Stock Code: 6449

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the Six Months Ended June 30, 2026 and 2025

Address: 4F., No.2 & 6, Kedong 3rd Rd., Chunan Township, Miaoli County
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Independent Auditors' Review Report

To the Board of Directors of APAQ TECHNOLOGY CO., LTD.:

Introduction

We have reviewed the consolidated financial statements of APAQ TECHNOLOGY CO., LTD. and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2026 and 2025, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, and changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with the International Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of people 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.

Basis for Qualified Opinion

As explained in Note VI(VI) to the consolidated financial statements, the investments accounted for using equity method of APAQ TECHNOLOGY CO., LTD. and subsidiaries as of June 30, 2026 and 2025 amounted to NT$65,080 thousand and NT$52,477 thousand, respectively, and the share of profit or loss of associates accounted for using equity method for the three months and six months ended June 30, 2026 and 2025 amounted to NT$272 thousand, NT$1,285 thousand, NT$987 thousand, and NT$2,645 thousand, respectively, which were based on the financial statements of those investee companies for the same period not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of the investee companies been reviewed by independent accountants as described in the preceding paragraph, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of APAQ TECHNOLOGY CO., LTD. and subsidiaries as of June 30, 2026 and 2025, and of its consolidated financial performance as of and for the three-month and six-month periods ended June 30, 2026 and 2025, and its consolidated financial performance and cash flows for the three-month and six-month periods then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Taiwan

Certified public accountant :

Securities Competent Authority Approval No. : Jin-Guan-Zheng-Shen-Zi No. 1040007866
Jin-Guan-Zheng-Shen-Zi No. 1060005191

August 6, 2026

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Balance Sheet

June 30, 2026, December 31, 2025, and June 30, 2025

Unit: NT$ thousands

		2026.6.30		2025.12.31		2025.6.30	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents [Note VI(I)]	$ 1,620,450	14	1,760,348	20	1,728,158	24
1110	Financial assets at fair value through profit or loss - current [Note VI(II)]	49,155	-	46,416	1	42,159	1
1150	Notes receivable [Note VI(IV)]	15,660	-	32,676	-	30,564	-
1170	Accounts receivable [Note VI(IV)]	1,886,331	16	1,789,686	21	1,461,203	20
1180	Accounts receivable - related parties [Notes VI(IV) & VII]	46,215	1	45,163	1	55,089	1
1310	Inventories, net [Note VI(V)]	1,290,925	11	907,260	10	752,177	10
1479	Other current assets [Note VI(IX)]	215,728	2	113,401	1	80,913	1
		5,124,464	44	4,694,950	54	4,150,263	57
	Non-current assets:						
1510	Financial assets at fair value through profit or loss - non-current [Note VI(II)]	157,592	2	145,708	2	40,800	1
1517	Financial assets at fair value through other comprehensive income - non-current [Note VI(III)]	3,411,160	29	1,536,710	17	1,208,722	17
1550	Investments accounted for under the equity method [Note VI(VI)]	65,080	1	58,180	1	52,477	1
1600	Property, plant and equipment [Note VI(VII)]	2,334,104	20	1,898,972	21	1,448,641	20
1755	Right-of-use assets [Note VI(VIII) and (XIII)]	138,821	1	133,031	2	51,598	1
1780	Intangible assets [Note VI(IX)]	81,474	1	82,775	1	83,450	1
1840	Deferred income tax assets	33,779	-	45,455	1	102,945	1
1920	Refundable deposits	11,445	-	11,482	-	11,154	-
1990	Other non-current assets [Note VI(X)]	254,355	2	85,164	1	82,996	1
		6,487,810	56	3,997,477	46	3,082,783	43
	Total assets	**$ 11,612,274**	**100**	**8,692,427**	**100**	**7,233,046**	**100**

		2026.6.30		2025.12.31		2025.6.30	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term loans [Note VI(XI)]	$ 2,395,000	21	2,150,000	25	1,740,000	24
2170	Accounts payable	866,223	7	679,289	9	571,788	8
2180	Accounts payable - related parties [Note VII]	114	-	943	-	1,566	-
2201	Payroll and bonus payable	248,541	2	228,974	3	167,430	2
2213	Payable on equipment	81,176	1	91,470	1	59,453	1
2216	Dividends payable [Note VI(XVI)]	381,774	3	-	-	316,633	4
2280	Lease liabilities - current [Note VI(XIII)]	36,334	-	32,100	-	15,457	-
2322	Long-term loans due within one year or one operating cycle [Note VI(XII)]	178,367	2	195,635	1	133,634	2
2399	Other current liabilities	283,861	2	273,014	3	204,586	3
		4,471,390	38	3,651,425	42	3,210,547	44
	Non-current liabilities:						
2540	Long-term loans [Note VI(XII)]	12,500	-	44,050	1	128,367	2
2570	Deferred tax liabilities	36,813	-	9,785	-	-	-
2580	Lease liabilities - non-current [Note VI(XIII)]	93,189	1	91,661	1	27,383	-
		142,502	1	145,496	2	155,750	2
	Total Liabilities	4,613,892	39	3,796,921	44	3,366,297	46
	Equity [Note VI (XVI) and (XVII)]:						
3100	Share capital	918,860	8	919,185	10	919,535	13
3200	Capital surplus	1,144,254	10	1,107,002	13	1,116,027	15
3300	Retained earnings	2,081,561	18	2,037,661	23	1,610,218	23
3400	Other equity	2,821,036	24	775,995	9	152,776	2
3500	Treasury shares	(40,374)	-	(40,374)	-	(40,374)	(1)
	Total equity attributable to owners of the parent company	6,925,337	60	4,799,469	55	3,758,182	52
36XX	Non-controlling interests [Note VI(XVI)]	73,045	1	96,037	1	108,567	2
	Total equity	6,998,382	61	4,895,506	56	3,866,749	54
	Total liabilities and equity	**$ 11,612,274**	**100**	**8,692,427**	**100**	**7,233,046**	**100**

(See the attached notes to consolidated financial statements)

Chairman: Cheng, Duen-Jen **Manager: Cheng, Duen-Jen** **Accounting Manager: Li, Pei-Ling**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the six months ended June 30, 2026 and 2025

Unit: NT$ thousands

Code	Item	For the three months ended June 30, 2026		For the three months ended June 30, 2025		For the six months ended June 30, 2026		For the six months ended June 30, 2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	Net sales revenue [Notes VI(XIX) & VII]	$ 1,370,089	100	1,137,616	100	2,498,324	100	2,042,635	100
5110	Cost of goods sold [Notes VI(V), (VII), (VIII), (XVII), (XX) & VII]	899,278	66	722,516	63	1,612,390	65	1,343,250	66
5950	**Gross profit**	470,811	34	415,100	37	885,934	35	699,385	34
6000	Operating expenses [Notes VI(VII), (VIII), (XIII), (XVII), (XX) & VII]:								
6100	Selling expenses	55,370	4	45,323	4	111,343	4	88,621	4
6200	Administrative expenses	126,229	9	80,775	7	224,617	9	145,752	7
6300	Research and development expenses	73,052	5	39,863	4	117,122	5	76,093	4
	Total operating expenses	254,651	18	165,961	15	453,082	18	310,466	15
6900	**Operating income**	216,160	16	249,139	22	432,852	17	388,919	19
7000	**Non-operating income and expenses:**								
7020	Other gains and losses [Notes VI(II) & (XXI)]	53,471	4	12,446	1	64,350	3	20,556	1
7050	Finance costs [Notes VI(XIII) & (XXI)]	(13,171)	(1)	(9,713)	(1)	(25,653)	-	(18,958)	(1)
7100	Interest income [Notes VI(XXI)]	6,045	-	12,519	1	12,435	-	18,506	1
7230	Foreign exchange gain (loss) [Note VI(XXII)]	(18,682)	(1)	(160,581)	(14)	(757)	-	(137,298)	(7)
7370	Share of profit or loss of associates accounted for under the equity method [Note VI(VI)]	272	-	1,285	-	987	-	2,645	-
	Non-operating income and expenses, net	27,935	2	(144,044)	(13)	51,362	3	(114,549)	(6)
7900	**Income before income tax**	244,095	18	105,095	9	484,214	20	274,370	13
7950	Less: Income tax expense [Note VI(XV)]	58,531	4	25,147	2	116,994	5	65,769	3
	Net income for the period	185,564	14	79,948	7	367,220	15	208,601	10
8300	**Other comprehensive income:**								
8310	**Items that may not be reclassified subsequently to profit or loss**								
8316	Unrealized valuation gains (losses) from investments in equity instruments at fair value through other comprehensive income	1,324,385	97	174,809	15	1,890,208	76	149,678	7
	Total of items that may not be reclassified subsequently to profit or loss	1,324,385	97	174,809	15	1,890,208	76	149,678	7
8360	**Items that may be reclassified subsequently to profit or loss**								
8361	Financial statements translation differences of foreign operations	41,308	3	(378,776)	(33)	160,899	6	(337,171)	(16)
8399	Income tax related to items that may be reclassified [Note VI(XV)]	(8,262)	1	75,755	(7)	(32,180)	1	67,434	(3)
	Total of items that may be reclassified subsequently to profit or loss	33,046	2	(303,021)	(26)	128,719	5	(269,737)	(13)
8300	**Other comprehensive income, net of tax**	1,357,431	99	(128,212)	(11)	2,018,927	81	(120,059)	(6)
8500	**Total comprehensive income for the year**	$ 1,542,995	113	(48,264)	(4)	2,386,147	96	88,542	4
	Net income attributable to:								
8610	Owners of the parent company	$ 204,206	15	87,405	8	390,212	16	222,727	11
8620	Non-controlling interests	(18,642)	(1)	(7,457)	(1)	(22,992)	(1)	(14,126)	(1)
		$ 185,564	14	79,948	7	367,220	15	208,601	10
	Total comprehensive income attributable to:								
8710	Owners of the parent company	$ 1,561,637	114	(40,807)	(3)	2,409,139	97	102,668	5
8720	Non-controlling interests	(18,642)	(1)	(7,457)	(1)	(22,992)	(1)	(14,126)	(1)
		$ 1,542,995	113	(48,264)	(4)	2,386,147	96	88,542	4
	Earnings per share (Unit: NT$) [Note VI(XVIII)]								
9750	Basic earnings per share	$	2.31		0.99		4.42		2.53
9850	Diluted earnings per share	$	2.26		0.99		4.33		2.52

(See the attached notes to consolidated financial statements)

Chairman: Cheng, Duen-Jen **Manager: Cheng, Duen-Jen** **Accounting Manager: Li, Pei-Ling**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2026 and 2025

Unit: NT$ thousands

			Retained earnings				Other equity items							
	Share capital - common shares	**Capital surplus**	**Legal reserve**	**Special reserve**	**Unappropriated retained earnings**	**Total**	**Financial statements translation differences of foreign operations**	**Gains (losses) on investment in equity instruments at fair value through other comprehensive income**	**Unearned employees' compensation**	**Total**	**Treasury shares**	**Total equity attributable to owners of the parent company**	**Non-controlling interests**	**Total equity**
Balance as of January 1, 2025	$ 889,535	768,527	272,437	75,303	1,356,384	1,704,124	10,333	588,329	-	598,662	(40,374)	3,920,474	118,286	4,038,760
Net income (loss) for the period	-	-	-	-	222,727	222,727	-	-	-	-	-	222,727	(14,126)	208,601
Other comprehensive income for the period	-	-	-	-	-	-	(269,737)	149,678	-	(120,059)	-	(120,059)	-	(120,059)
Total comprehensive income for the year	-	-	-	-	222,727	222,727	(269,737)	149,678	-	(120,059)	-	102,668	(14,126)	88,542
Earnings appropriation and distribution:														
Appropriation of legal reserve	-	-	53,439	-	(53,439)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(75,303)	75,303	-	-	-	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(316,633)	(316,633)	-	-	-	-	-	(316,633)	-	(316,633)
Share-based payment transactions	30,000	347,500	-	-	-	-	-	-	(325,827)	(325,827)	-	51,673	-	51,673
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	4,407	4,407
Balance as of June 30, 2025	**$ 919,535**	**1,116,027**	**325,876**	**-**	**1,284,342**	**1,610,218**	**(259,404)**	**738,007**	**(325,827)**	**152,776**	**(40,374)**	**3,758,182**	**108,567**	**3,866,749**
Balance as of January 1, 2026	$ 919,185	1,107,002	325,876	-	1,711,785	2,037,661	(27,560)	1,035,330	(231,775)	775,995	(40,374)	4,799,469	96,037	4,895,506
Net income (loss) for the period	-	-	-	-	390,212	390,212	-	-	-	-	-	390,212	(22,992)	367,220
Other comprehensive income for the period	-	-	-	-	-	-	128,719	1,890,208	-	2,018,927	-	2,018,927	-	2,018,927
Total comprehensive income for the year	-	-	-	-	390,212	390,212	128,719	1,890,208	-	2,018,927	-	2,409,139	(22,992)	2,386,147
Earnings appropriation and distribution:														
Appropriation of legal reserve	-	-	65,017	-	(65,017)	-	-	-	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	6,236	(6,236)	-	-	-	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(381,774)	(381,774)	-	-	-	-	-	(381,774)	-	(381,774)
Share-based payment transactions	(325)	(2,237)	-	-	-	-	-	-	61,576	61,576	-	59,014	-	59,014
Treasury shares transferred to employees	-	39,489	-	-	-	-	-	-	-	-	-	39,489	-	39,489
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	35,462	35,462	-	(35,462)	-	(35,462)	-	-	-	-
Balance as of June 30, 2026	**$ 918,860**	**1,144,254**	**390,893**	**6,236**	**1,684,432**	**2,081,561**	**101,159**	**2,890,076**	**(170,199)**	**2,821,036**	**(40,374)**	**6,925,337**	**73,045**	**6,998,382**

(See the attached notes to consolidated financial statements)

Chairman: Cheng, Duen-Jen **Manager: Cheng, Duen-Jen** **Accounting Manager: Li, Pei-Ling**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the six months ended June 30, 2026 and 2025

Unit: NT$ thousands

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Cash flows from operating activities:		
Income before income tax for the period	$ 484,214	274,370
Adjustments:		
Income and expense items:		
Depreciation	155,236	126,570
Amortization	3,750	3,175
Loss (gain) on financial assets at fair value through profit or loss	(12,379)	5,529
Interest expense	25,653	18,958
Interest income	(12,435)	(18,506)
Dividend income	(37,533)	(16,342)
Loss on market value decline and obsolete and slow-moving inventories	2,940	-
Share of profit of associates accounted for under the equity method	(987)	(2,645)
Loss on disposal of property, plant, and equipment	4	235
Gain on disposal of investments	-	(6,130)
Compensation costs of share-based payments	98,503	51,673
Gain on lease modification	-	(135)
Other expenses and losses not affecting cash flows	16	86
Total income and expense items	222,768	162,468
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(64,180)	48,281
Inventories	(355,344)	(23,959)
Other operating assets	(103,697)	47,032
Accounts payable (including related parties)	155,610	125,224
Other operating liabilities	12,297	(85,496)
Total adjustments	(132,546)	273,550
Cash generated from operations	351,668	547,920
Interest received	13,805	16,239
Dividends received	37,533	16,342
Interest paid	(25,659)	(18,721)
Income tax paid	(63,100)	(107,659)
Net cash inflow from operating activities	314,247	454,121

(Continued)

(See the attached notes to consolidated financial statements)

Chairman: Cheng, Duen-Jen   Manager: Cheng, Duen-Jen   Accounting Manager: Li, Pei-Ling

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the six months ended June 30, 2026 and 2025

Unit: NT$ thousands

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss - current	(47,963)	-
Disposal of financial assets at fair value through profit or loss - current	45,719	-
Acquisition of financial assets at fair value through profit or loss – non-current	-	(36,000)
Acquisition of financial assets at fair value through other comprehensive income - non-current	(27,453)	(30,844)
Disposal of financial assets at fair value through other comprehensive income - non-current	41,637	-
Refund of payment for shares from capital reduction of financial assets at fair value through other comprehensive income	1,574	-
Acquisition of property, plant and equipment	(500,542)	(227,138)
Proceeds from disposal of property, plant and equipment	-	1,030
Decrease (increase) in guaranteed deposits paid	69	(94)
Acquisition of intangible assets	(2,381)	-
Decrease (increase) in other non-current assets	(276)	664
Increase in prepayment for equipment	(174,069)	(46,229)
Net cash outflow from investing activities	(663,685)	(338,611)
Cash flows from financing activities:		
Increase in short-term loans	246,000	516,000
Repayment of short-term loans	(1,000)	(196,000)
Repayments of long-term loans	(48,818)	(48,818)
Repayment of lease principal	(16,863)	(13,576)
Net cash inflow from financing activities	179,319	257,606
Effect of exchange rate changes	30,221	(186,755)
Increase (decrease) in cash and cash equivalents	(139,898)	186,361
Cash and cash equivalents, beginning of the year	1,760,348	1,541,797
Cash and cash equivalents, end of the year	$ **1,620,450**	**1,728,158**

(See the attached notes to consolidated financial statements)

Chairman: Cheng, Duen-Jen **Manager: Cheng, Duen-Jen** **Accounting Manager: Li, Pei-Ling**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Notes to Consolidated Financial Statements

For the six months ended June 30, 2026 and 2025

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

I. Company History

APAQ TECHNOLOGY CO., LTD. (hereinafter referred to as the “Company”) was established on December 23, 2005 with the registered address at 4F., No. 2 and 6, Kedong 3rd Rd., Zhunan Township, Miaoli County. The Company's shares have been listed and traded at TWSE since December 9, 2014.

The core business of the Company and its subsidiaries (hereinafter referred to as the "Group") focuses on the research, development, manufacturing and sales of electronic components. The Group primarily engages in production of super small size, high-temperature resistant, long-lifespan, low ESR electrolytic capacitors, and development and manufacture of high voltage capacitors, chip capacitors, organic semiconductor solid capacitors, and high energy storage capacitors in response to customers’ requirements.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and issued on August 6, 2026, by the Board of Directors.

III. Application of New and Amended Standards and Interpretations

(I) Impact of adopting newly issued or amended standards and interpretations endorsed by the Financial Supervisory Commission (referred to as “FSC”)

Since January 1, 2026, the Group has adopted below newly amended IFRSs which does not have a material impact on the consolidated financial statements.

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

(II) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements.

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and Amendments to IFRS 19
- Amendments to IAS21 "The Effects of Changes in Foreign Exchange Rates"

The Group expects to adopt the following newly issued and newly amended IFRS accounting standards from January 1, 2028:

1. IFRS 18 "Presentation and Disclosure in Financial Statements"

   The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.

- · A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.
- · Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS accounting standards.
- · Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

IAS 7 "Statement of Cash Flows" has been amended in accordance with the new standards, which requires the indirect method for operating cash flows to start with newly defined subtotal of "operating profit or loss." Specific items included in the reconciliation change to align with the new starting point.. In addition, the amendments also provide specific guidance on the cash classification for interest and dividend receipts and payments..

The Group continues to evaluate the impact of first adoption of the standards on the consolidated financial statements.

2. Amendments to IAS 28 “Fair Value Option for Investments in Associates and Joint Ventures”

The Group assesses that the adoption of the newly amended standards would not have a significant impact on its financial statements.

(III) Newly issued and amended standards and interpretations yet to be endorsed by the FSC

The Group has evaluated that the standards released and amended but not yet endorsed as follows do not have a material impact on the consolidated financial statements.

- ·Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- ·IFRS 20 “Regulatory Assets and Regulatory Liabilities”

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “ Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

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

(II) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiaries	Business Activities	Percentage of Ownership 2026.6.30	2025.12.31	2025.6.30	Note
The Company	APAQ Investments Limited (APAQ Samoa)	Investment holding company	100%	100%	100%	
APAQ Samoa	APAQ Technology (Wuxi) Co., Ltd. (APAQ Wuxi)	Production and sales of electronic products	100%	100%	100%	
The Company	APAQ Technology (Hubei) Co., Ltd. (APAQ Hubei)	Production and sales of electronic products	100%	100%	100%	
The Company	AiPAQ Technology Co., Ltd (AiPAQ Technology)	R&D and sales of electronic products	52%	52%	52%	
The Company	APAQ TECHNOLOGY (THAILAND) CO., Ltd. (APAQ Thailand)	Production and sales of electronic products	99.99%	99.99%	99.99%	Note

Note: The Group established the subsidiary jointly with a natural person on June 3, 2025, and included the company into the consolidated financial statements since that day.

2. Subsidiaries not included in the consolidated financial statements: None.

(III) Income tax

The Group measures and discloses the income tax expenses for the interim period in accordance with the regulations in paragraph B12 of International Accounting Standard 34, "Interim Financial Reporting."

The interim period income tax expense is assessed based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and recognized as current income tax expenses in full, and allocated to current income tax expenses and deferred income tax expenses in proportion to the expected current income tax expenses and deferred income tax expenses of the whole year.

Income tax expenses directly recognized in items of equity or other comprehensive income shall be measured by the temporary differences between the carrying amount of related assets and liabilities for the financial reporting purpose and tax base at the tax rates that are expected to apply to the period when they are realized or settled.

V. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

When preparing the consolidated financial statements in accordance with Regulations Governing the Preparation and IAS 34 “Interim Financial Reporting” endorsed by the FSC, the management has to make judgments, and estimates to future (including climate-related risks and opportunities), which may influence the adoption of accounting policies, and the reporting amount of assets, liabilities, incomes and expenses. There may be differences between actual results and estimates.

The significant accounting judgements, estimates and key sources of assumption uncertainty by the management in preparing the consolidated financial statements are consistent with the disclosures in Note V of the consolidated financial statements for the year ended December 31, 2025.

VI. Details of Significant Accounts

Except for those explained as follows, there is no significant difference in details of significant accounts compared with those in the consolidated financial statements for the year ended December 31, 2025. Please refer to Note VI of the consolidated financial statements for the year ended December 31, 2025 for relevant information.

(I) Cash and cash equivalents

	2026.6.30	2025.12.31	2025.6.30
Cash and demand deposit	$ 1,524,899	1,681,772	1,684,208
Time deposit	95,551	78,576	43,950
Cash and cash equivalents	**$ 1,620,450**	**1,760,348**	**1,728,158**

Please refer to Note VI (XXII) for currency risk and sensitivity analysis disclosure of the financial assets and liabilities.

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

1. Current:

	2026.6.30	2025.12.31	2025.6.30
Financial assets mandatorily measured at fair value through profit or loss:			
PIMCO GIS Balanced Income and Growth Fund	$ 49,155	-	-
U.S. Treasury bonds	-	46,416	42,159
	$ 49,155	**46,416**	**42,159**

The Group acquired 24 thousand shares of Hon. Precision, Inc. in November 2025, with total investment amount of NT$50,349 thousand. The Group sold 24 thousand shares of Hon. Precision, Inc. in December 2025. Fair value at the disposal amounted to NT$80,967 thousand.

The Group sold US Treasury bonds with par value amounting to USD 1,600 thousand in March 2026. Fair value at the disposal amounted to NT$45,719 thousand.

The Group acquired PIMCO GIS Balanced Income and Growth Fund in April, 2026, with total investment amount of USD 1,500 thousand.

2. Non-current:

	2026.6.30	2025.12.31	2025.6.30
Financial assets mandatorily measured at fair value through profit or loss:			
Domestic limited liability partnership			
AyeVest Investment Limited Partnership (AyeVest Investment)	$ 10,632	10,728	10,800
Domestic unlisted common stocks			
Sunrise Innovation Capital Co. (Sunrise Innovation)	35,460	34,980	30,000
Phoenix VII Innovation & Venture Capital Co., Ltd. (Phoenix VII)	111,500	100,000	-
	$ 157,592	145,708	40,800

The Group invested in 3,000 thousand shares of Sunrise Innovation Capital Co. in May 2025 by the investment amount of NT$30,000 thousand.

The Group invested 10,000 thousand shares of Phoenix VII Innovation & Venture Capital Co., Ltd. by NT$100,000 thousand in November 2025.

The amount of profit or loss recognized from remeasurement at fair value, please refer to Note VI(XXI) for details.

The Group recognized dividend income of NT$4,576 thousand for the aforementioned investments in equity instruments designated at fair value through profit or loss for the six months ended June 30, 2026. Please refer to Note VI(XXI) for details.

(III) Financial assets measured at fair value through other comprehensive income – non-current

		2026.6.30	2025.12.31	2025.6.30
Domestic listed common stocks —				
TAI-TECH Advanced Electronics Co., Ltd. (TAI-TECH)	$	97,295	17,140	11,115
Syntec Technology Co., Ltd. (Syntec Technology)		2,814,000	1,239,556	-
Domestic and foreign unlisted common stocks -				
Foxfortune Technology Ventures Limited		14,700	15,845	18,464
Inpaq Korea Co., Ltd. (Inpaq Korea)		1,294	4,577	2,238
Element I Venture Capital Co., Ltd. (Element I Venture Capital)		6,952	9,803	13,734
Kuan Kun Electronic Enterprise Co., Ltd. (Kuan Kun Electronic)		301,006	79,441	22,610
AICP Technology Corporation (AICP Technology)		3,638	2,095	2,135
IPU Semiconductor Co., Ltd. (IPU Semiconductor)		37,827	25,248	25,860
WK Technology Fund IX II Ltd. (WK Technology Fund IX II)		29,850	27,360	26,610
I-See Vision Technology Inc. (I-See Vision Technology)		47,298	53,895	14,356
Syntec Technology Co., Ltd. (Syntec Technology)		-	-	1,029,600
Phoenix VI Innovation & Venture Capital Co., Ltd. (Phoenix VI)		57,300	61,750	42,000
	$	**3,411,160**	**1,536,710**	**1,208,722**

Information on major equity investments denominated in foreign currencies as of the reporting date is as follows:

	2026.6.30			2025.12.31			2025.6.30		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
USD	$ 502	31.850	15,994	650	31.430	20,422	706	29.3	20,702

Equity instruments held by the Group are strategic long-term investments and not for trading purposes, so they have been designated to be measured at fair value through other comprehensive income.

The Group acquired 188 thousand shares and 117 thousand shares of TAI-TECH Advanced Electronics Co., Ltd. by NT$27,453 thousand and NT$13,460 thousand from February to April 2026 and from March to April 2025, respectively.

The Group acquired 40 thousand of Syntec Technology Co., Ltd. by NT$23,977 thousand from March to July 2025. The Group disposed of 38 thousand shares and 2 thousand shares of Syntec Technology Co., Ltd. in February 2026 and September 2025, respectively. Fair values at the time of disposal were NT$41,637 thousand and NT$1,815 thousand, and the gains on disposal amounted to NT$35,462 thousand and NT$1,490 thousand, respectively. The aforementioned gains on disposal have been transferred from other equity to retained earnings.

The Group participated in the capital increase of I-See Vision Technology Inc. in October 2025 by subscribing 3,420 thousand shares amounting to NT$34,203 thousand.

Foxfortune Technology Ventures Limited reduced its capital by 10% and 20% and returned NT$1,574 thousand and NT$3,806 thousand to the Company in June 2026 and August 2025, respectively, as resolved by the board of directors.

Element I Venture Capital Co., Ltd. reduced its capital and returned NT$6,000 thousand to the Company in July 2025, as resolved by the shareholders meeting.

The Group recognized dividend income of NT$32,957 thousand and NT$16,342 thousand for the aforementioned investments in equity instruments designated at fair value through other comprehensive income for the six months ended June 30, 2026 and 2025, respectively. Please refer to Note VI(XXI) for details.

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

	2026.6.30	2025.12.31	2025.6.30
Notes receivable	$ 15,660	32,676	30,564
Accounts receivable	1,886,331	1,789,686	1,461,203
Accounts receivable - related parties	46,215	45,163	55,089
	$ 1,948,206	1,867,525	1,546,856

The Group adopts a simplified method to estimate the expected credit loss for all receivables (including related parties), that is, using the lifetime expected credit loss. For this purpose, these receivables are categorized based on common credit risk characteristics of customers' capability to pay for amount due in accordance with the contracts with forward-looking information incorporated, including general economic and related industry information.

	2026.6.30		
	Carrying amount of receivables (including related parties)	Ratio of loss on lifetime expected credit	Allowance of lifetime expected credit loss
Not past due	$ 1,889,320	0%	-
Past due 1-90 days	14,201	0%	-
Past due over 91 days	44,685	0%	-
Total	$ 1,948,206		-

	2025.12.31		
	Carrying amount of accounts receivable (including related parties)	Ratio of loss on lifetime expected credit	Allowance of lifetime expected credit loss
Not past due	$ 1,809,700	0%	-
Past due 1-90 days	20,000	0%	-
Past due over 91 days	37,825	0%	-
Total	$ 1,867,525		-

	2025.6.30		
	Carrying amount of receivables (including related parties)	Ratio of loss on lifetime expected credit	Allowance of lifetime expected credit loss
Not past due	$ 1,462,856	0%	-
Past due 1-90 days	84,000	0%	-
Total	$ 1,546,856		-

No impairment loss has been provided for receivables (including related parties) for the six months ended June 30, 2026 and 2025.

(V) Inventories, net

	2026.6.30	2025.12.31	2025.6.30
Raw materials	$ 394,672	293,661	280,325
Work in process and semi-finished products	179,020	127,863	110,153
Finished goods and commodity	717,233	485,736	361,699
	$ 1,290,925	907,260	752,177

The details of operating costs were as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Cost of goods sold	$ 904,816	722,516	1,619,953	1,343,250
Loss on market value decline and obsolete and slow-moving inventories	(103)	-	2,940	-
Revenue from sales of tailings and scraps	(5,435)	-	(10,503)	-
	$ 899,278	722,516	1,612,390	1,343,250

As of June 30, 2026 and 2025, the inventories of the Group were not provided as pledged assets.

(VI) Investments accounted for under the equity method

Investments of the Group under equity method at financial reporting end date are individually non-significant and are listed below:

	2026.6.30	2025.12.31	2025.6.30
Associate	$ 65,080	58,180	52,477

Share of profit or loss of associates attributable to the Group:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Net profit (loss) for the period	$ 272	1,285	987	2,645
Other comprehensive income for the period	318	(6,752)	5,913	(9,245)
Total comprehensive income	$ 590	(5,467)	6,900	(6,600)

(VII) Property, plant and equipment

		Houses and buildings	Machinery and equipment	Other equipment and others	Construction in progress and equipment to be tested	Total
Cost:						
Balance as of January 1, 2026	$	413,118	2,388,143	365,684	547,853	3,714,798
Additions		777	105,720	47,839	341,385	495,721
Disposals and obsolescence		-	(347)	(4,747)	-	(5,094)
Reclassification		31,417	146,610	4,148	(182,191)	(16)
Effect of exchange rate changes		19,054	105,206	9,333	22,851	156,444
Balance as of June 30, 2026	$	464,366	2,745,332	422,257	729,898	4,361,853
Balance as of January 1, 2025	$	399,384	2,311,895	272,468	227,177	3,210,924
Additions		6,342	35,808	32,333	187,833	262,316
Disposals and obsolescence		-	(9,754)	(25)	-	(9,779)
Reclassification		1,638	36,139	3,600	(41,463)	(86)
Effect of exchange rate changes		(41,457)	(233,324)	(15,839)	(27,238)	(317,858)
Balance as of June 30, 2025	$	365,907	2,140,764	292,537	346,309	3,145,517
Depreciation:						
Balance as of January 1, 2026	$	263,785	1,330,739	221,302	-	1,815,826
Depreciation for the period		11,474	97,882	28,602	-	137,958
Disposals and obsolescence		-	(347)	(4,743)	-	(5,090)
Effect of exchange rate changes		12,127	60,962	5,966	-	79,055
Balance as of June 30, 2026	$	287,386	1,489,236	251,127	-	2,027,749
Balance as of January 1, 2025	$	248,109	1,329,184	195,684	-	1,772,977
Depreciation for the period		10,212	86,407	16,111	-	112,730
Disposals and obsolescence		-	(8,489)	(25)	-	(8,514)
Effect of exchange rate changes		(26,076)	(141,084)	(13,157)	-	(180,317)
Balance as of June 30, 2025	$	232,245	1,266,018	198,613	-	1,696,876
Carrying Amount:						
January 1, 2026	$	149,333	1,057,404	144,382	547,853	1,898,972
June 30, 2026	$	176,980	1,256,096	171,130	729,898	2,334,104
January 1, 2025	$	151,275	982,711	76,784	227,177	1,437,947
June 30, 2025	$	133,662	874,746	93,924	346,309	1,448,641

(VIII) Right-of-use assets

		Land use rights	Houses and buildings	Transportation equipment	Total
Cost of right-of-use assets:					
Balance as of January 1, 2026	$	11,965	152,681	1,610	166,256
Additions		-	18,343	600	18,943
Effect of exchange rate changes		548	4,004	-	4,552
Balance as of June 30, 2026	**$**	**12,513**	**175,028**	**2,210**	**189,751**
Balance as of January 1, 2025	$	12,203	86,196	1,610	100,009
Reductions (contract expiration and early termination of contracts)		-	(15,323)	-	(15,323)
Effect of exchange rate changes		(1,252)	(1,338)	-	(2,590)
Balance as of June 30, 2025	**$**	**10,951**	**69,535**	**1,610**	**82,096**
Depreciation of right-of-use assets:					
Balance as of January 1, 2026	$	2,076	30,344	805	33,225
Depreciation for the period		155	16,825	298	17,278
Effect of exchange rate changes		95	332	-	427
Balance as of June 30, 2026	**$**	**2,326**	**47,501**	**1,103**	**50,930**
Balance as of January 1, 2025	$	1,815	19,583	268	21,666
Depreciation for the period		145	13,427	268	13,840
Reductions (contract expiration and early termination of contracts)		-	(4,086)	-	(4,086)
Effect of exchange rate changes		(196)	(726)	-	(922)
Balance as of June 30, 2025	**$**	**1,764**	**28,198**	**536**	**30,498**
Carrying amount of right-of-use assets:					
January 1, 2026	**$**	**9,889**	**122,337**	**805**	**133,031**
June 30, 2026	**$**	**10,187**	**127,527**	**1,107**	**138,821**
January 1, 2025	**$**	**10,388**	**66,613**	**1,342**	**78,343**
June 30, 2025	**$**	**9,187**	**41,337**	**1,074**	**51,598**

(IX) Intangible assets

The amount of the Group's cost and amortization of intangible asset was as follows:

		Goodwill	Computer software	Royalty fees	Patented technology	Total
Cost:						
Balance as of January 1, 2026	$	54,671	17,475	45,038	9,181	126,365
Additions		-	181	2,200	-	2,381
Effect of exchange rate changes		-	138	-	-	138
Balance as of June 30, 2026	$	54,671	17,794	47,238	9,181	128,884
Balance as of January 1, 2025	$	53,315	14,787	45,038	-	113,140
Acquisition in business combination		1,356	-	-	9,181	10,537
Effect of exchange rate changes		-	(172)	-	-	(172)
Balance as of June 30, 2025	$	54,671	14,615	45,038	9,181	123,505
Amortization:						
Balance as of January 1, 2026	$	-	12,174	30,651	765	43,590
Amortization for the period		-	1,359	1,932	459	3,750
Effect of exchange rate changes		-	70	-	-	70
Balance as of June 30, 2026	$	-	13,603	32,583	1,224	47,410
Balance as of January 1, 2025	$	-	10,128	26,897	-	37,025
Amortization for the period		-	992	1,877	306	3,175
Effect of exchange rate changes		-	(145)	-	-	(145)
Balance as of June 30, 2025	$	-	10,975	28,774	306	40,055
Carrying Amount:						
January 1, 2026	$	54,671	5,301	14,387	8,416	82,775
June 30, 2026	$	54,671	4,191	14,655	7,957	81,474
January 1, 2025	$	53,315	4,659	18,141	-	76,115
June 30, 2025	$	54,671	3,640	16,264	8,875	83,450

(X) Other assets - current and non-current

	2026.6.30	2025.12.31	2025.6.30
Prepayments for equipment	$ 237,257	68,342	71,318
Business tax credit	112,345	50,890	46,923
Prepaid expenses	48,250	32,315	25,325
Long-term deferred expenses	17,098	16,822	11,678
Tax refund receivables	-	17,340	-
Prepayments for goods and others	55,133	12,856	8,665
	$ 470,083	198,565	163,909

(XI) Short-term loans

	2026.6.30	2025.12.31	2025.6.30
Unsecured bank loans	$ 2,395,000	2,150,000	1,740,000
Unused limit	$ 2,195,000	850,000	860,000
Interest rate range	1.95%~2.10%	1.95%~2.10%	1.85%~2.10%

The additional amounts for the six months ended June 30, 2026 and 2025 are NT$246,000 thousand and NT$516,000 thousand, respectively, with interest rates ranging from 1.970%~2.1% and 1.975%~2.303%, and maturity dates from July to September 2026 and from July to September 2025, respectively. The repayment amounts are NT$1,000 thousand and NT$196,000 thousand, respectively.

(XII) Long-term loans

	2026.6.30	2025.12.31	2025.6.30
Unsecured bank loans	$ 190,867	239,685	262,001
	(178,367)	(195,635)	(133,634)
	$ 12,500	44,050	128,367
Unused limit	$ 270,000	570,000	320,000
Interest rate range	1.925%~ 2.130%	1.925%~ 2.130%	1.925%~ 2.200%

(XIII) Lease liabilities

The carrying amount of the Group's lease liability is as follows:

	2026.6.30	2025.12.31	2025.6.30
Current	$ 36,334	32,100	15,457
Non-current	$ 93,189	91,661	27,383

For maturity analysis, please refer to Note VI(XXII) Financial instruments.

The amount of lease recognized in profit or loss is as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Interest expense of lease liabilities	$ 418	183	803	425
Expense for leases of low-value assets	$ (3)	18	78	37

The amount of lease recognized in the statements of cash flows is as follows:

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Total cash outflow for lease	$ 17,744	14,038

1. Leasing of houses and buildings

   The Group leased houses and buildings as office premises and factory buildings as of June 30, 2026 with the period of 1 to 5 years. Some leases include the option to extend for the same period when the lease expires.

   Some of the aforementioned leases include the option to extend. These leases are managed by each region, so the individual terms and conditions agreed are different within the Group. These options are only enforceable by the Group, not the lessor. Where it is not possible to reasonably determine that the optional lease extension will be exercised, the payment related to the period covered by the option is not included in the lease liability.

2. Other leases

   The lease period for leasing office premises of the Group is two years. These leases are for low-value assets, and the Group chooses to apply the exemption recognition requirement instead of recognizing the right-of-use assets and lease liabilities.

(XIV) Employee benefits

Please refer to Note XII for the explanations on the pension expenses for the three months and six months ended June 30, 2026 and 2025.

(XV) Income tax

1. Income tax expense

The amount of the Group's income tax expenses for the three months and six months ended June 30, 2026 and 2025 was as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Current income tax expenses				
Current income tax expenses	$ 62,186	53,433	118,940	94,128
Adjustments to current income tax of prior periods	(8,470)	(28,044)	(8,470)	(28,044)
Deferred income tax expense (benefit)	4,815	(242)	6,524	(315)
	$ 58,531	**25,147**	**116,994**	**65,769**

2. The amount of income tax expense (benefit) recognized in other comprehensive income was as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Exchange differences on translation of foreign operations (gains)	**$ 8,262**	**(75,755)**	**32,180**	**(67,434)**

3. The ROC income tax authorities have examined the Company's income tax returns through 2023.

(XVI) Capital and other equity

Except for those explained as follows, there is no significant change in share capital and other equity for the six months ended June 30, 2026 and 2025. Please refer to Note VI(XVII) of the consolidated financial statements for the year ended December 31, 2025 for relevant information.

1. Issue of commons shares

The Company issued 3,000 thousand shares of restricted stock awards in March 2025. The relevant registration for change has been completed on April 11, 2025. The Company bought back 20.5 thousand shares and 55 thousand shares of restricted stock awards for not reaching the vesting conditions for the six months ended June 30, 2026 and in 2025, respectively. As of June 30, 2026, 67.5 thousand shares have been cancelled with relevant registration for change completed. The relevant registration for change of the residual 8 thousand shares hasn’t been completed. Please refer to Note VI(XVII) for relevant information.

2. Capital surplus

	2026.6.30	2025.12.31	2025.6.30
Share premium	$ 320,766	320,766	320,766
Compensation cost of shares retained for employee subscription at cash capital increase	7,852	7,852	7,852
Subscription right to convertible corporate bonds	117	117	117
Treasury share transactions	3,642	3,642	3,642
Premium from conversion of corporate bonds to common shares	433,380	433,380	433,380
Changes in percentage of shareholding in long-term equity investments	2,736	2,736	2,736
Gains on exercise of disgorgement	34	34	34
Restricted stock awards	336,238	338,475	347,500
Employee stock options	39,489	-	-
	$ 1,144,254	1,107,002	1,116,027

In accordance with the Company Act, realized capital surplus can only be distributed as stocks or cash dividends in accordance with shareholders' original shareholding percentages after offsetting losses. The above-mentioned realized capital surplus includes amount in excess of the face amount during shares issuance and acceptance of bestowal. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the total of capital surplus appropriated for capital every year shall not exceed 10% of the paid-in capital.

Capital surplus arising from exercise of disgorgement may be only used to coverup accumulated deficit.

3. Retained earnings

The appropriations of earnings of the two most recent years were approved during shareholders' meeting held on May 29, 2026 and May 26, 2025, respectively. Information on earnings distribution proposal is as follows:

	2025		2024	
	Dividends per share (NT$)	Amount	Dividends per share (NT$)	Amount
Appropriation of legal reserve		$ 65,017		53,439
Appropriation (reversal) of special reserve		6,236		(75,303)
Cash dividends	$ 4.20	381,774	3.60	316,633
		$ 453,027		294,769

The above appropriation of earnings is consistent with the resolutions approved by the Board of Directors. Information on actual distribution is available at the Market Observation Post System (MOPS).

4. Treasury shares

The Company offers treasury stocks and buys back shares from the Taiwan Stock Exchange. The increase/decrease caused by the buyback are listed as follows:

Unit: thousand shares

	For the six months ended June 30, 2026				
Reason of recovering shares	**Number of shares at beginning of the period**	**Increase in current period**	**Transfer in current period**	**Cancellation in current period**	**Number of shares at end of the period**
Transfer to employees	1,000	-	-	-	1,000

	For the six months ended June 30, 2025				
Reason of recovering shares	**Number of shares at beginning of the period**	**Increase in current period**	**Transfer in current period**	**Cancellation in current period**	**Number of shares at end of the period**
Transfer to employees	1,000	-	-	-	1,000

In accordance with provisions of the Securities and Exchange Act, the share buyback rate shall not exceed 10% of total number of shares issued by the Company. The total amount of buyback shares shall not exceed the sum of retained earnings, share premium and realized capital surplus. No treasury stock held by the Company has exceeded the aforementioned limit. In accordance with provisions of the Securities and Exchange Act, the treasury stocks held by the Company cannot be pledged, and are not entitled to the rights of shareholders before being transferred.

5. Non-controlling interests

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Beginning balance	$ -	-	96,037	118,286
Net loss	(18,642)	(7,457)	(22,992)	(14,126)
Adjustments to the net fair value acquired in business combination	-	-	-	4,407
Ending balance	$ (18,642)	(7,457)	73,045	108,567

(XVII) Share-based payment

1. Restricted stock awards

The company's regular shareholders' meeting resolved on June 21, 2022, to issue 3,000 thousand restricted stock awards to eligible full-time employees of the Company, subject to specific conditions. The issuance has been filed with the Securities and Futures Bureau of the Financial Supervisory Commission for approval. The board of directors has resolved to issue 3,000 thousand shares on February 26, 2025. The legal registration for change of the aforementioned capital increase has been completed.

Employees receiving the restricted stock awards must deliver all units to a designated institutional trustee appointed by the Company for safekeeping until the vesting conditions are met. During this period, employees are prohibited from selling, pledging, or transferring. Other than the restriction on disposal and the requirement to deliver the units to the trust for safekeeping until the vesting conditions are met, the rights associated with the restricted stock units are the same as those of the common shares issued by the Company. In addition, in the event that employees fail to meet the vesting conditions as per the issuance regulations, the Company reserves the right to reclaim and cancel all shares of restricted stock units allocated to the employees at no cost. The details are as follows:

	Restricted stock awards
	Issued in 2025
Grant date	2025.3.12
Number of share granted (thousand/unit)	3,000
Contract period	1~5 years
Grantees	Employees
Vesting condition	Note
Subscription price per share (NT$)	0
Adjusted exercise price (NT$)	0

Note: Serving in the Company for one year, two years, three years, four years, and five years since the grant date, the achieving status of the Company’s overall performance and personal performance will be reviewed each year, and the restricted stock awards will be vested respectively.

Part of the restricted stock options issued in March 2025 have expired. The Company bought back 20.5 thousand shares and 55 thousand shares of restricted stock awards for not reaching the vesting conditions for the six months ended June 30, 2026 and in 2025, respectively. The aforementioned 55 thousand shares bought back in 2025 have been cancelled with relevant registration for change completed, of which, the registration for change of 20 thousand shares has been completed for the six months ended June 30, 2026, and capital surplus has increased by NT$200 thousand. Concerning the 20.5 thousand shares bought back for the six months ended June 30, 2026, the registration for change of 12.5 thousand shares has been completed, and capital surplus has increased by NT$125 thousand. The registration for change of the residual 8 thousand shares hasn't been completed.

The Company recognized NT$23,390 thousand, NT$42,466 thousand, NT$59,014 thousand, and NT$51,673 thousand of compensation costs for issue of restricted stock awards for the three months and six months ended June 30, 2026 and 2025, respectively, which are presented under operating costs and operating expenses.

As of June 30, 2026 and 2025, the balance of unearned employees' compensation amounted to NT$170,199 thousand and NT$325,827 thousand, respectively, presented as deductions to other equity.

2. Treasury shares transfer to employees

In accordance with the Regulations Governing Share Repurchase for Transfer to Employees, the Company repurchased shares for transfer to employees. The relevant transaction terms and conditions of share-based payments for the year ended December 31, 2026 are as follows:

Grant date	**Granted quantity**	**Vesting condition**	**Stock price**	**Exercise price**	**Fair value per unit**
2026/5/5	300 thousand shares	Immediate vesting	172.00	40.37	172.00

The Company resolved by the board of directors on May 5, 2026 to approve the transfer of treasury shares to employees for subscribing. The Company estimated the grant-date fair value of share-based payment by Black Scholes option pricing model, and the compensation expenses arising from employees' subscription amounted to NT$39,489 thousand. As of June 30, 2026, the aforementioned treasury shares haven't been actually transferred.

(XVIII) Earnings per Share (EPS)

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Basic EPS:				
Net income attributable to the Company	$ 204,206	87,405	390,212	222,727
Weighted-average number of ordinary shares (in thousands)	88,533	87,954	88,267	87,954
Basic EPS (NT$)	$ 2.31	0.99	4.42	2.53
Diluted EPS:				
Net income attributable to the Company	$ 204,206	87,405	390,212	222,727
Weighted-average number of ordinary shares (in thousands)	88,533	87,954	88,267	87,954
Effect of potential diluted common shares:				
Employee compensation to be distributed in shares	129	177	269	302
Non-vested restricted stock awards	1,697	-	1,597	-
Weighted average number of common shares outstanding for the calculation of diluted EPS (in thousands of shares)	90,359	88,131	90,133	88,256
Diluted EPS (NT$)	$ 2.26	0.99	4.33	2.52

As the restricted stock awards issued for the three months and six months ended June 30, 2025 are anti-dilutive, diluted earnings per share shall not be calculated.

(XIX) Revenue of customer contract

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Major regional markets				
Taiwan	$ 266,096	439,809	570,466	762,592
Asia	990,693	571,869	1,694,631	1,062,293
Other areas	113,300	125,938	233,227	217,750
	$ 1,370,089	1,137,616	2,498,324	2,042,635
Major products				
Coiled conductive polymer solid state capacitors	$ 708,772	788,684	1,397,820	1,422,006
Chip-type conductive polymer solid state capacitors	661,317	348,932	1,100,504	620,629
	$ 1,370,089	1,137,616	2,498,324	2,042,635

Please refer to Note VI(IV) for the disclosure of notes and accounts receivable and impairment.

(XX) Employee compensations and remuneration for Directors

The Company modified the Articles of Incorporation by the resolution of shareholders meeting on May 26, 2025. In accordance with the modified Articles of Incorporation, if there is profit in the year, at least 8 percent of profit shall be allocated for employee compensation (The compensation to non-executive employees shall not be lower than 10% of the employee compensation.), and no more than 3 percent shall be allocated for remunerations of the Directors. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses in advance. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in affiliated companies who met certain conditions. In accordance with the Articles of Incorporation before modification, if there is profit in the year, at least 8 percent of profit shall be allocated for employee compensation, and no more than 3 percent shall be allocated for remunerations of the Directors. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses in advance. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in affiliated companies who met certain conditions.

The Company accrued NT$21,940 thousand, NT$6,116 thousand, NT$44,456 thousand, and NT$19,895 thousand as employee compensation (including non-executive employees' compensation), and NT$6,453 thousand, NT$1,798 thousand, NT$13,075 thousand, and NT$5,851 thousand as remuneration for Directors for the three months and six months ended June 30, 2026 and 2025, respectively. These amounts were calculated using the Company's income before income tax before deducting for employee compensation and remuneration for Directors multiplied by the percentages which are stated under the Company's Article of Incorporation. The amounts were recognized as operating costs or operating expenses for the periods. Difference between amount distributed and accrued will be regarded as changes in accounting estimates and reflected in profit or loss in the following year. If employee compensation is resolved to be distributed in shares, the number of shares is determined by dividing the amount of compensation by the closing price of common shares on the day preceding the Board of Directors' meeting.

The amounts allocated for employees' compensation were NT$70,733 thousand (including non-executive employees' compensation) and NT$56,791 thousand, respectively, and the remuneration to directors were NT$20,804 thousand and NT$16,703 thousand, respectively, for the years ended December 31, 2025 and 2024, which bear no difference from the Board's resolutions. Relevant information can be found at the MOPS.

(XXI) Non-operating income and expenses

1. Other gains and losses, net

The details of other gains and losses are as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Dividend income	$ 22,400	15,770	37,533	16,342
Gain on disposal of investments	-	-	-	6,130
Subsidy income	14,310	218	15,349	270
Net gain (loss) on financial assets at fair value through profit or loss	17,674	(7,495)	12,379	(5,529)
Loss on disposal of property, plant, and equipment	(3)	(2)	(4)	(235)
Others	(910)	3,955	(907)	3,578
	$ 53,471	12,446	64,350	20,556

2. Finance costs

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Interest expenses of loans from banks	$ 12,753	9,530	24,850	18,533
Interest expense of lease liabilities	418	183	803	425
	$ 13,171	9,713	25,653	18,958

3. Interest income

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Interests on bank deposits	$ 5,297	12,511	11,676	18,475
Interests on financial assets	741	-	741	-
Other interest income	7	8	18	31
	$ 6,045	12,519	12,435	18,506

(XXII) Financial instruments

Except for those explained as follows, there is no significant change in the fair value of financial instruments and the conditions of financial instruments exposed to credit risk, liquidity risk, and market risk. Please refer to Note VI(XXIII) of the consolidated financial statements for the year ended December 31, 2025 for relevant information.

1. Credit risk

(1) Credit risk concentration

The Group's customers are concentrated in industries such as consumer electronics, computer peripherals and wireless communication and so on. To reduce the credit risk of the accounts receivable, the Group continuously assesses the customers' financial position and regularly evaluates the possibility of the collection of accounts receivable, as well as making allowances for loss. As of June 30, 2026, December 31, 2025, and June 30, 2025, 28%, 37% and 44% of the Group's accounts receivables were due from five customers, respectively. Although there is credit risk concentration, the Group assessed the possibility of accounts receivable recovery on a regular basis, and provided appropriate loss allowances.

(2) Credit risk of accounts receivable and debt securities

Please refer to Note VI(IV) for credit risk exposure of accounts receivable.

Other financial assets at amortized cost included other receivables and time deposits. No impairment loss was recognized.

The aforementioned financial assets have low credit risk, so the allowance loss of the period is measured based on twelve-month expected credit loss (please refer to Note IV(VII) for details on how the Group determines the level of credit risk).

2. Liquidity risk

The following table shows the contractual maturity analysis of financial liabilities(including the impact of interest payable):

	Carrying amount	Contract Cash Flow	Less than 6 months	6-12 months	More than 12 months
June 30, 2026					
Non-derivative financial liabilities					
Short-term loans	$ 2,395,000	2,400,587	2,400,587	-	-
Accounts payable (including related parties)	866,337	866,337	866,337	-	-
Payroll and bonus payable	248,541	248,541	248,541	-	-
Payable on equipment	81,176	81,176	54,824	26,352	-
Dividends payable	381,774	381,774	381,774	-	-
Expenses payable (recorded as other current liabilities)	146,092	146,092	146,092	-	-
Lease liabilities (including current and non-current)	129,523	131,727	18,977	18,577	94,173
Long-term loans (including within one year)	190,867	192,343	148,011	31,810	12,522
	$ 4,439,310	**4,448,577**	**4,265,143**	**76,739**	**106,695**

	Carrying amount	Contract Cash Flow	Less than 6 months	6-12 months	More than 12 months
December 31, 2025					
Non-derivative financial liabilities					
Short-term loans	$ 2,150,000	2,154,889	2,154,889	-	-
Accounts payable (including related parties)	680,232	680,232	680,232	-	-
Payroll and bonus payable	228,974	228,974	228,974	-	-
Payable on equipment	91,470	91,470	73,415	18,055	-
Expenses payable (recorded as other current liabilities)	182,364	182,364	182,364	-	-
Lease liabilities (including current and non-current)	123,761	123,010	16,291	16,291	90,428
Long-term loans (including within one year)	239,685	243,339	50,996	148,011	44,332
	$ 3,696,486	3,704,278	3,387,161	182,357	134,760

	Carrying amount	Contract Cash Flow	Less than 6 months	6-12 months	More than 12 months
June 30, 2025					
Non-derivative financial liabilities					
Short-term loans	$ 1,740,000	1,744,554	1,744,554	-	-
Accounts payable (including related parties)	573,354	573,354	573,354	-	-
Payroll and bonus payable	167,430	167,430	167,430	-	-
Payable on equipment	59,453	59,453	59,453	-	-
Dividends payable	316,633	316,633	316,633	-	-
Expenses payable (recorded as other current liabilities)	136,123	136,123	136,123	-	-
Lease liabilities (including current and non-current)	42,840	44,043	9,749	6,402	27,892
Long-term loans (including within one year)	262,001	266,035	111,748	25,220	129,067
	$ 3,297,834	3,307,625	3,119,044	31,622	156,959

3. Exchange rate risk

(1) Exchange rate risk exposure

The Group's financial assets and liabilities exposed to material exchange rate risk were as follows:

	2026.6.30			2025.12.31			2025.6.30		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 77,326	31.85	2,462,833	75,814	31.43	2,382,834	76,728	29.30	2,248,130
RMB	34,559	4.6763	161,609	56,631	4.4716	253,231	59,467	4.0930	243,398
Financial liabilities									
Monetary items									
USD	4,698	31.85	149,631	3,876	31.43	121,823	4,300	29.30	125,990

(2) Sensitivity analysis

The Group's exposure to foreign currency risk mainly arises from exchange gains and losses of cash, receivables, accounts payable, and other payables that are denominated in US dollars and RMB. Changes in net income for the six months ended June 30, 2026 and 2025 due to depreciation or appreciation of NTD against USD and RMB as of June 30, 2026, December 31, 2025, and June 30, 2025 with all other variables held constant were as follows:

	Range of the fluctuations	For the six months ended June 30, 2026	For the six months ended June 30, 2025
TWD exchange rate	1% depreciation against USD	$ 18,506	16,977
	1% appreciation against USD	$ (18,506)	(16,977)
	1% depreciation against RMB	$ 1,293	1,947
	1% appreciation against RMB	$ (1,293)	(1,947)

(3) Foreign exchange gains (losses) on monetary items

As the Group has a large variety of functional currencies, the exchange gains and losses of monetary items were disclosed on an aggregated basis. The foreign exchange gains (including realized and unrealized) for the three months and six months ended June 30, 2026 and 2025 were NT$(18,682) thousand, NT$(160,581) thousand, NT$(757) thousand, and NT$(137,298) thousand, respectively.

4. Interest rate analysis

The interest rate risk exposure of financial assets and financial liabilities of the Group is described in the liquidity risk management of the Notes.

The following sensitivity analysis is determined by the interest rate risk exposure of non-derivative instruments on the reporting date. For liabilities with floating interest rates, the analysis is based on the assumption that the outstanding liabilities on the reporting date have been outstanding all year round. The main reason is the borrowing at floating interest rate. Changes in other comprehensive income as of June 30, 2026 and 2025 due to changes in interest rate with all other variables held constant were as follows:

	Range of the fluctuations	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Annual borrowing rate	Increase by 1%	$ (10,343)	(8,008)
	Decrease by 1%	$ 10,343	8,008

5. Other price risk

If the price of equity securities changes on the reporting date (adopt the same basis of analysis for both periods, with the assumption that other variable factors remain unchanged), the impact on comprehensive income items were as follows:

	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
Securities price as of the reporting date	**Other comprehensive income before tax**	**Income before income tax for the period**	**Other comprehensiv e income before tax**	**Income before income tax for the period**
Increase by 1%	$ 34,112	2,067	12,087	830
Decrease by 1%	(34,112)	(2,067)	(12,087)	(830)

6. Fair value of financial instruments

(1) Type and fair value of financial instruments

The Group's financial assets at fair value through profit and loss or through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of financial assets and liabilities (including information of fair value hierarchy; however, the fair value of financial instruments not at fair value and whose carrying amounts are reasonable approximations of their fair value and lease liabilities is not required to be disclosed) were as follows:

	2026.6.30				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss – current					
Beneficiary certificates of fund	$ 49,155	49,155	-	-	49,155
Financial assets at fair value through profit or loss – non-current					
Limited partnership	$ 10,632	-	-	10,632	10,632
Domestic unlisted ordinary shares	146,960	-	-	146,960	146,960
	$ 157,592	-	-	157,592	157,592
Financial assets at fair value through other comprehensive income - non-current					
Domestic and foreign listed shares	$ 2,911,295	2,911,295	-	-	2,911,295
Domestic and foreign unlisted shares	499,865	-	-	499,865	499,865
	$ 3,411,160	2,911,295	-	499,865	3,411,160
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,620,450	-	-	-	-
Notes and accounts receivables (including related parties)	1,948,206	-	-	-	-
Guaranteed deposits paid	11,445	-	-	-	-
	$ 3,580,101	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	$ 2,395,000	-	-	-	-
Accounts payables (including related parties)	866,337	-	-	-	-
Payroll and bonus payable	248,541	-	-	-	-
Payables for equipment	81,176	-	-	-	-

	2026.6.30				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Dividends payable	381,774	-	-	-	-
Payable expenses (recognized as other current liabilities)	146,092	-	-	-	-
Lease liabilities (including current and non-current)	129,523	-	-	-	-
Long-term borrowings (including current portion)	190,867	-	-	-	-
	$ 4,439,310	-	-	-	-

	2025.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	$ 46,416	46,416	-	-	46,416
Financial assets at fair value through profit or loss – non-current					
Limited partnership	$ 10,728	-	-	10,728	10,728
Domestic unlisted ordinary shares	134,980	-	-	134,980	134,980
	$ 145,708	-	-	145,708	145,708
Financial assets at fair value through other comprehensive income - non-current					
Domestic listed shares	$ 1,256,696	1,256,696	-	-	1,256,696
Domestic and foreign unlisted shares	280,014	-	-	280,014	280,014
	$ 1,536,710	1,256,696	-	280,014	1,536,710
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,760,348	-	-	-	-
Notes and accounts receivables (including related parties)	1,867,525	-	-	-	-
Guaranteed deposits paid	11,482	-	-	-	-
	$ 3,639,355	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	$ 2,150,000	-	-	-	-
Accounts payables (including related parties)	680,232	-	-	-	-
Payroll and bonus payable	228,974	-	-	-	-
Payables for equipment	91,470	-	-	-	-

	2025.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Payable expenses (recognized as other current liabilities)	182,364	-	-	-	-
Lease liabilities (including current and non-current)	123,761	-	-	-	-
Long-term borrowings (including current portion)	239,685	-	-	-	-
	$ 3,696,486	-	-	-	-

	2025.6.30				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	$ 42,159	42,159	-	-	42,159
Financial assets at fair value through profit or loss – non-current					
Limited partnership	$ 10,800	-	-	10,800	10,800
Domestic unlisted ordinary shares	30,000	-	-	30,000	30,000
	$ 40,800	-	-	40,800	40,800
Financial assets at fair value through other comprehensive income - non-current					
Domestic listed shares	$ 11,115	11,115	-	-	11,115
Domestic and foreign unlisted shares	1,197,607	1,029,600	-	168,007	1,197,607
	$ 1,208,722	1,040,715	-	168,007	1,208,722
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,728,158	-	-	-	-
Notes and accounts receivables (including related parties)	1,546,856	-	-	-	-
Guaranteed deposits paid	11,154	-	-	-	-
	$ 3,286,168	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	$ 1,740,000	-	-	-	-
Accounts payables (including related parties)	573,354	-	-	-	-
Payroll and bonus payable	167,430	-	-	-	-
Payables for equipment	59,453	-	-	-	-
Dividends payable	316,633	-	-	-	-

	2025.6.30				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Payable expenses (recognized as other current liabilities)	136,123	-	-	-	-
Lease liabilities (including current and non-current)	42,840	-	-	-	-
Long-term borrowings (including current portion)	262,001	-	-	-	-
	$ 3,297,834	-	-	-	-

(2) Valuation techniques for financial instruments that are measured at fair value

If there is an active market for a financial instrument, the fair value of the instrument is based on the quoted market price in the active market. The market prices announced by major exchanges and the central government bond counter trading centers, which are judged to be popular, are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments with active market quotations.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service or competent authority in a timely manner and on a regular basis, and the price represents an actual and frequent arm's length market transaction. If above conditions are not met, the market is considered inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or a low trading volume are all indicators of an inactive market.

The fair value of financial instruments held by the Group that are traded in an active market are presented by category and attribute as follows:

The fair values of listed redeemable bonds, listed stocks, bills of exchange, beneficiary certificates of fund, and corporate bonds, which are financial assets and financial liabilities with standard terms and conditions and traded in active markets, are determined based on the quoted market prices, respectively.

Except for the above-mentioned financial instruments with active markets, the fair values of the remaining financial instruments are obtained using valuation techniques or by reference to quoted prices from counter-parties. The fair values obtained through valuation techniques may be calculated based on the current fair values of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other valuation techniques, including the models based on market information available at the date of the consolidated balance sheet (e.g., over-the-counter (OTC) reference yield curves, Reuters average quoted commercial paper rates).

The fair value of financial instruments held by the Group that do not have an active market is estimated using the Comparable Listed Company Act and the net asset value method, with the main assumptions of the Comparable Listed Company Act being the net share price multiplier and the cost-benefit ratio multiplier of comparable listed companies, the multiplier of estimated EBITA and the entity’s operating revenue multiplier. The net asset value method is used to assess the total value of the individual assets and liabilities covered by the valuation technique to reflect the overall value of the Company. This estimate adjusts for the effect of the lack of marketability of the equity securities at a discount.

(3) Transfers between Level 1 and Level 2 fair value hierarchy: None.

(4) Details of changes in Level 3 fair value hierarchy:

	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income – without an active market
Balance as of January 1, 2026	$ 145,708	280,014
Refund of payment for shares from capital reduction	-	(1,574)
Total gains or losses		
Recognized in profit or loss	11,884	-
Recognized in other comprehensive income	-	221,425
Balance as of June 30, 2026	**$ 157,592**	**499,865**
Balance as of January 1, 2025	$ 5,409	1,028,200
Additions	36,000	-
Total gains or losses		
Recognized in profit or loss	(609)	-
Recognized in other comprehensive income	-	(164,617)
Transferred from Level 3 (Note)	-	(695,576)
Balance as of June 30, 2025	**$ 40,800**	**168,007**

Note: The financial assets have been transferred from level 3 for becoming active.

(5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group classified the financial assets at fair value through profit or loss - non-current, and financial assets measured at fair value through other comprehensive income and loss – non-current as recurring level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs are independent, therefore, there is no correlation between them. Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable input	Relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss	Net asset value method	• Net asset value	• The higher the value of net asset, the higher the fair value
Non-current (investments in equity instrument without active market)		• Marketability discount (9% for both June 30, 2026, December 31, 2025, and June 30, 2025)	• The higher the marketability discount, the lower the fair value
Financial asset at fair value through other comprehensive income - non-current (investments in equity instrument without active market)	Net asset value method	• Net asset value • Marketability discount (9% for June 30, 2026, December 31, 2025, and June 30, 2025)	• The higher the value of net asset, the higher the fair value • The higher the marketability discount, the lower the fair value
Financial asset at fair value through other comprehensive income - non-current (investments in equity instrument without active market)	Market approach	• Price-book ratio (PBR) multiples (2.23~4.50, 1.19~2.88, and 0.89~2.70 as of June 30, 2026, December 31, 2025, and June 30, 2025)	• The higher the price-book ratio, the higher the fair value
		• Price-earnings ratio (PER) multiples (13.00, 15.43, and 11.01~22.40 as of June 30, 2026, December 31, 2025, and June 30, 2025) • Marketability discount (14.65%~26.03%, 14.65%~26.03%, 17.60%~19.66% as of June 30, 2026, December 31, 2025, and June 30, 2025)	• The higher the price-to-earning ratio, the higher the fair value. • The higher the marketability discount, the lower the fair value.

(6) Fair value measurement for Level 3, and sensitivity analysis of fair value on reasonably possible alternative assumptions

The Group's fair value measurement on the financial instruments is considered reasonable; however, when different valuation model or valuation parameters are used, it may lead to different valuation result. If valuation parameters change, financial instruments classified as Level 3 will have effects on the profit/loss or other comprehensive income, stated as follows:

	Inputs	Upward or downward change	Fair value change reflected in profit or loss: Favorable change	Fair value change reflected in profit or loss: Unfavorable change	Fair value change reflected in other comprehensive income: Favorable change	Fair value change reflected in other comprehensive income: Unfavorable change
June 30, 2026						
Financial assets measured at fair value through profit or loss						
Investments in equity instrument without active market	Marketability discount	±1%	1,576	(1,576)	-	-
	Net asset value method	±1%	1,576	(1,576)	-	-
Financial assets measured at fair value through other comprehensive income						
Investments in equity instrument without active market	Marketability discount	±1%	-	-	4,999	(4,999)
	Net asset value method	±1%	-	-	1,088	(1,088)
	Price-book ratio (PBR) multiples	±1%	-	-	3,898	(3,898)
	Price-earnings ratio (PER) multiples	±1%	-	-	13	(13)
December 31, 2025						
Financial assets measured at fair value through profit or loss						
Investments without active market	Marketability discount	±1%	1,457	(1,457)	-	-
	Net asset value method	±1%	1,457	(1,457)	-	-
Financial assets measured at fair value through other comprehensive income						
Investments in equity instrument without active market	Marketability discount	±1%	-	-	2,800	(2,800)
	Net asset value method	±1%	-	-	1,148	(1,148)
	Price-book ratio (PBR) multiples	±1%	-	-	1,607	(1,607)
	Price-earnings ratio (PER) multiples	±1%	-	-	46	(46)
June 30, 2025						
Financial assets measured at fair value through profit or loss						
Investments in equity instruments without active market	Marketability discount	±1%	408	(408)	-	-
	Net asset value method	±1%	408	(408)	-	-
Financial assets measured at fair value through other comprehensive						

	Inputs	Upward or downward change	Fair value change reflected in profit or loss		Fair value change reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
income						
Investments in equity instrument without active market	Marketability discount	±1%	-	-	1,680	(1,680)
	Net asset value method	±1%	-	-	1,008	(1,008)
	Price-book ratio (PBR) multiples	±1%	-	-	672	(672)
	Price-earnings ratio (PER) multiples	±1%	-	-	485	(485)

The Group’s favorable and unfavorable changes refer to fluctuation of fair value, and the fair value is calculated according to unobservable inputs of different level via the valuation technique. The fair value of the financial instrument is affected by more than one inputs, the table above only reflects the effect caused by the change of one single input, and the correlation and difference among inputs are not considered.

(XXIII) Financial risk management

There is no significant change in the objective and policies of financial risk management compared with those disclosed in Note VI(XXIV) of the consolidated financial statements for the year ended December 31, 2025.

(XXIV) Capital management

The objective, policies, and procedures of capital management are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025. And there is no significant change in the summarized quantitative data of capital management items compared with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to Note VI(XXV) of the consolidated financial statements for the year ended December 31, 2025 for relevant information.

(XXV) Non-cash financing activities

The Group's non-cash investing and financing activities for the six months ended June 30, 2026 and 2025 were as follows:

1. For right-of-use assets obtained via leases, please refer to Note VI(VIII).
2. Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	2026.1.1	Cash flow	Change in Exchange fluctuations	Other changes	2026.6.30
Short-term loans	$ 2,150,000	245,000	-	-	2,395,000
Lease liabilities	123,761	(16,863)	3,682	18,943	129,523
Long-term loans (including within one year)	239,685	(48,818)	-	-	190,867
	$ 2,513,446	179,319	3,682	18,943	2,715,390

			Non-cash changes		
	2025.1.1	Cash flow	Change in Exchange fluctuations	Other changes	2025.6.30
Short-term loans	$ 1,420,000	320,000	-	-	1,740,000
Lease liabilities	68,401	(13,576)	(613)	(11,372)	42,840
Long-term loans (including within one year)	310,819	(48,818)	-	-	262,001
	$ 1,799,220	257,606	(613)	(11,372)	2,044,841

VII. Related Party Transactions

(I) Related parties' name and relationships

Name of related party	Relationship with the Group
TAI-TECH ADVANCED ELECTRONICS CO., LTD (TAI-TECH)	Entity that has significant influence on the Group
JDX Technology co., Ltd. (JDX Technology)	Subsidiary of TAI-TECH
Shenzhen Gather Electronics Science Co., Ltd. (Shenzhen Gather)	Associates of the Group accounted for under the equity method
Hubei Gather Electronics Science Co., Ltd. (Hubei Gather)	Subsidiaries controlled by Shenzhen Gather Electronics Science Co., Ltd.
Hotek Material Technology Co., Ltd. (Hotek Material)	Substantive related party of AiPAQ Technology

(II) Significant transactions with related parties

1. Operating revenue

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Hubei Gather	$ -	6,614	-	29,890
JDX Technology	105	34	171	625
Hotek Material	2,032	-	3,292	-
	$ 2,137	6,648	3,463	30,515

The sales price to related parties and non-related parties is determined by the specifications of the products being sold, and some products are given discounts of varying degrees depending on the quantity sold. Therefore, the pricing strategy is not significantly different. The credit conditions of the related parties are from 60 days to 150 days based on the monthly statement. The credit conditions of general customers are determined by the individual client's past transaction experience and the results of debt evaluation. The range is between 60 to 150 days.

2. Purchases

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Hubei Gather	$ 671	12,496	1,962	19,313

The purchase price from related parties is based on the general market price. The payment terms are 90 days from end of month for related parties, and 30 to 90 days from end of month for general suppliers.

3. Receivables from related parties

Financial Statement Account	Category of related parties	2026.6.30	2025.12.31	2025.6.30
Accounts receivable	Hubei Gather	$ 43,701	45,038	54,505
Accounts receivable	Hotek Material	2,396	-	-
Accounts receivable	JDX Technology	118	125	584
		$ 46,215	45,163	55,089

4. Payables to related parties

Financial Statement Account	Category of related parties		2026.6.30	2025.12.31	2025.6.30
Accounts payable	Hubei Gather	$	38	943	1,566
Other payable	JDX Technology		76	-	-
		$	114	943	1,566

(III) Transactions with key management personnel

Remuneration of major managerial personnel includes:

		For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Short-term employee benefits	$	16,786	7,489	33,971	21,141
Benefits after retirement		72	81	153	189
Share-based payment		6,918	12,473	17,381	15,177
	$	23,776	20,043	51,505	36,507

Please refer to Note VI (XVII) for the explanations on share-based payment.

VIII. Pledged Assets: None.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments:

As of June 30, 2026, December 31, 2025, and June 30, 2025, unpaid payment for significant construction and equipment with signed signature or purchased amounted to NT$842,224 thousand, NT$423,201 thousand, and NT$317,073 thousand, respectively.

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events: None.

XII. Others

The following is the summary statement of employee benefits and depreciation expenses by function:

Function / Type	For the three months ended June 30, 2026			For the three months ended June 30, 2025		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit expenses						
Salary expense	133,775	155,862	289,637	115,715	98,388	214,103
Labor and health insurance expense	853	5,334	6,187	835	2,801	3,636
Pension expense	546	1,924	2,470	609	1,606	2,215
Other employee benefits expenses	1,677	3,624	5,301	927	2,946	3,873
Depreciation	59,214	19,074	78,288	46,814	14,170	60,984
Amortization	116	1,791	1,907	42	1,621	1,663

Function / Type	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit expenses						
Salary expense	272,146	279,855	552,001	196,832	177,255	374,087
Labor and health insurance expense	1,920	7,921	9,841	1,223	5,528	6,751
Pension expense	1,240	3,444	4,684	934	3,189	4,123
Other employee benefits expenses	4,205	6,592	10,797	2,843	5,666	8,509
Depreciation	126,716	28,520	155,236	97,794	28,776	126,570
Amortization	223	3,527	3,750	87	3,088	3,175

XIII. Supplementary Disclosures

(I) Significant transactions information

Relevant information about significant transactions to be disclosed by the Group in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers is as follows:

1. Financing provided to others:

No.	Lending Company	Borrower	Subject	Whether A Related Party	Maximum Balance in Current Period	Ending Balance	Amount actually drawn	Interest rate range	Nature of loan	Business transaction amount	Reason for Short-term Financing	Loss allowance	Collateral		Limit on Financing to A Single Party	Total Limit on Financing
													Name	Value		
0	The Company	APAQ Wuxi	Other receivables - related parties	Yes	159,975	159,250	-	-	Business Transaction	2,756,089	Business needs of subsidiary	-		-	692,533	2,770,134
0	The Company	APAQ Hubei	Other receivables - related parties	Yes	159,975	159,250	-	-	Short-term Financing	-	Business needs of subsidiary	-		-	692,533	2,770,134
0	The Company	APAQ Thailand	Other receivables - related parties	Yes	63,990	63,700	-	-	Short-term Financing	-	Business needs of subsidiary	-		-	692,533	2,770,134
0	The Company	AiPAQ Technology	Other receivables - related parties	Yes	100,000	100,000	100,000	2.1%	Short-term Financing	-	Business needs of subsidiary	-		-	692,533	2,770,134

Note 1: For firms or companies having business relationship with the Company, the financing amount to an individual party is limited to the transaction amount between both parties.

Note 2: The amount of financing to an individual entity shall be limited to 10% of the equity attributable to owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period. Total amount of financing to external parties shall be limited to 40% of the equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

2. Endorsement or guarantee provided to others

No.	Name of Endorsement/ Guarantee Provider	Object of Endorsements/ Guarantees		Limit on Endorsements/ Guarantees Provided for A Single Party	Maximum Balance of Endorsements/Guarantees in Current Period	Ending Balance of Endorsement and Guarantee	Amount actually drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company to A Subsidiary	Guarantee Provided by A Subsidiary to Parent Company	Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship										
0	The Company	APAQ Wuxi	Subsidiary	6,925,337	159,975	159,250	-	-	2.30%	6,925,337	Y	N	Y
0	The Company	APAQ Hubei	Subsidiary	6,925,337	159,975	159,250	-	-	2.30%	6,925,337	Y	N	Y
0	The Company	APAQ Thailand y	Subsidiary	6,925,337	63,990	63,700	-	-	0.92%	6,925,337	Y	N	N
0	The Company	AiPAQ Technology	Subsidiary	6,925,337	300,000	300,000	70,000	-	4.33%	6,925,337	Y	N	N

Note 1: The amount of the endorsements/guarantees to a single enterprise shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

Note 2: The total amount of endorsements/guarantees to external parties shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

3. Holding of significant marketable securities at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	End of the Period				Remarks
				Shares/units	Carrying amount	Shareholding %	Fair value	
The Company	PIMCO Balanced Income and Growth Fund	None	Financial assets at fair value through profit or loss – current	135	49,155	- %	49,155	
The Company	AyeVest Investment	None	Financial assets at fair value through profit or loss – non-current	-	10,632	5.65%	10,632	
The Company	Sunrise Innovation	Related party	Financial assets at fair value through profit or loss – non-current	3,000	35,460	13.95%	35,460	
The Company	Phoenix VII	None	Financial assets at fair value through fair value - non-current	10,000	111,500	4.43%	111,500	
The Company	TAI-TECH	Related party	Financial assets at fair value through other comprehensive income - non-current	305	97,295	0.28%	97,295	
The Company	Syntec Technology	None	Financial assets at fair value through other comprehensive income - non-current	1,400	2,814,000	1.95%	2,814,000	
The Company	Foxfortune Technology Ventures Limited	None	Financial assets at fair value through other comprehensive income - non-current	449	14,700	5.80%	14,700	
The Company	Inpaq Korea	None	Financial assets at fair value through other comprehensive income - non-current	18	1,294	10.73%	1,294	
The Company	Element I Venture Capital	None	Financial assets at fair value through other comprehensive income - non-current	880	6,952	3.64%	6,952	
The Company	Kuan Kun Electronic	None	Financial assets at fair value through other comprehensive income - non-current	3,770	301,006	5.39%	301,006	
The Company	AICP Technology	None	Financial assets at fair value through other comprehensive income - non-current	240	3,638	3.20%	3,638	
The Company	IPU Semiconductor	None	Financial assets at fair value through other comprehensive income - non-current	800	37,827	8.00%	37,827	
The Company	WK Technology Fund IX II	None	Financial assets at fair value through other comprehensive income - non-current	3,000	29,850	2.67%	29,850	
The Company	I-See Vision Technology	None	Financial assets at fair value through other comprehensive income - non-current	4,670	47,298	11.92%	47,298	
The Company	Phoenix VI	Related party	Financial assets at fair value through other comprehensive income - non-current	5,000	57,300	2.54%	57,300	

4. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital:

Company of purchase (sales)	Name of the counterparty	Relationship	Transaction Details				Situation and reason of why transaction conditions are different from general transactions		Notes/Accounts Receivable or Payable		Remarks
			Purchases (sales)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to Total Notes/Accounts Receivable or Payable	
The Company	APAQ Wuxi	Subsidiary	Purchases	1,369,986	97.16 %	60 days from the end of the month	-	Note 1	(715,393)	96.20%	Note 2
APAQ Wuxi	APAQ Hubei	Same parent company	Purchases	442,560	34.56 %	60 days from the end of the month	-	Note 1	(155,848)	17.82%	Note 2

Note 1: The payment period of general suppliers ranges from net 30 days to 90 days on the monthly statement, and the payment period for APAQ Wuxi and APAQ Hubei is net 60 days.

Note 2: Related transactions and closing balances have been eliminated from the consolidated financial statements.

5. The receivables from related party to reach NT$ 100 million or 20% of actually received capital amount:

Company Name	Name of the counterparty	Relationship	Balance of Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts Received in Subsequent Periods (Note 2)	Loss allowance
					Amount	Action taken		
APAQ Wuxi	The Company	Subsidiary	715,393	-	-	-	238,436	-
APAQ Hubei	APAQ Wuxi	The same parent company	155,848	-	-		59,631	-

Note 1: It refers to the recovery status as of July 17, 2026.

6. Parent-subsidiary company business relation and significant transactions:

No.	Name of Trader	Name of Counterparty	Relation with the Transacting Party	Conditions of Transactions			
				Account	Amount	Terms of Transaction	Ratio to Consolidated Revenue or Total Assets
0	The Company	APAQ Wuxi	Parent company to a subsidiary	Purchases	1,369,986	60 days from the end of the month	55%
0	The Company	APAQ Wuxi	Parent company to a subsidiary	Sales	62,717	60 days from the end of the month	3%
0	The Company	APAQ Wuxi	Parent company to a subsidiary	Accounts payable	715,393	60 days from the end of the month	6%
1	APAQ Wuxi	APAQ Hubei	Subsidiary to Subsidiary	Purchases	442,560	60 days from the end of the month	18%
1	APAQ Wuxi	APAQ Hubei	Subsidiary to Subsidiary	Accounts payable	155,848	60 days from the end of the month	1%

(II) Information on reinvestment:

The information on investees is as follows (excluding investees in Mainland China):

Name of Investor	Name of investees	Primary Business	Primary business activities	Original Investment Amount		Shares held at the end of the period			Current income (loss) of the investee	Investment Profit or Loss Recognized in the Current Period	Remarks
				End of the period	End of Last Year	Shares	%	Carrying amount			
The Company	APAQ Samoa	Samoa	Holding	1,561,225	1,482,482	50,392	100.00%	3,167,697	63,653	27,795	Subsidiary, Note 1 and Note 2
The Company	AiPAQ Technology	Taiwan	Production and sales of electronic components	181,920	181,920	11,440	52.00%	133,803	(47,440)	(24,907)	Subsidiary, Note 1and Note 2
The Company	APAQ Thailand	Thailand	Production and sales of electronic components	46,300	46,300	20,000	99.99%	45,106	(2,080)	(2,080)	Subsidiary, Note 1 and Note 2

Note 1: Share of profit/loss includes adjustments for upstream transactions between affiliates.

Note 2: Related transactions and closing balances have been eliminated from the consolidated financial statements.

(III) Information on investments in Mainland China:

1. Information on reinvestments in Mainland China:

Name of Investee	Primary business activities	Paid-in Capital	Method of Investment	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Remittance or Recovery of Investment the Current Period		Ending Balance of Accumulated Outflow of Investment from Taiwan	Current income (loss) of the investee	The Company's Percentage of Direct or Indirect Ownership	Investment Gains (Losses) Recognized in the Current Period	Carrying Amount of Investment at the End of Period	Ending Balance of Accumulated Inward Remittance of Earnings	Remarks
					Outward Remittance	Recovery							
APAQ Wuxi	Production and sales of electronic components	1,457,142 (USD46,700 thousand)	Note 2	1,370,270 (USD44,200 thousand)	78,743 (USD2,500 thousand)	-	1,449,013 (USD46,700 thousand)	63,425	100.00%	63,425 Note 3	3,145,292	-	Note 4
Shenzhen Gather	Production and sales of electronic components	74,821 (RMB16,000 thousand)	Note 2	53,997 (RMB11,900 thousand)	-	-	53,997 (RMB11,900 thousand)	29,013	35.00%	987 Note 5	65,080	-	Associate
APAQ Hubei	Production and sales of electronic components	277,646 (USD8,800 thousand)	Note 1	256,755 (USD8,800 thousand)	-	-	256,755 (USD8,800 thousand)	38,582	100.00%	37,267 Note 3	583,526	-	Note 4

2. Limits of reinvestments in mainland China:

Accumulated investment remitted from Taiwan to Mainland China at the end of the period (Note 6)	**Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 6)**	**Upper limit on investment authorized by MOEAIC**
1,759,765 (USD55,500 thousand and RMB11,900 thousand)	1,797,985 (USD58,700 thousand and RMB11,900 thousand)	(Note 7)

Note 1: Direct investment in Mainland China.

Note 2: Investment in Mainland China indirectly through a third area.

Note 3: It was recognized based on financial statements of the same period reviewed by CPAs of the parent company.

Note 4: Related transactions and closing balances have been eliminated from the consolidated financial statements.

Note 5: It was recognized based on financial statements of the same period not reviewed by CPAs of the parent company.

Note 6: The paid-in capital is converted into NT dollars at the exchange rate on the balance sheet date. The amount of investment remitted in the current period is converted into NT dollars at previous exchange rates. The investment amount approved by Investment Commission, MOEA of USD 58,700 thousand and RMB 11,900 thousand is converted into NT dollars at previous exchange rates. In addition, as of June 30, 2026, the approved investment amount was US$3,200 thousand, of which US$2,000 thousand had not been automatically lapsed for three years, and the remaining US$1,200 thousand has not been remitted.

Note 7: The Company has obtained the certificate letter of enterprise headquarters operation scope issued by the Industrial Development Bureau, MOEA. The upper limits for investments in Mainland China set by the Investment Commission, MOEA no longer apply.

3. Substantial transactions:

   Please refer to the "Information on significant transactions" for direct or indirect material transactions between the Group and investees in China (which have been eliminated during the preparation of consolidated financial statements) for the six months ended June 30, 2026.

XIV. Segment Information

The Group focuses on producing ultra-small, high temperature-resistant, long life, low impedance electrolytic capacitors and cooperates with customers to develop and manufacture high voltage capacitors, chip capacitors, organic semiconductor solid capacitors and high energy storage capacitors. It is a single operating segment. The information of the operating segment is consistent with the consolidated financial statements. Please refer to the consolidated statements of comprehensive income for revenue (revenue from external customers) and income/loss of the segment and the consolidated balance sheet for segment information.