

Ji-Haw Industrial, Co., Ltd., and
Subsidiaries

Consolidated Financial Statements
and Independent Auditor's Review
Report
Second Quarter of 2026 and 2025

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Independent Auditors' Review Report

To Ji-Haw Industrial, Co., Ltd:

Introduction

The Consolidated Balance Sheet as of June 30, 2026 and 2025, and the Consolidated Comprehensive Income Statement and Changes in Consolidated Equity for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 of Ji-Haw Industrial Co., Ltd., and its subsidiaries' financial statements, consolidated cash flow statements, and notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed by us. It is the responsibility of the management to prepare the properly expressed consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

Scope

Except as stated in the paragraph above, we conducted reviews in accordance with the Standards on Reviews 2410, "Review of Financial Statements". The procedures to be used in reviewing the consolidated financial statements include inquiries (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. A review is substantially less in scope than an audit, and therefore does not allow us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Basis for a qualified conclusion

As stated in Note 12 to the consolidated financial statements, the financial statements of certain immaterial subsidiaries included in the aforementioned consolidated financial statements for the same periods were not reviewed by independent auditors. As of June 30, 2026 and 2025, the total assets of these subsidiaries amounted to NT\$323,696 thousand and NT\$378,267 thousand, respectively, representing 12.27% and 14.27%, respectively, of the consolidated total assets; their total liabilities amounted to NT\$73,207 thousand and NT\$132,698 thousand, respectively,

representing 5.75% and 11.11%, respectively, of the consolidated total liabilities; and their total comprehensive income (loss) for the three-month and six-month periods ended June 30, 2026 and 2025 amounted to NT\$(7,963) thousand, NT\$(16,233) thousand, NT\$(15,586) thousand and NT\$(32,400) thousand, respectively, representing 48.57%, 22.49%, 42.22% and 27.53%, respectively, of the consolidated total comprehensive income (loss). As further stated in Note 13 to the consolidated financial statements, the balances of investments accounted for using the equity method as of June 30, 2026 and 2025 amounted to NT\$1,805 thousand and NT\$1,579 thousand, respectively. The shares of profit or loss of associates recognized using the equity method for the three-month and six-month periods ended June 30, 2026 and 2025 were all NT\$0 thousand. These amounts were recognized based on the investees' financial statements for the same periods, which were not reviewed by independent auditors.

Conclusion with reservation

Based on the results of the CPA review, except for the financial statements of non-material subsidiaries and investee companies as described in the introductory section of the basis of conclusion, which may have an impact on the adjusted presentation of the consolidated financial statements upon completion of the audit by the accountants, no significant deviations were found in all material aspects of the aforementioned consolidated financial statements that would prevent us from expressing a reasonable opinion, as prepared in accordance with the Financial Reporting Standards for Issuers of Securities Firms and the International Accounting Standard No. 34 "Interim Financial Reporting," approved and issued by the Financial Supervisory Commission, regarding the consolidated financial position of Ji-Haw Industrial Co., Ltd. and its subsidiaries as of June 30, 2026 and 2025, as well as the consolidated financial performance for the three-month periods ended June 30, 2026 and 2025, and the consolidated financial performance and cash flows for the six-month periods ended June 30, 2026 and 2025.

Deloitte & Touche

CPA Huang Yao Lin

CPA Chou, Shih-Chieh

Number of the approval letter from the
Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi
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August 12, 2026

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Balance Sheets
June 30, 2026, December 31, 2025 and June 30, 2025

Unit: NT\$ thousand

Account	Assets	June 30, 2026		December 31, 2025		June 30, 2025	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 198,836	7	\$ 239,714	9	\$ 253,572	10
1110	Financial assets at FVTPL – Current (Notes 7 and 21)	1,080	-	-	-	-	-
1136	Financial assets at amortized cost – current (Notes 9 and 34)	28,368	1	23,643	1	5,311	-
1140	Contract assets – current (Notes 25 and 33)	1,040	-	1,472	-	1,592	-
1170	Notes and accounts receivable (Notes 10, 25 and 33)	174,916	7	221,830	9	247,861	9
130X	Inventories (Note 11)	152,205	6	162,570	6	158,029	6
1470	Other current assets (Notes 19 and 33)	35,316	1	33,843	1	30,271	1
11XX	Total current assets	591,761	22	683,072	26	696,636	26
	Non-current Assets						
1510	Financial assets at FVTPL – non-current (Note 7)	-	-	31,379	1	36,822	1
1517	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current (Notes 8 and 34)	349,849	13	234,772	9	295,636	11
1535	Financial assets at amortized cost – non-current (Notes 9 and 34)	16,511	1	12,000	1	-	-
1550	Investment under the equity method (Note 13)	1,805	-	1,726	-	1,579	-
1600	Property, plant and equipment (Notes 14 and 34)	311,737	12	313,532	12	297,630	11
1755	Right-of-use assets (Notes 15 and 16)	84,274	3	82,034	3	67,165	3
1760	Investment property (Notes 15, 16, and 34)	1,125,134	43	1,119,053	43	1,093,263	41
1780	Intangible assets (Notes 17, 18, and 33)	43,923	2	50,844	2	52,135	2
1805	Goodwill (Note 17)	12,402	1	12,402	1	38,767	2
1840	Deferred income tax assets (Note 21)	83,163	3	59,817	2	51,612	2
1920	Refundable deposits	11,611	-	11,058	-	10,561	1
1975	Net defined benefit assets (Note 23)	154	-	62	-	-	-
1990	Other non-current assets (Notes 19 and 33)	5,576	-	7,255	-	8,731	-
15XX	Total non-current assets	2,046,139	78	1,935,934	74	1,953,901	74
1XXX	Total assets	\$ 2,637,900	100	\$ 2,619,006	100	\$ 2,650,537	100
	LIABILITIES AND EQUITY						
	Current liabilities						
2100	Short-term loans(Notes 20 and 34)	\$ 184,689	7	\$ 66,031	2	\$ 740,000	28
2130	Contract liabilities – current (Notes 25 and 33)	2,051	-	2,783	-	3,710	-
2170	Notes and accounts payable (Note 33)	171,168	7	209,848	8	198,520	7
2200	Other payables (Note 22)	39,701	2	47,061	2	40,186	2
2230	Current Income Tax Liabilities	3,963	-	523	-	441	-
2280	Lease liabilities – current (Note 15)	11,826	-	13,772	1	13,591	1
2320	Long-term loans due within one year (Notes 20 and 34)	3,311	-	56,425	2	56,638	2
2399	Other current liabilities	4,171	-	4,201	-	1,289	-
21XX	Total current liabilities	420,880	16	400,644	15	1,054,375	40
	Non-current liabilities						
2500	Financial liabilities at fair value through profit or loss – non-current (Notes 7 and 21)	1,620	-	-	-	-	-
2527	Contract liabilities – non-current (Note 25)	26	-	79	-	125	-
2530	Corporate bonds payable (Note 21)	420,776	16	-	-	-	-
2540	Long-term loans (Notes 20 and 34)	261,391	10	712,929	27	6,450	-
2570	Deferred tax liabilities	75,848	3	71,494	3	73,289	3
2580	Lease liabilities – non-current (Note 15)	82,969	3	81,462	3	49,193	2
2640	Net defined benefit liabilities (Note 23)	-	-	-	-	95	-
2645	Guarantee deposits	2,562	-	2,507	-	2,328	-
2670	Other non-current liabilities	7,836	-	8,890	1	8,679	-
25XX	Total non-current liabilities	853,028	32	877,361	34	140,159	5
2XXX	Total liabilities	1,273,908	48	1,278,005	49	1,194,534	45
	Equity attributable to owners of the Company (Notes 8, 21 and 24)						
3110	Share capital – Ordinary shares	1,296,008	49	1,251,468	48	1,127,192	42
3170	Share capital pending cancellation	(150)	-	-	-	-	-
3200	Capital surplus	70,424	3	26,483	1	1,622	-
	Accumulated losses						
3320	Special reserve	50,060	2	50,060	2	50,060	2
3350	Losses to be offset	(479,723)	(18)	(294,748)	(12)	(78,438)	(3)
3300	Total accumulated losses	(429,663)	(16)	(244,688)	(10)	(28,378)	(1)
3400	Other equity	392,183	15	290,394	11	284,989	11
31XX	Total equity of the Company's owners	1,328,802	51	1,323,657	50	1,385,425	52
36XX	Non-controlling interest (Notes 17, 24 and 31)	35,190	1	17,344	1	70,578	3
3XXX	Total equity	1,363,992	52	1,341,001	51	1,456,003	55
	Total liabilities and equities	\$ 2,637,900	100	\$ 2,619,006	100	\$ 2,650,537	100

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on August 12, 2026.)

Chair: Shih Hao-Chi

Manager: Lin Meng-Chieh

Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month and six-month periods ended June 30, 2026 and 2025

Unit: NT\$ thousand, except for losses per share in NT\$

Account		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	%
4000	Operating revenue (Notes 25 and 33)	\$ 120,549	100	\$ 193,048	100	\$ 267,668	100	\$ 424,433	100
5000	Operating costs (Notes 11, 18, 26, 29 and 33)	<u>112,008</u>	<u>93</u>	<u>188,943</u>	<u>98</u>	<u>255,662</u>	<u>96</u>	<u>405,488</u>	<u>96</u>
5950	Gross profit	<u>8,541</u>	<u>7</u>	<u>4,105</u>	<u>2</u>	<u>12,006</u>	<u>4</u>	<u>18,945</u>	<u>4</u>
	Operating expenses (Notes 10, 18, 19, 25, 26, 29 and 33)								
6100	Selling expenses	33,232	27	22,463	12	57,094	21	43,726	10
6200	Administrative expenses	52,379	43	46,545	24	97,698	37	98,553	23
6300	Research and Development Expenses	22,935	19	22,024	11	42,509	16	45,540	11
6450	Impairment loss (reversal) of expected credit loss	<u>898</u>	<u>1</u>	<u>469</u>	<u>-</u>	(<u>1,472</u>)	(<u>1</u>)	(<u>4,213</u>)	(<u>1</u>)
6000	Total operating expenses	<u>109,444</u>	<u>90</u>	<u>91,501</u>	<u>47</u>	<u>195,829</u>	<u>73</u>	<u>183,606</u>	<u>43</u>
6900	Net operating loss	(<u>100,903</u>)	(<u>83</u>)	(<u>87,396</u>)	(<u>45</u>)	(<u>183,823</u>)	(<u>69</u>)	(<u>164,661</u>)	(<u>39</u>)
	Non-operating income and expenses								
7100	Interest revenue (Note 26)	720	1	2,037	1	1,427	1	3,194	1
7010	Other revenue (Notes 16, 26 and 33)	8,789	7	6,681	4	13,931	5	12,313	3
7020	Other gains and losses (Note 26)	(12,142)	(10)	68,249	35	(30,964)	(12)	65,286	15
7050	Financial costs (Notes 21 and 26)	(<u>5,567</u>)	(<u>5</u>)	(<u>4,999</u>)	(<u>3</u>)	(<u>11,219</u>)	(<u>4</u>)	(<u>10,059</u>)	(<u>2</u>)
7000	Total non-operating income and expenses	(<u>8,200</u>)	(<u>7</u>)	<u>71,968</u>	<u>37</u>	(<u>26,825</u>)	(<u>10</u>)	<u>70,734</u>	<u>17</u>
7900	Loss before tax	(109,103)	(90)	(15,428)	(8)	(210,648)	(79)	(93,927)	(22)
7950	Income tax benefit (Note 27)	<u>2,817</u>	<u>2</u>	<u>4,531</u>	<u>3</u>	<u>12,728</u>	<u>5</u>	<u>10,744</u>	<u>2</u>
8200	Current Net Loss	(<u>106,286</u>)	(<u>88</u>)	(<u>10,897</u>)	(<u>5</u>)	(<u>197,920</u>)	(<u>74</u>)	(<u>83,183</u>)	(<u>20</u>)
	Other comprehensive income								
	Items Not Reclassified Into Profit or Loss								
8316	Unrealized Gains/Losses on Valuation of Equity Instruments at Fair Value Through Other Comprehensive Income (Note 24)	<u>84,033</u>	<u>69</u>	<u>43,022</u>	<u>22</u>	<u>134,604</u>	<u>50</u>	<u>54,865</u>	<u>13</u>
8310		<u>84,033</u>	<u>69</u>	<u>43,022</u>	<u>22</u>	<u>134,604</u>	<u>50</u>	<u>54,865</u>	<u>13</u>
	Items Likely to be Reclassified Into Profit or Loss								
8361	Exchange differences on translation of foreign operations (Note 24)	<u>5,859</u>	<u>5</u>	(<u>104,319</u>)	(<u>54</u>)	<u>26,402</u>	<u>10</u>	(<u>89,370</u>)	(<u>21</u>)
8300	Other comprehensive income for the period (net after tax)	<u>89,892</u>	<u>74</u>	(<u>61,297</u>)	(<u>32</u>)	<u>161,006</u>	<u>60</u>	(<u>34,505</u>)	(<u>8</u>)
8500	Total comprehensive income for the current period	(<u>\$ 16,394</u>)	(<u>14</u>)	(<u>\$ 72,194</u>)	(<u>37</u>)	(<u>\$ 36,914</u>)	(<u>14</u>)	(<u>\$ 117,688</u>)	(<u>28</u>)

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Account		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	%
8610	Net loss attributable to: owners of the parent company	(\$ 104,953)	(87)	(\$ 9,568)	(5)	(\$ 195,726)	(73)	(\$ 78,765)	(19)
8620	Non-controlling interests	(1,333)	(1)	(1,329)	(1)	(2,194)	(1)	(4,418)	(1)
8600		(<u>\$ 106,286</u>)	(<u>88</u>)	(<u>\$ 10,897</u>)	(<u>6</u>)	(<u>\$ 197,920</u>)	(<u>74</u>)	(<u>\$ 83,183</u>)	(<u>20</u>)
	Comprehensive Income Attributable To:								
8710	owners of the parent company	(\$ 23,882)	(20)	(\$ 86,883)	(45)	(\$ 54,095)	(20)	(\$ 130,407)	(31)
8720	Non-controlling interests	(<u>7,488</u>)	(<u>6</u>)	(<u>14,689</u>)	(<u>8</u>)	(<u>17,181</u>)	(<u>6</u>)	(<u>12,719</u>)	(<u>3</u>)
8700		(<u>\$ 16,394</u>)	(<u>14</u>)	(<u>\$ 72,194</u>)	(<u>37</u>)	(<u>\$ 36,914</u>)	(<u>14</u>)	(<u>\$ 117,688</u>)	(<u>28</u>)
9710	Loss per share (Note 28) Basic	(<u>\$ 0.83</u>)		(<u>\$ 0.09</u>)		(<u>\$ 1.56</u>)		(<u>\$ 0.70</u>)	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on August 12, 2026.)

Chair: Shih Hao-Chi

Manager: Lin Meng-Chieh

Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Changes in Equity
For the six-month periods ended June 30, 2026 and 2025

Unit: NT\$ thousand

		Equity attributable to owners of the Company										Other equity			
Account		Share capital			Retained earnings (accumulated losses)			Exchange differences on the translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation increment of property	Unearned employee compensation	Total	Total	Non-controlling interests	Total equity
		Common shares	Share capital pending cancellation	Capital surplus	Special reserve	Losses to be offset	Total								
A1	Balance as of January 1, 2025	\$ 1,127,192	\$ -	\$ 758	\$ 298,757	(\$ 248,697)	\$ 50,060	(\$ 31,126)	(\$ 32,946)	\$ 400,703	\$ -	\$ 336,631	\$ 1,514,641	\$ 66,078	\$ 1,580,719
A3	Retrospective application restatement adjustments	-	-	2,179	-	327	327	-	-	-	-	-	2,506	5,260	7,766
A5	Balance after restatement as of January 1, 2025	1,127,192	-	2,937	298,757	(248,370)	50,387	(31,126)	(32,946)	400,703	-	336,631	1,517,147	71,338	1,588,485
B15	Appropriation and distribution of earnings for 2024: Special surplus reserve for offsetting deficits	-	-	-	(248,697)	248,697	-	-	-	-	-	-	-	-	-
D1	Net loss for the six months ended June 30, 2025	-	-	-	-	(78,765)	(78,765)	-	-	-	-	-	(78,765)	(4,418)	(83,183)
D3	Other comprehensive net income for the six months ended June 30, 2025	-	-	-	-	-	-	(89,356)	37,714	-	-	(51,642)	(51,642)	17,137	(34,505)
D5	Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	(78,765)	(78,765)	(89,356)	37,714	-	-	(51,642)	(130,407)	12,719	(117,688)
M3	Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(14,794)	(14,794)
M7	Change of Ownership Interest in Subsidiaries	-	-	(1,315)	-	-	-	-	-	-	-	-	(1,315)	1,315	-
Y1	Total increase (decrease) in equity for the six months ended June 30, 2025	-	-	(1,315)	(248,697)	169,932	(78,765)	(89,356)	37,714	-	-	(51,642)	(131,722)	(760)	(132,482)
Z1	Balance as of June 30, 2025	\$ 1,127,192	\$ -	\$ 1,622	\$ 50,060	(\$ 78,438)	(\$ 28,378)	(\$ 120,482)	\$ 4,768	\$ 400,703	\$ -	\$ 284,989	\$ 1,385,425	\$ 70,578	\$ 1,456,003
A1	Balance as of January 1, 2026	\$ 1,251,468	\$ -	\$ 26,483	\$ 50,060	(\$ 294,748)	(\$ 244,688)	(\$ 42,950)	(\$ 67,359)	\$ 400,703	\$ -	\$ 290,394	\$ 1,323,657	\$ 17,344	\$ 1,341,001
C5	Equity components recognized from the Company's issuance of convertible bonds	-	-	44,020	-	-	-	-	-	-	-	-	44,020	-	44,020
N1	Share-based payment transactions														
N1	Issuance of restricted stock awards by the Company	45,000	-	(3,134)	-	-	-	-	-	-	(41,866)	(41,866)	-	-	-
N1	Cancellation of restricted stock awards by the Company	(460)	(150)	610	-	-	-	-	-	-	-	-	-	-	-
N1	Compensation cost of restricted stock awards	-	-	-	-	(133)	(133)	-	-	-	13,440	13,440	13,307	133	13,440
N1	Compensation cost of employee stock options	-	-	2,445	-	(17)	(17)	-	-	-	-	-	2,428	17	2,445
		44,540	(150)	(79)	-	(150)	(150)	-	-	-	(28,426)	(28,426)	15,735	150	15,885
D1	Net loss for the six months ended June 30, 2026	-	-	-	-	(195,726)	(195,726)	-	-	-	-	-	(195,726)	(2,194)	(197,920)
D3	Other comprehensive net income for the six months ended June 30, 2026	-	-	-	-	-	-	26,410	115,221	-	-	141,631	141,631	19,375	161,006
D5	Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	(195,726)	(195,726)	26,410	115,221	-	-	141,631	(54,095)	17,181	(36,914)
M7	Change of Ownership Interest in Subsidiaries	-	-	-	-	16,901	16,901	-	(17,416)	-	-	(17,416)	(515)	515	-
Q1	Disposal of Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	-	-	-	-	(6,000)	(6,000)	-	6,000	-	-	6,000	-	-	-
Y1	Total increase (decrease) in equity for the six months ended June 30, 2026	44,540	(150)	43,941	-	(184,975)	(184,975)	26,410	103,805	-	(28,426)	101,789	5,145	17,846	22,991
Z1	Balance as of June 30, 2026	\$ 1,296,008	(\$ 150)	\$ 70,424	\$ 50,060	(\$ 479,723)	(\$ 429,663)	(\$ 16,540)	\$ 36,446	\$ 400,703	(\$ 28,426)	\$ 392,183	\$ 1,328,802	\$ 35,190	\$ 1,363,992

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on August 12, 2026.)

Chair: Shih Hao-Chi

Manager: Lin Meng-Chieh

Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Cash Flows
For the six-month periods ended June 30, 2026 and 2025

Unit: NT\$ thousand

<u>Account</u>		<u>For the six months ended June 30, 2026</u>	<u>For the six months ended June 30, 2025</u>
	Cash flows from operating activities		
A00010	Loss before tax	(\$ 210,648)	(\$ 93,927)
A20010	Adjustments:		
A20100	Depreciation expense	24,098	23,360
A20200	Amortization Expenses	8,499	10,756
A20300	Reversal of Impairment loss of expected credit loss	(1,472)	(4,213)
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	(1,976)	(3,972)
A20900	Finance costs	11,219	10,059
A21200	Interest income	(1,427)	(3,194)
A21900	Share-based payment compensation cost	15,885	-
A22500	Loss on disposal of property, plant and equipment	1	11
A23100	Gain on disposal of subsidiaries	-	(27,507)
A24100	Unrealized foreign exchange (gain) loss	(1,163)	10,897
A24600	Gain on Fair Value Adjustment of Investment Property	-	(13,790)
	Total Income, Expenses, and Losses	<u>53,664</u>	<u>2,407</u>
	Changes in operating assets and liabilities		
A31125	Contract assets	432	(686)
A31150	Notes and Accounts Receivable	50,531	121,682
A31200	Inventories	9,950	29,037
A31240	Other current assets	(3,233)	9,926
A32125	Contract Liabilities	(785)	1,155
A32150	Notes and Accounts Payable	(45,671)	(126,272)
A32180	Other payables	(6,953)	(12,639)
A32230	Other current liabilities	(30)	256
A32240	Net defined benefit assets	(92)	(97)
A32990	Other non-current liabilities	(1,054)	(142)
A33000	Cash generated from operations	(153,889)	(69,300)
A33300	Interest paid	(9,066)	(10,007)
A33500	Income tax received (paid)	(619)	261
AAAA	Net cash flow used in operating activities	(163,574)	(79,046)

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<u>Account</u>		For the six months ended June 30, 2026	For the six months ended June 30, 2025
	Cash flows from investing activities		
B00020	Disposal of Financial Assets at Fair Value Through Other Comprehensive Income	\$ 54,201	\$ -
B00040	Acquisition of financial assets at amortized cost	(8,623)	(402)
B00050	Proceeds from the disposal of financial assets at amortized cost	-	26,609
B00100	Acquisition of financial assets at fair value through profit or loss	-	(32,850)
B02300	Proceeds from the disposal of subsidiaries	-	39,835
B02700	Acquisition of property, plants, and equipment	(10,114)	(25,498)
B02800	Disposal of Property, Plants, and Equipment	97	-
B03700	Increase in Guarantee Deposits Paid	(553)	(230)
B04500	Purchase of intangible assets	(279)	(6,219)
B06100	Decrease in lease receivables	928	-
B06700	Increase in other non-current assets	(2,988)	(2,855)
B07500	Interest received	<u>1,476</u>	<u>2,288</u>
BBBB	Net cash flows from investing activities	<u>34,145</u>	<u>678</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	118,347	45,000
C01200	Issuance of convertible bonds	472,630	-
C01700	Repayment of long-term borrowings	(504,652)	(1,877)
C03000	Increase in Guarantee Deposits Received	55	-
C03100	Decrease in guarantee deposits	-	(1,623)
C04020	Repayment of principal of lease liabilities	(11,184)	(8,258)
C09900	Payment of debt issuance costs	(<u>11,024</u>)	<u>-</u>
CCCC	Net cash flows from financing activities	<u>64,172</u>	<u>33,242</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>24,379</u>	(<u>33,496</u>)
EEEE	Net decrease in cash and cash equivalents in the period	(40,878)	(78,622)
E00100	Opening Cash and Cash Equivalents Balance	<u>239,714</u>	<u>332,194</u>
E00200	Closing Cash and Cash Equivalents Balance	<u>\$ 198,836</u>	<u>\$ 253,572</u>

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

(Please refer to the review report issued by Deloitte & Touche on August 12, 2026.)

Chair: Shih Hao-Chi

Manager: Lin Meng-Chieh

Accounting supervisor: Chen
Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Notes to the Consolidated Financial Statements

For the six-month periods ended June 30, 2026 and 2025

(expressed in thousands of New Taiwan Dollars unless otherwise specified)

1. Organization and operations

Ji-Haw Industrial, Co., Ltd., (the “Company”) was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electronic connectors and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency.

2. Date and procedure for adopting the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors on August 12, 2026.

3. New standards, amendments, and interpretations adopted

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amended and promulgated IFRSs approved by the FSC (Financial Supervisory Commission) will not cause significant changes in the accounting policies of the consolidated company.

- (2) IFRSs approved by the Financial Supervisory Commission (FSC) applicable for the year 2027

New IFRSs	Effective Date Announced by the International Accounting Standards Board (IASB)
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 Subsidiaries without Public Accountability: Disclosures (including the 2025 Amendments)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

New IFRSs	Effective Date Announced by the International Accounting Standards Board (IASB)
Amendments to IAS 28 "Fair value option for investments in associates and joint ventures"	January 1, 2027 (Note 2)

Note 1: Entities in Taiwan are required to apply IFRS 18 from January 1, 2028, with early application permitted.

Note 2: These amendments shall be applied concurrently with the initial application of IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and Amendments to IAS 28 "Fair value option for investments in associates and joint ventures"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements" and the main changes include:

- The Group shall assess whether it has specific main business activities involving investing in particular types of assets and providing financing to customers, and accordingly classify income and expense items in the statement of profit or loss into operating, investing, financing, income taxes, and discontinued operations categories.
- The statement of profit or loss shall present subtotals and totals for operating profit or loss, profit or loss before financing and income taxes, and total profit or loss.
- Providing guidance to enhance aggregation and disaggregation requirements: the Group shall identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics shall be disaggregated in the primary financial statements and the notes. The consolidated entity will label such items as "other" only when no more informative label can be identified.
- Enhanced disclosure of management-defined performance measures: When the consolidated entity engages in public communications outside of the financial statements, and conveys management's perspective on an aspect of the consolidated entity's overall financial performance to users of the financial statements, it shall disclose, in a single note to the financial statements, relevant information regarding the management-defined performance measure. This

includes a description of the measure, how it is calculated, a reconciliation to the subtotals or totals specified by IFRS Standards, and the effects of income tax and non-controlling interests on the related reconciling items.

Upon initial application of IFRS 18, a venture capital organisation, mutual fund, unit trust or similar entity, or an entity investing indirectly through such entities, may change its election for measuring investments in associates or joint ventures from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that the aforementioned “similar entities” include entities that, in accordance with IFRS 18, determine that investing in particular types of assets is a main business activity. If the Group meets the aforementioned criteria, it may elect to make this change on the date of initial application.

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

- When the Group prepares cash flows from operating activities using the indirect method, it shall use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If, upon assessment, the Group determines that it has specific main business activities, it shall consider the classification of dividend income, interest income, and interest expense presented in the statement of profit or loss in determining the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the aforementioned cash flows shall be classified into only one category of activities in the statement of cash flows.

The Group does not plan to early apply IFRS 18 or the related consequential amendments.

In addition to the above effects, as of the date of approving the consolidated financial statements for release, the Group had continued to evaluate the effect of the amendments to the other standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the evaluation is completed.

- (3) IFRSs issued by the IASB that have been published but have not yet been approved and made effective by the Financial Supervisory Commission (FSC)

New IFRSs	Effective date announced by the IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date of approving the consolidated financial statements for release, the Group had continued to evaluate the effect of the amendments to the other standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the evaluation is completed.

4. Summary of significant accounting policies

(1) Statement of compliance

These consolidated financial statements are prepared in accordance with the financial reporting standards for issuers and IAS 34 'Interim Financial Reporting' as approved and issued by the Financial Supervisory Commission (FSC). These consolidated financial statements do not include all the IFRS disclosure information required for the entire annual financial statements.

(2) Basis of preparation

Except for financial instruments measured at fair value, investment property, and net defined benefit liabilities recognized based on the present value of defined benefit obligations less the fair value of plan assets, these consolidated financial statements have been prepared on a historical cost basis.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

(3) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the financial statements of the entities (subsidiaries) controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisitions up to the effective dates of disposals, as appropriate. The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the parent company. In the preparation of the consolidated financial statements, all inter-entity transactions, account balances, revenues, and expenses have been eliminated in full. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

For details of subsidiaries, percentage of ownership, and business items, please refer to Note 12 and Tables 7 and 8.

(4) Other significant accounting policies

Except for the following explanations, please refer to the summary of significant accounting policies in the 2025 consolidated financial statements.

1) Financial liabilities

(1) Subsequent measurement

Except for the following circumstances, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

Financial liabilities held for trading are measured at fair value, and gains or losses arising from remeasurement are recognized in other gains and losses.

Please refer to Note 32 for the determination of fair value.

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2) Convertible bonds

Compound financial instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity instruments upon initial recognition according to the substance of the contractual arrangement and the definitions of financial liabilities and equity instruments.

Upon initial recognition, the fair value of the liability component is estimated using the market interest rate for similar non-convertible instruments at that time and is subsequently measured at amortized cost, calculated using the effective interest method, until conversion or maturity. The liability component attributable to embedded non-equity derivatives is measured at fair value.

The conversion option classified as equity is equal to the residual amount after deducting the fair value of the separately determined liability component from the fair value of the compound instrument as a whole, and it is recognized in equity after deducting income tax effects. It is not subsequently remeasured. When the conversion option is exercised, the related liability component and the amount recognized in equity are transferred to share capital and capital surplus – share premium. If the conversion option of the convertible bonds remains unexercised upon maturity, the amount recognized in equity will be transferred to capital surplus – share premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability component (included in the carrying amount of the liability) and the equity component (included in equity) based on the proportion of the total proceeds allocated to each component.

3) Derivatives

The derivatives entered into by the Group consist of options embedded in convertible bonds.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently remeasured at fair value at each balance sheet date. Gains or losses arising from subsequent measurement are recognized directly in profit or loss, except for derivatives designated as

effective hedging instruments, for which the timing of recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative is positive, it is recognized as a financial asset; when the fair value is negative, it is recognized as a financial liability.

If derivatives are embedded in host asset contracts within the scope of IFRS 9 “Financial Instruments,” the classification of the financial asset is determined based on the contract as a whole. If derivatives are embedded in host asset contracts outside the scope of IFRS 9 (such as embedded in host financial liability contracts), and the embedded derivatives meet the definition of a derivative, with risks and characteristics not closely related to those of the host contract, and the hybrid contract is not measured at fair value through profit or loss, such derivatives are accounted for as separate derivatives.

4) Defined benefit post-retirement benefits

The interim pension costs are calculated on the basis of the year-end to the end using the pension cost rate determined in accordance with the actuarial method at the end of the previous year, and take into account the significant market fluctuations and major plan amendments, settlements, or other significant Adjustments of one-off items.

5) Share-based payment agreements

Employee stock options and restricted stock awards granted to employees

Employee stock options and restricted stock awards are recognized as expenses on a straight-line basis over the vesting period based on the fair value of the equity instruments at the grant date and the best estimate of the number of instruments expected to vest, with a corresponding adjustment to capital surplus – employee stock options or other equity (unearned employee compensation).

When the Group issues restricted stock awards, other equity (unearned employee compensation) is recognized on the grant date, with a corresponding adjustment to capital surplus – restricted stock awards.

At each balance sheet date, the Group revises its estimates of the number of employee stock options and restricted stock awards expected to vest. If the original estimated quantity is revised, the effect of the revision is recognized in profit or loss so that cumulative expenses reflect the revised estimate, with corresponding adjustments made to capital surplus – employee stock options and capital surplus – restricted stock awards.

6) Income tax expenses

Income tax expenses represent the sum of the tax currently payable and deferred tax. The interim income tax is calculated on the interim income before tax using the tax rate applicable to the total expected earnings for the year.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

Please refer to the explanation of key sources of significant accounting judgments, estimates, and assumptions of uncertainty in the 2025 consolidated financial statements.

6. Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 613	\$ 665	\$ 566
Checking accounts and demand deposits	197,794	238,606	232,281
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	429	443	20,725
	<u>\$ 198,836</u>	<u>\$ 239,714</u>	<u>\$ 253,572</u>

7. Financial instruments at fair value through profit or loss

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets – current</u>			
FVTPL			
Embedded derivatives			
- Redemption option of convertible bonds	<u>\$ 1,080</u>	<u>\$ -</u>	<u>\$ -</u>

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	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets – non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Foreign convertible notes	\$ -	\$ 31,379	\$ 36,822
<u>Financial liabilities – non- current</u>			
FVTPL			
Embedded derivatives			
- Put option of convertible bonds	\$ 1,620	\$ -	\$ -

8. Financial Assets at Fair Value Through Other Comprehensive Income

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Domestic investments			
Listed (OTC) stocks			
Common shares of TEKCORE CO., LTD.	\$ 214,514	\$ 146,356	\$ 225,499
Unlisted (OTC) stocks			
Common shares of Ennovision INC.	29,692	37,980	-
Common shares of CERMAX CO., LTD.	25,268	23,779	33,362
Common shares of SKYMIZER TAIWAN INC.	18,697	21,855	33,979
Common shares of TESCORE CO., LTD. (formerly Silicon Test Tech. Corp.)	9,686	4,802	2,796
	<u>297,857</u>	<u>234,772</u>	<u>295,636</u>
Foreign investments			
Unlisted (OTC) stocks			
OXMIQ Labs Inc. convertible preferred shares	51,992	-	-
	<u>\$ 349,849</u>	<u>\$ 234,772</u>	<u>\$ 295,636</u>

For medium- to long-term strategic purposes, the Group invested in the ordinary shares of TEKCORE CO., LTD., Skymizer Taiwan, Inc., CERMAX CO., LTD., TESCORE CO., LTD. (Silicon Test Tech Corp. was renamed TESCORE CO., LTD. with the approval of the Ministry of Economic Affairs on June 15, 2026), Ennovision INC., Li Wang Technology Co., Ltd. and S SQUARE SYSTEM LTD., and expects to earn returns through these long-term investments. The management elected to designate these investments as FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group's convertible promissory note investment in OXMIQ Labs Inc., originally classified under financial assets at fair value through profit or loss, was converted into convertible preferred shares on March 6, 2026, and reclassified as financial assets at fair value through other comprehensive income due to its nature as a medium- to long-term strategic investment.

Soyo Link Energy Co., Ltd. completed its liquidation upon approval by the shareholders' meeting on March 27, 2026. Accordingly, the related unrealized valuation loss of NT\$(6,000) thousand under other equity – financial assets at fair value through other comprehensive income was transferred to retained earnings.

Liwang Technology Co., Ltd. has ceased operations, and S SQUARE SYSTEM LTD. has incurred losses for consecutive years. After assessment, the Group determined that the investment amounts in the aforementioned entities were no longer recoverable; therefore, their fair values were assessed as zero.

For information on the pledging of equity instrument investments measured at fair value through other comprehensive income, please refer to Note 34.

9. Financial assets at amortized cost

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Pledged certificates of deposit	\$ 23,451	\$ 22,698	\$ 4,492
Pledged demand deposits with banks	4,000	-	-
Time deposits with original maturities of more than 3 months	917	945	819
	<u>\$ 28,368</u>	<u>\$ 23,643</u>	<u>\$ 5,311</u>
<u>Non-current</u>			

Pledged certificates of deposit	\$ 12,000	\$ 12,000	\$ -
Pledged demand deposits with banks	<u>4,511</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,511</u>	<u>\$ 12,000</u>	<u>\$ -</u>

For information on the pledging of financial assets measured at amortized cost, please refer to Note 34.

10. Notes and Accounts Receivable

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Notes receivable</u>			
Measured at amortized cost	<u>\$ 1,660</u>	<u>\$ 854</u>	<u>\$ 1,083</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	185,931	235,147	257,311
Less: allowance	(<u>12,675</u>)	(<u>14,171</u>)	(<u>10,533</u>)
	<u>173,256</u>	<u>220,976</u>	<u>246,778</u>
Notes and Accounts Receivable	<u>\$ 174,916</u>	<u>\$ 221,830</u>	<u>\$ 247,861</u>

The Group's average credit period for sales is 30 to 165 days, and the accounts receivable do not accrue interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Group's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Group assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Group reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Group's credit risk has been significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provisions for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor's current financial

position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables:

June 30, 2026

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.33%	4.10%	27.63%	99.95%	100%	
Gross carrying amount	\$ 166,498	\$ 5,704	\$ 2,537	\$ 3,995	\$ 7,197	\$ 185,931
Loss allowance (lifetime ECL)	(550)	(234)	(701)	(3,993)	(7,197)	(12,675)
Amortized cost	<u>\$ 165,948</u>	<u>\$ 5,470</u>	<u>\$ 1,836</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 173,256</u>

December 31, 2025

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.24%	6.65%	22.24%	34.14%	100%	
Gross carrying amount	\$ 205,414	\$ 12,615	\$ 3,179	\$ 2,742	\$ 11,197	\$ 235,147
Loss allowance (lifetime ECL)	(492)	(839)	(707)	(936)	(11,197)	(14,171)
Amortized cost	<u>\$ 204,922</u>	<u>\$ 11,776</u>	<u>\$ 2,472</u>	<u>\$ 1,806</u>	<u>\$ -</u>	<u>\$ 220,976</u>

June 30, 2025

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.28%	6.95%	20.26%	65.70%	100.00%	
Gross carrying amount	\$ 226,443	\$ 16,673	\$ 6,418	\$ 965	\$ 6,812	\$ 257,311
Loss allowance (lifetime ECL)	(628)	(1,159)	(1,300)	(634)	(6,812)	(10,533)
Amortized cost	<u>\$ 225,815</u>	<u>\$ 15,514</u>	<u>\$ 5,118</u>	<u>\$ 331</u>	<u>\$ -</u>	<u>\$ 246,778</u>

The movements of the loss allowance of trade receivables were as follows:

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Beginning Retained Earnings	\$ 14,171	\$ 16,003
Less: Impairment loss reversed for current period	(1,668)	(5,009)
Effect of foreign currency exchange difference	172	(461)
Closing Balance	<u>\$ 12,675</u>	<u>\$ 10,533</u>

11. Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	\$ 87,288	\$ 81,972	\$ 89,052
Work in process	19,680	22,161	16,615
Raw materials	45,237	58,437	52,210
Contract fulfillment costs	-	-	152
	<u>\$ 152,205</u>	<u>\$ 162,570</u>	<u>\$ 158,029</u>

The operating cost related to inventories of the consolidated company includes the inventory loss recognized by offsetting the inventory cost to the net realizable value during the financial reporting period. The amounts are listed 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
Write-down of inventories	<u>\$ 2,477</u>	<u>\$ 3,604</u>	<u>\$ 11,467</u>	<u>\$ 8,552</u>

12. Subsidiaries

Subsidiaries included in the consolidated financial statements

Entities included in the consolidated financial statements were summarized as follows:

Investor	Name of subsidiary	Nature of business activities	Proportion of Ownership (%)			Remarks
			June 30, 2026	December 31, 2025	June 30, 2025	
Ji-Haw Industrial Co., Ltd.	Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. (J.H.K)	Manufacturing and trading of computer cables or plugs	100.00	100.00	100.00	-
	J.B.T Industrial Co., Ltd. (J.B.T)	Manufacturing and trading of computer cables or plugs	100.00	100.00	100.00	Note 9
	Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	40.48	40.48	40.48	Note 1
	Ji-Haw Investment Co., Ltd. (J.H.I.)	Investing in overseas financial products and stocks	100.00	100.00	100.00	-
	Ji-HAW TECHNOLOGY VN CO., LTD (J.H.V)	Manufacturing and trading of computer cables or plugs	100.00	100.00	100.00	-
	CHINTEK INC. (CHINTEK)	Software development and design	100.00	100.00	100.00	Note 10
	Emergence A.I CO., LTD. (Emergence A.I)	Management consulting and technology R&D services	89.09	80.00	80.00	Note 2
	Heph A.I Studio Technology CO., LTD. (Heph A.I Studio Technology)	Software R&D and management consulting services	100.00	100.00	100.00	Note 3

	SILICON TEST TECH. CORP. (SILICON TEST TECH)	IC packaging OEM	-	-	-	Note 4
	Jin-Zuan Semiconductor Investment Co., Ltd. (Jin-Zuan Semiconductor Investment)	General investment	84.16	84.16	53.22	Note 7
Silicon Test Tech	Jern Yao Co., Ltd. (Jern Yao)	IC packaging OEM	-	-	-	Note 5
CHINTEK	CyPhy-Twin Corp. (C.P.T)	Integrated sales of software and equipment	75.00	75.00	75.00	Note 6
Jin-Zuan Semiconductor or Investment	SHAN YI Investment Co., Ltd. (SHAN YI Investment)	General investment	100.00	100.00	100.00	Note 8
JBT	JHP	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	59.52	59.52	59.52	Note 1

Note 1: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 2: On February 27, 2025, the Company made an additional cash investment of NT\$10,000 thousand in Emergence A.I CO., LTD., increasing its shareholding ratio to 80%. Emergence A.I completed a capital reduction of NT\$19,000 thousand to offset accumulated losses on May 19, 2026, representing a capital reduction ratio of 76%. On May 20, 2026, the Company made an additional cash investment of NT\$5,000 thousand in Emergence A.I, increasing its ownership interest to 89.09%. Please also refer to Note 31.

Note 3: The Company made additional investments of NT\$15,000 thousand, NT\$20,000 thousand and NT\$15,000 thousand in Heph A.I on September 1, 2025, February 4, 2026 and June 5, 2026, respectively.

Note 4: On May 14, 2025, the Company disposed of a 64.11% equity interest in Silicon Test Tech, resulting in the loss of control over the company. The remaining 4.82% equity interest held was reclassified as an investment in equity instruments measured at fair value through other comprehensive income. Please refer to Note 30.

Note 5: Jern Yao is a wholly owned subsidiary of Silicon Test Tech and was consolidated into the Group as a result of the acquisition of Silicon Test Tech. On May 14, 2025, the Company also lost control over Jern Yao as a result of the disposal of Silicon Test Tech.

Note 6: C.P.T. is a 75%-owned subsidiary of CHINTEK and was included in the consolidated entities as a result of the acquisition of CHINTEK.

Note 7: The Company made additional cash investments in Jin-Zuan Semiconductor Investment Co., Ltd. amounting to NT\$6,000 thousand and NT\$30,000 thousand on July 1, 2025 and December 9, 2025, respectively. In addition, on November 14, 2025, the Company acquired equity interests in the company for NT\$22,805 thousand, increasing its shareholding ratio to 84.16%. Please refer to Note 31.

Note 8: SHAN YI Investment is a wholly owned subsidiary of Jin-Zuan Semiconductor and was consolidated into the Group as a result of the acquisition of Jin-Zuan Semiconductor Investment.

Note 9: The Company made an additional cash investment of NT\$15,494 thousand in J.B.T. on November 14, 2025.

Note 10: The Company also made additional cash investments in CHINTEK amounting to NT\$15,000 thousand and NT\$30,000 thousand on November 14, 2025 and December 16, 2025, respectively.

Among the subsidiaries included in the consolidated financial statements for the six-month period ended June 30, 2026, the financial statements of J.B.T., J.H.P., J.H.K. and Heph A.I were reviewed by independent auditors, while the financial statements of the remaining subsidiaries were not reviewed by independent auditors.

Among the subsidiaries included in the consolidated financial statements for the six-month period ended June 30, 2025, the financial statements of J.B.T. and J.H.P. were reviewed by independent auditors, while the financial statements of the remaining subsidiaries were not reviewed by independent auditors.

13. Investments accounted for using equity method

Investment in associates

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Individual non-significant associates</u>			
Chuzhou Ding Wang Investment and Development Limited (Chuzhou Ding Wang)	\$ 1,805	\$ 1,726	\$ 1,579

The investments accounted for using the equity method and the share of profit and other comprehensive income enjoyed by the consolidated company are recognized based on the financial statements of the associated companies for the corresponding period, which have not been audited by the independent auditor.

14. Property, plants, and equipment

	June 30, 2026	December 31, 2025	June 30, 2025
Land	\$ 114,717	\$ 114,717	\$ 114,717
Buildings	71,923	71,660	57,530
Machinery and equipment	41,579	46,431	47,802
Transportation Equipment	1,834	2,264	2,422
Leasehold improvements	3,466	9,205	5,389
Other equipment	9,599	10,045	10,173
Construction in progress	68,619	59,210	59,597
	<u>\$ 311,737</u>	<u>\$ 313,532</u>	<u>\$ 297,630</u>

Except for the recognition of depreciation expenses, there were no significant additions, disposals, or impairments of the consolidated company's property, plant, and equipment for the six-month period ended June 30, 2026 and 2025.

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

Buildings	10-24 years
Machinery and equipment	2-20 years
Transportation Equipment	3-5 years
Other equipment	2-20 years
Leasehold improvements	2-3 years

Depreciation is calculated over the estimated useful life of 10 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 34.

15. Lease agreement

(1) Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Land	\$ 65,819	\$ 69,520	\$ 48,919
Buildings	13,545	7,050	11,296
Transportation Equipment	4,910	5,464	6,950
	<u>\$ 84,274</u>	<u>\$ 82,034</u>	<u>\$ 67,165</u>

	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
Additions to right-of-use assets	<u>\$ 13,574</u>	<u>\$ -</u>	<u>\$ 13,603</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets				
Land	\$ 733	\$ 345	\$ 1,487	\$ 706
Buildings	2,556	2,757	4,683	6,187
Transportation Equipment	<u>2,175</u>	<u>796</u>	<u>2,977</u>	<u>1,599</u>
	<u>\$ 5,464</u>	<u>\$ 3,898</u>	<u>\$ 9,147</u>	<u>\$ 8,492</u>

Except for the additions, subleases, and depreciation expenses recognized as listed above, the Group's right-of-use assets did not experience any significant sublease or impairment events during the six-month periods ended June 30, 2026 and 2025.

The land leased by the Consolidated Company in China and Thailand is subleased under operating leases. Related right-of-use assets are reported as investment properties and set out in Note 16. Right-of-use assets disclosed above do not include those meeting the definition of investment properties.

(2) Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Current	<u>\$ 11,826</u>	<u>\$ 13,772</u>	<u>\$ 13,591</u>
Non-current	<u>\$ 82,969</u>	<u>\$ 81,462</u>	<u>\$ 49,193</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	4.46%	4.46%	4.46%
Buildings	2.00%~3.72%	2.00%~3.60%	1.87%~3.07%
Transportation Equipment	2.10%~5.22%	2.10%~5.22%	2.10%~5.22%

(3) Other lease information

Lease arrangements under operating leases for the leasing out of property, plants, and equipment and investment properties are set out in Note 16.

	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
Total Cash Outflow From Leases	(<u>\$ 4,509</u>)	(<u>\$ 4,687</u>)	(<u>\$ 13,117</u>)	(<u>\$ 10,134</u>)

16. Investment properties

Investment property measured at fair value

	Land and buildings	Right-of-use assets	Total
Balance as of January 1, 2026	\$ 951,681	\$ 167,372	\$ 1,119,053
Effects of foreign currency exchange differences	<u>2,261</u>	<u>3,820</u>	<u>6,081</u>
Balance as of June 30, 2026	<u>\$ 953,942</u>	<u>\$ 171,192</u>	<u>\$ 1,125,134</u>
Balance as of January 1, 2025	\$ 954,974	\$ 149,314	\$ 1,104,288
Gain on fair value change	10,611	3,179	13,790
Effects of foreign currency exchange differences	<u>(11,249)</u>	<u>(13,566)</u>	<u>(24,815)</u>
Balance as of June 30, 2025	<u>\$ 954,336</u>	<u>\$ 138,927</u>	<u>\$ 1,093,263</u>

Investment property is measured at fair value on a recurring basis. The valuation basis of its fair value is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Outsourced appraisal	<u>\$ 1,125,134</u>	<u>\$ 1,119,053</u>	<u>\$ 1,093,263</u>

The subsequent measurement of the consolidated company's following investment property is based on the discounted cash flow analysis method under the income approach.

The relevant important contract terms and evaluation information are as follows:

June 30, 2026

Target	New Taipei City Xindian District Office	Kunshan Industrial Real Estate, Suzhou City
Important contract terms	—	1. Rent (CNY): ¥226 thousand to ¥269 thousand per month 2. Remaining lease term: 120 months
Local rent prices	NTD 637 - NTD 849 NTD/ping/month	(CNY) ¥25-30/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	3.770%	5.800%
Outsourced or self- assessed valuation	Outsourced appraisal	Outsourced appraisal

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Target	New Taipei City Xindian District Office	Kunshan Industrial Real Estate, Suzhou City
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang, Che-Hao Yang	Tsai Ming-Hang
Date of Valuation	December 31, 2025 (Note)	December 31, 2025 (Note)
Fair value of outsourced appraisal	\$532,717 thousand	\$206,281 thousand (CNY 44,112 thousand)
Target	Dorm in Sriracha District, Thailand	Laem Chabang Industrial Park, Sriracha District, Thailand
Important contract terms	—	Rent (THB): ฿460 thousand per month Remaining lease term: 44 months
Local rent prices	(THB) ฿70–90/square meter/month	(THB) ฿140-150/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	6.75~7.25%	10.200%
Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang	Tsai Ming-Hang
Date of Valuation	December 31, 2025 (Note)	December 31, 2025 (Note)
Fair value of outsourced appraisal	\$14,895 thousand (THB 15,450 thousand)	\$60,292 thousand (THB 62,537 thousand)

Note: A valuer's statement on the validity of the original valuation report as of June 30, 2026, has been obtained.

December 31, 2025

Target	New Taipei City Xindian District Office	Kunshan Industrial Real Estate, Suzhou City
Important contract terms	—	1. Rent (CNY): ¥226 thousand to ¥269 thousand per month 2. Remaining lease term: 126 months
Local rent prices	NTD 637 - NTD 849 NTD/ping/month	(CNY) ¥25-30/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	3.770%	5.800%

Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang, Che-Hao Yang	Tsai Ming-Hang
Date of Valuation	December 31, 2025	December 31, 2025
Fair value of outsourced appraisal	\$532,717 thousand	\$197,251 thousand (CNY 44,112 thousand)

Target	Dorm in Sriracha District, Thailand	Laem Chabang Industrial Park, Sriracha District, Thailand
Important contract terms	—	Rent (THB): ฿571 thousand per month Remaining lease term: 50 months
Local rent prices	(THB) ฿70-90/square meter/month	(THB) ฿140-150/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	6.75~7.25%	10.20%
Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang	Tsai Ming-Hang
Date of Valuation	December 31, 2025	December 31, 2025
Fair value of outsourced appraisal	\$15,480 thousand (THB 15,450 thousand)	\$62,656 thousand (THB 62,537 thousand)

June 30, 2025

Target	New Taipei City Xindian District Office	Kunshan Industrial Real Estate, Suzhou City
Important contract terms	—	1. Rent (CNY): ¥226 thousand to ¥269 thousand per month 2. Remaining lease term: 132 months
Local rent prices	NTD 526 - NTD 841 NTD/ping/month	(CNY) ¥20-30/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	3.770%	5.700%
Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm

Name of appraiser	Tsai Ming-Hang, Che-Hao Yang	Tsai Ming-Hang
Date of Valuation	December 31, 2024 (Note)	December 31, 2024 (Note)
Fair value of outsourced appraisal	\$534,029 thousand	\$179,363 thousand (CNY 43,822 thousand)

Target	Dorm in Sriracha District, Thailand	Laem Chabang Industrial Park, Sriracha District, Thailand
Important contract terms	—	1. Rent (THB): ฿588 thousand/month 2. Remaining lease term: 56 months
Local rent prices	(THB) ฿70–90/square meter/month	(THB) ฿140-150/square meter/month
Rent prices of similar properties	Same as above	Same as above
Current status	Normal use	Normal use
Discount rate	6.75%~7.00%	10.25%
Outsourced or self-assessed valuation	Outsourced appraisal	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang	Tsai Ming-Hang
Date of Valuation	June 30, 2025	June 30, 2025
Fair value of outsourced appraisal	\$13,858 thousand (THB 15,280 thousand)	\$58,695 thousand (THB 64,720 thousand)

Note: A valuer's statement on the validity of the original valuation report as of June 30, 2025, has been obtained.

The valuation procedure of the income approach is to estimate the effective total revenue, estimate the total expenses, calculate the net income, determine the discount rate and calculate the income price. The above parameters are estimated based on the relevant information of the subject of evaluation and the comparison target with the same or similar characteristics in the last three years, and adjusted after judging their continuity, stability and growth, in order to confirm the availability and reasonableness of the information. Changes in revenues (cash inflows) and expenses (cash outflows) for future periods are based on the historical revenues and expenses (cash flows) of the subject of the survey, the revenues and expenses (cash flows) of comparable industry or alternative comparables, the rate of idleness or loss, and the current or probable future planned revenues and expenses. The objective net income after deducting the total expenses from the total revenue is based on the objective net income that can make the most effective

use of the subject matter survey, and is extrapolated by referring to the income of the neighboring similar property under the most effective use.

Except for undeveloped land, the fair value of investment property is assessed using the income approach. The key assumptions are as follows. When the estimated capitalization rate or discount rate decreases (increases), the fair value will increase (decrease).

	June 30, 2026	December 31, 2025	June 30, 2025
Discount rate	3.77%~10.20%	3.77%~10.20%	3.770%~10.250%
Income capitalization	1.80%~6.22%	1.80%~6.22%	1.73%~6.22%

The discounted cash flow (DCF) analysis of the income approach is adopted for the evaluation. The contract rent provided by the consolidated company during the lease term is evaluated at the market rent after the lease term expires. Discounted cash flow analysis under income approach: It refers to the method in which the net income and ending value of each period during the future discounted cash flow analysis period of the subject of survey are discounted at an appropriate discount rate and then summed up to estimate the price of the subject of survey. Applicable to real estate investment evaluation for investment purpose.

The consolidated entity measures the following investment properties subsequently using the land development analysis method. The key contractual terms and valuation information are as follows:

June 30, 2026

Target	Land in Baoxing Section, Xindian District, New Taipei City
Estimated Total Sales Amount	\$774,316 thousand
Current status	Normal use
Profit Margin	18.000%
Comprehensive Capital Interest Rate	2.740%
Outsourced or self- assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang, Che-Hao Yang
Date of Valuation	September 30, 2025 (Note)
Fair value of outsourced appraisal	\$310,949 thousand

Note: A valuer's statement on the validity of the original valuation report as of June 30, 2026, has been obtained.

December 31, 2025

Target	Land in Baoxing Section, Xindian District, New Taipei City
Estimated Total Sales Amount	\$774,316 thousand
Current status	Normal use
Profit Margin	18.000%
Comprehensive Capital Interest Rate	2.74%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang, Che-Hao Yang
Date of Valuation	September 30, 2025 (Note)
Fair value of outsourced appraisal	\$310,949 thousand

Note: A valuer's statement on the validity of the original valuation report as of December 31, 2025, has been obtained.

June 30, 2025

Target	Land in Baoxing Section, Xindian District, New Taipei City
Estimated Total Sales Amount	\$749,848 thousand
Current status	Normal use
Profit Margin	18.00%
Comprehensive Capital Interest Rate	2.77%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang
Date of Valuation	September 30, 2024 (Note)
Fair value of outsourced appraisal	\$307,318 thousand

Note: A valuer's statement on the validity of the original valuation report as of June 30, 2025, has been obtained.

The consolidated entity's land located in Baoxing Section, Xindian District, New Taipei City, is currently used as a temporary parking lot. As the land is undeveloped and there is no existing lease agreement, and due to the limited number of comparable lease transactions for industrial land in the area, its fair value is assessed using the land development analysis method. When the estimated total sales amount increases (decreases), the profit margin decreases (increases), or the comprehensive capital interest rate decreases (increases), the fair value will increase (decrease).

Based on the legally designated use and development intensity of the land, changes in land value resulting from development and improvement are assessed. The estimated total sales amount after development or construction is calculated, from which direct costs, indirect costs, capital interest, and profit during the development period are deducted. The resulting amount represents the land development analysis value prior to development or construction, which is referred to as the land development analysis price. The procedures for land development analysis valuation are as follows:

- (1) Determine the land development plan and expected development timeline.
- (2) Investigate various costs and related expenses, and collect market data.
- (3) Conduct an on-site inspection and assess the level of environmental development.
- (4) Estimate the area of land or buildings to be sold after development or construction.
- (5) Estimate the total sales amount after development or construction.
- (6) Estimate various costs and related expenses.
- (7) Select an appropriate profit margin and comprehensive capital interest rate.
- (8) Calculate the land development analysis value.

The forecast for the overall economic situation is as follows:

- (1) Taiwan's export products have been influenced by the rise of artificial intelligence opportunities, with information and communication technology (ICT) and audiovisual products maintaining strong performance. Traditional manufacturing sectors have benefited from restocking demand and an increase in orders.
- (2) On the production side, the momentum of information and electronics manufacturing remains robust. The growing demand for high-performance computing, AI applications, and cloud data services has driven wafer foundry production. However, due to the sluggish recovery of the global economy, end-user demand in traditional industries has yet to show a significant rebound.

The investment properties are currently leased out in the form of operating leases, and the rental incomes generated 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
Rental income	<u>\$ 4,533</u>	<u>\$ 4,629</u>	<u>\$ 9,298</u>	<u>\$ 9,817</u>

Lease payments receivable under operating leases of investment properties in the future was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Year 1	\$ 17,907	\$ 18,379	\$ 18,769
Year 2	18,653	18,734	18,769
Year 3	18,653	19,090	19,491
Year 4	16,833	19,090	19,491
More than 5 Years	<u>86,411</u>	<u>89,628</u>	<u>100,835</u>
	<u>\$ 158,457</u>	<u>\$ 164,921</u>	<u>\$ 177,355</u>

For the amount of investment property pledged as collateral for loans, please refer to Note 34.

17. Goodwill

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
<u>Cost</u>		
Beginning Retained Earnings	\$ 62,664	\$ 78,369
Disposal of subsidiaries (Note 30)	<u>-</u>	<u>(15,705)</u>
Closing Balance	<u>\$ 62,664</u>	<u>\$ 62,664</u>
<u>Accumulated impairment loss</u>		
Beginning Retained Earnings	(\$ 50,262)	(\$ 39,176)
Disposal of subsidiaries (Note 30)	<u>-</u>	<u>15,279</u>
Closing Balance	<u>(\$ 50,262)</u>	<u>(\$ 23,897)</u>
Closing net amount	<u>\$ 12,402</u>	<u>\$ 38,767</u>

The recoverable amount of goodwill was determined based on value in use. The value in use was estimated using projected cash flows based on financial budgets approved by the management of the consolidated entity.

On October 31, 2025, the Group performed an impairment test on the goodwill of its subsidiary, CHINTEK. The recoverable amount was determined based on value in use, using a discount rate of 22.10%. The recoverable amount as of October 31, 2025 was NT\$21,783 thousand, which was lower than the carrying amount. Accordingly, the Group recognized an impairment loss of NT\$26,365 thousand on the goodwill arising from CHINTEK in 2025 (presented under other gains and losses).

In 2025, the consolidated entity obtained a valuation report indicating that the fair value of the intangible assets of Silicon Test Tech Corp. at the acquisition date was NT\$15,858 thousand. The consolidated entity has adjusted the original accounting treatment and provisional amounts as of the acquisition date and has restated the comparative information accordingly.

The retrospective adjustment impact on balance sheet items is as follows:

	<u>Date of acquisition</u>
Adjustment to goodwill	(\$ 8,092)
Intangible assets	<u>\$ 15,858</u>
Non-controlling interests	<u>\$ 7,766</u>

18. Intangible assets

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Software licensing	\$ 8,387	\$ 12,959	\$ 17,532
Technology licensing	704	751	798
Computer Software	3,893	3,678	4,633
Trademark rights	2,010	1,732	1,694
Franchise rights	5,678	6,359	-
Core technology	<u>23,251</u>	<u>25,365</u>	<u>27,478</u>
	<u>\$ 43,923</u>	<u>\$ 50,844</u>	<u>\$ 52,135</u>

Except for the recognition of amortization expenses, there were no significant additions, disposals, or impairments of the consolidated company's intangible assets during the six-month periods ended June 30, 2026 and 2025. Amortization expenses are provided on a straight-line basis over useful years shown as follows:

Software licensing	2-10 years
Technology licensing	10 years
Computer Software	3 years
Trademark rights	10 years
Franchise rights	5 years
Core technology	8 years

Summary of amortization expenses by function:

	<u>For the three months ended June 30, 2026</u>	<u>For the three months ended June 30, 2025</u>	<u>For the six months ended June 30, 2026</u>	<u>For the six months ended June 30, 2025</u>
Operating costs	\$ 486	\$ 461	\$ 973	\$ 868
Operating expenses	<u>3,771</u>	<u>3,751</u>	<u>7,526</u>	<u>9,888</u>
	<u>\$ 4,257</u>	<u>\$ 4,212</u>	<u>\$ 8,499</u>	<u>\$ 10,756</u>

19. Other assets

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments	\$ 20,336	\$ 17,740	\$ 16,688
Excess VAT paid	10,549	11,231	10,819
Finance lease receivables	4,729	5,657	-
Other receivables	4,249	4,400	3,239
Prepayments for equipment	583	583	106
Receivable income tax refund	421	464	339
Supplies Inventory Count	25	22	19
Prepayments – related parties (Note 33)	-	545	778
Prepaid trademark rights	-	456	473
Prepayments for construction projects	-	-	6,541
	<u>\$ 40,892</u>	<u>\$ 41,098</u>	<u>\$ 39,002</u>
Current	\$ 35,316	\$ 33,843	\$ 30,271
Non-current	<u>5,576</u>	<u>7,255</u>	<u>8,731</u>
	<u>\$ 40,892</u>	<u>\$ 41,098</u>	<u>\$ 39,002</u>

The Group recognizes a loss allowance for other receivables based on lifetime expected credit losses:

	June 30, 2026	December 31, 2025	June 30, 2025
Expected credit loss rate	4.41%	-	-
Gross carrying amount	\$ 4,445	\$ 4,400	\$ 3,239
Loss allowance (lifetime ECL)	(<u>196</u>)	<u>-</u>	<u>-</u>
	<u>\$ 4,249</u>	<u>\$ 4,400</u>	<u>\$ 3,239</u>

The movements in the loss allowance for other receivables were as follows:

	For the six months ended June 30, 2026
Beginning Retained Earnings	\$ -
Plus: Current provision for impairment	<u>196</u>
Closing Balance	<u>\$ 196</u>

20. Loans

(1) Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Secured loans</u> (Note 34)			
Bank borrowing	\$ 137,926	\$ 66,031	\$ 715,000
<u>Unsecured borrowings</u>			
Credit limit borrowings	46,763	-	25,000
	<u>\$ 184,689</u>	<u>\$ 66,031</u>	<u>\$ 740,000</u>
Range of interest rates on borrowings	2.73%~3.38%	2.93%~3.45%	2.63%~2.88%

J.H.P.'s unsecured bank borrowings of NT\$46,763 thousand are subject to financial covenants requiring it to maintain a debt ratio of no more than 65% and a current ratio of no less than 100% at the end of each quarter. If J.H.P. breaches these financial ratios or covenants, resulting in circumstances that may jeopardise the bank's creditor rights, the bank is entitled to demand immediate repayment of the borrowings. The Group will continue monitoring whether future operating conditions may affect compliance with the aforementioned financial ratios.

(2) Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Secured loans</u> (Note 34)			
Bank borrowing	\$ 258,000	\$ 761,400	\$ 53,400
<u>Unsecured borrowings</u>			
Bank borrowing	6,702	7,954	9,688
Subtotal	264,702	769,354	63,088
Less: portion due within 1 year	(3,311)	(56,425)	(56,638)
Long-term borrowings	<u>\$ 261,391</u>	<u>\$ 712,929</u>	<u>\$ 6,450</u>
Range of interest rates on borrowings	2.22%~2.93%	2.22%~3.38%	2.22%~3.38%

21. Corporate bonds payable

	June 30, 2026
Domestic second secured convertible bonds	\$ 420,776
Less: portion due within 1 year	-
	<u>\$ 420,776</u>

On March 26, 2026, the Company issued three-year domestic second secured convertible bonds totaling NT\$450,000 thousand at 105.03% of par value, with a coupon rate of 0%. The actual proceeds raised amounted to NT\$462,656 thousand (NT\$472,630 thousand less issuance costs of NT\$9,974 thousand). The maturity date is March 26, 2029. The convertible bonds are guaranteed by Sunny Bank Ltd.

Bondholders may convert the bonds into the Company's common shares at any time from the day following the expiration of three months after issuance (June 27, 2026) through the maturity date (March 26, 2029), except during periods in which share transfer registration is suspended in accordance with applicable laws. The initial conversion price is NT\$12.50 per share.

From the day following the expiration of three months after issuance (June 27, 2026) until forty days prior to maturity (February 14, 2029), if the closing price of the Company's common shares exceeds the then-current conversion price by 30% or more for 30 consecutive business days, or if the outstanding balance of the convertible bonds falls below 10% of the original total issuance amount, the Company may redeem all outstanding bonds in cash at par value.

The date falling two years after the issuance date (March 26, 2028) is the put date of the bonds. Bondholders may, pursuant to the "Notice of Exercise of Put Right" sent by the Company, require the Company to redeem the bonds held by them in cash at 101.0025% of the face value of the bonds, representing an effective yield of 0.5%.

Unless the holders of the convertible bonds have converted the bonds into the Company's common shares, the Company has redeemed the bonds early, the holders have exercised their put rights in accordance with regulations, or the Company has repurchased and canceled the bonds through securities dealers, the bonds will be repaid in cash at par value upon maturity.

These convertible bonds contain both liability and equity components. The equity component is presented under capital surplus – stock options within equity. The effective interest rate of the liability component upon initial recognition was 2.4442%.

Issue proceeds (NT\$472,630 thousand less transaction costs of NT\$9,974 thousand)	\$ 462,656
Equity component (NT\$44,860 thousand less transaction costs allocated to equity of NT\$1,050 thousand and related income tax effects of NT\$210 thousand)	(44,020)
Redemption option (recorded as financial assets at fair value through profit or loss)	2,565

Put option (recorded as financial liabilities at fair value through profit or loss)	(990)
Deferred tax assets	(1,995)
Liability component on issuance date, March 26, 2026	418,216
Interest calculated at an effective annual interest rate of 2.4442%	2,560
Liability component as of June 30, 2026	<u>\$ 420,776</u>

22. Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Salaries and bonuses payable	\$ 23,799	\$ 26,351	\$ 21,492
Payables for expenses	14,552	19,180	17,470
Payables for taxes	<u>1,350</u>	<u>1,530</u>	<u>1,224</u>
	<u>\$ 39,701</u>	<u>\$ 47,061</u>	<u>\$ 40,186</u>

23. Post-retirement benefit plan

The pension costs related to defined benefit plans recognized for the three-month and six-month periods ended June 30, 2026 and 2025 were calculated using the actuarially determined pension cost rates as of December 31, 2025 and 2024, and amounted to NT\$(1) thousand, NT\$1 thousand, NT\$(1) thousand and NT\$1 thousand, respectively.

24. EQUITY

(1) Share capital – Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Number of shares authorized (in thousands)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Amount of shares authorized	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Number of shares issued and fully paid (in thousands)	<u>129,601</u>	<u>125,147</u>	<u>112,719</u>
Amount of shares issued	<u>\$ 1,296,008</u>	<u>\$ 1,251,468</u>	<u>\$ 1,127,192</u>
Share capital pending cancellation	(<u>\$ 150</u>)	<u>\$ -</u>	<u>\$ -</u>

Fully paid ordinary shares, with a par value of NT\$10, each of which carries one vote per share and carry a right to receive dividends. The portion of authorized capital reserved for the issuance of employee stock options is 27,000,000 shares.

The Company, at its general shareholders' meeting on June 30, 2025, resolved to conduct a private placement for a cash capital increase through the issuance of up to 20,000 thousand common shares, to be carried out in two tranches within one year

from the date of the shareholders' resolution. On October 15, 2025, the Board of Directors further resolved to proceed with the first tranche of the private placement for the cash capital increase, issuing 12,428 thousand common shares at a private placement price of NT\$12.07 per share, with a par value of NT\$10 per share, totaling NT\$150,001 thousand. October 29, 2025 was set as the capital increase record date, and the share proceeds have been fully received and the statutory registration procedures have been duly completed.

On December 18, 2024, the Company's shareholders' meeting approved the issuance of restricted stock awards totaling NT\$45,000 thousand, consisting of 4,500 thousand shares issued without consideration at a par value of NT\$10 per share. The issuance was approved and became effective upon authorization by the Financial Supervisory Commission, with February 3, 2026 designated as the capital increase record date.

During the six-month period ended June 30, 2026, 61 thousand restricted shares for employees were recovered because certain employees left the Group before the shares vested. As of June 30, 2026, 46 thousand shares had been cancelled, while the remaining 15 thousand shares had not yet been cancelled and were recorded as capital stock pending cancellation.

(2) Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Additional paid-in capital	\$ 25,725	\$ 25,725	\$ -
Donated assets received	758	758	758
<u>May be used to offset a deficit only</u>			
Change of Ownership			
Interest in Subsidiaries			
(2)	-	-	864
<u>Not to be used for any purpose</u>			
Employee stock options	2,445	-	-
Stock options	44,020	-	-
Restricted stock awards	(2,524)	-	-
	<u>\$ 70,424</u>	<u>\$ 26,483</u>	<u>\$ 1,622</u>

- 1) The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).
- 2) This type of capital surplus represents the effect of equity transactions recognized due to changes in the equity of subsidiaries and associates accounted for using the equity method, arising when the Company did not actually acquire or dispose of the equity of such subsidiaries or associates.

(3) Retained earnings and dividend policy

According to the company's articles of association and profit distribution policy, if there is a surplus in the annual financial statements, it shall be used to pay taxes and make up for accumulated losses. Subsequently, 10% is set aside as statutory surplus reserve until it reaches the paid-in capital. Any remaining surplus may be allocated or reversed according to the company's operational needs or legal requirements as special surplus reserves. If there is still a balance, it will be added to the accumulated undistributed profits, and the board of directors will propose a profit distribution resolution to the shareholders' meeting for approval, ranging from 10% to 100%. For the policies on the distribution of compensation of employees and remuneration of directors set forth in the Articles of Incorporation, refer to "Compensation of employees and remuneration of directors" in Note 26 (g).

The cash dividend shall not be less than 30% of the total dividend. However, if the cash dividend per share is less than NT\$0.1, it may be changed to a stock dividend. The ratio of profit distribution may be adjusted based on factors such as the actual profit for the year, capital budgeting, and financial conditions.

Appropriation of earnings to the legal reserve could be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company's Board of Directors and annual general meeting of shareholders, held on June 30, 2026 and June 30, 2025, respectively, approved the proposals for offsetting the accumulated losses for 2025 and 2024, respectively.

The loss offset proposal for 2024 is as follows:

Special surplus reserve for offsetting deficits	2024 (\$ 248,697)
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(4) Special reserve

	June 30, 2026	December 31, 2025	June 30, 2025
Initial Amount Recognized upon First Adoption of the Fair Value Model for Investment Property	<u>\$ 50,060</u>	<u>\$ 50,060</u>	<u>\$ 50,060</u>

When investment property is initially measured at fair value, the net increase in fair value is transferred to retained earnings. However, if the retained earnings are insufficient, a special reserve is appropriated only to the extent of the recorded retained earnings. Subsequent net increases in fair value are appropriated to a special reserve. If the cumulative net increase in fair value decreases or the investment property is disposed of in the future, the previously appropriated special reserve may be reversed accordingly. If the investment property is reclassified as property, plant and equipment, the related special reserve is reversed as the asset is subsequently depreciated.

(5) Other Equity Items

1) Unrealized Gain or Loss on Financial Assets Measured at Fair Value Through Other Comprehensive Income

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Beginning Retained Earnings In respect of the current year	(\$ 67,359)	(\$ 32,946)
Unrealized gain or loss on equity instruments	115,221	37,714
Transfer of cumulative gains or losses on disposal of equity instruments to retained earnings	(11,416)	-
Closing Balance	<u>\$ 36,446</u>	<u>\$ 4,768</u>

2) Revaluation increment of property

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Opening and closing balance	<u>\$ 400,703</u>	<u>\$ 400,703</u>

3) Unearned employee compensation

The Company's shareholders' meeting resolved on December 18, 2024 to issue restricted stock awards. Please refer to Note 29 for related information.

	For the six months ended June 30, 2026
Beginning Retained Earnings	\$ -
Issued during the current period	(41,866)
Recognition of share- based payment expense	<u>13,440</u>
Closing Balance	<u>(\$ 28,426)</u>

(6) Non-controlling interests

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Beginning Retained Earnings	\$ 17,344	\$ 71,338
Decrease in non-controlling interests from the disposal of Silicon Test Tech (Note 30)	-	(14,794)
Increase in non-controlling interests from the acquisition of Emergence A.I (Note 31)	515	1,315
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	19,383	17,151
Share-based payment	150	-
Exchange differences on the translation of foreign operations	(8)	(14)
Current Net Loss	<u>(2,194)</u>	<u>(4,418)</u>
Closing Balance	<u>\$ 35,190</u>	<u>\$ 70,578</u>

25. 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
Revenue from contracts with customers				
Revenue from sale of goods	\$ 117,818	\$ 176,757	\$ 262,733	\$ 382,320
Project, subscription and service revenue	2,731	2,606	4,935	3,320
Processing revenue	-	13,685	-	38,793
	<u>\$ 120,549</u>	<u>\$ 193,048</u>	<u>\$ 267,668</u>	<u>\$ 424,433</u>

(1) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes and accounts receivable (Note 10)	<u>\$ 187,591</u>	<u>\$ 236,001</u>	<u>\$ 258,394</u>	<u>\$ 424,707</u>
Contract assets				
Project, subscription and service revenue	<u>\$ 1,040</u>	<u>\$ 1,472</u>	<u>\$ 2,388</u>	<u>\$ 1,702</u>
Contract Liabilities				
Revenue from sale of goods	\$ -	\$ 36	\$ 1,852	\$ 3,484
Project, subscription and service revenue	2,040	2,747	1,858	1,022
Customer options for complimentary gifts	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contract liabilities - current	<u>2,051</u>	<u>2,783</u>	<u>3,710</u>	<u>4,506</u>
Project, subscription and service revenue	<u>26</u>	<u>79</u>	<u>125</u>	<u>205</u>
Contract liabilities - non-current	<u>26</u>	<u>79</u>	<u>125</u>	<u>205</u>
	<u>\$ 2,077</u>	<u>\$ 2,862</u>	<u>\$ 3,835</u>	<u>\$ 4,711</u>

The change in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay. The consolidated company recognizes loss allowance for contract assets based on lifetime expected credit losses. The contract assets will be reclassified as accounts receivable when the bill is issued, and the credit risk characteristics are the same as the accounts receivable generated from similar contracts. Therefore, the consolidated company believes that the expected credit loss rate of accounts receivable can also be applied to contracts assets.

	June 30, 2026	December 31, 2025	June 30, 2025
Expected credit loss rate	-	-	33.33%
Gross carrying amount	\$ 1,040	\$ 1,472	\$ 2,388
Loss allowance (lifetime ECL)	-	-	(796)
	<u>\$ 1,040</u>	<u>\$ 1,472</u>	<u>\$ 1,592</u>

The movements in the loss allowance for contract assets were as follows:

	For the six months ended June 30, 2025
Beginning Retained Earnings	\$ -
Plus: Current provision for impairment	796
Closing Balance	<u>\$ 796</u>

(2) Explanation on contracts with customers

Please refer to Note 38 for a detailed breakdown of customer contract revenue.

26. Net loss

(1) 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
Bank deposits	\$ 653	\$ 1,404	\$ 850	\$ 2,188
Financial Assets at Fair Value Through Profit or Loss	-	614	443	968
Others	<u>67</u>	<u>19</u>	<u>134</u>	<u>38</u>
	<u>\$ 720</u>	<u>\$ 2,037</u>	<u>\$ 1,427</u>	<u>\$ 3,194</u>

(2) Other 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
Rental income	\$ 4,533	\$ 4,629	\$ 9,298	\$ 9,826
Others	<u>4,256</u>	<u>2,052</u>	<u>4,633</u>	<u>2,487</u>
	<u>\$ 8,789</u>	<u>\$ 6,681</u>	<u>\$ 13,931</u>	<u>\$ 12,313</u>

(3) Other gains and losses

	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
Foreign currency exchange gain (loss), net	(\$ 8,451)		(\$ 22,445)	
Interest in financial assets		\$ 26,709		\$ 26,660
Net gain on financial assets and liabilities mandatorily measured at fair value through profit or loss	1,530	3,617	1,976	3,972
Gain on Fair Value Adjustment of Investment Property	-	13,790	-	13,790
Loss on disposal of property, plant and equipment	(1)	-	(1)	(11)
Gain on disposal of a subsidiaries (Note 30)	-	27,507	-	27,507
Others	(5,220)	(3,374)	(10,494)	(6,632)
	<u>(\$ 12,142)</u>	<u>\$ 68,249</u>	<u>(\$ 30,964)</u>	<u>\$ 65,286</u>

(4) 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 expense from bank borrowing	\$ 2,008	\$ 4,274	\$ 6,726	\$ 8,488
Interest on convertible bonds	2,560	-	2,560	-
Interest expense from lease liabilities	999	725	1,933	1,571
	<u>\$ 5,567</u>	<u>\$ 4,999</u>	<u>\$ 11,219</u>	<u>\$ 10,059</u>

Information on interest capitalization 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
Amount of capitalized interest	\$ 1,203	\$ 973	\$ 2,346	\$ 1,884
Interest rate of capitalized interest	2.93%~3.30%	2.63%~3.29%	2.93%~3.30%	2.63%~3.29%

(5) Depreciation and amortization

	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
Property, plants, and equipment	\$ 7,341	\$ 7,093	\$ 14,951	\$ 14,868
Right-of-use assets	5,464	3,898	9,147	8,492
Intangible assets	<u>4,257</u>	<u>4,212</u>	<u>8,499</u>	<u>10,756</u>
	<u>\$ 17,062</u>	<u>\$ 15,203</u>	<u>\$ 32,597</u>	<u>\$ 34,116</u>
Analysis of depreciation by function				
Operating costs	\$ 2,115	\$ 3,942	\$ 4,339	\$ 9,019
Operating expenses	5,699	3,848	9,772	7,940
Other gains and losses	<u>4,991</u>	<u>3,201</u>	<u>9,987</u>	<u>6,401</u>
	<u>\$ 12,805</u>	<u>\$ 10,991</u>	<u>\$ 24,098</u>	<u>\$ 23,360</u>
Amortization expenses by function				
Operating costs	\$ 486	\$ 461	\$ 973	\$ 868
Operating expenses	<u>3,771</u>	<u>3,751</u>	<u>7,526</u>	<u>9,888</u>
	<u>\$ 4,257</u>	<u>\$ 4,212</u>	<u>\$ 8,499</u>	<u>\$ 10,756</u>

(6) Employee benefits

	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
Retirement benefits				
Defined contribution plan	\$ 2,660	\$ 2,878	\$ 4,167	\$ 6,209
Defined benefit plans	(<u>1</u>)	<u>1</u>	(<u>1</u>)	<u>1</u>
Subtotal	2,659	2,879	4,166	6,210
Share-based payment				
Equity delivery	9,531	-	15,885	-
Others	<u>62,011</u>	<u>73,846</u>	<u>123,796</u>	<u>154,975</u>
Total	<u>\$ 74,201</u>	<u>\$ 76,725</u>	<u>\$ 143,847</u>	<u>\$ 161,185</u>
Analysis of employee benefits by function				
Operating costs	\$ 11,492	\$ 24,661	\$ 26,439	\$ 57,634
Operating expenses	62,710	52,064	117,409	103,551
Other income	(<u>1</u>)	<u>-</u>	(<u>1</u>)	<u>-</u>
	<u>\$ 74,201</u>	<u>\$ 76,725</u>	<u>\$ 143,847</u>	<u>\$ 161,185</u>

(7) Compensation of employees and remuneration of directors

Pursuant to the Company's Articles of Incorporation, employee compensation and directors' remuneration are appropriated based on the profit before tax for the year, prior to the deduction of such compensation, at rates of 3%–15% and 1%–5%, respectively. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation as approved at the

2025 shareholders' meeting, stipulating that no less than 25% of the employee compensation appropriated for the year shall be allocated to rank-and-file employees. The net loss before tax for the six-month periods ended June 30, 2026 and 2025, was due to the fact that employee remuneration (including base-level employee remuneration) and director remuneration were not estimated.

If the amounts in the annual consolidated financial statements change after the date of issuance, they will be adjusted in the following year's financial statements in accordance with accounting estimates.

The Company held Board of Directors meetings on March 13, 2026, and March 12, 2025, and resolved not to distribute employee compensation and director remuneration for 2025 and 2024, respectively. These resolutions are consistent with the amounts recognized in the consolidated financial statements for 2025 and 2024.

Information on employee compensation and directors' compensation resolved by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(8) Gains/losses on foreign currency exchange

	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
Total foreign exchange gain	\$ 95,892	\$ 29,087	\$ 105,148	\$ 35,930
Total foreign exchange loss	(104,343)	(2,378)	(127,593)	(9,270)
Net profit or loss	(\$ 8,451)	(\$ 26,709)	(\$ 22,445)	(\$ 26,660)

27. Taxation

(1) Income tax recognized in profit or loss

The main components of income tax benefits 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
Current tax				
In respect of the current period	(\$ 3,982)	(\$ 441)	(\$ 3,982)	(\$ 441)
Adjustments for prior years	(-)	(18)	(-)	(9)
	(3,982)	(423)	(3,982)	(450)
Deferred tax				
In respect of the current period	6,799	4,954	16,710	11,194
Income tax gains recognized in profit or loss	\$ 2,817	\$ 4,531	\$ 12,728	\$ 10,744

(2) Income tax assessments

The Company's corporate income tax filings up to and including the 2023 fiscal year have been assessed and approved by the tax authority.

The income tax returns of CHINTEK, Emergence A.I CO., LTD., Heph A.I, Jin-Zuan Semiconductor Investment Co., Ltd., and SHAN YI Investment through the 2024 fiscal year have been assessed and finalized by the tax authorities.

J.H.K., J.H.P., J.B.T, J.H.V., and C.P.T. have completed the filing of income tax returns within the deadlines prescribed by the local tax authorities.

Since JHI was established in Samoa, there is no relevant income tax burden.

28. Loss per share

The net loss per share and the weighted average number of common shares issued for the calculation of the net loss per share are as follows:

Current Net Loss

	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 loss attributable to owners of the Company and net loss used to calculate basic loss per share	(\$ 104,953)	(\$ 9,568)	(\$ 195,726)	(\$ 78,765)

No. of shares

	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
Weighted average number of ordinary shares used to calculate basic losses per share	125,147	112,719	125,147	112,719

Unit: thousands of shares

The Company incurred losses during the six-month periods ended June 30, 2026 and 2025. The effects of convertible bonds and share-based payment arrangements were anti-dilutive; therefore, diluted earnings per share were not disclosed.

29. Share-based payment agreements

(1) Restricted stock awards

	<u>2024 Plan</u>
Date of Resolution by the Shareholders' Meeting	December 18, 2024
Date of Resolution by the Board of Directors	February 3, 2026
Issue price	Issued for no consideration
Number of shares actually issued	4,500 thousand shares
Number of shares available for issuance	-
Eligible recipients	Employees of the Company and its subsidiaries who meet certain criteria
Grant date / issuance date	February 3, 2026

The vesting conditions of the aforementioned plan are as follows:

- 1) In accordance with the issuance rules, after receiving restricted shares for employees on the grant date, an employee must remain employed upon expiry of each of the following vesting periods, receive an annual individual performance appraisal rating of B or above, and have no record of violating the Company's employment contract, work rules, non-compete and confidentiality agreements, or any contractual arrangements with the Company. The percentages of shares that vest upon satisfaction of these conditions are as follows:
 - (1) Completion of one year of service after the grant: 50% of the shares granted;
 - (2) Completion of two years of service after the grant: 50% of the shares granted;
- 2) The rights restricted prior to fulfillment of vesting conditions after the grant of the new shares are as follows:
 - (1) The rights restricted prior to fulfillment of vesting conditions for the restricted stock awards issued under this plan after employees have been granted such shares are as follows:
 - a. Before the vesting conditions are fulfilled, employees may not sell, pledge, transfer, gift, create encumbrances on, or otherwise dispose

of the restricted stock awards granted under this plan, except by inheritance.

- b. Before the vesting conditions are fulfilled, employees retain the same rights as holders of the Company's issued common shares with respect to attending shareholders' meetings, making proposals, speaking, voting, and election rights, and such rights shall be exercised in accordance with the trust custody agreement.
 - c. Prior to the fulfillment of vesting conditions, employees granted restricted stock awards under this plan shall not be entitled to profit distribution rights associated with such shares, including, but not limited to, dividends, bonuses, legal reserve distributions, and capital surplus distributions. Relevant procedures shall be handled in accordance with the trust custody agreement.
 - d. During the share transfer suspension period for stock dividends, cash dividends, cash capital increases, shareholders' meeting record dates under Article 165, Paragraph 3 of the Company Act, or other statutory suspension periods occurring due to specific events until the rights distribution record date, employees who satisfy the vesting conditions during such periods shall have the restrictions on vested shares lifted in accordance with the trust custody agreement or applicable regulations.
 - e. If the Company conducts a capital reduction not resulting from statutory capital reduction, such as a cash capital reduction, during the vesting period, the restricted stock awards shall be canceled proportionally based on the capital reduction ratio. In the case of a cash capital reduction, the cash returned shall be placed in trust and may only be released to employees after the fulfillment of the vesting conditions and applicable periods. If the vesting conditions are not fulfilled upon the expiration of the relevant period, the Company shall reclaim such cash.
- 3) Following issuance, the restricted stock awards shall be placed in trust custody. Before fulfillment of the vesting conditions, employees may not request the trustee to return the restricted stock awards for any reason or by any means.

- 4) During the trust custody period of the restricted stock awards, the Company or its designated representative shall fully represent employees in negotiating, executing, amending, extending, terminating, or canceling the trust custody agreement with the stock trust institution, including the delivery, utilization, and disposal instructions related to trust property.
- 5) If employees fail to fulfill the vesting conditions, the Company shall reclaim the restricted stock awards granted to them without compensation and proceed with cancellation.
- 6) Information on the restricted shares for employees issued under the plans is as follows:

For the six months ended June 30, 2026

Unit: thousands of shares

	<u>2024 Plan</u>
Outstanding at beginning of period	-
Granted during the period	4,500
Recovered and cancelled during the period	(46)
Recovered during the period and pending cancellation	(15)
Outstanding at end of period	<u>4,439</u>
Weighted-average fair value of restricted shares for employees	<u>\$ 13.15</u>

Compensation costs recognized from the issuance of restricted shares for employees were as follows:

	<u>For the three months ended June 30, 2026</u>	<u>For the six months ended June 30, 2026</u>
Compensation cost	<u>\$ 8,064</u>	<u>\$ 13,440</u>

The fair value of the restricted shares for employees was determined using the market price method, based on the Company's closing share price of NT\$13.15 per share on the valuation date of February 3, 2026.

- (2) Employee Stock Option Plan

	<u>2024 Plan</u>
Date of Resolution by the Board of Directors	October 25, 2024
Exercise price per share	\$ 12.95
Number of units actually issued	4,500 units
Number of units available for issuance	-

Number of ordinary shares
subscribable per unit
Eligible recipients

1,000 shares
Employees of the
Company and its
subsidiaries who
meet certain criteria
February 11, 2026
4 years

Grant date / issuance date
Stock option term

1) The vesting conditions of the aforementioned plan are as follows:

(1) Holders may exercise their subscription rights after two years from the grant date of the employee stock option certificates, according to the following schedule:

Option vesting period	Exercisable percentage of stock options (cumulative)
Upon completion of 2 years	50%
Upon completion of 3 years	100%

(2) The exercise price of the stock options is the closing price of the Company's common shares on the grant date. After issuance of the stock options, if there are changes in the Company's common shares, the exercise price shall be adjusted in accordance with the prescribed formula.

(3) The stock option certificates and related rights may not be transferred, pledged, gifted, or otherwise disposed of, except in cases of inheritance.

(4) If an option holder commits any material violation of the labor contract or work rules after the grant of the employee stock option certificates, the Company has the right to revoke and cancel the unvested stock option certificates.

2) Information on the employee stock options issued under the plan is as follows:

For the six months ended June 30, 2026

Employee stock options	2024 Plan	
	Unit	Weighted-average exercise price (NT\$)
Outstanding at beginning of period	-	\$ -
Granted during the period	4,500	12.95
Forfeited during the period	(45)	12.95
Outstanding at end of period	<u>4,455</u>	12.95
Exercisable at end of period	<u>-</u>	

Weighted-average fair value of options granted during the period (NT\$)	<u>\$ 4.69</u>
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The fair value of employee stock options was determined using the binomial option pricing model, with the following input assumptions adopted in the valuation model:

	<u>2024 Plan</u>
Share price at grant date	\$12.95
Exercise price	\$12.95
Expected volatility	44.96%~47.81%
Expected duration	3.48 years to 3.79 years
Risk-free interest rate	1.31%~1.32%

Expected volatility was based on the average historical volatility of annual stock price returns and incorporated the effect of early exercise. The Company assumes that employees will exercise the stock options when the share price reaches 2.2 times the exercise price after the vesting period has elapsed.

Compensation costs recognized from the issuance of employee stock options were as follows:

	For the three months ended June 30, 2026	For the six months ended June 30, 2026
Compensation cost	<u>\$ 1,467</u>	<u>\$ 2,445</u>

30. Disposal of subsidiaries

On May 14, 2025, the Group entered into an agreement to dispose of Silicon Test Tech, which was responsible for the Group's processing revenue operations. The Group completed the disposal on May 14, 2025 and, as a result, lost control over the subsidiaries.

(1) Consideration received

Total consideration received	<u>Silicon Test Tech</u> <u>\$ 56,494</u>
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(2) Analysis of assets and liabilities on the date control was lost

Current assets	<u>Silicon Test Tech</u>
Cash and cash equivalents	\$ 16,659
Notes and Accounts Receivable	24,018
Other current assets	2,888

Non-current Assets	
Property, plants, and equipment	8,932
Right-of-use assets	30,754
Goodwill	426
Intangible assets	12,116
Refundable deposits	983
Other non-current assets	2,040
Current liabilities	
Contract liabilities - current	(2,031)
Notes and Accounts Payable	(8,611)
Other payables	(2,178)
Lease liabilities - current	(5,039)
Long-term borrowings due within one year	(1,984)
Other current liabilities	(148)
Non-current liabilities	
Long-term borrowings	(4,803)
Lease liabilities – non-current	(25,984)
Net assets disposed of	<u>\$ 48,038</u>

(3) Gain on disposal of subsidiaries

	<u>Silicon Test Tech</u>
Consideration received	\$ 56,494
Net assets disposed of	(48,038)
Non-controlling interests	14,794
Reclassified to investments in equity instruments measured at fair value through other comprehensive income	<u>4,257</u>
Gain on disposal	<u>\$ 27,507</u>

(4) Proceeds from the disposal of subsidiaries

	<u>Silicon Test Tech</u>
Consideration received in cash and cash equivalents	\$ 56,494
Less: Balance of cash and cash equivalents disposed of	(16,659)
	<u>\$ 39,835</u>

31. Equity transactions with non-controlling interests

On May 20, 2026, the consolidated company did not subscribe to the cash capital increase of Emergence A.I CO., LTD. in proportion to their shareholding, resulting in an increase in ownership from 80.00% to 89.09%.

As the above transaction did not result in a change in the consolidated entity's control over the subsidiaries, it was accounted for as an equity transaction.

	<u>Emergence A.I</u>
Consideration paid	\$ -
Carrying Amount of Subsidiary's Net Assets to Be Transferred to Non-controlling Interests Based on Relative Change in Equity	(<u>515</u>)
Equity Transaction Difference	(<u>\$ 515</u>)
<u>Adjustment Account for Equity Transaction Difference</u>	
Unappropriated Earnings	(<u>\$ 515</u>)

On February 27, 2025, the consolidated company did not subscribe to the cash capital increase of Emergence A.I CO., LTD. in proportion to their shareholding, resulting in an increase in ownership from 66.67% to 80.00%.

On July 1 and December 9, 2025, the Group's ownership interest increased from 53.22% to 84.16% as a result of not subscribing to such company's cash capital increase in proportion to its shareholding, and subsequently acquiring equity interests in Jin-Zuan Semiconductor Investment on November 14, 2025.

As the above transaction did not result in a change in the consolidated entity's control over the subsidiaries, it was accounted for as an equity transaction.

	<u>Emergence A.I</u>	<u>Jin-Zuan Semiconductor Investment</u>	<u>Total</u>
Consideration paid	\$ -	(\$ 22,805)	(\$ 22,805)
The carrying amount of a subsidiary's net assets, calculated based on changes in relative equity, represents the amount to be transferred into (transferred out of) non-controlling interests.	(<u>1,315</u>)	<u>19,748</u>	<u>18,433</u>
Equity Transaction Difference	(<u>\$ 1,315</u>)	(<u>\$ 3,057</u>)	(<u>\$ 4,372</u>)
<u>Adjustment Account for Equity Transaction Difference</u>			

Capital surplus – Amount recognized for changes in ownership interests in subsidiaries	(\$ 1,315)	(\$ 864)	(\$ 2,179)
Unappropriated Earnings	<u>-</u>	<u>(2,193)</u>	<u>(2,193)</u>
	<u>(\$ 1,315)</u>	<u>(\$ 3,057)</u>	<u>(\$ 4,372)</u>

32. Financial instruments

(1) Fair value of financial instruments that are not measured at fair value

June 30, 2026

		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$420,776	\$562,500	\$ -	\$ -	\$562,500

Except as described in the table above, the management of the Group believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
<u>Embedded derivatives</u>				
Redemption option of convertible bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,080</u>	<u>\$ 1,080</u>
<u>Financial Assets at Fair Value</u>				
<u>Through Other</u>				
<u>Comprehensive Income</u>				
<u>Investments in equity</u>				
<u>instruments</u>				
Listed shares on domestic markets	\$ 214,514	\$ -	\$ -	\$ 214,514
Unlisted shares on domestic markets	-	-	83,343	83,343
Unlisted (OTC) foreign convertible preferred shares	<u>-</u>	<u>-</u>	<u>51,992</u>	<u>51,992</u>
	<u>\$ 214,514</u>	<u>\$ -</u>	<u>\$ 135,335</u>	<u>\$ 349,849</u>
<u>Financial liabilities at fair</u>				
<u>value through other</u>				
<u>comprehensive income</u>				
<u>Embedded derivatives</u>				
Redemption option of convertible bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,620</u>	<u>\$ 1,620</u>

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Foreign convertible notes	\$ -	\$ -	\$ 31,379	\$ 31,379
<u>Financial Assets at Fair Value</u>				
<u>Through Other</u>				
<u>Comprehensive Income</u>				
<u>Investments in equity</u>				
<u>instruments</u>				
Listed shares on domestic markets	\$ 146,356	\$ -	\$ -	\$ 146,356
Unlisted shares on domestic markets	-	-	88,416	88,416
	<u>\$ 146,356</u>	<u>\$ -</u>	<u>\$ 88,416</u>	<u>\$ 234,772</u>

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Foreign convertible notes	\$ -	\$ -	\$ 36,822	\$ 36,822
<u>Financial Assets at Fair Value</u>				
<u>Through Other</u>				
<u>Comprehensive Income</u>				
<u>Investments in equity</u>				
<u>instruments</u>				
Listed shares on domestic markets	\$ 225,499	\$ -	\$ -	\$ 225,499
Unlisted shares on domestic markets	-	-	70,137	70,137
	<u>\$ 225,499</u>	<u>\$ -</u>	<u>\$ 70,137</u>	<u>\$ 295,636</u>

There were no transfers between Level 1 and Level 2 fair value measurements for the six-month periods ended June 30, 2026 and 2025.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2026

Financial assets	FVTPL		Financial Assets at Fair Value Through Other Comprehensive Income
	Embedded derivatives	Debt Instruments	Equity instruments
Beginning Retained Earnings	\$ -	\$ 31,379	\$ 88,416
Recognized in profit or loss (other gains and losses)	90	941	-
Recognized in other comprehensive income or loss	-	-	12,245
Reclassified	-	(32,320)	34,674
Issuance	990	-	-
Closing Balance	<u>\$ 1,080</u>	<u>\$ -</u>	<u>\$ 135,335</u>

Financial liabilities			
Beginning Retained Earnings	\$ -	\$ -	\$ -
Recognized in profit or loss (other gains and losses)	(945)	-	-
Issuance	2,565	-	-
Closing Balance	<u>\$ 1,620</u>	<u>\$ -</u>	<u>\$ -</u>

For the six months ended June 30, 2025

Financial assets	Debt instruments measured at fair value through profit or loss	Equity instruments at fair value through other comprehensive income
Beginning Retained Earnings	\$ -	\$ 47,677
Recognized in profit or loss (other gains and losses)	3,972	-
Recognized in other comprehensive income or loss	-	18,202
Reclassified	-	4,258
Purchase	32,850	-
Closing Balance	<u>\$ 36,822</u>	<u>\$ 70,137</u>

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The fair values of derivatives – specifically the redemption and put options embedded in convertible bonds – are estimated using option pricing models. The significant unobservable input used is share price volatility. An increase in share price volatility would increase the fair value of these derivatives. The share price volatility adopted as of June 30, 2026 was 44.01%.

The fair values of equity investments in domestic unlisted companies were primarily estimated using the market approach. The fair value per share was assessed based on the companies' financial information and observable market price information, with discounts for lack of marketability taken into consideration. The discounts for lack of marketability as of June 30, 2026, December 31, 2025 and June 30, 2025 were 16.58%–22.14%, 15.14%–21.10% and 14.10%–20.77%, respectively. The higher the liquidity discount, the lower the fair value of such investments.

Investments in equity instruments of foreign unlisted (OTC) companies are valued using a framework that combines the value of common shares with preferred liquidation rights and conversion rights. The common share value is

calculated using the income approach; preferred liquidation rights are evaluated using the KMV model; and conversion rights are assessed using the Black-Scholes option pricing model. The present value of expected future economic benefits from holding the investment is calculated using discounted cash flow methods. The discount for lack of marketability adopted as of June 30, 2026 was 28.38%. The higher the liquidity discount, the lower the fair value of such investments.

The fair value of foreign convertible notes was estimated using the least-squares Monte Carlo method. The fair value per share was assessed based on the contractual terms of the foreign convertible notes and observable market price information, with discounts for lack of marketability taken into consideration. The discounts for lack of marketability as of December 31, 2025 and June 30, 2025 were 18.97% and 22.46%, respectively. The higher the liquidity discount, the lower the fair value of such investments.

(3) Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
FVTPL	\$ 1,080	\$ 31,379	\$ 36,822
Measured at fair value through other comprehensive income	349,849	234,772	295,636
Measured at amortized cost (note 1)	431,968	511,566	519,153
<u>Financial liabilities</u>			
FVTPL	1,620	-	-
Measured at amortized cost (note 2)	1,058,449	1,066,920	1,021,406

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables (classified under other current assets), and refundable deposits, all of which are financial assets measured at amortized cost.

Note 2: The balances include financial liabilities measured at amortized cost, such as short-term borrowings, notes and accounts payable, other payables, long-term borrowings (including current portions), corporate bonds payable, and guarantee deposits received.

(4) Financial risk management objectives and policies

The Group engages in various financial instruments as part of its operating activities, including equity investments, accounts receivable, accounts payable, corporate bonds payable, and bank borrowings. However, due to the aforementioned financial instruments and operating activities, the Group is exposed to risks such as credit risks, liquidity risks, and market risks.

To avoid the possible adverse impacts from the aforementioned financial risks on the Group, the Group has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Group is supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are regularly and intermittently reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Group is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Group.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(1) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

For non-functional currency-denominated monetary assets and monetary liabilities on the balance sheet date in the consolidated financial statements

(including non-functional currency-denominated monetary items offset in the consolidated financial statements), please refer to Note 36.

Sensitivity Analysis

The Group is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Group when the New Taiwan Dollar (functional currency) strengthens or weakens by 1% against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only the outstanding monetary items in foreign currency. Also, the translation at the period-end is adjusted in accordance with the changes of exchange rates by 1%. The positive numbers in the following table represent the amount by which the net loss before tax would be reduced when the New Taiwan Dollar depreciates by 1% against the relevant foreign currencies, and the effect on the net loss before tax when the New Taiwan Dollar appreciates by 1% against the relevant foreign currencies. It will be a negative number of the same amount.

	USD impact	
	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Profit or loss	\$ 943	\$ 2,499

This was mainly due to the Group's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Fair value interest rate risk</u>			
Financial assets	\$ 36,797	\$ 36,086	\$ 26,036

Financial liabilities	515,571	95,234	62,784
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Risk of cash flow
changes due to interest
rate

Financial assets	206,005	238,255	232,063
Financial liabilities	449,391	835,385	803,088

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increased by 100 basis points, with all other variables held constant, the Group's net loss before tax for the six-month periods ended June 30, 2026 and 2025 would have increased by NT\$1,217 thousand and NT\$2,855 thousand, respectively, mainly due to the Group's net position in variable-rate deposits and borrowings.

(3) Other price risk

The Group was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Group does not actively trade these investments. Relevant personnel have been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

Sensitivity Analysis

If equity prices increased or decreased by 1%, pre-tax other comprehensive income for the six-month periods ended June 30, 2026 and 2025 would have decreased or increased by NT\$3,498 thousand and NT\$2,956 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date,

the Group's maximum exposure to credit risk resulting from the counterparty's default on its contractual obligations and the Group's provision of financial guarantee is the carrying amount of the financial assets on the consolidated balance sheets.

To mitigate the impact of credit risk, the Group considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc), based on which credit policies, payment terms, and trade terms were established by the accounting department. If necessary, a third-party risk assessment institution is engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEx) companies with normal transaction records, the default risks are quite low. The risk from new small customers is managed by only receiving advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is a limited impact of credit risk on the Group. Furthermore, the Group has established a provision policy, set an allowance account, and presented this in the statement to reflect the estimation of the potential loss resulting from the credit risk.

3) Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Group's failure to settle the financial liabilities in cash or other financial assets. The share capital and working capital of the Group is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Group. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group's unutilised short-term bank credit facilities amounted to NT\$229,139 thousand, NT\$40,244 thousand and NT\$0 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The analysis for the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods has been drawn up based on the undiscounted cash flows (including both the principal and estimated interests) of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clauses were included in the earliest time band regardless of the probability of the banks

choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

The undiscounted interest payment relating to borrowing with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

June 30, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 91,626	\$ 71,425	\$ 22,571	\$ 2,660	\$ -
Lease liabilities	1,414	2,828	11,272	34,036	86,336
Variable interest rate liabilities	1,776	19,586	177,663	272,574	-
Fixed rate instruments	-	-	-	454,511	-
	<u>\$ 94,816</u>	<u>\$ 93,839</u>	<u>\$ 211,506</u>	<u>\$ 763,781</u>	<u>\$ 86,336</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 15,514</u>	<u>\$ 34,036</u>	<u>\$ 25,393</u>	<u>\$ 25,393</u>	<u>\$ 25,393</u>	<u>\$ 10,157</u>

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 125,665	\$ 79,819	\$ 22,358	\$ 3,693	\$ -
Lease liabilities	6,113	2,470	8,767	26,501	94,997
Variable interest rate liabilities	12,285	65,531	67,202	753,881	-
	<u>\$ 144,063</u>	<u>\$ 147,820</u>	<u>\$ 98,327</u>	<u>\$ 784,075</u>	<u>\$ 94,997</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 17,350</u>	<u>\$ 26,501</u>	<u>\$ 26,388</u>	<u>\$ 26,388</u>	<u>\$ 26,388</u>	<u>\$ 15,833</u>

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Non-interest bearing					
liabilities	\$ 99,631	\$ 93,547	\$ 22,721	\$ 2,420	\$ -
Lease liabilities	1,063	2,126	12,718	18,806	53,826
Variable interest rate					
liabilities	<u>373,779</u>	<u>101,021</u>	<u>328,508</u>	<u>6,603</u>	<u>-</u>
	<u>\$ 474,473</u>	<u>\$ 196,694</u>	<u>\$ 363,947</u>	<u>\$ 27,829</u>	<u>\$ 53,826</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease						
liabilities	<u>\$ 15,907</u>	<u>\$ 18,806</u>	<u>\$ 15,831</u>	<u>\$ 15,831</u>	<u>\$ 15,831</u>	<u>\$ 6,333</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

33. Related-party transactions

Transactions, balances, revenues, and expenses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. In addition to those disclosed in other notes, details of transactions between the Group and other related parties were disclosed below:

(1) Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Fable Technology Co. Ltd. (Fable)	Related party in substance (ceased to be a related party from June 30, 2026)
TESCORE CO., LTD. (TESCORE) (formerly Silicon Test Tech Corp.) (Note)	Substantive related party (since October 29, 2025)

Note: Silicon Test Tech Corp. was renamed TESCORE CO., LTD. with the approval of the Ministry of Economic Affairs on June 15, 2026.

(2) Operating income

<u>Category/Name of related party</u>	<u>For the three months ended June 30, 2026</u>	<u>For the three months ended June 30, 2025</u>	<u>For the six months ended June 30, 2026</u>	<u>For the six months ended June 30, 2025</u>
Substantive related party	<u>\$ 223</u>	<u>\$ 101</u>	<u>\$ 553</u>	<u>\$ 134</u>

The consolidated entity's operating revenue from related parties is conducted under normal commercial terms and conditions, with payment terms consistent with those for general sales transactions.

(3) Purchase

<u>Category/Name of related party</u>	<u>For the three months ended June 30, 2026</u>	<u>For the three months ended June 30, 2025</u>	<u>For the six months ended June 30, 2026</u>	<u>For the six months ended June 30, 2025</u>
Substantive related party	<u>\$ -</u>	<u>\$ 1,479</u>	<u>\$ 415</u>	<u>\$ 1,779</u>

The consolidated entity's purchase prices from related parties are based on normal commercial terms and conditions, with payment terms consistent with those for general suppliers.

(4) Contract assets

<u>Account Item</u>	<u>Related Party Category</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Contract assets - current	Substantive related party	<u>\$ 286</u>	<u>\$ 13</u>

(5) Receivables from related parties

<u>Account Item</u>	<u>Related Party Category</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Accounts receivable – related parties	Substantive related party	<u>\$ 505</u>	<u>\$ 945</u>

Outstanding receivables from related parties are not secured by any guarantees.

(6) Contract Liabilities

<u>Account Item</u>	<u>Related Party Category</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Contract liabilities - current	Substantive related party	<u>\$ 941</u>	<u>\$ 983</u>

(7) Payables to related parties

<u>Account Item</u>	<u>Related Party Category</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Accounts payable – related parties	Substantive related party	<u>\$ 183</u>	<u>\$ 331</u>

Outstanding payables to related parties are unsecured.

(8) Prepayments (presented under other assets)

Category/Name of related party	December 31, 2025	June 30, 2025
Substantive related party	<u>\$ 545</u>	<u>\$ 778</u>

(9) Intangible assets acquired

Category/Name of related party	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Substantive related party	<u>\$ 1,000</u>	<u>\$ 1,000</u>

(10) Others

Account Item	Category/Name of related party	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
Operating expenses - service fees	Substantive related party	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40</u>
Operating expenses - system usage fees	Substantive related party	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ -</u>
Other income - service revenue	Substantive related party	<u>\$ 796</u>	<u>\$ -</u>	<u>\$ 796</u>	<u>\$ -</u>

(11) Compensation to key management of 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
Short-term employee benefits	\$ 7,737	\$ 7,911	\$ 15,873	\$ 14,131
Retirement benefits	151	198	1,253	344
Share-based payment	<u>1,288</u>	<u>-</u>	<u>4,108</u>	<u>-</u>
	<u>\$ 9,176</u>	<u>\$ 8,109</u>	<u>\$ 21,234</u>	<u>\$ 14,475</u>

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and markets.

34. Pledged assets

The following assets have been pledged as collateral for borrowings and as security deposits for utilities and government grants:

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at amortized cost – current	\$ 27,451	\$ 22,698	\$ 4,492
Financial assets at amortized cost – non-current	16,511	12,000	-
Financial Assets at Fair Value Through Other Comprehensive Income	214,500	125,750	189,875

Property, plants, and equipment	115,749	116,078	116,408
Investment properties	843,666	843,666	841,347
	<u>\$ 1,217,877</u>	<u>\$ 1,120,192</u>	<u>\$ 1,152,122</u>

35. Subsequent Events

On July 17 and August 12, 2026, the Company's Board of Directors resolved to reclassify overdue accounts receivable from its subsidiary, J.H.P, amounting to NT\$38,981 thousand and NT\$33,754 thousand as of June 30 and July 31, 2026, respectively, as loans to J.H.P.

36. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information is aggregated by foreign currencies other than the functional currencies of the Group. The exchange rates disclosed refer to the rates at which the foreign currencies were converted into functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

June 30, 2026

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 4,361	31.850 (USD: NTD)	\$ 138,898
USD	973	6.8109 (USD: CNY)	30,990
USD	259	33.0360 (USD: THB)	8,249
USD	50	26,652.720 (USD: VND)	1,593
<u>Non-monetary items</u>			
Investments in equity instruments at FVTOCI	1,632	31.850 (USD: NTD)	51,992
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	61	31.850 (USD: NTD)	1,943
USD	2,490	6.8109 (USD: CNY)	79,307
USD	130	33.0360 (USD: THB)	4,141

December 31, 2025

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 5,775	31.430 (USD: NTD)	\$ 181,508
USD	2,396	7.0288 (USD: CNY)	75,306
USD	138	31.3704 (USD: THB)	4,337
USD	50	26,748.9362 (USD: VND)	1,572
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	82	31.430 (USD: NTD)	2,577
USD	2,925	7.0288 (USD: CNY)	91,933
USD	103	31.3704 (USD: THB)	3,237

June 30, 2025

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 7,030	29.300 (USD: NTD)	\$ 205,979
USD	4,242	7.1586 (USD: CNY)	124,291
USD	115	32.3079 (USD: THB)	3,370
USD	50	26,515.8371 (USD: VND)	1,465
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	33	29.300 (USD: NTD)	967
USD	2,662	7.1586 (USD: CNY)	77,997
USD	214	32.3079 (USD: THB)	6,270

The Group was mainly subject to the foreign exchange risk of USD. The following information is summarized based on the entity holding foreign currencies and expressed in functional currency. The exchange rates disclosed are used to translate the functional currencies into the expressing currency. Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

Functional currency	For the three months ended June 30, 2026		For the three months ended June 30, 2025	
	Functional currency to currency presented	Net exchange gains (losses)	Functional currency to currency presented	Net exchange gains (losses)
THB	0.98 (THB: NTD)	(\$ 134)	0.94 (THB: NTD)	\$ 274
NTD	1 (NTD: NTD)	811	1 (NTD: NTD)	25,818
CNY	4.62 (CNY: NTD)	(9,128)	4.29 (CNY: NTD)	617
		(\$ 8,451)		\$ 26,709

Functional currency	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
	Functional currency to currency presented	Net exchange gains (losses)	Functional currency to currency presented	Net exchange gains (losses)
THB	0.99 (THB: NTD)	(\$ 349)	0.95 (THB: NTD)	\$ 349
NTD	1 (NTD: NTD)	(4,431)	1 (NTD: NTD)	23,535
CNY	4.58 (CNY: NTD)	(17,665)	4.43 (CNY: NTD)	2,776
		(\$ 22,445)		\$ 26,660

37. Other Disclosures

(1) Information on significant transactions:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Significant marketable securities held at the end of the period (excluding investments in subsidiaries and associates).
(Table 3)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)

- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
 - 6) Other: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 6)
 - (2) Information on investee companies (Table 7)
 - (3) Information on investment in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
38. Segment information
- (1) Segment revenue and results
- The revenue and operating results of the consolidated entity are analyzed by reportable segments as follows:

	Segment Revenue		Segment losses	
	For the six months ended June 30, 2026	For the six months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Connection cables	\$ 251,624	\$ 370,171	(\$ 27,262)	(\$ 24,214)
Others	<u>16,044</u>	<u>54,262</u>	(<u>60,335</u>)	(<u>46,107</u>)
Segment net worth	<u>\$ 267,668</u>	<u>\$ 424,433</u>	(87,597)	(70,321)
Administrative expenses			(97,698)	(98,553)
Reversal of Impairment loss of expected credit loss			1,472	4,213
Interest income			1,427	3,194
Other income			13,931	12,313
Other gains and losses			(30,964)	65,286
Finance costs			(<u>11,219</u>)	(<u>10,059</u>)
Loss before tax			(<u>\$ 210,648</u>)	(<u>\$ 93,927</u>)

The above reporting revenue were generated through transactions with external customers. There were no inter-segment sales for the six-month periods ended June 30, 2026 and 2025.

Segment profit refers to the profit earned by each segment and excludes allocated administrative expenses, reversal of expected credit losses, interest income, other income, other gains and losses, finance costs and income tax benefit. This is the measure reported to the Group's chief operating decision maker to allocate resources to each segment and evaluate its performance.

(2) Segment assets

As the measurement amounts of total assets and liabilities are not provided to the operating decision-makers, the measurement amounts of total assets and liabilities are not disclosed.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Loans to other parties
For the six months ended June 30, 2026

Table 1Unit: Unless otherwise stated, in NT\$ thousands.

No. (Note 1)	Lending company	Borrower	Items of transactions	Whether a related party	Maximum balance during the period (Note 1)	Closing Balance (Note 1)	Actual amount drawn	Interest Rate Range	Nature of the loan (Note 2)	Transaction amount	Reasons for the necessity of short-term financing	Amount of allowance for bad debts	Collateral		Limit on loans to a single counterparty (Note 3)	Aggregate limit on loans (Note 3)
													Name	Value		
0	Ji-Haw Industrial	Jin-Zuan Semiconductor Investment	Other receivables	Yes	\$ 80,000	\$ 80,000	\$ -	3.244%	2	\$ -	Repayment of borrowings	\$ -	-	-	\$ 268,750	\$ 537,500
1	Heph A.I Studio Technology	Emergence A.I	Other receivables	Yes	3,000	-	-	3.244%	2	-	Working capital turnover	-	-	-	9,964	9,964

Note 1: Represents the lending limit approved by each company’s board of directors.

Note 2: The nature of the loans is explained as follows:

1.

Fill in 1 for those with business transactions.

2.

Fill in 2 for those with a need for short-term financing.

Note 3: In accordance with each company’s “Procedures for Lending Funds to Others,” the limits on loans to individual counterparties and the aggregate loan limits are as follows:

1.

Ji-Haw Industrial: The limit for loans to a single counterparty shall not exceed 20% of Ji-Haw Industrial’s net worth; the aggregate limit shall not exceed 40% of Ji-Haw Industrial’s net worth.

2.

Heph A.I Studio Technology: The limit for loans to a single counterparty and the aggregate limit shall not exceed 40% of Heph A.I Studio Technology’s net worth.

Note 4: All transactions presented in the above table have been fully eliminated in the preparation of the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Endorsements/guarantees for others
For the six months ended June 30, 2026

Table 2

Unit: Unless otherwise stated, in NT\$ thousands.

No.	Name of Endorser/Guarantor	The Endorsed/Guaranteed		Endorsement/Guarantee Limit per Company	Highest Balance of Endorsements/Guarantees in the Current Year	Closing Balance of Endorsements/Guarantees	Actual amount drawn	Amount of Endorsements/Guarantees Secured by Property	Cumulative amount of endorsements/Guarantees as a percentage of net worth stated in the latest financial statements (%)	Endorsement/Guarantee Limit	Parent Company's Guarantees/Endorsements to Subsidiaries	Subsidiaries' Guarantees/Endorsements to Parent Company	Guarantees/Endorsements to the Mainland Area	Remarks
		Investee	Relationship											
0	Ji-Haw Industrial	Jin-Zuan Semiconductor Investment	Businesses in which the Company holds more than 50% direct or indirect voting interest.	\$ 268,750 (The guarantee limit for any single entity is capped at 20% of the net equity attributable to shareholders as presented in Ji-Haw's most recent financial statements.)	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	3.72	\$ 537,500 (The maximum amount of endorsements and guarantees shall be limited to 40% of the Company's net share value as shown in the most recent financial statements)	Y	N	N	
1	SHAN YI Investment	Jin-Zuan Semiconductor Investment	Companies that directly and indirectly hold more than 50% of the voting shares of the Company	146,441 (The guarantee limit for any single entity is capped at 100% of the net equity attributable to shareholders as presented in SHAN YI Investment Co.'s most recent financial statements.)	50,000	50,000	50,000	50,000	34.14	292,882 (The maximum guarantee limit is capped at 200% of the net equity attributable to shareholders as presented in SHAN YI Investment Co.'s most recent financial statements.)	N	N	N	
2	J.H.K.	J.B.T	Business in which the Company holds more than 90% direct or indirect voting rights.	73,425 (The maximum on guarantees for a single enterprise is capped at 100% of the net equity of J.H.K. based on its most recent financial statements.)	18,705	18,705	15,426	18,705	25.48	146,851 (The maximum guarantees limit is capped at 200% of the net equity of J.H.K. based on its most recent financial statements.)	N	N	N	

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Marketable Securities Held
June 30, 2026

Table 3

Unit: Unless otherwise stated, in NT\$ thousands.

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				Shares/Units	Carrying Amount	Shareholding ratio	Fair value	
Ji-Haw Industrial	<u>shares</u> SKYMIZER TAIWAN INC.	—	Non-current financial assets at fair value through other comprehensive income	82,500	\$ 18,697	1.74%	\$ 18,697	Note 2
	CERMAX CO., LTD.	—	Non-current financial assets at fair value through other comprehensive income	1,250,000	25,268	8.09%	25,268	Note 2
	TESCORE CO., LTD. (formerly Silicon Test Tech Corp.)	Substantive related party	Non-current financial assets at fair value through other comprehensive income	116,000	9,686	1.28%	9,686	Note 2 and Note 4
	Ennovision INC.	—	Non-current financial assets at fair value through other comprehensive income	2,088,000	29,692	18.16%	29,692	Note 2
	<u>Convertible preferred shares</u> OXMIQ Labs Inc.	—	Non-current financial assets at fair value through other comprehensive income	351,639	51,992	1.14%	51,992	Note 2
SHAN YI Investment	<u>shares</u> TEKCORE CO., LTD.	Substantive related party	Non-current financial assets at fair value through other comprehensive income	5,000,318	214,514	7.9%	214,514	Note 3

Note 1: Marketable securities stated in this table refer to stocks within the scope of IFRS 9 “Financial Instruments”.

Note 2: Not provided as collateral, pledged, or restricted in other ways.

Note 3: A portion of the said securities has been provided to the subsidiary (Jin-Zuan Semiconductor Investment Co., Ltd.) as collateral for borrowings. For details on endorsements and guarantees, please refer to Table 1.

Note 4: Silicon Test Tech Corp. was renamed TESCORE CO., LTD. with the approval of the Ministry of Economic Affairs on June 15, 2026.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

For the six months ended June 30, 2026

Table 4

Unit: Unless otherwise stated, in NT\$ thousands.

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/Payment terms	Unit Price	Collection/Payment terms	Balance	Percentage to Total Notes/Accounts Receivable (Payable) (%)	
Ji-Haw Industrial	J.H.P	Subsidiaries	Purchase	\$ 118,775	73	Note 1	—	Note 1	(\$ 439,947)	93	—
J.H.P	Ji-Haw Industrial	Parent	Sales	(118,775)	55	Note 1	—	Note 1	439,947	85	—

Note 1: 360 days for monthly settlement.

Note 2: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
 Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
 June 30, 2026

Table 5

Unit: Unless otherwise stated, in NT\$ thousands.

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
JHP	Ji-Haw Industrial	Parent	\$ 439,947	0.55	\$ 131,625	Subsequent to the reporting period, the Board of Directors resolved on July 17 and August 12 to reclassify a total of NT\$72,735 thousand as loans.	\$ -	\$ -

Note 1: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

The business relationship between the parent and the subsidiaries and significant transactions between them

For the six months ended June 30, 2026

Table 6

Unit: Unless otherwise stated, in NT\$ thousands.

No. (Note 1)	Investee Company	Counterparty	Relationship With the Transacting Party (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	As a Percentage (%) of Consolidated Revenue or Total Assets (Note 3)
0	Ji-Haw Industrial	J.H.P	1	Purchase	\$ 118,775	By contract terms	44
		J.H.P	1	Accounts payable	439,947	360 days from the end of month	17

- Note 1: “0” stands for the parent company. Subsidiaries are numbered from “1”.
- Note 2: “1” means from the parent company to a subsidiary.
- Note 3: Regarding calculation of the percentage of transaction amount to the total consolidated revenue or assets, for assets and liabilities, amounts are calculated as a percentage to consolidated total assets, while revenues, costs, and expenses are calculated as a percentage to consolidated total operating revenues.
- Note 4: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investees

For the six months ended June 30, 2026

Table 7

Unit: Unless otherwise stated, in NT\$ thousands.

Investor	Investee	Location	Main business or production items	Initial investment amount		Balance as of June 30, 2026			Net profit (loss) of the investee for the current period	Investment income (loss) recognized by the Company for the current period (Note 1)	Remarks
				June 30, 2026	December 31, 2025	No. of shares	Percentage of ownership (%)	Carrying Amount			
Ji-Haw Industrial	JBT	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungskula, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	\$ 222,709	\$ 222,709	20,200,000	100.00	\$ 498,461	(\$ 45,907)	(\$ 45,907)	Subsidiaries
	J.H.I	Sertus Chambers, P.O. Box 603, Apia, Samoa.	Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,692	11	11	Subsidiaries
	J.H.V	3rd Floor, No. 87 89 Khuat Duy Tien Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi	Manufacturing and trading of computer cables or plugs	3,159	3,159	-	100.00	2,108	(152)	(152)	Subsidiaries
	CHINTEK	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Development and sales of automotive electronics and other software products	178,000	178,000	9,600,000	100.00	57,380	(5,308)	(7,422)	Subsidiaries
	Emergence A.I	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Management consulting and technology R&D services	9,800	20,000	980,000	89.09	2,556	(8,067)	(6,726)	Subsidiaries
	Heph A.I Studio Technology	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Software R&D and management consulting services	95,000	60,000	9,500,000	100.00	21,913	(32,366)	(32,366)	Subsidiaries
	Jin-Zuan Semiconductor Investment	7F., No. 192, Sec. 2, Zhongxing Rd., Xindian Dist., New Taipei City, Taiwan	General investment	122,632	122,632	10,320,000	84.16	183,572	(4,819)	(4,055)	Subsidiaries
CHINTEK	C.P.T	5-402, 12, Higashi-Shinagawa 1-chome, Shinagawa-ku, Tokyo	Integrated sales of software and equipment	1,524	1,524	72	75.00	1,212	(73)	(55)	Subsidiaries
Jin-Zuan Semiconductor Investment	SHAN YI Investment	7F., No. 192, Sec. 2, Zhongxing Rd., Xindian Dist., New Taipei City, Taiwan	General investment	163,500	163,500	17,750,000	100.00	264,761	(4,040)	(4,040)	Subsidiaries

Note 1: Except for the financial statements of J.B.T. and Heph A.I, which have been reviewed by external auditors, the financial statements of other non-material subsidiaries have not been reviewed by external auditors.

Note 2: For information on investee companies in Mainland China, please refer to Table 8.

Note 3: Investment income, investment accounting for using equity method, and the net asset value of the investee showed on the table above have been eliminated from consolidation.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Information on investment in mainland China
For the six months ended June 30, 2026

Table 8

Unit: Unless otherwise stated, in NT\$ thousands.

Investee	Main business or production items	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of the end of the current period	Net profit (loss) of the investee for the current period (Note 1)	Percentage of Ownership of Direct or Indirect Investment	Investment net profit (Loss) (Note 1)	Carrying Amount as of the end of the period (Note 1)	Accumulated Repatriation of Investment Income as of the end of period	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	\$ 3,234 (US\$ 100,000)	Direct investment with 100% ownership	\$ 3,185 (US\$ 100,000)	\$ -	\$ -	\$ 3,185 (US\$ 100,000)	(\$ 6,084)	100%	(\$ 6,084)	\$ 70,581	\$ 277,250	—
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	414,018 (US\$12,600,000)	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	305,760 (US\$9,600,000)	-	-	305,760 (US\$9,600,000)	(30,982)	100%	(30,052)	625,569	-	Note 3
Chuzhou Ding Wang	Investment development	279,316 (CNY60,180,000)	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	-	39%	-	1,805	-	—

Accumulated Outward Remittance for Investment in Mainland China at the end of the period	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 308,945 (US\$9,700,000)	\$ 404,495 (US\$12,700,000)	\$ 818,395 (Note 4)

- Note 1: Calculations are based on the unreviewed financial statements of the investees, except for J.H.P and J,H.K that have been reviewed by a certified public accountant.
- Note 2: Except for the investee’s profit or loss for the period and the investment gain or loss recognized for the period, which were translated at the average exchange rate of 31.614 for the six-month period ended June 30, 2026, all other amounts were translated at the spot exchange rate of 31.85 at the end of June 2026.
- Note 3: Of the investment loss of NT\$30,052 thousand recognized for the period, the Company recognized NT\$11,612 thousand based on its 40.48% ownership interest, including unrealised amounts from upstream transactions. The remaining investment loss of NT\$18,440 thousand was recognized through J.B.T, a wholly owned subsidiary, based on its 59.52% ownership interest.
- Note 4: Calculated pursuant to Article 3 of “Principle of investment or Technical Cooperation in Mainland China”, MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.
- Note 5: The above table shows the investment profit and loss of the reinvestments, the investment of the investing company using the equity method and the net equity value of the invested companies. Except for Chuzhou Ding Wang, has been written off when the consolidated financial statements are prepared.