Group writes off financial assets when, after collection efforts and legal proceedings, the amounts are no longer reasonably expected to be recoverable. However, the Group continues to pursue legal actions to preserve its rights to recover the receivables. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group had no receivables that had been written off and were still subject to recovery actions.
- (h) The Group adopted the business indicators of the National Development Council for the future forward-looking considerations to adjust the established loss ratio based on a certain period of history and current information to estimate the allowance for loss of the accounts receivable (including the related parties). The reserve matrixes as of March 31, 2026, December 31, 2025, and March 31, 2025, are as follows:

	Individual assessment	Not past due	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
<u>March 31, 2026</u>							
Expected loss ratio		0.05%	5.5%	5.53%	5.56%	100%	
Total book value\$	19,680	\$ 1,026,063	\$ 12,328	\$ 3,837	\$ -	\$ -	\$ 1,061,908
Allowance for impairment losses	19,680	1,262	678	212	-	-	21,832
	Individual assessment	Not past due	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
<u>December 31, 2025</u>							
Expected loss ratio		0.29%	7.81%	7.84%	7.87%	100%	
Total book value\$	9,545	\$ 1,245,231	\$ 9,045	\$ 672	\$ 484	\$ 259	\$ 1,265,236
Allowance for impairment losses	9,545	3,529	706	52	24	259	14,115
	Individual assessment	Not past due	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
<u>March 31, 2025</u>							
Expected loss ratio		0.44%	15.30%	15.33%	15.36%	100.00%	
Total book value\$	-	\$ 873,048	\$ 20,049	\$ 2,317	\$ 1,499	\$ 1,689	\$ 898,602
Allowance for impairment losses	-	7,967	3,067	355	230	1,689	13,308

- (i) The aging analysis of accounts receivable (including related parties) is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
	Accounts receivable	Accounts receivable	Accounts receivable
Not past due	\$ 1,034,701	\$ 1,254,776	\$ 873,048
Within 30 days	22,845	9,045	20,049
31–60 days	4,362	672	2,317
61–90 days	-	484	1,499
90 days and above	-	259	1,689
	<u>\$ 1,061,908</u>	<u>\$ 1,265,236</u>	<u>\$ 898,602</u>

The aging analysis stated above was based on the number of overdue days.

- (j) The Group's statement of changes in the allowance for impairment losses on accounts receivable using the simplified approach is as follows:

	2026	2025
	Accounts receivable (including the related party)	Accounts receivable (including the related party)
January 1	\$ 14,115	\$ 11,989
Impairment loss recognized	7,716	1,947
Foreign exchange rate effect	1	(628)
March 31	<u>\$ 21,832</u>	<u>\$ 13,308</u>

- (k) The Group provided expected credit impairment losses of NTD 18,684 and NTD 0 for other receivables of customers for the three months ended March 31, 2026 and 2025.

(C) Liquidity risk

- (a) The cash flow forecast is executed by each business department in the Group and summarized by the Group's finance department. The finance department of the Group supervises the forecast of the Group's current fund demand to ensure there are sufficient funds to support operating needs.
- (b) The following table refers to the non-derivative financial liabilities and is grouped subject to the relevant expiry dates. The non-derivative financial liabilities are analyzed based on the residual period from the date of the balance sheet until the expiry date. The contractual cash flow amount disclosed in the following statement is the undiscounted amount.

<u>Non-derivative financial liabilities</u>				
March 31, 2026	<u>Within 1 year</u>	<u>Within 1 to 2 years</u>	<u>Within 2 to 5 years</u>	<u>Over 5 years</u>
Guarantee deposits received	\$ 5,765	\$ 690	\$ 788	\$ 456
Lease liabilities	<u>25,569</u>	<u>21,136</u>	<u>61,908</u>	<u>95,863</u>
	<u>\$ 31,334</u>	<u>\$ 21,826</u>	<u>\$ 62,696</u>	<u>\$ 96,319</u>
<u>Non-derivative financial liabilities</u>				
December 31, 2025	<u>Within 1 year</u>	<u>Within 1 to 2 years</u>	<u>Within 2 to 5 years</u>	<u>Over 5 years</u>
Guarantee deposits received	\$ 5,765	\$ 690	\$ 788	\$ 456
Lease liabilities	<u>25,446</u>	<u>22,436</u>	<u>63,270</u>	<u>117,368</u>
	<u>\$ 31,211</u>	<u>\$ 23,126</u>	<u>\$ 64,058</u>	<u>\$ 117,824</u>
<u>Non-derivative financial liabilities</u>				
March 31, 2025	<u>Within 1 year</u>	<u>Within 1 to 2 years</u>	<u>Within 2 to 5 years</u>	<u>Over 5 years</u>
Guarantee deposits received	\$ 349	\$ 6,106	\$ -	\$ 456
Lease liabilities	<u>34,616</u>	<u>32,738</u>	<u>82,421</u>	<u>116,499</u>
	<u>\$ 34,965</u>	<u>\$ 38,844</u>	<u>\$ 82,421</u>	<u>\$ 116,955</u>

Except for those specified above, the non-derivative financial liabilities of the Group will expire within the coming year.

(3) Fair value information

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

Level 1: The quotation of the same asset or liability in an active market on the measurement date acquired by the enterprise (before adjustment). The active market means the market in which there are frequent and large volumes of transactions to provide information about pricing on an ongoing basis.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of derivatives held by the Group is categorized within this level of the fair value hierarchy.

Level 3: Unobservable inputs for the asset or liability. All equity investments held by the Group without an active market are classified within this level of the fair value hierarchy.

B. The following is the analysis regarding the Group's classification of financial instruments measured at fair value based on the nature, characteristics and risks of the assets and liabilities as well as the levels of fair value:

March 31, 2026	Level 1	Level 2	Level 3	Total
<u>Recurring fair value</u>				
<u>assets:</u>				
Financial assets measured at fair value through other comprehensive income	\$ 89,280	\$ -	\$ 43,014	\$ 132,294
<u>Recurring fair value</u>				
<u>liabilities:</u>				
Financial liabilities measured at fair value through profit or loss	\$ -	\$ 40,137	\$ -	\$ 40,137
December 31, 2025	Level 1	Level 2	Level 3	Total
<u>Recurring fair value</u>				
<u>assets:</u>				
Financial assets measured at fair value through other comprehensive income	\$ 201,076	\$ -	\$ 53,145	\$ 254,221
<u>Recurring fair value</u>				
<u>liabilities:</u>				
Financial liabilities measured at fair value through profit or loss	\$ -	\$ 45,977	\$ -	\$ 45,977
March 31, 2025	Level 1	Level 2	Level 3	Total
<u>Recurring fair value</u>				
<u>assets:</u>				
Financial assets measured at fair value through other comprehensive income	\$ 256,144	\$ -	\$ 51,229	\$ 307,373
<u>Recurring fair value</u>				
<u>liabilities:</u>				
Financial liabilities measured at fair value through profit or loss	\$ -	\$ 17,268	\$ -	\$ 17,268

C. The methods and assumptions used by the Group in measuring fair value are as follows:

- (A) The Group's fair value inputs (i.e. Level 1) adopting the quoted market price are listed in the following based on the characteristics of the instruments:

Quoted market price	TWSE/TPEX listed stocks
	Closing price

- (B) Except for the financial instrument in the active market, the fair value of other financial instruments is based on the evaluation technology or the quotation of the counterparty. The fair value acquired through the evaluation technology can reference other substantial conditions and similar financial instruments' current fair value and discounted cash flow method or other evaluation technology, including market information that can be acquired on the date of preparing the consolidated balance sheet. The information is then used on a calculation model (such as the yield curve referred to by the Taipei Exchange and the average quotation of the Reuters commercial paper rate).
- (C) When evaluating unstandardized financial instruments with low complexity such as debt instruments without active market, interest rate swap contracts, exchange swap contracts and options, the Group adopts evaluation technology widely used by market participants. The parameters used by the evaluation model of such financial instruments are usually information observable in the market.
- (D) The Group includes the credit valuation adjustment in the consideration for the fair value calculation of financial and non-financial instruments to reflect the credit risk of the trading counterparty and the credit quality of the Group, respectively.
- D. There were no transfers between Level 1 and Level 2 for the three months ended March 31, 2026 and 2025.
- E. The following table shows the changes in level 3 for the three months ended March 31, 2026 and 2025.

	Equity instruments	
	2026	2025
January 1	\$ 53,145	\$ 39,696
Losses (gains) recognized in other comprehensive income	(10,922)	10,945
Foreign exchange rate effect	791	588
March 31	\$ 43,014	\$ 51,229

- F. There was no transfer-in and transfer-out from level 3 for the three months ended March 31, 2026 and 2025.
- G. For the Group's evaluation process for fair value classified as level 3, the finance department is responsible for conducting the independent fair value validation of the financial instrument. The department confirms the reasonableness of the evaluation result by aligning it more closely with market conditions using information from independent sources. It ensures that these sources are independent, reliable, and consistent with other resources, and that they represent executable prices. Additionally, the department regularly calibrates the evaluation model, conducts back testing, updates required input values and data, and makes other necessary fair value adjustments to the evaluation model.

H. For the evaluation model used by the measurement item of level 3 fair value, the quantitative information of unobservable major input and sensitivity analysis for the changes in unobservable major input are as follows:

	Fair value on March 31, 2026	Evaluation technology	Unobservable major input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 4,836	Market comparable method (listed TWSE/TPEX companies)	Note 1	8.35	Note 2
Stocks of venture capital companies	\$ 38,178	Net asset value method	N/A	N/A	N/A

	Fair value on December 31, 2025	Evaluation technology	Unobservable major input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 17,529	Market comparable method (listed TWSE/TPEX companies)	Note 1	10.96	Note 2
Stocks of venture capital companies	\$ 35,616	Net asset value method	N/A	N/A	N/A

	Fair value on March 31, 2025	Evaluation technology	Unobservable major input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 38,417	Market comparable method (listed TWSE/TPEX companies)	Note 1	6.09	N/A
Stocks of venture capital companies	\$ 12,812	Net asset value method	N/A	N/A	N/A

Note 1: Price-to-book (P/B) multiple and lack of marketability discount (DLOM).

Note 2: The higher the multiple, the higher the fair value; the higher the marketability discount, the lower the fair value.

13. Notes to the financial statements disclosures

(1) Information related to material transactions

- A. Loaning of funds to others: Please refer to Attachment I.
- B. Endorsement and guarantee made for others: None.

- C. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies, and joint ventures): Please refer to Attachment II.
- D. Purchase/sale amount of transactions with the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment III.
- E. Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment IV.
- F. Business relationship and major transactions between the parent company and its subsidiaries: Please refer to Attachment V.

(2) Information related to reinvested enterprises

Information on investee companies, including names and locations (excluding investee companies in China): please refer to Table 6.

(3) Information about investment in Mainland China

- A. Basic information: Please refer to Attachment VII.
- B. Major transactions with the invested company in China either directly or indirectly with occurrence through third regions: None.

14. Business Segment Information

(1) General information

The Company only engages in one industry and the Group's operating decision-maker, the board of directors, adopts the overall group financial statements to evaluate performance and distribute resources. Therefore, the Company is identified as a single reportable segment.

(2) Segment Information

The Group is a single reportable segment. The Group's operating decision-maker, the board of directors, adopts profit after tax in the financial statements for measurement and as the basis for performance evaluation. Therefore, the business segment information is consistent with the information in the main financial statements.

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CyberTAN Technology Inc. and its subsidiaries

Loans of funds to others

January 1 to March 31, 2026

Attachment I

Unit: NTD thousand
(Unless otherwise specified)

No. (Note 1)	Company providing the loan	Borrower	Transactions (Note 2)	Whether it is a related party	Current maximum amount (Note 3)	Ending balance (Note 9)	Actual drawn amount	Interest rate range	Nature of loans (Note 4)	Business transaction amount (Note 5)	Reason for the necessity of short-term financing (Note 6)	Allowance for impairment losses	Collateral		Max. amount permitted to a single borrower (Note 7, 8)	Total lending limit (Note 7, 8)	Remarks
													Name	Value			
1	Fuhongkang Technology (Shenzhen) Co., Ltd.	Chongqing Hongdaofu Technology Co., Ltd.	Other receivables – Lending of funds	Yes	\$ 36,232	-	\$ -	2.79%	2	-	Operating turnover	-	-	-	\$509,218	\$ 1,018,436	Note 8

Note 1: The “No.” column is explained as follows:

- (1) 0 is reserved for issuer.
- (2) Each invested company is numbered in sequential order starting from 1.

Note 2: Items such as accounts receivable from affiliated companies, amounts due from related parties, shareholder transactions, prepayments, and temporary payments, should be included in this column if they are of a lending nature.

Note 3: The maximum balance of loans to others in the current year.

Note 4: The nature of the loan should be filled in if it is a business transaction or if there is a need for short-term financing.

- (1) Please fill in “1” for those who have business transactions.
- (2) Fill in “2” if there is a need for short-term financing.

Note 5: If the nature of the loaning of funds is for business transactions, the business transaction amount shall be filled in. The business transaction amount refers to the business transaction amount between the loaning company and the loaning party in the most recent year.

Note 6: If the nature of the loan is in need of short-term financing, the reason for the need for the loan and the use of the fund by the borrower should be explained, such as repayment of loan, purchase of equipment, and business turnover.

Note 7: According to the Company’s Procedures for Loans of Funds to Others, for the Company’s lending funds to companies or firms in need of short-term financing, the total amount of the loan may not exceed 40% of the Company’s net worth limit. In addition, the amount of loans made by the Company as a whole to a single enterprise is limited to 10% of the Company’s net worth.

Note 8: When foreign subsidiaries, in which the Company directly and indirectly holds 100% of the voting shares, engage in intercompany financing, the total amount is limited to no more than 400% of the lender’s net worth. The limit for any individual borrower is restricted to no more than 200% of the lender’s net worth.

Note 9: If the public company submits the loaning of funds to the board of directors for the resolution of the board of directors on a case-by-case basis in accordance with Article 14-1, paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount resolved by the board of directors shall be included in the disclosed balance even if the funds have not yet been disbursed, to reveal the risk undertaken. However, if the funds are repaid subsequently, the balance after repayment should be disclosed to reflect the adjustment of risk. If a public company, pursuant to Article 14, Paragraph 2 of the Regulations, has authorized its chairman to extend loans in installments or on a revolving basis within a specified limit and within a one-year period, the amount approved by the board of directors shall still be used as the balance for public announcement and reporting. Even if the funds are subsequently repaid, they may be reborrowed; therefore, the board-approved loan limit shall remain the basis for reporting the outstanding balance.

CyberTAN Technology Inc. and its subsidiaries
 Significant Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associated Companies and Joint Ventures)
 March 31, 2026

Attachment II

Unit: NTD thousand
 (Unless otherwise specified)

Holding company	Type and name of securities (Note 1)	Relationship with the issuer of securities (Note 2)	Account title	End of period				Remarks (Note 4)
				Number of shares	Book amount (Note 3)	Shareholding ratio	Fair value	
CyberTAN Technology Inc.	Innolux Corporation	Other related parties	Investment in equity instruments measured at fair value through other comprehensive income	800,000	\$ 19,080	0.01%	\$ 19,080	-
"	Microelectronics Technology, Inc.	Other related parties	"	3,637,320	70,200	3.43%	70,200	-
"	Himalaya Venture Fund Corp.	-	"	2,500,000	21,831	4.76%	21,831	-
"	Shin Kong Life Insurance unsecured cumulative subordinated corporate bonds	-	Financial assets measured at amortized cost – non-current	-	290,000	-	290,000	-
CyberTAN (B.V.I) Investment Corp.	Innovation Works Limited	-	Investment in equity instruments measured at fair value through other comprehensive income	41,755	16,347	2.71%	16,347	-
Ta Tang Investment Co., Ltd.	Shasta Cloud, Inc.	-	"	601,467	4,836	2.87%	4,836	-

Note 1: The “securities” referred to in this table means stocks, bonds, beneficiary certificates, and securities derived from the above items, all as defined within the scope of IFRS 9 “Financial Instruments.”

Note 2: This column is not required if the issuer of the securities is not a related party.

Note 3: Where fair value measurement is used, please fill in the “book value” column with the book value after the valuation adjustment of the fair value and deduction of any accumulated loss; otherwise, please complete the column with the initial acquisition cost or the book value of the amortized cost net of the accumulated loss.

Note 4: For any securities in the table that are provided as a guarantee, pledged for loans, or restricted pursuant to any agreement, the number of stocks provided for guarantee or pledged for loans, the amount of the guarantee or pledge, or the restrictions shall be indicated in the Remarks.

Note 5: This table lists the securities the Company determines are material and required to be disclosed.

CyberTAN Technology Inc. and its subsidiaries
Purchase/Sale Amount of Transactions with Related Parties Reaching NTD 100 Million or More Than 20% of Paid-in Capital
January 1 to March 31, 2026

Attachment III

Unit: NTD thousand
(Unless otherwise specified)

Purchase (sale) company	Counterparty	Relationship	Transaction				Trading conditions different from those of regular transactions and reasons thereof (Note 1)		Notes/accounts receivable (payable)		Remarks (Note 2)
			Purchase (sale)	Amount	Percentage to total purchase (sales)	Loan period	Unit price	Loan period	Balance	Percentage of total notes and accounts receivable (payable)	
CyberTAN Technology Inc.	FU HAI Technology Company Limited	Subsidiary of the Company	Purchase	\$ 769,712	28.58%	Payment term: O/A 60 days	\$ -	Payment term for regular customers: \$ O/A 60 days	(6,482)	(0.56%)	-
"	Cloud Network Technology Singapore Pte. Ltd.	Other related parties	Sale	177,575	(15.95%)	Collection term: Net 75 days	-	Collection term for general customers: O/A 60 days.	178,587	17.17%	-
"	Hon Hai Precision Industry Co., Ltd.	Other related parties	Sale	306,772	(27.55%)	Receive payment 60 days after month-end.	-	Collection term for general customers: O/A 60 days.	175,216	16.85%	-

Note 1: If the conditions of trading with related parties are different from those of regular transactions, the difference and the reasons thereof shall be indicated in the "unit price" and "loan period" columns.

Note 2: In case of receipts in advance or prepayments, the reasons, agreed terms and conditions, amount, and the difference from regular transactions shall be indicated in the Remarks.

CyberTAN Technology Inc. and its subsidiaries
Accounts Receivable from Related Parties Reaching NTD 100 Million or More Than 20% of Paid-in Capital
March 31, 2026

Attachment IV

Unit: NTD thousand
(Unless otherwise specified)

Company reporting the receivables	Counterparty	Relationship	Balance of accounts receivable from related parties		Overdue accounts receivable from related parties		Subsequent recovered amount of accounts receivable from related parties	Allowance for impairment losses
			(Note 1)	Turnover rate	Amount	Treatment		
CyberTAN Technology Inc.	Cloud Network Technology Singapore Pte. Ltd.	Other related parties	\$ 178,587	0.97%	\$ -	-	\$ 93,461	\$ 518
"	Hon Hai Precision Industry Co., Ltd.	Other related parties	175,216	2.87%	-	-	143,076	508
"	Fu Hai Technology Company Limited	Subsidiary of the Company	1,033,100	0.96%	-	-	318,247	-
(Other receivables listed in the table) (Note 3)								

Note 1: Please list the amount of notes/accounts receivable, other receivables, etc., from related parties, respectively.

Note 2: The paid-in capital means that of the parent company. For the shares of any issuer without a par value or where the par value per share is not NTD 10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity attributable to the owner of the parent company shown in the balance sheet.

Note 3: Represents receivables arising from the procurement of raw materials on behalf of others.

CyberTAN Technology Inc. and its subsidiaries

Business relationship and significant transactions between the parent company and its subsidiaries:

January 1 to March 31, 2026

Attachment V

Unit: NTD thousand
(Unless otherwise specified)

No. (Note 1)	Name of counterparty	Counterparty	Relationship with related parties (Note 2)	Transaction details			Percentage in total consolidated operating revenue or assets (Note 3)
				Title	Amount	Trading conditions	
0	CyberTAN Technology Inc.	Fu Hai Technology Company Limited	1	Purchase	\$ 769,712	Payment due 60 days after the shipment date; payment term for regular customers: O/A 60 days	69.14%
"	"	"	1	Other receivables	1,033,100	Collection term: O/A 60 days; collection term for general customers: O/A 60 days.	16.38%

Note 1: The business transactions between the parent company and its subsidiaries shall be indicated in the "No." column. This column shall be completed as follows:

- (1) 0 is reserved for the parent company.
- (2) Each subsidiary is numbered in sequential order starting from 1.

Note 2: The relationship with the counterparty is classified into the following three categories. Only the type needs to be indicated. (Repeated disclosure is not required for the same transaction between a parent company and its subsidiaries, or among subsidiaries.) For example, in transactions between a parent company and its subsidiary, if the parent company has disclosed the transaction, the subsidiary is not required to disclose it again. In transactions between subsidiaries, if one subsidiary has disclosed the transaction, the other subsidiary is not required to disclose it again.

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

Note 3: To calculate the percentage of the transaction amount in total consolidated operating revenue or assets, the share of the balance at ending of the period in the total consolidated assets is used as the basis of the calculation under the item of assets/liabilities; the share of the interim accumulated amount in the total consolidated operating revenue is used as the basis for the calculation under the item of profit/loss.

Note 4: The disclosure criteria are for transaction amounts that reach NTD 10 million or more.

CyberTAN Technology Inc. and its subsidiaries
Name and Territory of Invested Companies and Other Relevant Information (Excluding Invested Companies in China)
January 1 to March 31, 2026

Attachment VI

Unit: NTD thousand
(Unless otherwise specified)

Name of investor	Name of invested company (Note 1, 2)	Territory	Main business operation	Initial investment amount		Shareholding at the end of the period			Current profit or loss of the invested company (Note 2(2))	Investment gains and losses recognized in the current period (Note 2(3))	Remarks
				End of current period	End of last year	Number of shares	Ratio	Book amount			
CyberTAN Technology Inc.	CyberTAN Corp.(U.S.A)	USA	Sales of wired and wireless communication equipment	\$ 18,165	\$ 18,165	600,000	100.00%	\$ 54,992	(\$ 899)	(\$ 899)	-
"	Ta Tang Investment Co., Ltd.	Taiwan	General investment business	100,000	100,000	10,000,000	100.00%	188,102	661	661	-
"	CyberTAN (B.V.I) Investment Corp.	British Virgin Islands	General investment business	2,261,566	2,261,566	71,043,717	100.00%	1,491,695	(56,148)	(56,148)	-
"	SonicFi Inc.	Taiwan	Sales of wired and wireless communication equipment	5,000	5,000	500,000	100.00%	4,911	(107)	(107)	-
"	Mega Power Ventures Inc.	Taiwan	General investment business	14,000	14,000	1,400,000	25.00%	28,407	(238)	(60)	-
CyberTAN (B.V.I) Investment Corp.	CyberTAN Technology (HONG KONG) Limited	Hong Kong	General investment business	220,741	220,741	-	100.00%	265,687	4,222	4,222	-
"	HON YAO FU Technology Company Limited	Vietnam	Development, manufacturing and sale of high-end routers	277,119	277,119	-	100.00%	19,604	(3,511)	(3,511)	-
"	FU HAI Technology Company Limited	Vietnam	Development, manufacturing and sale of high-end routers	1,547,205	1,547,205	-	100.00%	1,190,504	(57,179)	(44,885)	-

Note 1: When the listed company has set up any holding company overseas and used the consolidated financial statements as the main financial statements pursuant to local laws, the information on overseas invested companies may be disclosed only to the extent that the information is related to the holding company.

Note 2: Otherwise, the table shall be completed as follows:

- (1) The "name of invested company," "territory," "main business operation," "original investment amount" and "shareholding at the end of the period" columns should be completed sequentially based on the Company's (listed company's) investment and each of its reinvestments in directly or indirectly controlled-invested companies. The relationship (subsidiary or sub-subsidiary) of each invested company with the Company (listed company) should be indicated in the Remarks.
- (2) The "current profit (loss) of invested company" column should be filled in with the amount of the current profit/loss of each invested company.
- (3) The "profit (loss) from investments recognized in the current period" column should be filled in only with the amount, recognized by the Company (listed company), of the profit/loss from direct investments in each subsidiary and of the profit/loss of each invested company valued under the equity method, and it is not necessary to provide other profits/losses. When providing "the recognized amount of the current profit/loss from direct investments in each subsidiary," it should ensure that the current profit/loss amount of each subsidiary includes any profit/loss from reinvestments that shall be recognized in accordance with regulations.

CyberTAN Technology Inc. and its subsidiaries
Information on Investments in Mainland China – Basic Information
January 1 to March 31, 2026

Attachment VII

Unit: NTD thousand
(Unless otherwise specified)

Name of Chinese invested company	Main business operation	Paid-in capital	Method of investment (Note 1)	Accumulated amount of investments from Taiwan at the beginning of current period	Amount of investments remitted or recovered in current period		Accumulated amount of investments from Taiwan at the end of current period	Current profit or loss of the invested company	The Company's shareholding ratio of direct or indirect investment	Investment gains and losses recognized in the current period (Note 2)	Investment book value – ending	Profit received from investments as of the end of current period	Remarks
					Remittance	Recovery							
Fuhongkang Technology (Shenzhen) Co., Ltd.	Development, manufacturing and sale of high-end routers	\$ 168,188	(2)	\$ 212,868	\$ -	\$ -	\$ 212,868	\$ 42	100%	42 (2(C))	\$ 254,609	\$ -	-
Guangzhou Fuguang Communication Technology Co., Ltd.	Development of high-end routers	9,741	(2)	-	-	-	-	4,179	100%	4,179 (2(C))	11,202	-	-
Chongqing Hongdaofu Technology Co., Ltd.	Development, manufacturing and sale of high-end routers	346,420	(3)	-	-	-	-	(116)	100%	(116) (2(C))	2,928	-	-

Name of company	Accumulated amount of investments from Taiwan to Mainland China at the end of current period	Investment amount approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA (Note 4)
CyberTAN Technology Inc.	\$212,868 (USD6,344)	\$205,725 (USD6,500)	\$ 2,477,986

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:

- (1) Engaged in direct investment in Mainland China.
- (2) Reinvested in Mainland China through a company in a third area, CyberTAN Technology (HONG KONG) Limited.
- (3) Others: Directly reinvested in Chinese companies through investment in the Chinese companies.

Note 2: In the “profit (loss) from investments recognized in the current period” column:

- (1) If the investee is in the preparatory stage and has not yet generated any investment income or loss, this should be noted.
- (2) There are following three profit/loss recognition bases. The appropriate one must be indicated.
 - A. Financial statements reviewed by an international accounting firm that has a cooperative relationship with an accounting firm in the Republic of China.
 - B. The financial statements audited by a CPA of the parent company in Taiwan
 - C. Investment income is recognized based on unaudited financial statements prepared for the same period.

Note 3: All amounts in the table should be stated in NTD.

Note 4: Pursuant to Order No. 09704604680 dated August 29, 2008 issued by the Ministry of Economic Affairs amending the “Regulations Governing Investment or Technical Cooperation in the Mainland Area and the Examination Guidelines,” the cumulative investment ceiling in the Mainland Area shall not exceed 60% of the investor’s net worth or consolidated net worth, whichever is higher.