Stock code : 5236

Sunplus Innovation Technology Inc.

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Sunplus Innovation Technology Inc.

Introduction

We have reviewed the accompanying balance sheets of Sunplus Innovation Technology Inc., as of March 31, 2026 and 2025, and the related statements of comprehensive income, the statements of changes in equity and cash flows for the three months then ended, and the related notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements"). Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 ‘‘Interim Financial Reporting’’ endorsed and issued into effect bt the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our reviews.

Scope of Review

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

Conclusion

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

The engagement partners on the audits resulting in this independent auditors' report are Yen-Chun Chen and Su-Li Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2026

<u>*Notice to Readers*</u>

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

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

Sunplus Innovation Technology Inc.

BALANCE SHEETS
March 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

ASSETS	March 31,2026 Amount	%	December 31,2025 Amount	%	March 31,2025 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 25)	$ 2,055,945	61	$ 2,049,608	66	$ 1,982,380	67
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 7 and 25)	558,051	17	496,183	16	553,378	17
Accounts receivable (Notes 8, 20 25 and 26)	439,536	13	287,850	9	342,122	11
Other receivables (Notes 8)	7,987	-	6,445	-	9,837	-
Inventories (Notes 9)	226,014	7	195,225	6	210,803	7
Other current assets (Note 14)	9,341	-	8,376	1	10,321	-
Total current assets	3,296,874	98	3,043,687	98	3,108,841	98
NON-CURRENT ASSETS						
Investments accounted for using the equity method (Notes 10)	26,918	1	-		-	
Property, plant and equipment (Notes 11)	7,165	-	7,868	-	10,709	-
Right-of-use assets (Notes 12)	14,907	1	16,322	-	20,567	1
Intangible assets (Notes 13)	14,233	-	16,485	1	19,760	1
Deferred tax assets (Notes 4 and 22)	9,227	-	9,063	-	9,935	-
Refundable deposits(Notes 14 and 25)	1,226	-	1,226	-	1,226	-
Prepayments for Investments(Notes 14 and 26)	-	-	27,000	1	-	-
Total non-current assets	73,676	2	77,964	2	62,197	2
Total assets	$ 3,370,550	100	$ 3,121,651	100	$ 3,171,038	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable (Note 15and 25)	$ 150,588	4	$ 65,656	2	$ 121,503	4
Accrued compensation to employees and compensation to directors (Note 21)	21,044	1	15,350	1	18,364	-
Other accounts payable (Note 16,25 and 26)	675,237	20	222,876	7	593,615	19
Current income tax liabilities(Note 4 and 22)	125,274	4	81,067	3	90,110	3
Lease liabilities - current (Notes 12)	5,695	-	5,663	-	5,568	-
Other current liabilities(Note 16 and 20)	65,314	2	40,501	1	40,031	1
Total current liabilities	1,043,152	31	431,113	14	869,191	27
NON-CURRENT LIABILITIES						
Provisions - non-current(Notes 17)	889	-	889	-	889	-
Lease liabilities – non-current (Notes 12)	9,586	-	11,022	-	15,281	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	1,294	-	1,294	-	886	-
Guarantee deposits (Note 25)	16,637	1	16,344	1	17,371	1
Total non-current liabilities	28,406	1	29,549	1	34,427	1
Total liabilities	1,071,558	32	460,662	15	903,618	28
EQUITY (Notes 19)						
Share capital						
Common stock	600,040	18	600,040	19	584,436	18
Capital surplus	1,175,471	35	1,252,276	40	1,252,276	40
Retained earnings						
Legal reserve	293,756	8	293,756	9	245,556	8
Special reserve	61,143	2	61,143	2	61,143	2
Unappropriated earnings	229,725	7	514,917	17	185,152	15
Other equity						
Other equity－Others	(61,143)	(2)	(61,143)	(2)	(61,143)	(2)
Total equity	2,298,992	68	2,660,989	85	2,267,420	72
TOTAL liabilities and equity	$ 3,370,550	100	$ 3,121,651	100	$ 3,171,038	100

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

Sunplus Innovation Technology Inc.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 26)	$ 587,273	100	$ 505,534	100
OPERATING COSTS (Notes 9, 21 and 26)	225,057	38	209,319	41
GROSS PROFIT	362,216	62	296,215	59
OPERATING EXPENSES (Notes 13,18,21 and 26)				
Selling and marketing expenses	24,626	4	22,332	5
General and administrative expenses	33,754	6	26,738	5
Research and development expenses	98,048	17	110,356	22
Total operating expenses	156,428	27	159,426	32
INCOME FROM OPERATIONS	205,788	35	136,789	27
NON-OPERATING INCOME AND EXPENSES (Notes 12 and 21)				
Interest income	7,579	1	7,416	2
Other income	418	-	1,268	-
Other gains and losses, net	8,470	2	5,923	1
Finance costs	(91)		(123)	
Share of profit (loss) of associates	(82)	-	-	-
Total non-operating income and expenses	16,294	3	14,484	3
PROFIT BEFORE INCOME TAX	222,082	38	151,273	30
INCOME TAX EXPENSE (Notes 4 and 22)	44,043	8	29,934	6
NET INCOME	178,039	30	121,339	24

(Continued)

Sunplus Innovation Technology Inc.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME	$ 178,039	30	$ 121,339	24
EARNINGS PER SHARE (Note 23)				
Basic earnings per share	$ 2.97		$ 2.02	
Diluted earnings per share	$ 2.96		$ 2.02	

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

Sunplus Innovation Technology Inc.

STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Share Capital Issued and Outstanding			Retained Earnings			Other Equity	
	Share (Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at FairValue Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2025	58,443	$ 584,436	$ 1,285,881	$ 245,556	$ 61,143	$ 482,152	($ 61,143)	$ 2,598,025
Appropriation of the 2024 earnings								
Cash dividends to shareholders	-	-	-	-	-	(418,339)	-	(418,339)
Cash dividends distributed from capital surplus	-	-	(33,605)	-	-	-	-	(33,605)
Net income for three months ended March 31, 2025	-	-	-	-	-	121,339	-	121,339
BALANCE AT March 31, 2025	58,443	$ 584,436	$ 1,252,276	$ 245,556	$ 61,143	$ 185,152	($ 61,143)	$ 2,267,420
BALANCE AT JANUARY 1, 2026	60,004	$ 600,040	$ 1,252,276	$ 293,756	$ 61,143	$ 514,917	($ 61,143)	$ 2,660,989
Appropriation of the 2025 earnings								
Cash dividends to shareholders	-	-	-	-	-	(463,231)	-	(463,231)
Cash dividends distributed from capital surplus	-	-	(76,805)	-	-	-	-	(76,805)
Net income for the three months ended March 31, 2026	-	-	-	-	-	178,039	-	178,039
BALANCE AT MARCH 31, 2026	60,004	$ 600,040	$ 1,175,471	$ 293,756	$ 61,143	$ 229,725	($ 61,143)	$ 2,298,992

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

Sunplus Innovation Technology Inc.

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 222,082	$ 151,273
Adjustments for:		
Depreciation expense	2,587	2,685
Amortization expense	3,527	2,725
Net gain on fair value change of financial assets at FVTPL	(1,868)	(1,602)
Financial costs	91	123
Interest income	(7,579)	(7,416)
Share of profit of associates	82	-
Loss (gain) on foreign exchange, net	(3,361)	(2,122)
Changes in operating assets and liabilities:		
Accounts receivable	(144,891)	(8,181)
Other receivable	(1,542)	(3,139)
Inventories	(30,789)	(24,573)
Other current assets	(965)	(2,072)
Contract liabilities	349	(2,269)
Accounts payables	82,991	29,337
Other accounts payables	(87,934)	(92,738)
Other current liabilities	22,747	(5,768)
Accrued compensation to employees and compensation to directors	5,694	3,879
Cash generated from operations	61,221	40,142
Interest received	7,579	7,470
Interest paid	(91)	(123)
Income tax paid	-	(36)
Net cash generated from operating activities	68,709	47,453

(Continued)

Sunplus Innovation Technology Inc.

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at FVTPL	($ 60,000)	($ 140,000)
Acquisition of property, plant and equipment	(483)	(595)
Acquisition of intangible assets	(1,275)	-
Net cash generated from (used in) investing activities	(61,758)	(140,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(1,404)	(1,373)
Net cash used in financing activities	(1,404)	(1,373)
Effect of the changes in exchange rate on cash and cash equivalents	790	647
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,337	(93,868)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	2,049,608	2,076,248
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	$ 2,055,945	$ 1,982,380

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

SUNPLUS INNOVATION TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sunplus Innovation Technology Inc. (the "Company") was established in December 2006. The Company is primarily engaged in the research, development, design, manufacture, and sale of various integrated circuits (ICs), IC modules, software applications, and silicon intellectual property, and in the trading and agency of various integrated circuits.

Pursuant to the Business Mergers and Acquisitions Act, the Company's parent company, Sunplus Technology Co., Ltd. ("Sunplus"), spun off its Control and Peripheral Business Unit and transferred the related operations to the Company, with an assigned business value of NT$308,000 thousand, as of the record date on December 1, 2006. As consideration for the spin-off, the Company issued 22,000 thousand new shares to Sunplus at an issuance price of NT$14 per share. The Company officially commenced operations in December 2006.

Furthermore, pursuant to the Business Mergers and Acquisitions Act, Sunplus Multimedia Co., Ltd. ("Sunplus Multimedia") also spun off its PC CAM product line and transferred the related operations to the Company, with an assigned business value of NT$135,352 thousand, as of the record date on December 1, 2009. As consideration for the spin-off, the Company issued 8,087 thousand new shares to the shareholders of Sunplus Multimedia at an issuance price of NT$16.7372 per share.

The Company's shares have been listed on the Taipei Exchange (TPEx) Mainboard since July 29, 2021.

The financial statements of the Company are presented in New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized by the Audit Committee and the board of directors for issue on May 7, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027(Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 Amendments)	January 1, 2027
Amendments to IAS 21 “Translation to a Presentation Currency that is the Currency of a Hyperinflationary Economy”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that companies in Taiwan are required to adopt IFRS 18 starting from January 1, 2028. However, companies may choose to early adopt IFRS 18 once it has been endorsed by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and related consequential amendments

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The main changes under this standard include:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- When preparing cash flows from operating activities using the indirect method, the Company shall use "operating profit or loss" as the starting point for the reconciliation.

- The Company’s interest and dividends received shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company is assessed to have specified main business activities, the classification of dividends received, interest received, and interest paid in the statement of cash flows shall be determined based on the categories in which the related dividend income, interest income, and interest expense are presented in the statement of profit or loss. However, each of these cash flows may only be classified within a single category in the statement of cash flows.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis for Preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Other material accounting policies

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

1) Investment in Associates

Investments in the associates are accounted for using the equity method.
Under the equity method, an investment is initially recognized in the statements of financial positional cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of the associates as well as the distribution received. The Company also recognizes its share in the changes in equities of associates.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events002E

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments and key sources of estimation uncertainty used in the preparation of these interim financial statements are the same as those used in the preparation of the Company's financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 444	$ 220	$ 434
Demand deposits	181,195	184,332	141,700
Cash equivalents			
Time deposits	1,874,306	1,865,056	1,840,246
	$ 2,055,945	$2,049,608	$ 1,982,380

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Bank balances	0.01%~1.73%	0.01%~1.78%	0.01%~1.78%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at fair value through profit of loss (FVTPL) - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic and foreign investment			
Mutual funds	$ 558,051	$ 496,183	$ 533,378

8. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 439,536	$ 287,850	$ 342,122

	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables			
Tax refund receivable	$ 7,987	$ 6,445	$ 9,837

a. Accounts receivable

The average credit period on sales of goods was 30 to 60 days without interest. The Company's exposure to credit risk and external credit ratings are continuously monitored. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual account at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, and GDP forecasts, as well as the industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activities to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Company's current credit risk grading framework is shown in the following table:

March 31, 2026

	Not Overdue	Overdue 1-30 days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	$ 439,536	$ -	$ 439,536
Gross carrying amount Loss allowance (Lifetime ECLs)	-	-	-
Amortized cost	$ 439,536	$ -	$ 439,536

December 31, 2025

	Not Overdue	Overdue 1-30 days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	$ 287,850	$ -	$ 287,850
Gross carrying amount Loss allowance (Lifetime ECLs)	-	-	-
Amortized cost	$ 287,850	$ -	$ 287,850

March 31, 2025

	Not Overdue	Overdue 1-30 days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	$ 339,123	$ 2,999	$ 342,122
Gross carrying amount Loss allowance (Lifetime ECLs)	-	-	-
Amortized cost	$ 339,123	$ 2,999	$ 342,122

b. Other receivables

As of March 31, 2026, and December 31, 2025, and March 31, 2025, the Company's other receivables were neither overdue nor impaired.

9. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$ 69,549	$ 69,406	$ 82,100
Work in progress	96,477	105,471	95,604
Raw materials	59,988	20,348	33,099
	$ 226,014	$ 195,225	$ 210,803

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2026	2025
Cost of inventories sold	$ 225,057	$ 209,319

The gain on reversal of inventory write-down and obsolescence was due to the clearance of inventories.

10. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2026	December 31, 2025	March 31, 2025
Tian Yuan Global Corp (Tian Yuan)	$ 26,918	$ -	$ -

	Equity and voting power		
	March 31, 2026	December 31, 2025	March 31, 2025
Tian Yuan	3.11%	-	-

Reference is made to TABLE 2

In March 2026, the Company acquired a 3.11% equity interest in Tian Yuan. The Company has assessed that it exercises significant influence over Tian Yuan, and has therefore accounted for this investment using the equity method.

11. PROPERTY, PLANT AND EQUIPMENT

	Testing Equipment	Leased Improvement	Furniture and Fixtures	Total
Cost				
Balance at January 1, 2026	$ 19,916	$ 1,261	$ 800	$ 21,977
Additions	469	-	-	469
Disposals	(2,252)	-	(535)	(2,787)
Balance at March 31, 2026	$ 18,133	$ 1,261	$ 265	$ 19,659
Accumulated depreciation				
Balance at January 1, 2026	$ 12,408	$ 1,088	$ 613	$ 14,109
Depreciation expense	1,131	15	26	1,172
Disposals	(2,252)	-	(535)	(2,787)
Balance at March 31, 2026	$ 11,287	$ 1,103	$ 104	$ 12,494
Carrying amount at March 31, 2026	$ 6,846	$ 158	$ 161	$ 7,165
Carrying amount at December 31, 2025 and January 1, 2026	$ 7,508	$ 173	$ 187	$ 7,868

	Testing Equipment	Leased Improvement	Furniture and Fixtures	Total
Cost				
Balance at January 1, 2025	$ 21,758	$ 1,261	$ 1,936	$ 24,955
Additions	725	-	-	725
Disposals	(3,324)	-	(1,136)	(4,460)
Balance at March 31, 2025	$ 19,159	$ 1,261	$ 800	$ 21,220
Accumulated depreciation				
Balance at January 1, 2025	$ 11,144	$ 1,004	$ 1,553	$ 13,701
Depreciation expense	1,198	22	50	1,270
Disposals	(3,324)	-	(1,136)	(4,460)
Balance at March 31, 2025	$ 9,018	$ 1,026	$ 467	$ 10,511
Carrying amount at March 31, 2025	$ 10,141	$ 235	$ 333	$ 10,709
Carrying amount at December 31, 2024 and January 1, 2025	$ 10,614	$ 257	$ 383	$ 11,254

No impairment losses were recognized or reversed during the three months ended March 31, 2026 and 2025.

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

Testing equipment	3-4 years
Leased Improvement	5 years
Furniture and fixtures	4 years

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Buildings	$ 14,422	$ 15,733	$ 19,666
Transportation equipment	485	589	901
	$ 14,907	$ 16,322	$ 20,567

	For the Three Months Ended March 31	
	2026	2025
Depreciation charge for right-of-use assets		
Buildings	$ 1,311	$ 1,311
Transportation equipment	104	104
	$ 1,415	$ 1,415

Except for additions and depreciation recognized, the Company's right-of-use assets did not have significant sublease or impairment loss for the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Current	$ 5,695	$ 5,663	$ 5,568
Non-current	$ 9,586	$ 11,022	$ 15,281

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	2.250%	2.250%	2.250%
Transportation equipment	2.450%	2.450%	2.450%

c. Material lease-in activities and terms

The Company leases buildings for factories and offices, and transportation equipment for business use, with lease terms ranging from 3 to 5 years. Lease payments for the underlying land are adjusted based on the officially announced land value. The Company has no bargain purchase options to acquire these assets at the end of the lease terms.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	$ 627	$ 625
Total cash outflow for leases	$ 2,122	$ 2,121

The Company leases certain stockroom and other leases which qualify as short-term leases. The Company has elected to apply the recognition exemption and therefore did not recognize right-of-use assets and lease liabilities for these leases.

13. INTANGIBLE ASSETS

	Technology License Fees	Software	Total
Cost			
Balance at January 1, 2026	$ 11,337	$ 27,756	$ 39,093
Additions	1,275	-	1,275
Disposals	(1,000)	-	(1,000)
Balance at March 31, 2026	$ 11,612	$ 27,756	$ 39,368
Accumulated impairment			
Balance at January 1, 2026	$ 8,203	$ 14,405	$ 22,608
Amortization expense	735	2,792	3,527
Disposals	(1,000)	-	(1,000)
Balance at March 31, 2026	$ 7,938	$ 17,197	$ 25,135
Net Balance at March 31, 2026	$ 3,674	$ 10,559	$ 14,233
Carrying amount at December 31, 2025 and January 1, 2026	$ 3,134	$ 13,351	$ 16,485

	Technology License Fees	Software	Total
Cost			
Balance at January 1, 2025	$ 12,031	$ 25,022	$ 37,053
Disposals	(694)	(3,491)	(4,185)
Balance at March 31, 2025	$ 11,337	$ 21,531	$ 32,868
Accumulated impairment			
Balance at January 1, 2025	$ 5,565	$ 9,003	$ 14,568
Amortization expense	844	1,881	2,725
Disposals	(694)	(3,491)	(4,185)
Balance at March 31, 2025	$ 5,715	$ 7,393	$ 13,108
Net Balance at March 31, 2025	$ 5,622	$ 14,138	$ 19,760
Carrying amount at December 31, 2024 and January 1, 2025	$ 6,466	$ 16,019	$ 22,485

No impairment loss was recognized or reversed for the three months ended March 31, 2026 and 2025.

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

Technology license fees	1-5 years
Software	1-3 years

An analysis of the amortization by function:

	For the Three Months Ended March 31	
	2026	**2025**
General and administrative expenses	$ 25	$ 6
Research and development expenses	3,502	2,719
	$ 3,527	$ 2,725

14. OTHER ASSETS

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Current			
Prepayments for EDA tools	$ 8,782	$ 7,707	$ 9,229
Others	559	669	1,092
	$ 9,341	$ 8,376	$ 10,321
Non-current			
Prepayments for investments (a)	$ -	$ 27,000	$ -
Refundable deposits	$ 1,226	$ 1,226	$ 1,226

a. Prepayments for investments

In November 2025, the Board of Directors approved the Company's acquisition of common shares of Tian Yuan Global Corp. for NT$27,000 thousand as a long-term strategic investment. The investment was reclassified as an investment accounted for using the equity method in March 2026.

15. ACCOUNTS PAYABLE

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Accounts payable			
Payable - operating	$ 150,588	$ 65,656	$ 121,503

The average credit period on purchases of certain goods was 15-60 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

16. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Other payables			
Payable dividend	$ 540,036	$ -	$ 451,944
Payables for salaries or bonuses	91,839	178,218	67,487
Payable technical service fees	12,390	10,917	10,274
Payable labor and health insurance fees	6,159	6,216	5,993
Payable for mask expense	-	12,032	33,003
Others	24,813	15,493	24,914
	$ 675,237	$ 222,876	$ 593,615
Other current liabilities			
Refund liabilities (Note 20)	$ 60,227	$ 36,012	$ 32,369
Receipts under custody	4,651	4,402	3,851
Contract liabilities (Note 20)	436	87	3,811
	$ 65,314	$ 40,501	$ 40,031

17. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current provisions			
Decommissioning liabilities	$ 889	$ 889	$ 889

18. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Company’s defined benefit retirement plans were $5 thousand as of the three months ended March 31 2026 and 2025 respectively, and were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2025 and 2024.

19. EQUITY

a. Share capital

1) Ordinary shares:

	March 31, 2026	December 31, 2025	March 31, 2025
Shares authorized (in thousands of shares)	100,000	100,000	70,000
Value of authorized shares	$ 1,000,000	$ 1,000,000	$ 700,000
Shares issued and fully paid (in thousands of shares)	60,004	60,004	58,443
Shares issued and fully paid	$ 600,040	$ 600,040	$ 584,436

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and a right to dividends.

On May 29, 2025, the Company's shareholders resolved to issue 1,561 thousand new shares through the capitalization of retained earnings, with a par value of NT$10 per share. Subsequent to this capital increase, the paid-in capital was NT$600,040 thousand. Additionally, the Company amended its Articles of Incorporation to set the authorized capital at NT$1,000,000 thousand. These changes were duly registered on July 21, 2025.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Additional paid-in capital	$ 1,175,471	$ 1,252,276	$ 1,252,276

(Note) When the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year.

c. Retained earnings and dividends policy

According to the profit distribution policy specified in the Company's articles, when the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit. Though this limitation is not applicable when the legal reserve has reached the total capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The total number of shareholders' dividends based on the annual surplus shall be distributed at the rate of not less than 10% of the newly added distributable surplus for the year, but shall not be distributed when the annual surplus is less than 1% of the paid-in capital. The aforementioned cash dividends shall not be less than 10% of the total dividends to be distributed to shareholders.

If there is any deduction from shareholders' equity accumulated in prior years or incurred during the current year, and the current year's after-tax profit is insufficient to cover such deduction, a special reserve in the same amount shall be appropriated from the accumulated undistributed earnings and deducted before any distribution proposal is made.

The distribution of dividends and bonuses, or all or part of the legal reserve and capital surplus, in the form of new shares shall be handled in accordance with Article 240 of the Company Act and is subject to the resolution of the shareholders' meeting. If such distribution is made in cash, the Board of Directors is authorized to resolve it with at least two-thirds of the directors present and a majority of the attending directors' consent, and such distribution shall be reported to the shareholders' meeting. For policies regarding the distribution of employees' compensation and remuneration to directors, please refer to Note 21 (g).

The legal reserve shall be appropriated until its balance equals the Company's total paid-in capital. The legal reserve may be used to offset accumulated deficits. If the Company has no deficit, the portion of legal reserve exceeding 25% of the paid-in capital may be capitalized (issued as new shares) or distributed in cash.

The appropriations of earnings for the fiscal years 2025 and 2024 were resolved as follows:

	For Year 2025	For Year 2024
Legal reserve	$ 51,491	$ 48,200
Cash dividend	$ 463,231	$ 418,339
Stock Dividend	$ -	$ 15,604
Cash dividend per share (NT$)	$ 7.72	$ 7.158
Stock Dividend per Share (NT$)	$ -	$ 0.267

The aforementioned cash dividends were approved for distribution by the Board of Directors on February 26, 2026 and February 26, 2025, respectively. The remaining profit distribution items for the fiscal years 2025 and 2024 were approved at the annual general meetings of shareholders on May 29, 2025 and May 29, 2026, respectively.

In addition, the board of directors resolved on February 26, 2026 and February 26, 2025, to distribute cash dividends of NT$76,805 thousand and NT$33,605 thousand, respectively, from the capital surplus.

d. Special reserve

	For the Three Months Ended March 31	
	2026	2025
Beginning and Ending Balances	$ 61,143	$ 61,143

e. Other equity items

Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2026	2025
Beginning and Ending Balances	($ 61,143)	($ 61,143)

20. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Revenue from the sale of goods	$ 586,909	$ 503,244
Other	364	2,290
	$ 587,273	$ 505,534

a. Contract information

Revenue from the sale of goods

IC products are sold to agents and customers. The Company determines the sales price of products based on orders. It takes into consideration the past purchases of agents and customers in order to estimate the most likely discount amount and return rate. Based on the determination of revenue, the Company recognizes the amount and the liabilities for refunds (accounted for as other current liabilities).

b. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Accounts receivables (Note 8)	$ 439,536	$ 287,850	$ 342,122	$ 329,047
Contract liabilities - current (Note 16)	$ 436	$ 87	$ 3,811	$ 6,080

c. Disaggregation of revenue

For the Three Months Ended March 31,2026

	Reportable Segments		
	Direct Sales – IC products	Other	Total
Primary geographical markets			
Taiwan	$ 339,241	$ 364	$ 339,605
China	225,549	-	225,549
Other	22,119	-	22,119
	$ 586,909	$ 364	$ 587,273
Primary products			
IC products	$ 586,909	$ -	$ 586,909
Other	-	364	364
	$ 586,909	$ 364	$ 587,273
Timing of revenue recognition			
Satisfied at a point in time	$ 586,909	$ -	$ 586,909
Satisfied over time	-	364	364
	$ 586,909	$ 364	$ 587,273

F or the Three Months Ended March 31,2025

	Reportable Segments		
	Direct Sales – IC products	Other	Total
Primary geographical markets			
Taiwan	$ 292,901	$ 1,804	$ 294,705
China	189,877	486	190,363
Other	20,466	-	20,466
	$ 503,244	$ 2,290	$ 505,534
Primary products			
IC products	$ 503,244	$ -	$ 503,244
Other	-	2,290	2,290
	$ 503,244	$ 2,290	$ 505,534
Timing of revenue recognition			
Satisfied at a point in time	$ 503,244	$ -	$ 503,244
Satisfied over time	-	2,290	2,290
	$ 503,244	$ 2,290	$ 505,534

21. Net Profit from Continuing Operations

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank deposits	$ 7,579	$ 7,416

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Rental income		
Operating lease rental income	$ 232	$ 237
Others	186	1,031
	$ 418	$ 1,268

c. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Fair value changes of financial assets and financial liabilities	$ 1,868	$ 1,602
Financial Assets Mandatorily Measured at FVTPL		
Foreign exchange (loss) gain	6,717	4,415
Others	(115)	(94)
	$ 8,470	$ 5,923

d. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on lease liabilities	$ 91	$ 123

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
An analysis of depreciation by function		
Operating costs	$ 63	$ 64
Operating expenses	2,524	2,621
	$ 2,587	$ 2,685

An analysis of amortization by function		
Operating expenses	$ 3,527	$ 2,725

f. Employee benefit expense

	For the Three Months Ended March 31	
	2026	**2025**
Short-term benefits	$ 110,311	$ 89,047
Post-employment benefits		
Defined contribution plans	2,636	2,557
Defined benefit plans (Note 18)	5	5
	2,641	2,562
Other employee benefits	2,301	2,071
Total employee benefits expense	$ 115,253	$ 93,680
An analysis of employee benefits expense by function		
Operating costs	$ 4,383	$ 3,356
Operating expenses	110,870	90,324
	$ 115,253	$ 93,680

g. Employees’ compensation and remuneration of directors

In accordance with the Articles of Incorporation, the Company allocates employees’ compensation and remuneration of directors at rates of no less than 1% and no more than 1.5%, respectively, of net profit before tax, prior to the deduction of the aforementioned compensation and remuneration. Following the amendment to the Securities and Exchange Act in August 2024, the Company’s shareholders resolved at the 2025 annual general meeting to amend the Articles of Incorporation to specify that no less than 10% of the allocated employees’ compensation shall be designated for non-managerial employees. The estimated employees’ compensation and remuneration of directors for the years 2026 and 2025 were resolved by the Board of Directors on the three months ended March 31, 2026 and 2025, respectively, as follows:

	For the Three Months Ended March 31	
Estimated allocation rate	**2026**	**2025**
Compensation of employees	1%	1%
Compensation of directors	1.5%	1.5%

	For the Three Months Ended March 31	
Amount	**2026**	**2025**
Compensation of employees	$2,278	$1,552
Compensation of directors	3,417	2,327

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The estimated employee compensation and director compensation for the years 2025 and 2024 were determined by the board of directors on February 26, 2026 and February 26 2025 respectively:

Amount	For the Three Months Ended March 31			
	2025		2024	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 6,140	$ -	$ 5,794	$ -
Compensation of directors	9,210	-	8,691	-

There is no difference between the actual amounts of employees' compensation and remuneration of directors distributed for the years 2025and 2024and the amounts recognized in the financial statements for the years 2025and 2024

Information on the employees' compensation and remuneration of directors resolved by the Company's Board of Directors is available at the "Market Observation Post System" (MOPS) website of the Taiwan Stock Exchange.

h. Gain or loss on exchange rate changes

	For the Three Months Ended March 31	
	2026	2025
Foreign exchange gains	$ 11,784	$ 7,809
Foreign exchange losses	(5,067)	(3,394)
Net foreign exchange gain (loss)	$ 6,717	$ 4,415

22. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	$ 44,207	$ 30,847
Deferred tax		
In respect of the current year	(164)	(913)
Income tax expense recognized in profit or loss	$ 44,043	$ 29,934

b. Income tax assessment

As of the end of the 2024 fiscal year, the Company’s income tax returns have been approved by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2026	**2025**
Basic earnings per share	$ 2.97	$ 2.02
Diluted earnings per share	$ 2.96	$ 2.02

In calculating earnings per share, the effects of retrospective adjustments due to stock dividends have been applied, with the record date for the stock dividends set on July 9, 2025. As a result of these retrospective adjustments, the basic and diluted earnings per share for the three months ended March 31, 2025 have been adjusted as follows:

Unit: NT$ Per Share

	As previously reported	As adjusted
	For the Three Months Ended March 31	
	2026	**2025**
Basic earnings per share	$ 2.97	$ 2.02
Diluted earnings per share	$ 2.96	$ 2.02

The profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Three Months Ended March 31	
	2026	**2025**
Earnings used in the computation of basic and diluted earnings per share	$ 178,039	$ 121,339

Number of shares

Unit: Thousand Share

	For the Three Months Ended March 31	
	2026	**2025**
Weighted average number of ordinary shares used in the computation of basic earnings per shares	60,004	60,004
Effect of potential dilutive ordinary shares:		
Employee bonuses	49	34
Weighted average number of ordinary shares used in the computation of diluted earnings per share	60,053	60,038

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24.CAPITAL MANAGEMENT

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

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity (comprising issued capital, reserves, retained earnings and other equity) attributable to owners of the Company.

The Company is not subject to any externally imposed capital requirements.

25. FINANCIAL INSTRUMENTS

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

   The management of the Company considers that the fair values of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

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

   1) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at FVTPL				
Non-derivative financial assets –Mutual funds	$ 558,051	$ -	$ -	$ 558,051

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at FVTPL				
Non-derivative financial assets –Mutual funds	$ 496,183	$ -	$ -	$ 496,183

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at FVTPL				
Non-derivative financial assets –Mutual funds	$ 553,378	$ -	$ -	$ 553,378

There were no transfers between Levels 1 and 2 in the three months ended March 31 2026 and 2025.

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

Some foreign unlisted equity investments are measured using the net asset value method. The Company assesses that the investee's net asset value approximates the fair value of the equity investments. The assessment takes into account the total value of the investee's individual assets and liabilities to reflect the overall value of the business.

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Mandatorily at FVTPL	$ 558,051	$ 496,183	$ 553,378
Financial assets at amortized cost (i)	2,496,707	2,338,684	2,325,728
Financial liabilities			
Measured at amortized cost (ii)	$ 204,428	$ 120,442	$ 207,065

i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables (Interest receivable) and refundable deposits.

ii) The balances include financial liabilities at amortized cost, which comprise accounts payable, expense payable, other accounts payables and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments included mutual funds, accounts receivable, lease liability and accounts payable. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company's exposure to market risk in relation to financial instruments and the management and measurement of such risk have not changed.

a) Foreign currency risk

A part of the Company's cash flows is in foreign currency, and the use by management of derivative financial instruments is for hedging adverse changes in exchange rates, not for profit.

For exchange risk management, each foreign-currency item of net assets and liabilities is reviewed regularly.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period, please refers to Note 27.

Sensitivity analysis

The Company was mainly exposed to the USD and RMB.

The following table details the Company sensitivity to a US$1.00 and RMB1.00 increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis considers the currencies of USD and RMB in circulation, and adjusts the end-of-term conversion to exchange rate change of $1.00. The sensitivity analysis covers cash and cash equivalents, accounts receivable accounts payable, other accounts payable and deposit margins. A positive (negative) amount below indicates an increase in pre-tax profit when the NTD weakened by USD$1.00 and RMB1.00 against the relevant currency at the end of the reporting period.

	USD Impact	
	For the Three Months Ended March 31	
	2026	**2025**
Profit or loss	($ 7,518)	($ 5,004)

	RMB Impact	
	For the Three Months Ended March 31	
	2026	**2025**
Profit or loss	$ 2,573	$ 2,128

b) Interest rate risk

The risk is managed by the Company through maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	$ 716,206	$ 706,956	$ 682,146
Financial liabilities	15,281	16,685	20,849
Cash flow interest rate risk			
Financial assets	1,339,295	1,342,433	1,299,799

Sensitivity analysis

The sensitivity analyses below were determined based on the Company’s exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. Basis points of 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.125% higher/lower and all other variables were held constant, the Company’s pre-tax profit for the three months ended March 31, 2026 and 2025 would have increased/decreased by $419 thousand and $406 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company’s maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company is arising from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual account at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company’s credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Accounts receivable consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company’s concentration of credit risk of 94%、88% and 90% in total accounts receivable (including related parties) as of March 31, 2026 and December 31, 2025 and March 31, 2025, respectively, was related to the five largest customers within the property construction business segment. The Company believed that the concentration of credit risk is relatively insignificant for the remaining accounts receivables.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

As of March 31, 2026 and December 31, 2025 and March 31, 2025, the Company had available unutilized overdraft and financing facilities refer to the following instruction (b) Financing facilities.

a) Liquidity and interest rate risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay, and therefore bank borrowings that the Company may be required to repay immediately are presented in the earliest time band, without considering the likelihood of the banks exercising such rights. The tables include both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2026

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 138,342	$ 24,892	$ 3,436	$ -
Lease liabilities	498	997	4,486	9,784
	$ 138,840	$ 25,889	$ 7,922	$ 9,784

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years
Lease liabilities	$ 5,981	$ 9,784

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 49,908	$ 22,041	$ 3,246	$ -
Lease liabilities	498	997	4,486	11,279
	$ 50,406	$ 23,038	$ 7,732	$ 11,279

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years
Lease liabilities	$ 5,981	$11,279

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 114,870	$ 26,796	$ -	$ -
Lease liabilities	499	997	4,486	15,765
	$ 115,369	$ 27,793	$ 4,486	$ 15,765

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years
Lease liabilities	$ 5,982	$15,765

b) Financing facilities

	March 31, 2026	December 31, 2025	March 31, 2025
Unused unsecured bank overdraft facilities, repayable on demand and subject to annual review.			
Amount unused	$ 496,252	$ 491,019	$ 688,317

26. TRANSACTIONS WITH RELATED PARTIES

The Company's parent company is Sunplus Technology Co., Ltd., which, together with its subsidiaries, held 57% of the Company's ordinary shares as of March 31, 2026 and December 31, 2025 and March 31, 2025.

In addition to those disclosed in other notes, the significant transactions between the Company and its related parties are summarized as follows:

a. Name and relationship of related parties

Related Party Name	Related Party Category
Sunplus Technology Co., Ltd.	The Company's parent company
Generalplus Technology Inc.(Generalplus)	Sister company
SunMedia Technology(Chengdu) Co., Ltd.(SunMedia)	Sister company
Worldplus Technology (shenzhen) Co., Ltd.(Worldplus)	Sister company
Tian Yuan Global Corp.(Tian Yuan)	Associate (Prior to March 2026, Tian Yuan was a substantive related party)

b. Operating revenue

	Related Party Type/Name	For the Three Months Ended March 31	
		2026	2025
Sales revenue	Substantive related party Tian Yuan	$ 190	$ -

c. Receivable from related parties

Account Item	Related Party Type	March 31, 2026	December 31, 2025	March 31, 2025
Accounts Receivable	Associate Tian Yuan	$ 202	$ -	$ -

d. Payables from related parties

Account Item	Related Party Type	March 31, 2026	December 31, 2025	March 31, 2025
Other payables	Sister company			
	Worldplus	$ 9,032	$ 7,913	$ 7,861
	SunMedia	3,358	3,004	2,413
	Parent company	317	305	302
		$ 12,707	$ 11,222	$ 10,576

e. Prepayments

Account Item	Related Party Type	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments for investments	Substantive related party Tian Yuan	$ -	$ 27,000	$ -

f. Other transactions with related parties

Account Item	Related Party Type	For the Three Months Ended March 31	
		2026	2025
Manufacturing expenses	Parent company	$ 197	$ 218

Operating expenses	Parent company	$ 930	$ 851
	Sister company		
	Worldplus	8,919	8,155
	SunMedia	3,463	2,491
		$ 13,312	$ 11,497

The prices and terms of sales services provided by the Company to related parties are comparable to those offered to independent third-party customers.

The prices and terms of testing services provided by the Company to related parties are comparable to those offered to independent third-party suppliers.

Management support and after-sales services provided between the Company and related parties are charged based on mutually agreed terms. There are no comparable transactions available for benchmarking, and the payment terms are consistent with those applied to ordinary customers.

The pricing and the payment terms of the lease contract between the Company and the related parties were similar to those with external customers.

g. Compensation of key management personnel

	For the Three Months Ended March 31	
	2026	**2025**
Short-term employee benefits	$ 15,648	$ 16,693
Post-employment benefits	49	54
	$ 15,697	$ 16,747

Compensation of directors and other key management personnel was decided in accordance with individual performance and market trends.

27. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant foreign-currency-denominated financial assets and liabilities are as follows:

March 31, 2026

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 15,110	31.995	$ 483,444
JPY	163	0.2005	33
CNY	104	4.6290	481
HKD	9	4.0810	37

Financial liabilities			
Monetary items			
USD	7,592	31.995	242,906
CNY	2,677	4.6290	12,392

December 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 10,449	31.43	$ 328,412
JPY	313	0.2008	63
CNY	84	4.496	378
HKD	2	4.038	8
Financial liabilities			
Monetary items			
USD	4,398	31.43	138,229
CNY	2,428	4.496	10,916

March 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 11,767	33.205	$ 390,723
JPY	228	0.2227	51
CNY	119	4.573	545
HKD	5	4.268	20
Financial liabilities			
Monetary items			
USD	6,763	33.205	224,565
CNY	2,247	4.573	10,276

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Three Months Ended March 31			
	2026		2025	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	31.995 （USD：NTD）	$ 7,181	33.205 （USD：NTD）	$ 4,666
CNY	4.629 （CNY：NTD）	(463)	4.573 （CNY：NTD）	(254)
HKD	4.081 （HKD：NTD）	(1)	4.268 （HKD：NTD）	1
JPY	0.2005 （JPY：NTD）	-	0.2227 （JPY：NTD）	2
		$ 6,717		$ 4,415

27. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees and b. Information on investees:

1) Financings provided: No.

2) Endorsement/guarantee provided: No.

3) Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures): Table 1.

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: No.

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: No.

6) Others: Business relationships and significant transactions between the parent company and its subsidiaries, and among subsidiaries, including the related amounts: No.

b. Information on investees: Table 2.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: No.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses No.

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

29. SEGMENT INFORMATION

Based on the operating results regularly reviewed by the chief operating decision maker for the purpose of resource allocation and performance assessment, the Company operates as a single operating segment. In addition, the segment information provided to the chief operating decision maker is measured on the same basis as that used in the financial statements. That is, the revenue by sub-segment and

operating results for the nine months ended March 31, 2026 and 2025 are shown in the accompanying consolidated statements of comprehensive income, and the assets by segment as of March 31, 2026, December 31, 2025 and March 31, 2025 are shown in the accompanying consolidated balance sheets for March 31, 2026, December 31, 2025 and March 31, 2025

TABLE 1

SUNPLUS INNOVATION TECHNOLOGY INC.

MARKETABLE SECURITIES HELD
March 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	14,293,569	$ 206,171	-	$ 206,171	Note 1
	UPAMC James Bond Money Market Fund	-	Financial assets at FVTPL - current	8,571,465	151,954	-	151,954	Note 1
	Fubon Money Market Fund	-	Financial assets at FVTPL - current	6,398,853	100,898	-	100,898	Note 1

Note 1: The market value was based on the net asset value of the fund as of March 31, 2026.

SUNPLUS INNOVATION TECHNOLOGY INC.

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
March 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2026			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2026	December 31, 2025	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Sunplus Innovation	Tian Yuan Global Corp	Taoyuan, Taiwan	Electronic Parts and Components Manufacturing	$ 27,000	$ -	900,000	3.11%	$ 26,918	($ 18,504)	($ 82)	Investee