

Sunplus Innovation Technology Inc.

**Financial Statements for the
Six Months Ended June 30, 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 June 30, 2026 and 2025, and the related statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025 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 Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the 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 Performed by the Independent Auditor 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

Based 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 June 30, 2026 and 2025, and its financial performance for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, and its cash flows for the six months ended June 30, 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 reviews resulting in this independent auditors' report are Yen-Chun Chen and Su-Li Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 4, 2026

Notice to Readers

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 review 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
June 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

ASSETS	June 30,2026		December 31,2025		June 30,2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 25)	\$ 2,042,815	57	\$ 2,049,608	66	\$ 1,959,483	61
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 7 and 25)	206,978	6	496,183	16	645,543	20
Accounts receivable (Notes 8, 20, 25 and 26)	381,392	11	287,850	9	334,133	10
Other receivables (Notes 8)	5,832	-	6,445	-	8,983	-
Inventories (Notes 9)	292,592	8	195,225	6	181,079	6
Other current assets (Note 14)	<u>558,747</u>	<u>16</u>	<u>8,376</u>	<u>1</u>	<u>18,459</u>	<u>1</u>
Total current assets	<u>3,488,356</u>	<u>98</u>	<u>3,043,687</u>	<u>98</u>	<u>3,147,680</u>	<u>98</u>
NON-CURRENT ASSETS						
Investments accounted for using the equity method (Notes 10)	26,205	1	-	-	-	-
Property, plant and equipment (Notes 11)	7,571	-	7,868	-	9,660	-
Right-of-use assets (Notes 12)	13,492	1	16,322	-	19,152	1
Intangible assets (Notes 13)	10,664	-	16,485	1	18,319	1
Deferred tax assets (Notes 4 and 22)	9,406	-	9,063	-	12,885	-
Refundable deposits(Notes 14 and 25)	1,226	-	1,226	-	1,226	-
Prepayments for Investments(Notes 14 and 26)	<u>-</u>	<u>-</u>	<u>27,000</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>68,564</u>	<u>2</u>	<u>77,964</u>	<u>2</u>	<u>61,242</u>	<u>2</u>
Total assets	<u>\$ 3,556,920</u>	<u>100</u>	<u>\$ 3,121,651</u>	<u>100</u>	<u>\$ 3,208,922</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable (Note 15 and 25)	\$ 138,837	4	\$ 65,656	2	\$ 49,958	2
Accrued compensation to employees and compensation to directors (Note 21)	25,917	1	15,350	1	21,722	1
Other accounts payable (Note 16, 25 and 26)	735,833	20	222,876	7	579,879	18
Current income tax liabilities(Note 4 and 22)	96,165	3	81,067	3	80,575	2
Lease liabilities - current (Notes 12)	5,692	-	5,663	-	5,600	-
Other current liabilities(Note 16 and 20)	<u>55,070</u>	<u>1</u>	<u>40,501</u>	<u>1</u>	<u>43,971</u>	<u>1</u>
Total current liabilities	<u>1,057,514</u>	<u>29</u>	<u>431,113</u>	<u>14</u>	<u>781,705</u>	<u>24</u>
NON-CURRENT LIABILITIES						
Provisions - non-current(Notes 17)	889	-	889	-	889	-
Lease liabilities – non-current (Notes 12)	8,178	-	11,022	-	13,870	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	1,294	-	1,294	-	886	-
Guarantee deposits (Note 25)	<u>16,562</u>	<u>1</u>	<u>16,344</u>	<u>1</u>	<u>15,236</u>	<u>1</u>
Total non-current liabilities	<u>26,923</u>	<u>1</u>	<u>29,549</u>	<u>1</u>	<u>30,881</u>	<u>1</u>
Total liabilities	<u>1,084,437</u>	<u>30</u>	<u>460,662</u>	<u>15</u>	<u>812,586</u>	<u>25</u>
EQUITY (Notes 19)						
Share capital						
Common stock	600,040	17	600,040	19	584,436	18
Stock dividends to be distributed	-	-	-	-	15,604	1
Capital surplus	1,175,471	33	1,252,276	40	1,252,276	39
Retained earnings						
Legal reserve	345,247	10	293,756	9	293,756	9
Special reserve	61,143	2	61,143	2	61,143	2
Unappropriated earnings	351,725	10	514,917	17	250,264	8
Other equity						
Other equity – Others	<u>(61,143)</u>	<u>(2)</u>	<u>(61,143)</u>	<u>(2)</u>	<u>(61,143)</u>	<u>(2)</u>
Total equity	<u>2,472,483</u>	<u>70</u>	<u>2,660,989</u>	<u>85</u>	<u>2,396,336</u>	<u>75</u>
TOTAL liabilities and equity	<u>\$ 3,556,920</u>	<u>100</u>	<u>\$ 3,121,651</u>	<u>100</u>	<u>\$ 3,208,922</u>	<u>100</u>

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

Sunplus Innovation Technology Inc.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 26)	\$ 580,148	100	\$ 485,701	100	\$1,167,421	100	\$ 991,235	100
OPERATING COSTS (Notes 9, 21 and 26)	<u>234,870</u>	<u>41</u>	<u>211,918</u>	<u>44</u>	<u>459,927</u>	<u>39</u>	<u>421,237</u>	<u>42</u>
GROSS PROFIT	<u>345,278</u>	<u>59</u>	<u>273,783</u>	<u>56</u>	<u>707,494</u>	<u>61</u>	<u>569,998</u>	<u>58</u>
OPERATING EXPENSES (Notes 13,18,21 and 26)								
Selling and marketing expenses	22,780	4	21,482	4	47,406	4	43,814	5
General and administrative expenses	31,600	5	26,161	5	65,354	6	52,899	5
Research and development expenses	<u>109,140</u>	<u>19</u>	<u>75,434</u>	<u>16</u>	<u>207,188</u>	<u>18</u>	<u>185,790</u>	<u>19</u>
Total operating expenses	<u>163,520</u>	<u>28</u>	<u>123,077</u>	<u>25</u>	<u>319,948</u>	<u>28</u>	<u>282,503</u>	<u>29</u>
INCOME FROM OPERATIONS	<u>181,758</u>	<u>31</u>	<u>150,706</u>	<u>31</u>	<u>387,546</u>	<u>33</u>	<u>287,495</u>	<u>29</u>
NON-OPERATING INCOME AND EXPENSES (Notes 12 and 21)								
Interest income	8,436	2	8,343	2	16,015	1	15,759	1
Other income	261	-	240	-	679	-	1,508	-
Other gains and losses, net	399	-	(28,195)	(6)	8,869	1	(22,272)	(2)
Finance costs	(84)	-	(115)	-	(175)	-	(238)	-
Share of profit (loss) of associates	(713)	-	-	-	(795)	-	-	-
Total non-operating income and expenses	<u>8,299</u>	<u>2</u>	<u>(19,727)</u>	<u>(4)</u>	<u>24,593</u>	<u>2</u>	<u>(5,243)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	190,057	33	130,979	27	412,139	35	282,252	28
INCOME TAX EXPENSE (Notes 4 and 22)	<u>16,566</u>	<u>3</u>	<u>2,063</u>	<u>-</u>	<u>60,609</u>	<u>5</u>	<u>31,997</u>	<u>3</u>
NET INCOME	<u>173,491</u>	<u>30</u>	<u>128,916</u>	<u>27</u>	<u>351,530</u>	<u>30</u>	<u>250,255</u>	<u>25</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 173,491</u>	<u>30</u>	<u>\$ 128,916</u>	<u>27</u>	<u>\$ 351,530</u>	<u>30</u>	<u>\$ 250,255</u>	<u>25</u>
EARNINGS PER SHARE (Note 23)								
Basic earnings per share	<u>\$ 2.89</u>		<u>\$ 2.15</u>		<u>\$5.86</u>		<u>\$4.17</u>	
Diluted earnings per share	<u>\$ 2.89</u>		<u>\$ 2.15</u>		<u>\$5.85</u>		<u>\$4.17</u>	

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

Sunplus Innovation Technology Inc.

STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED June 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Share Capital Issued and Outstanding			Retained Earnings				Other Equity	
	Share	Amount	Stock dividends	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated	Unrealized Gain	Total Equity
	(Thousands)		to be				Earnings	(Loss) on	
			distributed					Financial	
								Assets at	
								FairValue	
								Through Other	
								Comprehensive	
								Income	
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									
Legal reserve	-	-	-	-	48,200	-	(48,200)	-	-
Cash dividends to shareholders	-	-	-	-	-	-	(418,339)	-	(418,339)
Stock dividends to shareholders	-	-	15,604	-	-	-	(15,604)	-	-
Cash dividends distributed from capital surplus	-	-	-	(33,605)	-	-	-	-	(33,605)
Net income for six months ended June 30, 2025	-	-	-	-	-	-	250,255	-	250,255
BALANCE AT June 30, 2025	58,443	\$ 584,436	\$ 15,604	\$ 1,252,276	\$ 293,756	\$ 61,143	\$ 250,264	(\$ 61,143)	\$ 2,396,336
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									
Legal reserve	-	-	-	-	51,491	-	(51,491)	-	-
Cash dividends to shareholders	-	-	-	-	-	-	(463,231)	-	(463,231)
Cash dividends distributed from capital surplus	-	-	-	(76,805)	-	-	-	-	(76,805)
Net income for the six months ended June 30, 2026	-	-	-	-	-	-	351,530	-	351,530
BALANCE AT JUNE 30, 2026	60,004	\$ 600,040	\$ -	\$ 1,175,471	\$ 345,247	\$ 61,143	\$ 351,725	(\$ 61,143)	\$ 2,472,483

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

Sunplus Innovation Technology Inc.

**STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)**

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 412,139	\$ 282,252
Adjustments for:		
Depreciation expense	5,172	5,318
Amortization expense	7,096	5,528
Net gain on fair value change of financial assets at FVTPL	(4,277)	(3,767)
Financial costs	175	238
Interest income	(16,015)	(15,759)
Share of profit of associates	795	-
Loss (gain) on foreign exchange, net	(723)	13,100
Changes in operating assets and liabilities:		
Accounts receivable	(89,792)	(21,369)
Other receivable	613	(2,285)
Inventories	(97,367)	5,151
Other current assets	(550,371)	(10,210)
Contract liabilities	3,245	(3,741)
Accounts payables	71,457	(39,120)
Other accounts payables	(27,361)	(104,465)
Other current liabilities	10,177	2,810
Accrued compensation to employees and compensation to directors	<u>10,567</u>	<u>7,237</u>
Cash generated from operations	(264,470)	120,918
Interest received	16,015	15,813
Interest paid	(175)	(238)
Income tax paid	(<u>45,854</u>)	(<u>14,584</u>)
Net cash generated from operating activities	(<u>294,484</u>)	<u>121,909</u>

(Continued)

Sunplus Innovation Technology Inc.

**STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)**

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at FVTPL	(\$ 180,000)	(\$ 230,000)
Proceeds from the sale of financial assets at FVTPL	473,482	-
Acquisition of property, plant and equipment	(2,178)	(928)
Acquisition of intangible assets	(1,275)	(1,362)
Net cash generated from (used in) investing activities	<u>290,029</u>	<u>(232,290)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Refund of guarantee deposits received	-	(94)
Repayment of the principal portion of lease liabilities	(2,815)	(2,752)
Net cash used in financing activities	<u>(2,815)</u>	<u>(2,846)</u>
Effect of the changes in exchange rate on cash and cash equivalents	<u>477</u>	<u>(3,538)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,793)	(116,765)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>2,049,608</u>	<u>2,076,248</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 2,042,815</u>	<u>\$ 1,959,483</u>

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

(Concluded)

SUNPLUS INNOVATION TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 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, and were transferred to be listed on the Taiwan Stock Exchange on July 16, 2026.

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 August 4, 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
IFRS 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029
Amendments to IAS 21 “Translation to a Presentation Currency that is the Currency of a Hyperinflationary Economy”	January 1, 2027
Amendments to IAS 28: Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 1, 2027(Note 3)

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.

Note 3: An entity shall apply the amendments when it applies IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments and Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”

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.

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned “similar entity” includes the entity that performs assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Company may apply the transition upon initial application.

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

These interim financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim financial statements is less than the disclosure information required in a complete set of annual financial statements.

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 position at 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 events.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 392	\$ 220	\$ 303
Demand deposits	178,017	184,332	118,934
Cash equivalents			
Time deposits	<u>1,864,406</u>	<u>1,865,056</u>	<u>1,840,246</u>
	<u>\$2,042,815</u>	<u>\$2,049,608</u>	<u>\$1,959,483</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Bank balances	0.03%~1.73%	0.01%~1.78%	0.01%~1.78%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets at fair value through profit or loss</u>			
<u>(FVTPL) - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic and foreign investment			
Mutual funds	\$ 206,978	\$ 496,183	\$ 645,543

8. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 381,392	\$ 287,850	\$ 334,133
	June 30, 2026	December 31, 2025	June 30, 2025
<u>Other receivables</u>			
Tax refund receivable	\$ 5,832	\$ 6,445	\$ 8,983

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:

June 30, 2026

	Not Overdue	Overdue 1-30 days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	\$ 381,392	\$ -	\$ 381,392
Gross carrying amount Loss allowance (Lifetime ECLs)	-	-	-
Amortized cost	<u>\$ 381,392</u>	<u>\$ -</u>	<u>\$ 381,392</u>

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	<u>\$ 287,850</u>	<u>\$ -</u>	<u>\$ 287,850</u>

June 30, 2025

	Not Overdue	Overdue 1-30 days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	\$ 334,133	\$ -	\$ 334,133
Gross carrying amount Loss allowance (Lifetime ECLs)	-	-	-
Amortized cost	<u>\$ 334,133</u>	<u>\$ -</u>	<u>\$ 334,133</u>

b. Other receivables

As of June 30, 2026, and December 31, 2025, and June 30, 2025, the Company's other receivables were neither overdue nor impaired.

9. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	\$ 85,829	\$ 69,406	\$ 72,404
Work in progress	168,240	105,471	104,324
Raw materials	<u>38,523</u>	<u>20,348</u>	<u>4,351</u>
	<u>\$ 292,592</u>	<u>\$ 195,225</u>	<u>\$ 181,079</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Cost of inventories sold	\$ 234,870	\$ 211,918	\$ 459,927	\$ 421,237

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

	June 30, 2026	December 31, 2025	June 30, 2025
Tian Yuan Global Corp (Tian Yuan)	\$ 26,205	\$ -	\$ -
<u>E q u i t y a n d v o t i n g p o w e r</u>			
	June 30, 2026	December 31, 2025	June 30, 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
<u>Cost</u>				
Balance at January 1, 2026	\$ 19,916	\$ 1,261	\$ 800	\$ 21,977
Additions	2,045	-	-	2,045
Disposals	(2,252)	-	(535)	(2,787)
Balance at June 30, 2026	\$ 19,709	\$ 1,261	\$ 265	\$ 21,235
<u>Accumulated depreciation</u>				
Balance at January 1, 2026	\$ 12,408	\$ 1,088	\$ 613	\$ 14,109
Depreciation expense	2,269	30	43	2,342
Disposals	(2,252)	-	(535)	(2,787)
Balance at June 30, 2026	\$ 12,425	\$ 1,118	\$ 121	\$ 13,664
Carrying amount at June 30, 2026	\$ 7,284	\$ 143	\$ 144	\$ 7,571
Carrying amount at December 31, 2025 and January 1, 2026	\$ 7,508	\$ 173	\$ 187	\$ 7,868
	Testing Equipment	Leased Improvement	Furniture and Fixtures	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 21,758	\$ 1,261	\$ 1,936	\$ 24,955
Additions	894	-	-	894

Disposals	(<u>3,324</u>)	<u>-</u>	(<u>1,136</u>)	(<u>4,460</u>)
Balance at June 30, 2025	\$ <u>19,328</u>	\$ <u>1,261</u>	\$ <u>800</u>	\$ <u>21,389</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2025	\$ 11,144	\$ 1,004	\$ 1,553	\$ 13,701
Depreciation expense	2,344	44	100	2,488
Disposals	(<u>3,324</u>)	<u>-</u>	(<u>1,136</u>)	(<u>4,460</u>)
Balance at June 30, 2025	\$ <u>10,164</u>	\$ <u>1,048</u>	\$ <u>517</u>	\$ <u>11,729</u>
Carrying amount at June 30, 2025	\$ <u>9,164</u>	\$ <u>213</u>	\$ <u>283</u>	\$ <u>9,660</u>
Carrying amount at December 31, 2024 and January 1, 2025	\$ <u>10,614</u>	\$ <u>257</u>	\$ <u>383</u>	\$ <u>11,254</u>

No impairment losses were recognized or reversed during the three months ended June 30, 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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amount</u>			
Buildings	\$ 13,111	\$ 15,733	\$ 18,355
Transportation equipment	<u>381</u>	<u>589</u>	<u>797</u>
	\$ <u>13,492</u>	\$ <u>16,322</u>	\$ <u>19,152</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation charge for right-of-use assets				
Buildings	\$ 1,311	\$ 1,311	\$ 2,622	\$ 2,622
Transportation equipment	<u>104</u>	<u>104</u>	<u>208</u>	<u>208</u>
	\$ <u>1,415</u>	\$ <u>1,415</u>	\$ <u>2,830</u>	\$ <u>2,830</u>

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 June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amount</u>			

Current	\$ 5,692	\$ 5,663	\$ 5,600
Non-current	\$ 8,178	\$ 11,022	\$ 13,870

Range of discount rates for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	\$ 629	\$ 629	\$ 1,256	\$ 1,254
Total cash outflow for leases	\$ 2,124	\$ 2,123	\$ 4,246	\$ 4,244

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
<u>Cost</u>			
Balance at January 1, 2026	\$ 11,337	\$ 27,756	\$ 39,093
Additions	1,275	-	1,275
Disposals	(1,000)	-	(1,000)
Balance at June 30, 2026	\$ 11,612	\$ 27,756	\$ 39,368
<u>Accumulated impairment</u>			
Balance at January 1, 2026	\$ 8,203	\$ 14,405	\$ 22,608
Amortization expense	1,512	5,584	7,096
Disposals	(1,000)	-	(1,000)
Balance at June 30, 2026	\$ 8,715	\$ 19,989	\$ 28,704
Net Balance at June 30, 2026	\$ 2,897	\$ 7,767	\$ 10,664
Carrying amount at December 31, 2025 and January 1, 2026	\$ 3,134	\$ 13,351	\$ 16,485

	Technology License Fees	Software	Total
<u>Cost</u>			
Balance at January 1, 2025	\$ 12,031	\$ 25,022	\$ 37,053
Additions	-	1,362	1,362
Disposals	(694)	(3,491)	(4,185)
Balance at June 30, 2025	<u>\$ 11,337</u>	<u>\$ 22,893</u>	<u>\$ 34,230</u>
<u>Accumulated impairment</u>			
Balance at January 1, 2025	\$ 5,565	\$ 9,003	\$ 14,568
Amortization expense	1,688	3,840	5,528
Disposals	(694)	(3,491)	(4,185)
Balance at June 30, 2025	<u>\$ 6,559</u>	<u>\$ 9,352</u>	<u>\$ 15,911</u>
Net Balance at June 30, 2025	<u>\$ 4,778</u>	<u>\$ 13,541</u>	<u>\$ 18,319</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 6,466</u>	<u>\$ 16,019</u>	<u>\$ 22,485</u>

No impairment loss was recognized or reversed for the three months ended June 30, 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
General and administrative expenses	\$ 25	\$ -	\$ 50	\$ 6
Research and development expenses	<u>3,544</u>	<u>2,803</u>	<u>7,046</u>	<u>5,522</u>
	<u>\$ 3,569</u>	<u>\$ 2,803</u>	<u>\$ 7,096</u>	<u>\$ 5,528</u>

14. OTHER ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Temporary payments(a)	\$ 540,036	\$ -	\$ -
Prepayments for EDA tools	17,554	7,707	17,935
Others	<u>1,157</u>	<u>669</u>	<u>524</u>
	<u>\$ 558,747</u>	<u>\$ 8,376</u>	<u>\$ 18,459</u>
<u>Non-current</u>			
Prepayments for investments (b)	\$ -	\$ 27,000	\$ -
Refundable deposits	<u>\$ 1,226</u>	<u>\$ 1,226</u>	<u>\$ 1,226</u>

a. Temporary payments

As of June 30, 2026, the cash dividends from the 2025 earnings distribution and capital surplus, as resolved by the Board of Directors, have been remitted to the dedicated account of the stock transfer agent but have not yet been paid to shareholders (please refer to Note 19).

b. 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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Accounts payable</u>			
Payable - operating	\$ 138,837	\$ 65,656	\$ 49,958

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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Other payables			
Payable dividend	\$ 540,036	\$ -	\$ 451,944
Payables for salaries or bonuses	132,544	178,218	99,690
Payable for mask expense	23,084	12,032	892
Payable technical service fees	11,149	10,917	8,841
Payable labor and health insurance fees	6,204	6,216	6,147
Others	<u>22,816</u>	<u>15,493</u>	<u>12,365</u>
	<u>\$ 735,833</u>	<u>\$ 222,876</u>	<u>\$ 579,879</u>
Other current liabilities			
Refund liabilities (Note 20)	\$ 49,259	\$ 36,012	\$ 37,638
Contract liabilities (Note 20)	3,332	87	2,339
Receipts under custody	<u>2,479</u>	<u>4,402</u>	<u>3,994</u>
	<u>\$ 55,070</u>	<u>\$ 40,501</u>	<u>\$ 43,971</u>

17. PROVISIONS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current provisions</u>			
Decommissioning liabilities	\$ 889	\$ 889	\$ 889

18. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Company's defined benefit retirement plans were \$6 thousand and \$6 thousand and \$11 thousand and \$11 thousand as of the three months ended June 30, 2026 and 2025 and as of the six months ended June 30, 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Shares authorized (in thousands of shares)	<u>100,000</u>	<u>100,000</u>	<u>70,000</u>
Value of authorized shares	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 700,000</u>
Shares issued and fully paid (in thousands of shares)	<u>60,004</u>	<u>60,004</u>	<u>58,443</u>
Shares issued and fully paid	<u>\$ 600,040</u>	<u>\$ 600,040</u>	<u>\$ 584,436</u>
Stock dividends to be distributed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,604</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Additional paid-in capital	<u>\$ 1,175,471</u>	<u>\$ 1,252,276</u>	<u>\$ 1,252,276</u>

(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 June 30	
	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 June 30	
	2026	2025
Beginning and Ending Balances	<u>(\$ 61,143)</u>	<u>(\$ 61,143)</u>

20. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 579,538	\$ 485,059	\$1,166,447	\$ 988,303
Other	<u>610</u>	<u>642</u>	<u>974</u>	<u>2,932</u>
	<u>\$ 580,148</u>	<u>\$ 485,701</u>	<u>\$1,167,421</u>	<u>\$ 991,235</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Accounts receivables (Note 8)	<u>\$ 381,392</u>	<u>\$ 287,850</u>	<u>\$ 334,133</u>	<u>\$ 329,047</u>
Contract liabilities - current (Note 16)	<u>\$ 3,332</u>	<u>\$ 87</u>	<u>\$ 2,339</u>	<u>\$ 6,080</u>

c. Disaggregation of revenue

For the Six Months Ended June 30, 2026

	Reportable Segments		
	Direct Sales – IC products	Other	Total
<u>Primary geographical markets</u>			
Taiwan	\$ 729,609	\$ 974	\$ 730,583
China	386,141	-	386,141
Other	<u>50,697</u>	<u>-</u>	<u>50,697</u>
	<u>\$ 1,166,447</u>	<u>\$ 974</u>	<u>\$ 1,167,421</u>
<u>Primary products</u>			
IC products	\$ 1,166,447	\$ -	\$ 1,166,447
Other	<u>-</u>	<u>974</u>	<u>974</u>
	<u>\$ 1,166,447</u>	<u>\$ 974</u>	<u>\$ 1,167,421</u>

Timing of revenue recognition

Satisfied at a point in time	\$ 1,166,447	\$ -	\$ 1,166,447
Satisfied over time	-	974	974
	<u>\$ 1,166,447</u>	<u>\$ 974</u>	<u>\$ 1,167,421</u>

F or the Six Months Ended June 30,2025

	Reportable Segments		Total
	Direct Sales – IC products	Other	
<u>Primary geographical markets</u>			
Taiwan	\$ 548,122	\$ 2,446	\$ 550,568
China	404,836	486	405,322
Other	35,345	-	35,345
	<u>\$ 988,303</u>	<u>\$ 2,932</u>	<u>\$ 991,235</u>
<u>Primary products</u>			
IC products	\$ 988,303	\$ -	\$ 988,303
Other	-	2,932	2,932
	<u>\$ 988,303</u>	<u>\$ 2,932</u>	<u>\$ 991,235</u>
<u>Timing of revenue recognition</u>			
Satisfied at a point in time	\$ 988,303	\$ -	\$ 988,303
Satisfied over time	-	2,932	2,932
	<u>\$ 988,303</u>	<u>\$ 2,932</u>	<u>\$ 991,235</u>

21. Net Profit from Continuing Operations

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Bank deposits	<u>\$ 8,436</u>	<u>\$ 8,343</u>	<u>\$ 16,015</u>	<u>\$ 15,759</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Rental income				
Operating lease rental income	\$ 235	\$ 238	\$ 467	\$ 475
Others	<u>26</u>	<u>2</u>	<u>212</u>	<u>1,033</u>
	<u>\$ 261</u>	<u>\$ 240</u>	<u>\$ 679</u>	<u>\$ 1,508</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Fair value changes of financial assets and financial liabilities				
Financial Assets				
Mandatorily Measured at FVTPL	\$ 2,409	\$ 2,165	\$ 4,277	\$ 3,767
Foreign exchange (loss) gain	(2,010)	(30,359)	4,707	(25,944)
Others	<u>-</u>	<u>(1)</u>	<u>(115)</u>	<u>(95)</u>
	<u>\$ 399</u>	<u>(\$ 28,195)</u>	<u>\$ 8,869</u>	<u>(\$ 22,272)</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest on lease liabilities	<u>\$ 84</u>	<u>\$ 115</u>	<u>\$ 175</u>	<u>\$ 238</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
An analysis of depreciation by function				
Operating costs	\$ 61	\$ 63	\$ 124	\$ 127
Operating expenses	<u>2,524</u>	<u>2,570</u>	<u>5,048</u>	<u>5,191</u>
	<u>\$ 2,585</u>	<u>\$ 2,633</u>	<u>\$ 5,172</u>	<u>\$ 5,318</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 3,569</u>	<u>\$ 2,803</u>	<u>\$ 7,096</u>	<u>\$ 5,528</u>

f. Employee benefit expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025

Short-term benefits	<u>\$ 102,152</u>	<u>\$ 90,292</u>	<u>\$ 212,463</u>	<u>\$ 179,339</u>
Post-employment benefits				
Defined contribution plans	2,657	2,630	5,293	5,187
Defined benefit plans (Note 18)	<u>6</u>	<u>6</u>	<u>11</u>	<u>11</u>
	<u>2,663</u>	<u>2,636</u>	<u>5,304</u>	<u>5,198</u>
Other employee benefits	<u>2,221</u>	<u>2,073</u>	<u>4,522</u>	<u>4,144</u>
Total employee benefits expense	<u>\$ 107,036</u>	<u>\$ 95,001</u>	<u>\$ 222,289</u>	<u>\$ 188,681</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 3,964	\$ 3,318	\$ 8,347	\$ 6,674
Operating expenses	<u>103,072</u>	<u>91,683</u>	<u>213,942</u>	<u>182,007</u>
	<u>\$ 107,036</u>	<u>\$ 95,001</u>	<u>\$ 222,289</u>	<u>\$ 188,681</u>

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 June 30, 2026 and 2025, respectively, as follows:

	For the Six Months Ended			
	June 30			
<u>Estimated allocation rate</u>	<u>2026</u>		<u>2025</u>	
Compensation of employees	1%		1%	
Compensation of directors	1.5%		1.5%	
<u>Amount</u>	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Compensation of employees	\$ 1,949	\$ 1,343	\$ 4,227	\$ 2,895
Compensation of directors	2,924	2,015	6,341	4,342

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:

<u>Amount</u>	For the Fiscal Years			
	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 2025 and 2024 and the amounts recognized in the financial statements for the years 2025 and 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Foreign exchange gains	\$ 2,741	\$ 16,790	\$ 14,525	\$ 24,599
Foreign exchange losses	(4,751)	(47,149)	(9,818)	(50,543)
Net foreign exchange gain (loss)	(\$ 2,010)	(\$ 30,359)	\$ 4,707	(\$ 25,944)

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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
In respect of the current year	\$ 37,868	\$ 28,713	\$ 82,075	\$ 59,560
Adjustments for the prior year	(21,123)	(23,700)	(21,123)	(23,700)
Deferred tax				
In respect of the current year	(179)	(2,950)	(343)	(3,863)
Income tax expense recognized in profit or loss	\$ 16,566	\$ 2,063	\$ 60,609	\$ 31,997

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Basic earnings per share	\$ 2.89	\$ 2.15	\$ 5.86	\$ 4.17
Diluted earnings per share	\$ 2.89	\$ 2.15	\$ 5.85	\$ 4.17

Unit: NT\$ Per Share

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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Earnings used in the computation of basic and diluted earnings per share	\$ 173,491	\$ 128,916	\$ 351,530	\$ 250,255

Number of shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per shares	60,004	60,004	60,004	60,004
Effect of potential dilutive ordinary shares:				
Employee bonuses	25	22	40	34
Weighted average number of ordinary shares used in the computation of diluted earnings per share	60,029	60,026	60,044	60,038

Unit: Thousand Share

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

June 30, 2026

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets mandatorily measured at FVTPL				
Non-derivative financial assets –Mutual funds	\$ <u>206,978</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>206,978</u>

December 31, 2025

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

June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets mandatorily measured at FVTPL				
Non-derivative financial assets –Mutual funds	\$ <u>645,543</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>645,543</u>

There were no transfers between Levels 1 and 2 in the three months ended June 30 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

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Financial assets</u>			
Mandatorily at FVTPL	\$ 206,978	\$ 496,183	\$ 645,543
Financial assets at amortized cost (i)	2,425,433	2,338,684	2,294,842
<u>Financial liabilities</u>			
Measured at amortized cost (ii)	212,448	120,442	87,292

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	
	June 30	
	2026	2025
Profit or loss	(\$ 5,467)	(\$ 8,637)
	RMB Impact	
	For the Three Months Ended	
	June 30	
	2026	2025
Profit or loss	\$ 2,259	\$ 2,055

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.

June 30, December 31, June 30,

	2026	2025	2025
Fair value interest rate risk			
Financial assets	\$ 706,306	\$ 706,956	\$ 682,146
Financial liabilities	13,870	16,685	19,470
Cash flow interest rate risk			
Financial assets	1,336,117	1,342,433	1,277,034

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 June 30, 2026 and 2025 would have increased/decreased by \$835 thousand and \$798 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 93%、88% and 92% in total accounts receivable (including related parties) as of June 30, 2026 and December 31, 2025 and June 30, 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 June 30, 2026 and December 31, 2025 and June 30, 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.

June 30, 2026

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 123,978	\$ 30,464	\$ -	\$ -
Lease liabilities	<u>499</u>	<u>997</u>	<u>4,450</u>	<u>8,324</u>
	<u>\$ 124,477</u>	<u>\$ 31,461</u>	<u>\$ 4,450</u>	<u>\$ 8,324</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years
Lease liabilities	<u>\$ 5,946</u>	<u>\$ 8,324</u>

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
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 49,908	\$ 22,041	\$ 3,246	\$ -
Lease liabilities	<u>498</u>	<u>997</u>	<u>4,486</u>	<u>11,279</u>
	<u>\$ 50,406</u>	<u>\$ 23,038</u>	<u>\$ 7,732</u>	<u>\$ 11,279</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
Lease liabilities	<u>\$ 5,981</u>	<u>\$11,279</u>

June 30, 2025

	<u>On Demand or Less than 1 Month</u>	<u>1-3 Months</u>	<u>More than 3 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>
Non-derivative financial liabilities				
Non-interest bearing	\$ 37,463	\$ 24,261	\$ -	\$ -
Lease liabilities	<u>498</u>	<u>997</u>	<u>4,486</u>	<u>14,270</u>
	<u>\$ 37,961</u>	<u>\$ 25,258</u>	<u>\$ 4,486</u>	<u>\$ 14,270</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
Lease liabilities	<u>\$ 5,981</u>	<u>\$14,270</u>

b) Financing facilities

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Unused unsecured bank overdraft facilities, repayable on demand and subject to annual review.			
Amount unused	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

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 June 30, 2026 and December 31, 2025 and June 30, 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	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Sales revenue	Associate	\$ 940	\$ -	\$ 1,130	\$ -

c. Purchases of goods

		For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Sister company		\$ -	\$ 326	\$ -	\$ 326

d. Receivable from related parties

Account Item	Related Party Type	June 30, 2026	December 31, 2025	June 30, 2025
Accounts Receivable	Associate Tian Yuan	\$ 977	\$ -	\$ -

e. Payables from related parties

Account Item	Related Party Type	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payables	Sister company	\$ -	\$ -	\$ 320
Other payables	Sister company			
	Worldplus	\$ 7,820	\$ 7,913	\$ 6,747
	SunMedia	3,329	3,004	2,094
	Parent company	310	305	319
		\$ 11,459	\$ 11,222	\$ 9,160

f. Prepayments

Account Item	Related Party Type	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments for investments	Substantive related party Tian Yuan	\$ -	\$ 27,000	\$ -

g. Other transactions with related parties

	Related Party Type	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Manufacturing expenses	Parent company	\$ 206	\$ 225	\$ 403	\$ 443
Operating expenses	Parent company	\$ 866	\$ 865	\$ 1,796	\$ 1,716
	Sister company				
	Worldplus	7,761	7,317	16,680	15,472
	SunMedia	3,448	2,272	6,911	4,763
		<u>\$ 12,075</u>	<u>\$ 10,454</u>	<u>\$ 25,387</u>	<u>\$ 21,951</u>

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

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.

h. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 1,128	\$ 1,666	\$ 16,776	\$ 18,359
Post-employment benefits	<u>27</u>	<u>54</u>	<u>76</u>	<u>108</u>
	<u>\$ 1,155</u>	<u>\$ 1,720</u>	<u>\$ 16,852</u>	<u>\$ 18,467</u>

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:

June 30, 2026

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 13,026	31.850	\$ 414,878
JPY	113	0.1963	22
CNY	118	4.690	553
HKD	9	4.061	37
<u>Financial liabilities</u>			
Monetary items			
USD	7,559	31.850	240,754
CNY	2,377	4.690	11,148

December 31, 2025

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

June 30, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 12,406	29.300	\$ 363,496
JPY	148	0.2034	30
CNY	106	4.091	434
HKD	4	3.732	15
<u>Financial liabilities</u>			
Monetary items			
USD	3,769	29.300	110,432
CNY	2,161	4.091	8,841

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

For the Three Months Ended June 30				
	2026		2025	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	31.850 (USD : NTD)	(\$ 1,759)	29.300 (USD : NTD)	(\$ 30,808)
CNY	4.690 (CNY : NTD)	(250)	4.091 (CNY : NTD)	453
HKD	4.061 (HKD : NTD)	-	3.732 (HKD : NTD)	(2)
JPY	0.1963 (JPY : NTD)	(1)	0.2034 (JPY : NTD)	(2)
		(\$ 2,010)		(\$ 30,359)
For the Six Months Ended June 30				
	2026		2025	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	31.850 (USD : NTD)	\$ 5,422	29.300 (USD : NTD)	(\$ 26,142)
CNY	4.690 (CNY : NTD)	(713)	4.091 (CNY : NTD)	199
HKD	4.061 (HKD : NTD)	(1)	3.732 (HKD : NTD)	(1)
JPY	0.1963 (JPY : NTD)	(1)	0.2034 (JPY : NTD)	-
		\$ 4,707		(\$ 25,944)

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 six months ended June 30, 2026 and 2025 are shown in the accompanying consolidated statements of comprehensive income, and the assets by segment as of

June 30, 2026, December 31, 2025 and June 30, 2025 are shown in the accompanying consolidated balance sheets for June 30, 2026, December 31, 2025 and June 30, 2025

TABLE 1

SUNPLUS INNOVATION TECHNOLOGY INC.

MARKETABLE SECURITIES HELD

June 30, 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	June 30, 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	\$ 206,978		\$ 206,978	Note 1

Note 1: The market value was based on the net asset value of the fund as of June 30, 2026

TABLE2

SUNPLUS INNOVATION TECHNOLOGY INC.

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES

June 30, 2026

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 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%	\$ 26,205	(\$ 34,019)	(\$ 795)	Investee