U.D. Electronic Corp. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
U.D. Electronic Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of U.D. Electronic Corp. and its subsidiaries (collectively, the "Group") as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Meng-Kuei Yu and Chiang-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 5, 2026

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

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

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 1,794,538	20	$ 1,356,264	18	$ 1,700,473	28
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 7 and 21)	586	-	3,864	-	11,675	-
Financial assets at amortized cost - current (Notes 9, 10 and 34)	194,206	2	56,755	1	6,755	-
Notes receivable (Notes 11 and 24)	159,972	2	95,401	1	6,736	-
Trade receivables (Notes 11 and 24)	2,259,636	25	2,154,873	28	1,651,193	27
Other receivables (Note 11)	61,966	1	70,356	1	46,500	1
Current tax assets	565	-	4,529	-	816	-
Inventories (Note 12)	1,139,227	13	887,148	11	579,705	10
Other current assets (Note 19)	185,635	2	153,446	2	153,119	3
Total current assets	5,796,331	65	4,782,636	62	4,156,972	69
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	108,175	1	98,342	1	75,509	1
Investments accounted for using the equity method (Note 14)	-	-	-	-	3,134	-
Property, plant and equipment (Notes 15 and 34)	1,706,398	19	1,726,995	23	1,350,323	22
Right-of-use assets (Notes 16 and 34)	173,821	2	172,371	2	145,860	3
Investment properties	4,756	-	4,718	-	-	-
Other intangible assets (Note 18)	27,429	-	27,561	-	21,141	-
Goodwill (Note 17)	693,556	8	663,458	9	6,103	-
Deferred tax assets	35,337	1	60,372	1	114,761	2
Other non-current assets (Note 19)	333,518	4	136,213	2	164,695	3
Total non-current assets	3,082,990	35	2,890,030	38	1,881,526	31
TOTAL	$ 8,879,321	100	$ 7,672,666	100	$ 6,038,498	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	$ 881,612	10	$ 567,368	8	$ 254,442	4
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	13,397	-	8,061	-	4,346	-
Contract liabilities - current (Note 24)	36,372	1	12,586	-	6,220	-
Trade payables	913,688	10	720,937	10	390,775	7
Other payables (Note 22)	1,589,954	18	1,038,462	14	990,183	16
Current tax liabilities	110,740	1	168,695	2	115,433	2
Lease liabilities - current (Note 16)	-	-	-	-	1,879	-
Current portion of long-term borrowings and bonds payable (Notes 20 and 21)	52,584	1	10,764	-	115,187	2
Other current liabilities	27,956	-	28,609	-	35,477	1
Total current liabilities	3,626,303	41	2,555,482	34	1,913,942	32
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 20 and 33)	-	-	50,000	1	3,355	-
Deferred tax liabilities	11,047	-	8,140	-	1,247	-
Lease liabilities - non-current (Note 16)	-	-	-	-	9,800	-
Guarantee deposits received	6,584	-	6,998	-	3,284	-
Other non-current liabilities (Notes 22 and 30)	128,915	1	111,495	1	-	-
Total non-current liabilities	146,546	1	176,633	2	17,686	-
Total liabilities	3,772,849	42	2,732,115	36	1,931,628	32
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Share capital						
Ordinary shares	893,910	10	874,116	12	852,257	14
Capital collected in advance	1,178	-	17,311	-	11,708	-
Total share capital	895,088	10	891,427	12	863,965	14
Capital surplus	1,538,941	17	1,502,759	19	1,365,815	22
Retained earnings						
Legal reserve	538,640	6	473,425	6	473,425	8
Special reserve	125,130	2	64,568	1	64,568	1
Unappropriated earnings	1,882,409	21	1,999,067	26	1,676,173	28
Total retained earnings	2,546,179	29	2,537,060	33	2,214,166	37
Other equity	(3,874)	-	(125,130)	(2)	(373,612)	(6)
Total equity attributable to owners of the Company	4,976,334	56	4,806,116	62	4,070,334	67
NON-CONTROLLING INTERESTS (Note 23)	130,138	2	134,435	2	36,536	1
Total equity	5,106,472	58	4,940,551	64	4,106,870	68
TOTAL	$ 8,879,321	100	$ 7,672,666	100	$ 6,038,498	100

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Note 24)	$ 2,221,024	100	$ 1,544,442	100	$ 4,144,932	100	$ 3,032,097	100
OPERATING COSTS								
Cost of goods sold (Notes 12 and 25)	(1,576,422)	(71)	(1,095,600)	(71)	(2,918,265)	(70)	(2,143,450)	(71)
GROSS PROFIT	644,602	29	448,842	29	1,226,667	30	888,647	29
OPERATING EXPENSES (Note 25)								
Selling and marketing expenses	(116,857)	(5)	(57,512)	(4)	(219,674)	(5)	(119,835)	(4)
General and administrative expenses	(163,331)	(7)	(114,375)	(7)	(315,060)	(8)	(221,425)	(7)
Research and development expenses	(99,704)	(5)	(66,600)	(4)	(201,209)	(5)	(133,911)	(4)
Expected credit gain (Note 11)	25,132	1	839	-	25,316	1	1,380	-
Total operating expenses	(354,760)	(16)	(237,648)	(15)	(710,627)	(17)	(473,791)	(15)
PROFIT FROM OPERATIONS	289,842	13	211,194	14	516,040	13	414,856	14
NON-OPERATING INCOME AND EXPENSES (Note 25)								
Interest income	10,845	1	6,592	-	11,937	-	12,073	-
Other income	25,640	1	21,468	1	52,700	1	35,270	1
Other gains and losses	(18,275)	(1)	(21,433)	(1)	(34,991)	(1)	(2,986)	-
Finance costs (Note 21)	(11,784)	(1)	(2,090)	-	(16,281)	-	(4,183)	-
Share of profit or loss of associates accounted for using the equity method (Note 14)	-	-	(317)	-	-	-	(384)	-
Total non-operating income and expenses	6,426	-	4,220	-	13,365	-	39,790	1
PROFIT BEFORE INCOME TAX	296,268	13	215,414	14	529,405	13	454,646	15
INCOME TAX EXPENSE (Notes 4 and 26)	(68,120)	(3)	(67,873)	(4)	(115,937)	(3)	(119,625)	(4)
NET PROFIT FOR THE PERIOD	228,148	10	147,541	10	413,468	10	335,021	11
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at FVTOCI	12,501	1	(2,463)	-	9,833	-	(11,936)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(2,500)	-	492	-	(1,967)	-	2,387	-
	10,001	1	(1,971)	-	7,866	-	(9,549)	-

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U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	$ 25,184	1	$ (421,071)	(27)	$ 142,386	4	$ (371,992)	(12)
Income tax related to items that may be reclassified subsequently to profit or loss	(4,945)	-	84,120	5	(27,933)	(1)	74,314	2
	20,239	1	(336,951)	(22)	114,453	3	(297,678)	(10)
Other comprehensive income (loss) for the period, net of income tax	30,240	2	(338,922)	(22)	122,319	3	(307,227)	(10)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 258,388	12	$ (191,381)	(12)	$ 535,787	13	$ 27,794	1
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	$ 217,118	10	$ 140,945	9	$ 399,351	10	$ 329,262	11
Non-controlling interests	11,030	-	6,596	1	14,117	-	5,759	-
	$ 228,148	10	$ 147,541	10	$ 413,468	10	$ 335,021	11
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	$ 247,346	11	$ (200,107)	(13)	$ 520,607	13	$ 20,218	1
Non-controlling interests	11,042	1	8,726	1	15,180	-	7,576	-
	$ 258,388	12	$ (191,381)	(12)	$ 535,787	13	$ 27,794	1
EARNINGS PER SHARE (Note 27)								
From continuing operations								
Basic	$ 2.43		$ 1.65		$ 4.47		$ 3.87	
Diluted	$ 2.39		$ 1.58		$ 4.39		$ 3.69	

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
							Other Equity				
	Share Capital			Retained Earnings							
	Ordinary Share	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2025	$ 802,847	$ 32,856	$ 1,240,807	$ 422,304	$ 203,915	$ 1,511,686	$ (75,014)	$ 10,446	$ 4,149,847	$ 28,960	$ 4,178,807
Appropriation of 2024 earnings (Note 23)											
Legal reserve	-	-	-	51,121	-	(51,121)	-	-	-	-	-
Special reserve	-	-	-	-	(139,347)	139,347	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(253,001)	-	-	(253,001)	-	(253,001)
Convertible bonds converted to ordinary shares (Note 21)	43,610	(24,238)	98,517	-	-	-	-	-	117,889	-	117,889
Compensation cost of employee share options (Note 28)	-	-	1,955	-	-	-	-	-	1,955	-	1,955
Issuance of ordinary shares under employee share options (Note 23)	5,800	3,090	24,536	-	-	-	-	-	33,426	-	33,426
Net profit for the six months ended June 30, 2025	-	-	-	-	-	329,262	-	-	329,262	5,759	335,021
Other comprehensive (loss) income for the six months ended June 30, 2025, net of income tax (Note 23)	-	-	-	-	-	-	(299,495)	(9,549)	(309,044)	1,817	(307,227)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	329,262	(299,495)	(9,549)	20,218	7,576	27,794
BALANCE AT JUNE 30, 2025	$ 852,257	$ 11,708	$ 1,365,815	$ 473,425	$ 64,568	$ 1,676,173	$ (374,509)	$ 897	$ 4,070,334	$ 36,536	$ 4,106,870
BALANCE AT JANUARY 1, 2026	$ 874,116	$ 17,311	$ 1,502,759	$ 473,425	$ 64,568	$ 1,999,067	$ (144,294)	$ 19,164	$ 4,806,116	$ 134,435	$ 4,940,551
Appropriation of 2025 earnings (Note 23)											
Legal reserve	-	-	-	65,216	-	(65,216)	-	-	-	-	-
Special reserve	-	-	-	-	60,562	(60,562)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(326,564)	-	-	(326,564)	-	(326,564)
Convertible bonds converted to ordinary shares (Note 21)	10,194	(8,833)	6,845	-	-	-	-	-	8,206	-	8,206
Compensation cost of employee share options (Note 28)	-	-	23,022	-	-	-	-	-	23,022	-	23,022
Issuance of ordinary shares under employee share options (Note 23)	9,600	(7,300)	6,072	-	-	-	-	-	8,372	-	8,372
Partial acquisition of subsidiaries (Notes 13 and 30)	-	-	243	-	-	(63,668)	-	-	(63,425)	(50,808)	(114,233)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	31,331	31,331
Net profit for the six months ended June 30, 2026	-	-	-	-	-	399,351	-	-	399,351	14,117	413,468
Other comprehensive income for the six months ended June 30, 2026, net of income tax (Note 23)	-	-	-	-	-	-	113,390	7,866	121,256	1,063	122,319
Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	399,351	113,390	7,866	520,607	15,180	535,787
BALANCE AT JUNE 30, 2026	$ 893,910	$ 1,178	$ 1,538,941	$ 538,641	$ 125,130	$ 1,882,408	$ (30,904)	$ 27,030	$ 4,976,334	$ 130,138	$ 5,106,472

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 529,405	$ 454,646
Adjustments for:		
Depreciation expenses	174,851	128,023
Amortization expenses	4,865	3,857
Expected credit gain	(25,316)	(1,380)
Net loss (gain) on fair value changes of financial assets and liabilities at FVTPL	4,578	(31,587)
Finance costs	16,281	4,183
Interest income	(11,937)	(12,073)
Dividend income	(11,798)	(7,339)
Compensation cost of employee share options	23,022	1,955
Share of loss of associates	-	384
Loss (gain) on disposal of property, plant and equipment	792	(4,641)
Gain on disposal of subsidiary	-	(546)
Gain on disposal of associates	(385)	-
Net (gain) loss on foreign currency exchange	(13,803)	127,425
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	14,578	24,805
Notes receivable	(64,571)	6,560
Trade receivables	(65,340)	(15,773)
Other receivables	10,717	10,212
Inventories	(252,079)	93,814
Other current assets	(32,189)	(15,046)
Financial liabilities held for trade	(10,561)	(960)
Contract liabilities	23,786	(6,493)
Trade payables	192,864	(31,436)
Other payables	30,507	34,624
Other current liabilities	(653)	3,718
Other non-current liabilities	811	-
Cash generated from operations	538,425	766,932
Interest received	9,666	10,803
Interest paid	(16,336)	(1,890)
Income tax paid	(42,600)	(94,569)
Net cash generated from operating activities	489,155	681,276
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(137,451)	(6,155)
Proceeds from sale of financial assets at amortized cost	-	6,145
Net cash inflow from disposal of associates	185	-
Payments for property, plant and equipment	(34,645)	(220,038)

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U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2026	**2025**
Proceeds from disposal of property, plant and equipment	$ 15,050	$ 7,150
Increase in refundable deposits	(175)	(198)
Payments for intangible assets	(4,606)	(1,260)
Increase in prepayments for equipment	(225,440)	(134,162)
Other dividends received	11,798	7,339
Net cash used in investing activities	(375,284)	(341,179)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,092,689	259,933
Repayments of short-term borrowings	(2,779,867)	(60,000)
Repayment of long-term borrowings	-	(266)
Proceeds from guarantee deposits received	-	2,709
Refund of guarantee deposits received	(441)	-
Repayment of the principal portion of lease liabilities	-	(997)
Proceeds from the exercise of employee share options	8,372	33,426
Acquisition of additional interests in subsidiaries	(102,938)	-
Increase in non-controlling interests	31,331	-
Net cash generated from financing activities	249,146	234,805
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	75,257	(262,731)
NET INCREASE IN CASH AND CASH EQUIVALENTS	438,274	312,171
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,356,264	1,388,302
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,794,538	$ 1,700,473

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

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

1. GENERAL INFORMATION

U.D. Electronic Corp. (the "Company") was incorporated in the Republic of China (ROC) on March 18, 2005. The Company and its subsidiaries are collectively referred to as the "Group". The Company is a trading enterprise and mainly engages in selling electronic connectors for telecommunications, data communications and computers.

The Company's shares have been listed on the Taipei Exchange since October 2012. The shares are widely distributed; therefore, there is no ultimate parent company or ownership interest. The consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on August 5, 2026.

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

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

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

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by 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 to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

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

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

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

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

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

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

The Group has decided not to apply IFRS 18 and consequential amendments earlier.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IASB (Note)**
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 IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income or loss of subsidiaries is attributed to the owners of the Company and non-controlling interests, even when the non-controlling interests result in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group 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.

See Note 13, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

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

Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 2,625	$ 3,112	$ 2,937
Demand deposits	1,107,125	534,571	380,713
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	684,788	818,581	1,316,823
	$ 1,794,538	$ 1,356,264	$ 1,700,473

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Options of convertible bonds	$ 1	$ 24	$ 631
Foreign exchange forward contracts	585	3,840	11,044
	$ 586	$ 3,864	$ 11,675
Financial liabilities at FVTPL - current			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 13,397	$ 8,061	$ 4,346

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Period	Notional Amount (In Thousands)
<u>June 30, 2026</u>			
Sell	USD/NTD	2026.7.7-2026.9.14	USD4,900/NTD153,804
Sell	RMB/NTD	2026.7.2-2026.11.4	RMB7,950/NTD36,695
Sell	USD/RMB	2026.7.22-2026.9.22	USD10,500/RMB71,199
Sell	USD/RMB	2026.8.21-2026.10.21	USD8,000/RMB54,001
Sell	USD/RMB	2026.7.22-2026.9.22	USD10,000/RMB67,571
Sell	USD/RMB	2026.8.21-2026.10.21	USD9,000/RMB60,717
Sell	USD/RMB	2026.7.6-2026.9.23	USD3,000/RMB20,244
<u>December 31, 2025</u>			
Sell	USD/NTD	2026.1.9-2026.2.13	USD3,690/NTD113,089
Sell	USD/NTD	2026.2.13-2026.3.9	USD2,310/NTD72,398
Sell	RMB/NTD	2026.1.5-2026.5.6	RMB22,450/NTD97,752
Sell	USD/RMB	2026.3.23	USD5,000/RMB35,116
Sell	USD/RMB	2026.4.22	USD1,000/RMB6,951
Sell	USD/RMB	2026.1.21-2026.2.23	USD8,000/RMB56,585
Sell	USD/RMB	2026.2.23-2026.4.22	USD8,000/RMB56,127
Sell	USD/RMB	2026.1.21-2026.3.23	USD9,000/RMB63,408
<u>June 30, 2025</u>			
Sell	USD/NTD	2025.7.7-2025.8.7	USD3,000/NTD88,342
Sell	RMB/NTD	2025.7.3-2025.11.4	RMB18,950/NTD81,212
Sell	USD/RMB	2025.11.21	USD4,000/RMB28,383
Sell	USD/RMB	2025.7.23-2025.11.21	USD10,000/RMB71,652
Sell	USD/RMB	2025.9.23	USD7,000/RMB50,606
Sell	USD/RMB	2025.7.23-2025.10.22	USD14,000/RMB100,199
Sell	USD/RMB	2025.8.20-2025.10.22	USD9,000/RMB64,773

The Group entered into forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current			
Domestic investment			
Unlisted shares			
Emerging Creation Capital Inc.	$ 19,855	$ 19,794	$ 19,757
Dy-Precision Industrial Co., Ltd.	13,050	10,383	3,382
Yongda Investment Co., Ltd.	75,270	68,165	52,370
	$ 108,175	$ 98,342	$ 75,509

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at 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 received and recognized the dividends $11,798 thousand and $7,339 thousand for the six months ended June 30, 2026 and 2025, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Domestic investments			
Time deposits with original maturities of more than 3 months	$ 187,790	$ 50,000	$ -
Restricted assets			
Time deposits with original maturities of more than 3 months	6,416	6,755	6,755
	$ 194,206	$ 56,755	$ 6,755

a. Restricted assets are the collateral for import tariffs. Refer to Note 34.

b. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at amortized cost were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Gross carrying amount	$ 194,206	$ 56,755	$ 6,755
Less: Allowance for impairment loss	-	-	-
	$ 194,206	$ 56,755	$ 6,755

The Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Group considers the historical default situation of debtors, the current financial condition of debtors, and the future prospects of the industries. As of June 30, 2026, December 31, 2025 and June 30, 2025 the expected credit loss for debt instrument investments held by the Group was 0%.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable			
At amortized cost			
Gross carrying amount - operating	$ 159,972	$ 95,401	$ 6,736
Less: Allowance for impairment loss	-	-	-
	$ 159,972	$ 95,401	$ 6,736
Trade receivables			
At amortized cost			
Gross carrying amount	$ 2,268,089	$ 2,187,928	$ 1,659,621
Less: Allowance for impairment loss	(8,453)	(33,055)	(8,428)
	$ 2,259,636	$ 2,154,873	$ 1,651,193
Other receivables			
Business tax refund receivable	$ 46,376	$ 67,589	$ 32,150
Others	15,590	2,767	14,350
	$ 61,966	$ 70,356	$ 46,500

a. Notes receivable and trade receivables

At amortized cost

The average credit period of sales of goods was 60 to 180 days.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances is made for possible irrecoverable amounts. In this regard, the management of the Company believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtors and an analysis of the debtors' current financial positions and general economic conditions of the industry, along with considering the forecasted GDP and the industry outlook.

The following table details the loss allowance of notes receivable based on the Group's provision matrix.

June 30, 2026

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 159,972
Loss allowance (Lifetime ECLs)	-
Amortized cost	$ 159,972

December 31, 2025

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 95,401
Loss allowance (Lifetime ECLs)	-
Amortized cost	$ 95,401

June 30, 2025

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 6,736
Loss allowance (Lifetime ECLs)	-
Amortized cost	$ 6,736

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2026

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	121 to 180 Days Past Due	Past Due Over 181 Days	Total
Expected credit loss rate	0.0040%	0.0149%	8.5601%	8.8603%	100%	
Gross carrying amount	$ 2,199,381	$ 53,686	$ 6,063	$ 1,282	$ 7,677	$ 2,268,089
Loss allowance (Lifetime ECLs)	(89)	(8)	(519)	(160)	(7,677)	(8,453)
Amortized cost	$ 2,199,292	$ 53,678	$ 5,544	$ 1,122	$ -	$ 2,259,636

December 31, 2025

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	121 to 180 Days Past Due	Past Due Over 181 Days	Total
Expected credit loss rate	1.0898%	1.6626%	5.8955%	10.4150%	100%	
Gross carrying amount	$ 2,100,380	$ 68,867	$ 8,939	$ 1,229	$ 8,513	$ 2,187,928
Loss allowance (Lifetime ECLs)	(22,742)	(1,145)	(527)	(128)	(8,513)	(33,055)
Amortized cost	$ 2,077,638	$ 67,722	$ 8,412	$ 1,101	$ -	$ 2,154,873

June 30, 2025

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	121 to 180 Days Past Due	Past Due Over 181 Days	Total
Expected credit loss rate	0.0643%	1.7329%	6.4630%	8.8603%	100%	
Gross carrying amount	$ 1,596,250	$ 45,876	$ 9,067	$ 2,641	$ 5,787	$ 1,659,621
Loss allowance (Lifetime ECLs)	(1,026)	(795)	(586)	(234)	(5,787)	(8,428)
Amortized cost	$ 1,595,224	$ 45,081	$ 8,481	$ 2,407	$ -	$ 1,651,193

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

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 33,055	$ 10,400
Less: Net reversal of remeasurement of loss allowance	(25,316)	(1,380)
Less: Amounts written off	-	(79)
Foreign exchange gains and losses	714	(513)
Balance at June 30	$ 8,453	$ 8,428

b. Other receivables

Other receivables mainly contain tax refunds receivable and others. The policy that the Group adopted is to carry out a transaction only with company with good credit. The Group continuously tracks the overdue record of the past and analyzes its financial situation to evaluate if there is a significant increase in the credit risk and measure the expected credit loss. As of June 30, 2026, December 31, 2025 and June 30, 2025, the expected credit risk was considered 0% by the assessment of the Group.

12. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	$ 437,621	$ 427,382	$ 296,217
Work in progress	265,372	205,453	136,448
Raw materials and supplies	436,234	254,313	147,040
	$ 1,139,227	$ 887,148	$ 579,705

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Cost of inventories sold	$ 1,576,422	$ 1,095,600	$ 2,918,265	$ 2,143,450

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Investee's Company Type/Main Business	Proportion of Ownership (%) June 30, 2026	December 31, 2025	June 30, 2025	Remark
U.D. Electronic Corp.	Global Connection (Samoa) Holding Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk
U.D. Electronic Corp.	CDE Corp.	Manufacturing and selling of electronic materials	100	100	100	Market risk is the major operational risk
U.D. Electronic Corp.	DYP Corp.	Selling of electronic components	51	51	51	Market risk is the major operational risk
U.D. Electronic Corp.	U.D. Electronic Vietnam Company Limited	Manufacturing and selling of electronic components	100	100	100	Foreign exchange and market risks are major operational risks
U.D. Electronic Corp.	Jinyue Investment Co., Ltd.	General investment	100	100	100 (Note 1)	Market risk is the major operational risk
U.D. Electronic Corp.	KAYO UDE Limited	International trading	51 (Note 5)	-	-	Foreign exchange and market risks are major operational risks
U.D. Electronic Corp.	EXCELLENT TOP DEVELOPMENTS LIMITED	International trading	100 (Note 6)	-	-	Foreign exchange and market risks are major operational risks
U.D. Electronic Corp.	U.D.E TECHNOLOGY VIETNAM COMPANY LIMITED	Processing, manufacturing, and selling of printed circuit boards (PCB) and motherboards	100 (Note 7)	-	-	Foreign exchange and market risks are major operational risks
Global Connection (Samoa) Holding Inc.	Sunderland Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk
Global Connection (Samoa) Holding Inc.	San Francisco Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk

(Continued)

Investor	Investee	Investee's Company Type/Main Business	Proportion of Ownership (%) June 30, 2026	Proportion of Ownership (%) December 31, 2025	Proportion of Ownership (%) June 30, 2025	Remark
Global Connection (Samoa) Holding Inc.	All First International Co., Ltd.	International trading	100	100	100	Foreign exchange and market risks are major operational risks
DYP Corp.	Ta Yang UDE Limited	Holding company	100	100	100	Foreign exchange risk is the major operational risk
Sunderland Inc.	Dongguan Jian Guan P.E. Co., Ltd.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Sunderland Inc.	Dongguan U.D.E. Electronics Corp.	Researching and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
San Francisco Inc.	Zhong Jiang U.D.E. Electronics Corp.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Zhong Jiang U.D.E. Electronics Corp.	Zhong Jiang U.D.E. Networking Electronics Corp.	Selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Zhong Jiang U.D.E. Electronics Corp.	Linkpower Electronics Co., Ltd.	Manufacturing and selling of power supplies and LED lighting products	91.09 (Note 3)	82.75 (Note 3)	-	Political, foreign exchange, and market risks are major operational risks
Linkpower Electronics Co., Ltd	Huangshan Yuhao Electronics Co., Ltd.	Manufacturing of electronic components	100 (Note 3)	100 (Note 3)	-	Political, foreign exchange, and market risks are major operational risks
Linkpower Electronics Co., Ltd	NOBLESTYLE ELECTRONICS (HK) CO., LIMITED	International trading	100 (Note 3)	100 (Note 3)	-	Political, foreign exchange, and market risks are major operational risks
Linkpower Electronics Co., Ltd	Hangzhou Qigu Technology Co., Ltd.	Real estate investment business	100 (Note 3)	100 (Note 3)	-	Political, foreign exchange, and market risks are major operational risks
Ta Yang UDE Limited	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Ta Yang UDE Limited	Morning Paragon Limited	International trading	100	100	100	Foreign exchange and market risks are major operational risks
Dongguan Jian Guan P.E. Co., Ltd.	Dongguan Ai Te Chieh Intellectual Technology Co., Ltd.	Machinery and automatic equipment development	- (Note 2)	- (Note 2)	- (Note 2)	Political, foreign exchange, and market risks are major operational risks
Dongguan Jian Guan P.E. Co., Ltd.	Dongguan Han Lian Technology Co., Ltd.	Manufacturing and selling of electronic connectors and electronic products	100 (Note 4)	85	85	Political, foreign exchange, and market risks are major operational risks
KAYO UDE Limited	KAYOUDE VIETNAM COMPANY LIMITED	Processing, manufacturing, and selling of battery components	100 (Note 8)	-	-	Foreign exchange and market risks are major operational risks

(Concluded)

Note 1: The Company established Jinyue Investment Co., Ltd. with a capital of $30,000 thousand in March 2025, mainly engaged in general investment business.

Note 2: On October 28, 2024, the Board of Directors of Dongguan Jian Guan P.E. Co, Ltd. resolved to initiate the liquidation of its subsidiary, Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. The dissolution was subsequently approved on March 11, 2025.

Note 3: The Group acquired 82.75% shares of Linkpower Electronics Co., Ltd. on December 1, 2025 (the acquisition date) in the amount of RMB239,982 thousand (equivalent to NT$1,064,492 thousand). Subsequently, in January 2026, an additional 8.34% interest in Linkpower Electronics Co., Ltd. was acquired for a consideration of RMB24,179 thousand (equivalent to NT$109,187 thousand) pursuant to the mutual agreement, bringing the total aggregate equity interest to 91.09%. As this transaction did not alter the Company's control over Linkpower Electronics Co., Ltd., it was accounted for as an equity transaction. Consequently, the relevant impact recognized from the aforementioned transaction resulted in a downward adjustment to retained earnings in the amount of NT$63,668 thousand for the six months ended June 30, 2026. For further details, please refer to Note 30.

Note 4: In January 2026, Dongguan Jian Guan P.E. Co, Ltd. acquired 15% shares of Dongguan Han Lian Technology Co., Ltd. for a consideration of RMB1,118 thousand (equivalent to NT$5,046 thousand), thereby increasing its ownership stake from 85% to 100%. As this transaction did not alter the Company’s control over Dongguan Han Lian Technology Co., Ltd., it was accounted for as an equity transaction. Consequently, the relevant impact recognized from the aforementioned transaction resulted in a an upward adjustment to capital surplus in the amount of NT$243 thousand for the six months ended June 30, 2026. For further details, please refer to Note 30.

Note 5: In January 2026, the Company, in joint venture with another entity, established KAYO UDE Limited with a capital contribution of US$1,020 thousand (equivalent to NT$32,609 thousand), thereby acquiring a 51% interest. The newly formed entity’s primary business operations encompass electronic components trading and order procurement.

Note 6: In June 2026, the Company established EXCELLENT TOP DEVELOPMENTS LIMITED with a capital contribution of US$10 thousand (equivalent to NT$317 thousand). The newly formed entity’s primary business operations encompass electronic components trading and order procurement.

Note 7: In June 2026, the Company established U.D.E TECHNOLOGY VIETNAM COMPANY LIMITED with a capital contribution of US$5,000 thousand (equivalent to NT$159,600 thousand). The newly formed entity’s primary business operations encompass processing, manufacturing, and selling of printed circuit boards (PCB) and motherboards.

Note 8: In June 2026, KAYO UDE Limited established KAYOUDE VIETNAM COMPANY LIMITED with a capital contribution of US$2,000 thousand (equivalent to NT$63,700 thousand). The newly formed entity’s primary business operations encompass processing, manufacturing, and selling of battery components.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associate

	June 30, 2026	December 31, 2025	June 30, 2025
Individually insignificant associate			
Shenzhen Deshenglong Electronics Co., Ltd.	$ -	$ (196)	$ 3,134
Add: Transfer investments accounted for using the equity method in credit (Note 22)	-	196	-
	$ -	$ -	$ 3,134

At the end of the reporting period, the proportion of ownership and voting rights in associate held by the Group were as follows:

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights June 30, 2026	December 31, 2025	June 30, 2025
Shenzhen Deshenglong Electronics Co., Ltd.	Manufacturing of computer hardware, software and peripheral devices	Shenzhen, Guangdong Province, China	-	40	40

In April 2026, the Group disposed of its entire equity interest for RMB40 thousand (equivalent to NT$185 thousand).

Aggregate Information of Associates That are Not Individually Material

	For the Six Months Ended June 30	
	2026	2025
The Company's share of:		
Loss from continuing operations	$ -	$ (384)
Other comprehensive income (loss)	-	-
Total comprehensive loss for the period	$ -	$ (384)

15. PROPERTY, PLANT AND EQUIPMENT - USED BY THE GROUP

	Freehold Land	Buildings	Machinery and Equipment	Mold Equipment	Other Equipment	Property under Construction	Total
Cost							
Balance at January 1, 2026	$ 159,538	$ 1,027,727	$ 1,903,523	$ 529,039	$ 559,483	$ -	$ 4,179,310
Additions	-	4,620	56,136	6,788	31,863	-	99,407
Disposals	-	-	(57,744)	(6,295)	(41,072)	-	(105,111)
Transfer from prepayments	-	-	8,393	15,973	3,944	-	28,310
Effects of foreign currency exchange differences	-	23,843	70,096	24,552	24,234	-	142,725
Balance at June 30, 2026	$ 159,538	$ 1,056,190	$ 1,980,404	$ 570,057	$ 578,452	$ -	$ 4,344,641
Accumulated depreciation							
Balance at January 1, 2026	$ -	$ 298,794	$ 1,222,092	$ 446,270	$ 485,159	$ -	$ 2,452,315
Disposals	-	-	(42,711)	(5,672)	(40,886)	-	(89,269)
Depreciation	-	25,424	88,766	29,400	27,892	-	171,482
Effects of foreign currency exchange differences	-	11,298	49,862	20,907	21,648	-	103,715
Balance at June 30, 2026	$ -	$ 335,516	$ 1,318,009	$ 490,905	$ 493,813	$ -	$ 2,638,243
Carrying amount at December 31, 2025 and January 1, 2026	$ 159,538	$ 728,933	$ 681,431	$ 82,769	$ 74,324	$ -	$ 1,726,995
Carrying amount at June 30, 2026	$ 159,538	$ 720,674	$ 662,395	$ 79,152	$ 84,639	$ -	$ 1,706,398
Cost							
Balance at January 1, 2025	$ 159,538	$ 284,861	$ 1,669,836	$ 506,105	$ 556,418	$ 365,852	$ 3,542,610
Additions	-	-	91,242	10,838	12,817	185,432	300,329
Disposals	-	-	(84,615)	(21,775)	(31,030)	-	(137,420)
Transfer from prepayments	-	-	2,492	22,643	2,152	-	27,287
Effects of foreign currency exchange differences	-	(17,082)	(145,390)	(52,976)	(55,937)	(65,105)	(336,490)
Balance at June 30, 2025	$ 159,538	$ 267,779	$ 1,533,565	$ 464,835	$ 484,420	$ 486,179	$ 3,396,316
Accumulated depreciation							
Balance at January 1, 2025	$ -	$ 149,667	$ 1,176,067	$ 424,517	$ 515,344	$ -	$ 2,265,595
Disposals	-	-	(83,728)	(20,193)	(30,990)	-	(134,911)
Depreciation	-	9,019	66,209	27,692	22,189	-	125,109
Effects of foreign currency exchange differences	-	(10,363)	(102,856)	(44,257)	(52,324)	-	(209,800)
Balance at June 30, 2025	$ -	$ 148,323	$ 1,055,692	$ 387,759	$ 454,219	$ -	$ 2,045,993
Carrying amount at June 30, 2025	$ 159,538	$ 119,456	$ 477,873	$ 77,076	$ 30,201	$ 486,179	$ 1,350,323

There was no recognition and reversal of impairment loss for the six months ended June 30, 2026 and 2025.

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

Buildings	
Main buildings	10-50 years
Others	5-10 years
Machinery and equipment	1-10 years
Mold equipment	1-5 years
Others	
Transportation equipment	4-10 years
Office equipment	1-6 years
Leasehold improvements	1-5 years
Other equipment	1-8 years

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Land	$ 173,821	$ 172,371	$ 134,565
Buildings	-	-	11,295
	$ 173,821	$ 172,371	$ 145,860

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation charge for right-of-use assets				
Land	$ 1,716	$ 864	$ 3,195	$ 1,797
Buildings	-	537	-	1,117
	$ 1,716	$ 1,401	$ 3,195	$ 2,914

In addition to the above of depreciation, there was no impairment loss after performing impairment assessment for the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Current	$ -	$ -	$ 1,879
Non-current	$ -	$ -	$ 9,800

Discount rate for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	-	-	5.3%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use as plants and offices with lease terms of 8 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent. In July 2025, the Group reached a mutual agreement with the buildings lessor to terminate the lease. Accordingly, the Group derecognized the related assets and lease liabilities.

d. Land right-of-use assets pledged as collateral for bank borrowings are set out in Note 34.

e. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 3,300	$ 7,860	$ 5,505	$ 9,927
Expenses relating to low-value asset leases	$ 53	$ 48	$ 107	$ 93
Total cash outflow for leases	$ (3,353)	$ (7,854)	$ (5,612)	$ (11,359)

17. GOODWILL

	For the Six Months Ended June 30	
	2026	2025
Cost		
Balance at January 1	$ 663,458	$ 12,519
Disposal of subsidiary	-	(6,162)
Net foreign exchange gains (losses)	30,098	(183)
Balance at June 30	$ 693,556	$ 6,174
Accumulated impairment losses		
Balance at January 1	$ -	$ 6,416
Disposal of subsidiary	-	(6,162)
Net foreign exchange losses	-	(183)
Balance at June 30	$ -	$ 71
Carrying amount at June 30	$ 693,556	$ 6,103

On November 30, 2025 (the acquisition date), the Group acquired a 82.75% interest in Linkpower Electronics Co., Ltd. and recognized goodwill in the amount of NT$652,083 thousand.

The initial accounting treatment for the acquisition of Linkpower Electronics Co., Ltd. remained provisional as of the balance sheet date. For taxation purposes, the tax basis of the assets held by Linkpower Electronics Co., Ltd. must be redetermined in accordance with their fair market value. As of the date these consolidated financial statements were authorized for issue, the requisite market valuations and associated calculations had not yet been finalized; consequently, the potential tax values were recognized provisionally, predicated solely upon the best estimates of the consolidated company's management.

18. OTHER INTANGIBLE ASSETS

	Computer Software	Trademarks	Patents	Total
Cost				
Balance at January 1, 2026	$ 55,717	$ 29,465	$ 13,598	$ 98,780
Additions	4,606	-	-	4,606
Disposals	(5,111)	-	-	(5,111)
Effects of foreign currency exchange differences	2,178	8	-	2,186
Balance at June 30, 2026	$ 57,390	$ 29,473	$ 13,598	$ 100,461
Accumulated amortization				
Balance at January 1, 2026	$ 48,164	$ 17,794	$ 5,261	$ 71,219
Amortization expenses	1,828	1,273	1,764	4,865
Disposals	(5,111)	-	-	(5,111)
Effects of foreign currency exchange differences	2,051	8	-	2,059
Balance at June 30, 2026	$ 46,932	$ 19,075	$ 7,025	$ 73,032
Carrying amounts at December 31, 2025 and January 1, 2026	$ 7,553	$ 11,671	$ 8,337	$ 27,561
Carrying amounts at June 30, 2026	$ 10,458	$ 10,398	$ 6,573	$ 27,429
Cost				
Balance at January 1, 2025	$ 49,569	$ 29,286	$ 7,000	$ 85,855
Additions	1,260	-	-	1,260
Disposals	(2,274)	-	-	(2,274)
Effects of foreign currency exchange differences	(4,215)	-	-	(4,215)
Balance at June 30, 2025	$ 44,340	$ 29,286	$ 7,000	$ 80,626

(Continued)

	Computer Software	Trademarks	Patents	Total
Accumulated amortization				
Balance at January 1, 2025	$ 43,606	$ 15,068	$ 3,383	$ 62,057
Amortization expenses	2,234	1,273	350	3,857
Disposals	(2,274)	-	-	(2,274)
Effects of foreign currency exchange differences	(4,155)	-	-	(4,155)
Balance at June 30, 2025	$ 39,411	$ 16,341	$ 3,733	$ 59,485
Carrying amounts at June 30, 2025	$ 4,929	$ 12,945	$ 3,267	$ 21,141

(Concluded)

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

Computer software	1-10 years
Trademarks	10-12 years
Patents	2-10 years

19. OTHER ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Prepaid sales tax	$ 99,804	$ 80,758	$ 94,913
Prepayments	73,925	62,462	51,005
Overpaid sales tax	8,345	4,544	2,655
Others	3,561	5,682	4,546
	$ 185,635	$ 153,446	$ 153,119
Non-current			
Prepayments for equipment	$ 327,973	$ 130,843	$ 161,964
Refundable deposits	5,545	5,370	2,731
	$ 333,518	$ 136,213	$ 164,695

20. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Secured borrowings			
Bank loans	$ -	$ 53,659	$ -
Unsecured borrowings			
Line of credit borrowings	881,612	513,709	254,442
	$ 881,612	$ 567,368	$ 254,442

The range of interest rates for bank loans were 2.25%-4.47%, 2.55%-4.35% and 1.90%-5.00% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

b. Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Bank loans	$ 50,000	$ 50,000	$ 3,846
Less: Current portions	(50,000)	-	(491)
Long-term borrowings	$ -	$ 50,000	$ 3,355

	Repayment Method	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured borrowings				
Bank of China Limited	The loan amounted to RMB1,000 thousand is repaid 3% on three monthly basis from July 16, 2024 to July 15, 2027. Repayment begins in the sixth month. The remaining principal will be repaid in the final installment. The interest is paid every three months. This loan has been fully repaid by the Group.	$ -	$ -	$ 3,846
Taipei Fubon Commercial Bank	The loan amounted to $50,000 thousand is repaid on a monthly basis from November 27, 2025 to March 5, 2027. The interest is paid every month. The principal will be settled on the maturity date.	50,000	50,000	-
Less: Current portions		(50,000)	-	(491)
Long-term borrowings		$ -	$ 50,000	$ 3,355

The range of interest rates for long-term bank loans were 2.49%, 2.49% and 3.41% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

21. BONDS PAYABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Fourth unsecured domestic convertible bonds	$ 2,584	$ 10,764	$ 114,696
Less: Current portion	(2,584)	(10,764)	(114,696)
	$ -	$ -	$ -

Unsecured Domestic Convertible Bonds - IV

On March 5, 2024, the Group issued the fourth three-year unsecured, zero-coupon domestic convertible bonds with a $100 thousand par value, in an aggregate principal amount of $500,000 thousand and were issued at 100.5% of par value.

The following items are the primary clauses in the prospectus:

a. Term

From March 5, 2024 to March 5, 2027.

b. Redemption

From 3 months after the issue date to 40 days before maturity date, if the closing price in 30 consecutive trading days is greater than 130% of the conversion price, then the Group may redeem the whole bonds in cash at the principal amount.

From 3 months after the issue date to 40 days before maturity date, if more than 90% of the bonds' principal amount has already been converted, redeemed or repurchased and cancelled, then the Group may redeem the whole bonds in cash at the principal amount.

c. Conversion

<u>Conversion period</u>

Bondholders may request the Group to convert the bonds into the Group's ordinary shares between June 6, 2024 and March 5, 2027, except during the period when the registration of share transfer is suspended.

<u>Conversion price and adjustments</u>

The price used by the Group in determining the number of ordinary shares to be issued upon conversion is NT$65.7 per share. Since the Company applied for ex-dividend on August 7, 2024, the conversion price of bonds was adjusted to NT$63.70 per share. Then on August 9, 2025, the price was adjusted to $61.70 per share.

d. Bondholders' put right

On March 5, 2026 (2 years after the issue date), each bondholder will have the right, at such holder's option, to require the Group to redeem in whole or in part the principal amount of such holder's bonds in cash by filling an application with the original brokerage before 30 days prior to the base date.

e. Bond components

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.2045% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,545 thousand)	$ 496,955
Equity component	(30,776)
Financial assets at FVTPL	743
Deferred tax assets	1,109
Liability component at the date of issuance	468,031
Convertible bonds converted into ordinary shares	(245,081)
Interest charged at an effective interest rate of 2.2045%	8,185
Liability component at January 1, 2025	231,135
Interest charged at an effective interest rate of 2.2045% - for the six months ended June 30, 2025	2,001
Convertibles bonds converted into ordinary shares	(118,440)
Liability component at June 30, 2025	$ 114,696

Liability component at January 1, 2026	$ 10,764
Interest charged at an effective interest rate of 2.2045% - for the six months ended June 30, 2026	45
Convertibles bonds converted into ordinary shares	(8,225)
Liability component at June 30, 2026	$ 2,584

For the six months ended June 30, 2026, the convertible bonds were converted for the par value of $8,400 thousand, of which the Group reclassified an amount of $1,361 thousand to capital collected in advance. Upon conversion, originally recorded capital surplus-options decreased $517 thousand, bonds payable reduced $175 thousand, financial assets at FVTPL reduced $19 thousand, and capital surplus increased $7,362 thousand derived from the difference between the consideration received and the par value of bonds payable.

For the six months ended June 30, 2025, the convertible bonds were converted for the par value of $123,400 thousand, of which the Group reclassified an amount of $19,372 thousand to capital collected in advance. Upon conversion, originally recorded capital surplus-options decreased $7,595 thousand, bonds payable reduced $4,960 thousand, financial assets at FVTPL reduced $551 thousand, and capital surplus increased $106,112 thousand derived from the difference between the consideration received and the par value of bonds payable.

22. OTHER LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Other payables			
Payables for dividends (Notes 23 and 31)	$ 326,564	$ -	$ 253,001
Payables for salaries and bonuses	323,882	300,385	202,683
Payables for processing fees	203,334	185,360	173,933

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Payable for labor and health insurance, social security and pension	$ 182,339	$ 172,904	$ 36,503
Payable for purchases of equipment (Note 31)	126,681	61,919	130,953
Pension	54,877	86,816	15,463
Others	372,277	231,078	177,647
	$ 1,589,954	$ 1,038,462	$ 990,183
Non-current			
Other non-current liabilities			
Long-term accounts payable	$ 128,915	$ 111,144	$ -
Credit balance of investments accounted for using the equity method	-	196	-
Others	-	155	-
	$ 128,915	$ 111,495	$ -

(Concluded)

In connection with the Group's acquisition of an equity interest in Linkpower Electronics Co., Ltd., a portion of the purchase consideration was retained pursuant to the contractual terms to secure the transferors' contingent indemnification obligations. The indemnification period expires on December 31, 2029. Upon expiration of the indemnification period, the remaining retained consideration, after deducting any losses or liabilities to be borne by the transferors, will be remitted to the transferors. As of June 30, 2026 and December 31, 2025, the retained consideration amounted to NT$128,915 thousand and NT$111,144 thousand, respectively, and was recognized as long-term payables.

23. EQUITY

a. Share capital

Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Number of shares authorized (in thousands)	100,000	100,000	100,000
Share capital authorized	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	89,391	87,412	85,226
Share capital issued	$ 893,910	$ 874,116	$ 852,257

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

The authorized shares include 5,000 thousand shares allocated for the exercise of employee share options.

The Company’s advance receipts for capital stock at the beginning of 2026 included $8,300 thousand from the conversion of employee share options into ordinary shares. During January to June 2026, employees exercised 230 units of stock options, which were converted into 230 thousand ordinary shares, with total proceeds of $8,372 thousand. The Company completed the registration of capital changes from January 1 to June 30, 2026, and reclassified $9,600 thousand to ordinary share capital. As of June 30, 2026, $1,000 thousand from the conversion of employee share options into ordinary shares had not yet been registered and was recorded as advance receipts for capital stock. On August 5, 2026, the Company’s board of directors resolved that the capital increase base date for the exercise of employee share options as August 6, 2026.

The Company’s advance receipts for capital stock at the beginning of 2026 included $9,011 thousand from the conversion of convertible corporate bonds into ordinary shares. During January to June 2026, holders of convertible corporate bonds exercised their conversion rights and converted the bonds into ordinary shares with total share capital of $1,361 thousand. The Company completed the registration of capital changes from January 1 to June 30, 2026, and reclassified $10,194 thousand to ordinary share capital. As of June 30, 2026, $178 thousand from the conversion of convertible corporate bonds into ordinary shares had not yet been registered and was recorded as advance receipts for capital stock. On August 5, 2026, the Company’s board of directors resolved that the capital increase base date for the conversion of convertible corporate bonds into ordinary shares as August 6, 2026.

During January to June 2025, employees exercised 889 units of stock options, which were converted into 889 thousand ordinary shares, with total proceeds of $33,426 thousand. The Company completed the registration of capital changes from January 1 to June 30, 2025, and reclassified $5,800 thousand to ordinary share capital. As of June 30, 2025, $3,090 thousand from the conversion of employee share options into ordinary shares had not yet been registered and was recorded as advance receipts for capital stock. On August 7, 2025, the Company’s board of directors resolved that the capital increase base date for the exercise of employee share options as August 8, 2025.

The Company’s advance receipts for capital stock at the beginning of 2025 included $32,856 thousand from the conversion of convertible corporate bonds into ordinary shares. During January to June 2025, holders of convertible corporate bonds exercised their conversion rights and converted the bonds into ordinary shares with total share capital of $19,372 thousand. The Company completed the registration of capital changes from January 1 to June 30, 2025, and reclassified $43,610 thousand to ordinary share capital. As of June 30, 2025, $8,618 thousand from the conversion of convertible corporate bonds into ordinary shares had not yet been registered and was recorded as advance receipts for capital stock. On August 7, 2025, the Company’s board of directors resolved that the capital increase base date for the conversion of convertible corporate bonds into ordinary shares as August 8, 2025.

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Premium on issuance of ordinary shares (2)	$ 695,736	$ 685,927	$ 643,125
Premium on conversion of bonds	790,908	783,546	690,198
The difference between the consideration received or paid and the carrying amount of the subsidiaries’ net assets during actual disposal or acquisition	243	-	-

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit only			
Redemption/buy back convertible corporate bonds	$ 14,480	$ 14,480	$ 14,480
Changes in percentage of ownership interests in subsidiaries (3)	1,906	1,906	1,906
May not be used for any purpose			
Arising from employee share options	35,496	16,211	8,775
Share warrants (4)	172	689	7,331
	$ 1,538,941	$ 1,502,759	$ 1,365,815

(Concluded)

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) During January to June 2026, some employees exercised share warrants, resulting in an increase in capital surplus - stock issuance premium by $9,809 thousand. Additionally, the amount reclassified from the capital surplus - employee stock options to the capital surplus - stock issuance premium was $3,737 thousand.

3) Such capital surplus arises from the effects of changes in ownership interests in a subsidiary resulting from equity transactions other than an actual disposal or acquisition or from changes in capital surplus of subsidiaries accounted for by using the equity method.

4) Please refer to Note 21 for increase of capital surplus due to the conversion of the fourth unsecured domestic convertible bonds on March 2024.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders by issuing new shares. In addition, the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, please refer to Note 25(g).

The Company's board of directors shall, considering the current investment environment, capital needs for future expansions, long term financial plans, and shareholders' needs for cash basis dividends, distribute no less than 10% of unappropriated earnings to shareholders as dividends and bonuses, by way of cash dividends or share dividends, while cash dividends should not be lower than 10% of total bonuses to shareholders.

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.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2025 and 2024 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2025	**2024**
Legal reserve	$ 65,216	$ 51,121
Special reserve	$ 60,562	$ (139,347)
Cash dividends	$ 326,564	$ 253,001
Cash dividends per share (NT$)	$ 3.66	$ 3.00

The 2026 and 2025 appropriations for cash dividends had been resolved by the Company's board of directors on February 25, 2026 and February 27, 2025, respectively; the other proposed appropriations had been resolved by the shareholders in their meetings on May 27, 2026 and May 29, 2025, respectively.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Six Months Ended June 30	
	2026	**2025**
Balance at January 1	$ (144,294)	$ (75,014)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	141,737	(374,368)
Related income tax	(28,347)	74,873
Other comprehensive loss recognized for the period	113,390	(299,495)
Balance at June 30	$ (30,904)	$ (374,509)

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2026	**2025**
Balance at January 1	$ 19,164	$ 10,446
Recognized for the period		
Unrealized gain (loss) - equity instruments	9,833	(11,936)
Related income tax	(1,967)	2,387
Other comprehensive income (loss) recognized for the period	7,866	(9,549)
Balance at June 30	$ 27,030	$ 897

e. Non-controlling interests

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 134,435	$ 28,960
Share in profit for the current period	14,117	5,759
Other comprehensive loss during the period		
Exchange differences on translating the financial statements of foreign entities	649	2,376
Related income tax	414	(559)
	1,063	1,817
Non-controlling interests arising from acquisition of subsidiaries	31,331	-
Partial acquisition of subsidiaries	(50,808)	-
Balance at June 30	$ 130,138	$ 36,536

24. REVENUE

a. Description of customer contract

Revenue from sales of goods

Main operating revenue of the Group was from the production and sales of electronic connectors for telecommunications, data communications and computers, power supply and LED lighting products, and other electronic material goods. Goods are sold at their respective fixed amounts as agreed in the contracts.

b. Contract balance

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes receivable and trade receivables (Note 11)	$ 2,419,608	$ 2,250,274	$ 1,657,929	$ 1,769,296
Contract liabilities				
Sale of goods	$ 36,372	$ 12,586	$ 6,220	$ 13,057

c. Sales detail of customer contract

The detail of revenue classification refer to Note 38.

25. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Bank deposits	$ 10,845	$ 6,592	$ 11,937	$ 12,073

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Dividend income	$ -	$ 7,339	$ 11,798	$ 7,339
Government grants	43	58	1,150	294
Subsidy arising from launched production line	1,160	1,160	2,320	2,320
Compensation income	2,418	1,961	3,596	4,968
Mold income	6,142	4,095	10,476	5,135
Others	15,877	6,855	23,360	15,214
	$ 25,640	$ 21,468	$ 52,700	$ 35,270

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
(Loss) gain on disposal of property, plant and equipment	$ (1,030)	$ 2,640	$ (792)	$ 4,641
Fair value changes of financial assets/liabilities				
Financial assets mandatorily classified as at FVTPL	4,715	17,298	11,319	35,819
Financial liabilities held for trading	(5,752)	(1,385)	(15,897)	(4,232)
Gain on disposal of subsidiary	-	546	-	546
Gain on disposal of associates	385	-	385	-
Net foreign exchange losses	(16,370)	(37,276)	(29,033)	(32,417)
Others	(223)	(3,256)	(973)	(7,343)
	$ (18,275)	$ (21,433)	$ (34,991)	$ (2,986)

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	$ 11,769	$ 1,043	$ 16,236	$ 1,840
Interest on convertible bonds (Note 21)	15	885	45	2,001
Interest on lease liabilities	-	162	-	342
	$ 11,784	$ 2,090	$ 16,281	$ 4,183

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
An analysis of depreciation by function				
Operating costs	$ 67,642	$ 46,551	$ 132,293	$ 96,997
Operating expenses	21,317	15,401	42,558	31,026
	$ 88,959	$ 61,952	$ 174,851	$ 128,023
An analysis of amortization by function				
Operating costs	$ 96	$ 175	$ 350	$ 350
Selling and marketing expense	1,401	691	2,801	1,383
General and administrative expense	551	432	824	830
Research and development expense	418	640	890	1,294
	$ 2,466	$ 1,938	$ 4,865	$ 3,857

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Post-employment benefits				
Defined contribution plans	$ 27,219	$ 24,364	$ 54,854	$ 49,941
Share-based payments				
Equity-settled	11,511	536	23,022	1,955
Other employee benefits	334,073	304,334	661,205	611,686
Total employee benefits expense	$ 372,803	$ 329,234	$ 739,081	$ 663,582
An analysis of employee benefits expense by function				
Operating costs	$ 210,853	$ 199,464	$ 413,063	$ 395,366
Operating expenses	161,950	129,770	326,018	268,216
	$ 372,803	$ 329,234	$ 739,081	$ 663,582

g. Compensation of employees and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 3%-15% and not higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. Of the employee compensation amount set forth in the preceding paragraph, no less than 30% will be allocated for distribution to non-executive employees.

The compensation of employees and the remuneration of directors for the six months ended June 30, 2026 and 2025 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2026	2025
Compensation of employees	6.00%	6.00%
Remuneration of directors	1.87%	1.87%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Compensation of employees	$ 17,342	$ 12,875	$ 31,269	$ 27,423
Remuneration of directors	$ 5,404	$ 3,997	$ 9,745	$ 8,547

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

The employees' compensation and the remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on February 25, 2026 and February 27, 2025, respectively, are as follows:

	For the Year Ended December 31	
	2026	2025
	Cash	Cash
Compensation of employees	$ 53,200	$ 38,900
Remuneration of directors	$ 16,600	$ 12,300

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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

h. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Foreign exchange gains	$ 26,465	$ 238,295	$ 94,331	$ 297,954
Foreign exchange losses	(42,835)	(275,571)	(123,364)	(330,371)
Net foreign exchange losses	$ (16,370)	$ (37,276)	$ (29,033)	$ (32,417)

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
In respect of the current period	$ 70,925	$ 47,498	$ 110,827	$ 106,464
Income tax on unappropriated earnings	9,991	17,322	9,991	17,322
Adjustment for prior periods	(2,923)	1,803	(2,923)	1,803
	77,993	66,623	117,895	125,589
Deferred tax				
In respect of the current period	(9,873)	1,250	(1,958)	(5,964)
Income tax expense recognized in profit or loss	$ 68,120	$ 67,873	$ 115,937	$ 119,625

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Deferred tax				
In respect of the current period				
Translation of the financial statements of foreign operations	$ 4,945	$ (84,120)	$ 27,933	$ (74,314)
Fair value changes of financial assets at FVTOCI	2,500	(492)	1,967	(2,387)
Total income tax recognized in other comprehensive income	$ 7,445	$ (84,612)	$ 29,900	$ (76,701)

c. Income tax assessments

The income tax returns through 2024 of the Company and its subsidiaries - CDE Corp. and DYP Corp., have been assessed by the tax authorities. Other overseas entities in the Group are not involved in any material pending action in regard of taxation.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	**2025**	**2026**	**2025**
Basic earnings per share				
From continuing operations	$ 2.43	$ 1.65	$ 4.47	$ 3.87
Diluted earnings per share				
From continuing operations	$ 2.39	$ 1.58	$ 4.39	$ 3.69

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

Net Profit for the Year

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	**2025**	**2026**	**2025**
Profit for the period attributable to owners of the Company	$ 217,118	$ 140,945	$ 399,351	$ 329,262
Earnings used in the computation of basic earnings per share	$ 217,118	$ 140,945	$ 399,351	$ 329,262
Effects of potentially dilutive ordinary shares:				
Interest and valuation loss on convertible bonds after tax	16	565	40	1,625
Earnings used in the computation of diluted earnings per share	$ 217,134	$ 141,510	$ 399,391	$ 330,887

Shares

Unit: Thousand Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	**2025**	**2026**	**2025**
Weighted average number of ordinary shares in computation of basic earnings per share	89,403	85,470	89,327	85,041
Effect of potentially dilutive ordinary shares:				
Convertible bonds	61	2,570	91	2,899
Employee stock option	1,268	1,215	1,155	1,422
Compensation of employees	261	283	398	400
Weighted average number of ordinary shares used in the computation of diluted earnings per share	90,993	89,538	90,971	89,762

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

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of the Company and its subsidiaries were granted 3,655 options on May 5, 2022. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Company’s ordinary shares listed on the Taipei Exchange at the grant date. For any subsequent changes in the Company’s capital surplus, the exercise price is adjusted accordingly.

The Company reduced the exercise price from NT$37.6 to NT$36.4 in August 2025. The changing of consideration did not cause any increase of fair value and was effective after the Company’s record date of ex-dividend trade on August 7, 2025.

Information of employee share options was as follow:

	For the Six Months Ended June 30			
	2026		2025	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Balance at January 1	960	$ 36.40	2,852	$ 37.60
Options granted	(230)	36.40	(889)	37.60
Balance at June 30	730	36.40	1,963	37.60
Options exercisable, end of the period	730		1,963	

Information on outstanding options was as follows:

	For the Six Months Ended June 30	
	2026	2025
Range of exercise price ($)	$ 36.40	$ 37.60
Weighted-average remaining contractual life (in years)	1.83	2.83

Options granted in May 2022 is priced using the binomial option pricing model, and the inputs to the model are as follows:

	May 2022
Grant-date share price	$42.9
Exercise price	$42.9
Expected volatility	37.83%
Expected life (in years)	6
Expected dividend yield	-
Risk-free interest rate	1.0993%

Expected volatility was based on the historical share price volatility over the past 6 year which uses the Company's daily annualized standard deviation of returns as hypotheses.

Qualified employees of the Company and its subsidiaries were granted 3,060 options on October 7, 2025. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taipei Exchange at the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Six Months Ended June 30, 2026	
	Number of Options (In Thousands of Units)	**Weighted-average Exercise Price ($)**
Balance at January 1	3,060	$ 97.40
Balance at June 30	3,060	97.40
Options exercisable, end of the period	-	

Information on outstanding options was as follows:

	For the Six Months Ended June 30, 2026
Range of exercise price ($)	$ 97.40
Weighted-average remaining contractual life (in years)	5.25

Options granted in October 2025 is priced using the binomial option pricing model, and the inputs to the model are as follows:

	October 2025
Grant-date share price	$97.4
Exercise price	$97.4
Expected volatility	44.81%
Expected life (in years)	6
Expected dividend yield	-
Risk-free interest rate	1.2758%

Compensation costs recognized were $23,022 thousand and $1,955 thousand for the six months ended June 30, 2026 and 2025, respectively.

29. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Linkpower Electronics Co., Ltd	Manufacturing and selling of power supplies and LED lighting products	December 1, 2025	82.75	$ 1,064,492

The Group acquired 82.75% shares of Linkpower Electronics Co., Ltd. on December 1, 2025 in the amount of RMB239,982 thousand (equivalent to NT$1,064,492 thousand) in order to diversify its business operations and expand its scale of operations.

b. Consideration transferred

	Linkpower Electronics Co., Ltd
Contract consideration	$ 1,064,492

c. Assets acquired and liabilities assumed at the date of acquisition

	Linkpower Electronics Co., Ltd
Current assets	
Cash and cash equivalents	$ 316,329
Notes receivable	67,946
Trade receivables	440,948
Inventories	253,040
Other current assets	3,688
Non-current assets	
Property, plant and equipment	238,499
Investment properties	29,421
Right-of-use assets	4,708
Identifiable intangible assets	1,693
Deferred tax assets	6,926
Other non-current assets	533
Current liabilities	
Short-term borrowings	(141,943)
Trade payables	(421,326)
Other payables	(294,664)
Current tax liabilities	(3,259)
Other current liabilities	(686)
Non-current liabilities	
Deferred tax liabilities	(3,322)
Other non-current liabilities	(166)
	$ 498,365

The initial accounting for the acquisition of Linkpower Electronics Co., Ltd. was only provisionally determined at the end of the period. The tax bases of Linkpower Electronics Co., Ltd.'s assets were required to be reset based on the market values of the assets. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized, and they have, therefore, only been provisionally determined based on management's best estimate of the likely tax values.

d. Goodwill recognized on acquisitions

	Linkpower Electronics Co., Ltd.
Consideration transferred	$ 1,064,492
Plus: Non-controlling interests (17.25% in Linkpower Electronics Co., Ltd.)	85,956
Less: Fair value of identifiable net assets acquired	(498,365)
Goodwill recognized on acquisitions	$ 652,083

e. Net cash outflow on the acquisition of subsidiaries

	Linkpower Electronics Co., Ltd.
Contract consideration	$ 1,064,492
Less: Long-term accounts payable recognized at the end of the year	(111,144)
Consideration paid in cash	953,348
Less: Cash and cash equivalent balances acquired	(316,329)
	$ 637,019

f. Impact of acquisitions on the results of the Group

Had Linkpower Electronics Co., Ltd. concluded the acquisition at the beginning of 2025, the Group's revenue would have been $3,877,825 thousand, and the profit would have been $491,495 thousand for the six months ended June 30, 2025. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2025, nor is it intended to be a projection of future results.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

a. In January 2026, the Group acquired an additional 8.34% equity interest in its subsidiary, Linkpower Electronics Co., Ltd., from non-controlling interests, thereby increasing its shareholding from 82.75% to 91.09%. As the transaction did not result in a loss of control over the subsidiary, it was accounted for as an equity transaction.

	Linkpower Electronics Co., Ltd.
Contract consideration	$ 109,187
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(45,519)
Differences recognized from equity transactions	$ 63,668
Line items adjusted for equity transactions	
Retained earnings - difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets acquired	$ (63,668)
Net cash used in equity transactions	
Contract consideration	$ 109,187
Less: Long-term payables	(11,295)
Consideration paid in cash	$ 97,892

b. In January 2026, the Group acquired an additional 15% equity interest in its subsidiary, Dongguan Han Lian Technology Co., Ltd., from non-controlling interests, thereby increasing its shareholding from 85% to 100%. As this transaction did not alter the Group's control over the subsidiary, the transaction was accounted for as an equity transaction.

	Dongguan Han Lian Technology Co., Ltd.
Consideration paid in cash	$ 5,046
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(5,289)
Differences recognized from equity transactions	$ (243)
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition	$ 243

31. CASH INFORMATION

a. Non-cash transaction

In addition to those disclosed in other notes, for the six months ended June 30, 2026 and 2025, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statement of cash flows:

1) As of June 30, 2026, December 31, 2025 and June 30, 2025, the amounts unpaid for acquiring the property, plant and equipment were $126,681 thousand, $61,919 thousand and $130,953 thousand, respectively, which were included in other payables.

2) The Company's board of directors resolved to distribute cash dividends on February 25, 2026 and February 27, 2025. As of June 30, 2026 and 2025 the unpaid amounts were $326,564 thousand and $253,001 thousand, respectively, which were included in other payables.

b. Changes in liabilities from financing activities

For the six months ended June 30, 2026

	Balance at January 1, 2026	Cash Flows	Non-cash Changes: Interest Expense	Non-cash Changes: Exchange Differences on Translation of the Financial Statements of Foreign Operations	Non-cash Changes: Other (Note 1)	Balance at June 30, 2026
Short-term borrowings	$ 567,368	$ 312,822	$ -	$ 1,422	$ -	$ 881,612
Bonds payable	10,764	-	45	-	(8,225)	2,584
Long-term accounts payable	111,144	-	-	5,510	12,261	128,915
Long-term borrowings (including current portion of long-term borrowings)	50,000	-	-	-	-	50,000
Guarantee deposits received	6,998	(441)	-	27	-	6,584
	$ 746,274	$ 312,381	$ 45	$ 6,959	$ 4,036	$ 1,069,695

For the six months ended June 30, 2025

	Balance at January 1, 2025	Cash Flows	Non-cash Changes: Interest Expense	Non-cash Changes: Exchange Differences on Translation of the Financial Statements of Foreign Operations	Non-cash Changes: Other (Note 1)	Balance at June 30, 2025
Short-term borrowings	$ 60,000	$ 199,933	$ -	$ (5,491)	$ -	$ 254,442
Lease liabilities	14,463	(997)	-	(1,787)	-	11,679
Bonds payable	231,135	-	2,001	-	(118,440)	114,696
Long-term borrowings (including current portion of long-term borrowings)	4,561	(266)	-	(449)	-	3,846
Guarantee deposits received	898	2,709	-	(323)	-	3,284
	$ 311,057	$ 201,379	$ 2,001	$ (8,050)	$ (118,440)	$ 387,947

Note 1: The decrease in bonds payable is attributable to the conversion of convertible bonds during the current period, please refer to Note 21.

Note 2: The increase in long-term payables is attributable to the retained consideration payable arising from the acquisition of an equity interest in Linkpower Electronics Co., Ltd. during the current period, please refer to Note 22.

32. FINANCIAL INSTRUMENTS

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

June 30, 2026

	Carrying Amount	Fair Value: Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Convertible bonds	$ 2,584	$ 6,241	$ -	$ -	$ 6,241

December 31, 2025

	Carrying Amount	Fair Value: Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Convertible bonds	$ 10,764	$ 21,112	$ -	$ -	$ 21,112

June 30, 2025

	Carrying Amount	Fair Value: Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Convertible bonds	$ 114,696	$ 275,720	$ -	$ -	$ 275,720

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

1) Fair value hierarchy

June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 1	$ 1
Foreign exchange forward contracts	-	585	-	585
	$ -	$ 585	$ 1	$ 586
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	$ -	$ -	$ 108,175	$ 108,175
Financial liabilities at FVTPL				
Derivatives				
Foreign exchange forward contracts	$ -	$ 13,397	$ -	$ 13,397

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 24	$ 24
Foreign exchange forward contracts	-	3,840	-	3,840
	$ -	$ 3,840	$ 24	$ 3,864
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	$ -	$ -	$ 98,342	$ 98,342
Financial liabilities at FVTPL				
Derivatives				
Foreign exchange forward contracts	$ -	$ 8,061	$ -	$ 8,061

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives				
Convertible bond options	$ -	$ -	$ 631	$ 631
Foreign exchange forward contracts	-	11,044	-	11,044
	$ -	$ 11,044	$ 631	$ 11,675
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	$ -	$ -	$ 75,509	$ 75,509
Financial liabilities at FVTPL				
Derivatives				
Foreign exchange forward contracts	$ -	$ 4,346	$ -	$ 4,346

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

For the six months ended June 30, 2026

	Financial Assets at FVTOCI		
Financial Assets	**Equity Instrument**	**Debt Instrument**	**Total**
Balance at January 1, 2026	$ 98,342	$ -	$ 98,342
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	9,833	-	9,833
Balance at June 30, 2026	$ 108,175	$ -	$ 108,175

	Derivatives
Financial assets at FVTPL	
Balance at January 1, 2026	$ 24
Recognized in profit or loss (included in other gains and losses)	(4)
Conversion	(19)
Balance at June 30, 2026	$ 1

For the six months ended June 30, 2025

Financial Assets	Financial Assets at FVTOCI Equity Instrument	Financial Assets at FVTOCI Debt Instrument	Total
Balance at January 1, 2025	$ 87,445	$ 112,407	$ 199,852
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	(11,936)	-	(11,936)
Decrease	-	(112,407)	(112,407)
Balance at June 30, 2025	$ 75,509	$ -	$ 75,509

	Derivatives
Financial assets at FVTPL	
Balance at January 1, 2025	$ 1,213
Recognized in profit or loss (included in other gains and losses)	(31)
Conversion	(551)
Balance at June 30, 2025	$ 631

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

Financial Instruments	Valuation Techniques and Inputs
Convertible bond options	The binomial tree evaluation model of convertible bonds: Consideration of the duration, the share price and volatility of the convertible bond object, conversion price, risk-free interest rate, discount rate, liquidity risk of the convertible bonds and other factors.

(Continued)

Financial Instruments	Valuation Techniques and Inputs
Unlisted equity securities - ROC	Market approach: In the market approach, the selling price of comparable companies was used to estimate the fair value of the target asset through comparison, analysis and adjustments. Asset approach: In the asset approach, the fair value is estimated by evaluating the total market value of individual assets and individual liabilities covered by the evaluation target and considering risk factors such as liquidity reduction.

(Concluded)

c. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Mandatorily classified as at FVTPL	$ 586	$ 3,864	$ 11,675
Financial asset at amortized cost (1)	4,429,487	3,671,430	3,382,238
Financial assets at FVTOCI			
Equity instruments	108,175	98,342	75,509
Financial liabilities			
FVTPL			
Held for trading	13,397	8,061	4,346
Amortized cost (2)	2,740,552	2,032,384	1,265,039

1) The balances included cash and cash equivalents, financial assets at amortized cost - current, notes receivable, trade receivables, other receivables (excluding tax refund receivable) and refundable deposits that are measured at amortized cost.

2) The balances included short-term loans, trade payables, other payables (excluding salaries, bonuses, dividends, labor and health insurance, social security and pension), bonds payable (including current portion of bonds payable), long-term loans (including current portion of long-term loans payable), long-term trade payables and guarantee deposits received.

d. Financial risk management objectives and policies

The Group’s major financial instruments include cash and cash equivalents, financial assets and liabilities at FVTPL, notes receivable, trade receivables, trade payables, lease liabilities, borrowings and convertible bonds.

Risks on the financial instruments include market risk (such as currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), in interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency which has a significant impact denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 36.

Sensitivity analysis

The Group was mainly exposed to the exchange rate movements in USD and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in each functional currency against the relevant foreign currencies. The 1% sensitivity rate is used in reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. Sensitivity analysis includes its foreign operations. A positive number below indicates an increase in pretax profit and other equity associated with a 1% weakening of each functional currency against the relevant currency. For a 1% strengthening of each functional currency against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

	U.S. Dollar Impact		**RMB Impact**	
	For the Six Months Ended June 30		**For the Six Months Ended June 30**	
	2026	**2025**	**2026**	**2025**
Profit or loss	$ 2,346	$ 2,913	$ 228	$ 167

This was mainly attributable to the exposure on outstanding accounts receivable and payable in USD and RMB, which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD decreased during the current period mainly due to the decreased of net financial assets in USD.

The Group's sensitivity to the RMB increased during the current period mainly due to the increased of net financial assets in RMB.

b) Interest rate risk

The Group was exposed to interest rate related to its deposits, financial assets at amortized cost - current, bank loans, convertible bonds and lease liabilities at both fixed and floating interest rates.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	$ 878,994	$ 875,336	$ 1,323,578
Financial liabilities	884,196	578,132	380,817
Cash flow interest rate risk			
Financial assets	1,107,125	534,471	380,713
Financial liabilities	50,000	50,000	3,846

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables held constant, the Group's pretax profits for the six months ended June 30, 2026 and 2025 would have increased/decreased by $5,286 thousand and $1,884 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings and bank deposits.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in financial assets.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for medium- to long-term strategic purposes rather than for trading.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax other comprehensive income for the six months ended June 30, 2026 and 2025 would have increased/decreased by $1,802 thousand and $755 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to equity prices increased due to the increased of fair value in equity instrument investment.

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 at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of counterparties to discharge an obligation could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group continues to monitor its credit exposure and the credit ratings of its counterparties. Credit exposure is controlled by setting a counterparty credit limit, which is approved and periodically reviewed by the risk management committee.

To minimize credit risk, management of the Group has delegated a team to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk was significantly reduced.

The Group transact with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of negative fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

For the Group, bank loans are an important resource of liquidity to the Group. Refer to section (c) below for more information about unused amounts of financing facilities at June 30, 2026, December 31, 2025 and June 30, 2025.

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

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed-upon repayment dates.

June 30, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Short-term borrowings	$ 822,481	$ 60,138	$ -	$ -	$ -
Long-term borrowings	106	205	51,273	-	-
Trade payables	307,186	450,803	155,699	-	-
Other payables	504,581	217,624	34,964	-	-
Long-term accounts payable	-	-	-	128,915	-
Bonds payable	-	-	2,800	-	-
Guarantee deposits received	-	-	6,584	-	-
	$ 1,634,354	$ 728,770	$ 251,320	$ 128,915	$ -

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Short-term borrowings	$ 506,050	$ -	$ 62,602	$ -	$ -
Long-term borrowings	106	205	936	50,338	-
Trade payables	330,893	306,518	83,526	-	-
Other payables	332,574	197,087	34,879	111,777	-
Guarantee deposits received	-	-	6,998	-	-
Bonds payable	-	-	11,200	-	-
	$ 1,169,623	$ 503,810	$ 200,141	$ 162,115	$ -

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Short-term borrowings	$ 255,211	$ -	$ -	$ -	$ -
Long-term borrowings	122	154	332	3,441	-
Lease liabilities	-	-	2,426	10,916	-
Trade payables	152,970	190,169	47,636	-	-
Other payables	292,825	162,558	295,567	47	-
Bonds payable	-	-	119,100	-	-
Guarantee deposits received	-	-	3,284	-	-
	$ 701,128	$ 352,881	$ 468,345	$ 14,404	$ -

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 2,426	$ 10,916	$ -

b) Liquidity risk table for derivative financial liabilities

The table is based on the undiscounted contractual gross cash inflows and outflows on derivative instruments that require gross settlement.

June 30, 2026

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 76,407	$ 1,038,020	$ 1,289,081	$ -
Outflows	(77,713)	(1,047,188)	(1,292,003)	-
	$ (1,306)	$ (9,168)	$ (2,922)	$ -

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 102,694	$ 257,509	$ 1,116,942	$ -
Outflows	(106,094)	(261,017)	(1,118,095)	-
	$ (3,400)	$ (3,508)	$ (1,153)	$ -

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years
Gross settled				
Foreign exchange forward contracts				
Inflows	$ -	$ 157,650	$ 2,920,049	$ -
Outflows	-	(158,420)	(2,923,625)	-
	$ -	$ (770)	$ (3,576)	$ -

c) Financing facilities

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loan facilities (reviewed annually)			
Amount used	$ 931,612	$ 563,709	$ 258,288
Amount unused	2,534,934	2,167,299	2,072,092
	$ 3,466,546	$ 2,731,008	$ 2,330,380
Secured bank loan facilities which may be extend by mutual agreement			
Amount used	$ -	$ 53,659	$ -
Amount unused	14,029	67,074	245,495
	$ 14,029	$ 120,733	$ 245,495

e. Transfers of financial assets

The Group has signed factoring agreements with banks for the sale of accounts receivable. According to the terms of the factoring agreements, while losses from the credit risks were borne by the banks. The Group did not engage in any accounts receivable sales at June 30, 2026 and 2025. The aforementioned factoring agreement of accounts receivable expired in January 2025.

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions 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. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and the other related parties are disclosed below.

Compensation of Key Management Personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	**2025**	**2026**	**2025**
Short-term employee benefits	$ 7,686	$ 8,478	$ 16,757	$ 19,741
Post-employment benefits	135	135	270	324
	$ 7,821	$ 8,613	$ 17,027	$ 20,065

The remunerations of directors and key executives were determined by the remuneration committee on the basis of individual performance and market trends.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been provided as collateral for bank borrowings and import duties:

	June 30, 2026	December 31, 2025	June 30, 2025
Building	$ 137,495	$ 141,588	$ 53,813
Right-of-use assets - land	79,363	76,784	45,523
Time deposits	6,416	6,755	6,755
	$ 223,274	$ 225,127	$ 106,091

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments of the Group were as follows:

Significant Commitments

Unrecognized commitments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of property, plant and equipment			
RMB	$ 4,113	$ 4,353	$ 4,003
VND	$ 77,843	$ 1,176	$ 13,807

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2026

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 81,769	31.85 (USD:NTD)	$ 2,604,331
USD	45,560	6.8109 (USD:RMB)	1,451,089
RMB	11,271	4.6763 (RMB:NTD)	52,708
RMB	11,812	0.1468 (RMB:USD)	55,235
Non-monetary items			
Derivative instruments			
USD	2,500	Note	585
Financial liabilities			
Monetary items			
USD	70,111	31.85 (USD:NTD)	2,233,048
USD	4,451	6.8109 (USD:RMB)	141,774
RMB	10,248	0.1468 (RMB:USD)	47,924
JPY	7,661	0.196 (JPY:NTD)	1,502
Non-monetary items			
Derivative instruments			
USD	42,900	Note	12,915
RMB	7,950	Note	482

December 31, 2025

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 80,540	31.43 (USD:NTD)	$ 2,531,381
USD	44,304	7.0288 (USD:RMB)	1,392,461
RMB	21,947	4.4716 (RMB:NTD)	98,140
RMB	8,508	0.1423 (RMB:USD)	38,045
Non-monetary items			
Derivative instruments			
USD	22,000	Note	3,740
RMB	4,900	Note	100

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 64,234	31.43 (USD:NTD)	$ 2,018,878
USD	5,851	7.0288 (USD:RMB)	183,911
RMB	13,030	0.1423 (RMB:USD)	58,264
Non-monetary items			
Derivative instruments			
USD	15,000	Note	5,326
RMB	17,550	Note	2,735

(Concluded)

June 30, 2025

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 74,559	29.290 (USD:NTD)	$ 2,183,847
USD	49,377	7.1586 (USD:RMB)	1,446,250
RMB	23,651	4.0916 (RMB:NTD)	96,772
RMB	11,494	0.1397 (RMB:USD)	47,029
Non-monetary items			
Derivative instruments			
USD	28,000	Note	6,855
RMB	13,200	Note	4,189
Financial liabilities			
Monetary items			
USD	64,328	29.290 (USD:NTD)	1,884,159
USD	2,662	7.1586 (USD:RMB)	77,963
RMB	12,114	0.1397 (RMB:USD)	49,565
Non-monetary items			
Derivative instruments			
USD	19,000	Note	4,235
RMB	5,750	Note	111

Note: The fair value of forward foreign exchange contract calculated by discounted cash flow method.

For the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, net foreign exchange losses (realized and unrealized), were $(16,370) thousand, $(37,276) thousand, $(29,033) thousand and $(32,417) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (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) Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 7)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (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 (Table 8):

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

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

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

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

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

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

38. SEGMENT INFORMATION

a. Segment revenue and results

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

	Integrated Signal Connectors	Power Supplies and LED Lighting Products	Other	Elimination of Intersegment Revenues, Profits or Losses	Total
For the six months ended June 30, 2026					
Revenues from external customers	$ 2,503,350	$ 884,436	$ 757,146	$ -	$ 4,144,932
Intersegment revenues	37,642	-	7,523	(45,165)	-
Total revenues	$ 2,540,992	$ 884,436	$ 764,669	$ (45,165)	$ 4,144,932
Segment profits (losses)	$ 444,838	$ 156,147	$ 48,938	$ (120,518)	$ 529,405
For the six months ended June 30, 2025					
Revenues from external customers	$ 2,215,892	$ -	$ 816,205	$ -	$ 3,032,097
Intersegment revenues	30,235	-	5,270	(35,505)	-
Total revenues	$ 2,246,127	$ -	$ 821,475	$ (35,505)	$ 3,032,097
Segment profits (losses)	$ 471,465	$ -	$ (12,014)	$ (4,805)	$ 454,646

Inter-segment revenue was accounted for according to market prices.

b. Total segment assets

	June 30, 2026	December 31, 2025	June 30, 2025
Integrated signal connectors	$ 6,581,211	$ 5,654,087	$ 5,312,718
Power supplies and LED lighting products	1,417,776	1,186,920	-
Other	880,334	831,808	725,780
	$ 8,879,321	$ 7,672,815	$ 6,038,498

c. Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products.

	For the Six Months Ended June 30	
	2026	2025
Information products	$ 495,604	$ 582,054
Internet communication products	1,904,623	1,618,565
Consumer electronics	397,464	332,645
Power supplies and LED lighting products	884,436	-
Other products	462,805	498,833
	$ 4,144,932	$ 3,032,097

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Note 4)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	U.D. Electronic Corp.	U.D. Electronic Vietnam Company Limited	Other receivables from related party	Yes	$ 1,108,380	$ 1,108,380	$ 758,030	1.91	Demand of short-term financing	$ -	Operating capital	$ -	-	-	$ 1,990,534 (Note 2)	$ 1,990,534 (Note 2)
1	Morning Paragon Limited	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	27,590	27,590	27,590	2.91	Demand of short-term financing	-	Operating capital	-	-	-	28,745 (Notes 3)	28,745 (Notes 3)
2	Zhong Jiang U.D.E. Electronics Corp.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	196,406	196,406	196,406	1.91-2.91	Demand of short-term financing	-	Operating capital	-	-	-	609,420 (Note 5)	1,194,941 (Note 5)
3	Zhong Jiang U.D.E. Networking Electronics Corp.	Zhong Jiang U.D.E. Electronics Corp.	Other receivables from related party	Yes	28,058	28,058	28,058	2.81	Demand of short-term financing	-	Operating capital	-	-	-	38,581 (Note 6)	38,581 (Note 6)
4	Linkpower Electronics Co., Ltd.	Zhejiang Qigu Technology Co., Ltd.	Other receivables from related party	Yes	5,612	5,612	-	2.91	Demand of short-term financing	-	Operating capital	-	-	-	477,543 (Note 5)	524,254 (Note 5)
5	Linkpower Electronics Co., Ltd.	Zhong Jiang U.D.E. Electronics Corp.	Other receivables from related party	Yes	93,527	93,527	-	2.91	Demand of short-term financing	-	Operating capital	-	-	-	477,543 (Note 5)	524,254 (Note 5)

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The rest subsidiaries coding from 1.

Note 2: a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company’s most recent year’s predictable purchases or sells with such company and shall not exceed 10% of the net worth of the Company.

b. The total or individually amount available for lending is as follow:

1) The total amount available for lending to the subsidiaries whose voting shares are 100% owned directly or indirectly by the lending company, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

2) The total amount available for lending to the subsidiaries, whose voting shares are not 100% owned directly or indirectly by the lending company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

c. The lending between foreign company whose voting shares are 100% owned directly or indirectly by the Company or the between the Company and the foreign company whose voting shares are 100% owned directly or indirectly by the Company still restricted to (b.) only the calculation of net worth is still based on the net worth of lending company.

Note 3: The lending regulations of Morning Paragon Limited is as follows:

a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company’s most recent year’s predictable purchases or sells with such company and shall not exceed 10% of the net worth of the Company.

b. The total or individually amount available for lending is as follow:

1) The total amount available for lending to the subsidiaries whose voting shares are owned directly or indirectly by the parent company, shall not exceed 40% of higher the net worth of the lending company based on their most recently audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of the net worth of the lending company based on its most recently audited or reviewed financial statements.

2) The total amount available for lending to the subsidiaries, whose voting shares are not owned directly or indirectly by the parent company, shall not exceed 20% of higher the net worth of the lending company based on their most recently audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recently audited or reviewed financial statements.

c. The lending between foreign company whose voting shares are 100% owned directly or indirectly by the Company or the between the Company and the foreign company whose voting shares are 100% owned directly or indirectly by the Company still restricted to (b.) only the calculation of net worth is still based on the net worth of lending company.

Note 4: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation, and translated into NTD with the exchange rate on the reporting date.

(Continued)

Note 5: The lending regulations of Zhong Jiang U.D.E. Electronics Corp. and Linkpower Electronics Co., Ltd. are as follows:

a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company's purchases or sells with such company and shall not exceed 10% of the net worth of the Company.

b. If there is a need for short-term financing, the total amount of capital loans and the limits of individual objects are as follow:

1) The total amount available for lending to the subsidiaries whose voting shares or has substantive control are owned directly or indirectly by the parent company, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of higher the net worth of the lending company multiple its shareholding ratio based on its most recent audited or reviewed financial statements.

2) The total amount available for lending to the companies, whose voting shares or has substantive control are not owned directly or indirectly by the parent company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

Note 6: The lending regulations of Zhong Jiang U.D.E. Electronics Corp. are as follows:

a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company's purchases or sells with such company and shall not exceed 10% of the net worth of the Company.

b. If there is a need for short-term financing, the total amount of capital loans and the limits of individual objects are as follow:

The inter-subsidiaries, shall not exceed 40% of higher the net worth of the lending company based on their most recently audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of the net worth of the lending company multiple its shareholding ratio based on its most recently audited or reviewed financial statements.

Note 7: The interest expenses due to financing ended June 30, 2026 are specified as follows:

Dongguan De Yang Precision Rubber Plastic Co., Ltd.: The sum of interest expenses is $2,242 thousand.

U.D. Electronic Vietnam Company Limited.: The sum of interest expenses is $8,551 thousand.

Zhong Jiang U.D.E. Electronics Corp. The sum of interest expenses is $335 thousand.

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	U.D. Electronic Corp.	All First International Co., Ltd.	b	Net value 100% $ 4,976,334	$ 1,663,740	$ 1,656,200	$ 140,777	$ -	33	Net value 100% $ 4,976,334	Yes	-	-
		Zhong Jiang U.D.E. Electronics Corp.	b	Net value 100% 4,976,334	935,266	935,266	119,336	128,650	19	Net value 100% 4,976,334	Yes	-	Yes
		U.D. ELECTRONIC VIETNAM COMPANY	b	Net value 100% 4,976,334	477,750	477,750	477,750	-	10	Net value 100% 4,976,334	Yes	-	-
		DYP Corp.	b	Net value 20% 995,267	253,996	253,888	-	-	5	Net value 40% 1,990,534	Yes	-	-
		Morning Paragon Limited	b	Net value 20% 995,267	191,970	191,100	-	-	4	Net value 40% 1,990,534	Yes	-	-

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The rest subsidiaries coding from 1.

Note 2: a. Individual endorsement amounts to a company with business transactions shall not exceed the most recent year’s or the coming year’s predictable purchases or sells with such company and not exceed 10% of U.D.E.’s net worth based on its most recent financial statement.

b. Subsidiaries whose voting shares are 50% above owned directly or indirectly by U.D.E.

1) The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 100% owned directly or indirectly by U.D.E. shall not exceed 100% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 100% of U.D.E.’s net worth based on its most recent financial statements.

2) The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 50% above but not 100% owned directly or indirectly by U.D.E. shall not exceed 40% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 20% of U.D.E.’s net worth based on its most recent financial statements.

3) Between the subsidiaries whose voting shares are owned directly or indirectly by U.D.E.

a) The total amount of the guarantee provided by subsidiaries to subsidiaries whose voting shares are 100% owned directly or indirectly by each other shall not exceed 100% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 100% of U.D.E.’s net worth based on its most recent financial statements.

b) The total amount of the guarantee provided by its subsidiaries to another subsidiaries whose voting shares are 90% above but not 100% owned directly or indirectly by each other shall not exceed 10% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 10% of U.D.E.’s net worth based on its most recent financial statements.

c. The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 50% above owned directly or indirectly by U.D.E. shall not exceed 40% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 20% of U.D.E.’s net worth based on its most recent financial statements.

Note 3: The amount has been eliminated on consolidation, and translated into NTD with the exchange rate on the reporting date.

TABLE 3

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
U.D. Electronic Corp.	Emerging Creation Capital Inc.	-	Financial assets at FVTOCI - non-current	2,120	$ 19,855	10.13	$ 19,855	Note
	Dy-Precision Industrial Co., Ltd.	-	〃	725	13,050	16.22	13,050	Note
	Yongda Investment Co., Ltd.	-	〃	5,000	75,270	17.99	75,270	Note

Note: The highest shareholding ratio of the above is equal to the end-of-period shareholding ratio and there is no collateralized pledge.

U.D. ELECTRONIC CORP. 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
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
U.D. Electronic Corp.	All First International Co., Ltd.	Sub-subsidiary of U.D. Electronic Corp.	Purchase	$ 2,087,855	94	O/A 105 days	$ -	-	$ (2,081,486)	(94)	Note 1
All First International Co., Ltd.	U.D. Electronic Corp.	Parent company	Sale	(2,087,855)	(91)	O/A 105 days	-	-	2,081,486	96	〃
	Zhong Jiang U.D.E. Electronics Corp.	Affiliated company	Purchase	2,225,982	98	O/A 105 days	-	-	(1,265,197)	(98)	〃
	Zhong Jiang U.D.E. Networking Electronics Corp.	Affiliated company	Sale	(172,239)	(7)	O/A 105 days	-	-	8,078	-	〃
Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	Affiliated company	Sale	(2,225,982)	(98)	O/A 105 days	-	-	1,265,197	97	〃
Zhong Jiang U.D.E. Networking Electronics Corp.	All First International Co., Ltd.	Affiliated company	Purchase	172,239	88	O/A 105 days	-	-	(8,078)	(12)	〃
Morning Paragon Limited	DYP Corp.	Affiliated company	Sale	(228,364)	(92)	O/A 105 days	-	-	78,929	86	〃
	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Affiliated company	Purchase	230,948	93	O/A 105 days	-	-	(50,923)	(81)	〃
DYP Corp	Morning Paragon Limited	Affiliated company	Purchase	228,364	93	O/A 105 days	-	-	(78,929)	(87)	〃
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited	Affiliated company	Sale	(230,948)	(77)	O/A 105 days	-	-	50,923	49	〃

Note 1: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The prices and payment terms to related parties were not significantly different from those of sales to third parties.

TABLE 5

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
All First International Co., Ltd.	U.D. Electronic Corp.	Parent company	$ 2,081,486	2.12	$ -	-	$ 50,994	$ -
Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	Affiliated company	1,265,197	3.74	-	-	390,667	-
	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Affiliated company	Other receivables 200,569 (including interest receivables)	-	-	-	-	-
U.D. Electronic Corp.	U.D. ELECTRONIC VIETNAM COMPANY	Affiliated company	Other receivables 782,049 (including interest receivables)	-	-	-	19,424	-

Note 1: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The amount recovered from July 1, 2026 to August 5, 2026.

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(Amounts in Thousands)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% of Total Sales or Assets (Note 4)
0	U.D. Electronic Corp.	All First International Co., Ltd.	a.	Endorsements/guarantees provided	$ 1,656,200	-	19
		DYP Corp.	a.	Endorsements/guarantees provided	253,996	-	3
		Morning Paragon Limited	a.	Endorsements/guarantees provided	191,100	-	2
		Zhong Jiang U.D.E. Electronics Corp.	a.	Endorsements/guarantees provided	935,266	-	11
		U.D. Electronic Vietnam Company Limited	a.	Endorsements/guarantees provided	477,750	-	5
				Other receivables	782,049	Financing (including interest receivables $4,808)	9
1	All First International Co., Ltd.	U.D. Electronic Corp.	b.	Revenue	2,087,855	Negotiated case by case. O/A 105 days	50
				Trade receivables	2,081,486		23
3	Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	c.	Revenue	2,225,982	Negotiated case by case. O/A 105 days	54
				Trade receivables	1,265,197		14
		Dongguan De Yang Precision Rubber Plastic Co., Ltd.	c.	Other receivables	200,569	Financing (including interest receivables $2,660)	2
5	Morning Paragon Limited	DYP Corp.	c.	Revenue	228,364	Negotiated case by case. O/A 105 days	6
				Trade receivables	78,929		1
7	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited.	c.	Revenue	230,948	Negotiated case by case. O/A 105 days	6
				Trade receivables	50,923		1

Intercompany relationships:

U.D. Electronic Corp., DYP Corp. and CDE Corp. mainly engages in electronic material trading and international trading; Dongguan Jian Guan P.E. Co., Ltd., Zhong Jiang U.D.E. Electronics Corp. and Dongguan De Yang Precision Rubber Plastic Co., Ltd. mainly engage in electronic components manufacturing; Zhong Jiang U.D.E. Networking Electronics Corp. mainly engages in electronic components trading, while Global Connection (Samoa) Holding Inc., Sunderland Inc., San Francisco Inc., Morning Paragon Limited and Ta Yang UDE Limited are holding companies; All First International Co., Ltd. is an international trading company; Dongguan U.D.E. Electronics Corp. mainly engages in development and sales of electronic components; and Dongguan Han Lian Technology Co., Ltd. mainly engages in sales of electronic connectors and electronic products.

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The rest subsidiaries coding from 1.

(Continued)

Note 2: The Intercompany relationships are as follow (If the transaction is the same between the parent company and subsidiaries or between subsidiaries, there is no need to redisclose. For example, transactions between parent company and subsidiaries, if the parent company has disclosed, the subsidiaries will not need to disclose; transactions between subsidiaries, if one of them has disclosed, the other will not need to disclose.

a. Parent company to subsidiaries.
b. Subsidiaries to parent company.
c. Subsidiaries to subsidiaries.

Note 3: This table only reveals one-way transaction information. Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 4: The calculation of the percentage of the transaction accounts for total consolidated revenues or total assets. For the assets and liabilities subject, they are calculated by the ending balance divided by the consolidated total assets. For the revenue and expense subjects, they are calculated by the accumulated amount at the end of period divided by the consolidated total revenue.

Note 5: This table disclosed the significant purchase or sales exceeded the amount $100,000 thousand.

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 4)		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
U.D. Electronic Corp.	Global Connection (Samoa) Holding Inc.	Samoa	Holding company	$ 1,627,185 (US$ 51,089)	$ 1,605,727 (US$ 51,089)	51,089	100.00	$ 3,866,354	$ 168,319	$ 168,319	Notes 1 and 2
	CDE Corp.	Taiwan	Manufacturing and selling of electronic materials	150,000	150,000	15,000	100.00	150,157	17,709	17,709	Notes 1 and 2
	DYP Corp.	Taiwan	Selling of electronic components	112,200	112,200	11,220	51.00	39,214	1,145	584	Notes 1 and 2
	U.D. ELECTRONIC VIETNAM COMPANY LIMITED	Vietnam	Manufacturing and selling of electronic materials	154,622 (VND 118,944,535)	154,622 (VND 118,944,535)	-	100.00	(89,824)	(66,567)	(66,567)	Notes 1 and 2
	Jinyue Investment Co., Ltd.	Taiwan	General investment	30,000	30,000	3,000	100.00	30,214	72	72	Notes 1 and 2
	KAYO UDE Limited	Samoa	Holding company	32,487 (US$ 1,020)	-	1,020	51.00	32,791	596	304	Notes 1 and 2
	EXCELLENT TOP DEVELOPMENTS LIMITED	Samoa	International trading	319 (US$ 10)	-	10	100.00	319	-	-	Notes 1 and 2
	U.D.E TECHNOLOGY VIETNAM COMPANY LIMITED	Vietnam	Processing, manufacturing, and selling of printed circuit boards (PCB) and motherboards	159,250 (US$ 5,000)	-	-	100.00	159,287	133	133	Notes 1 and 2
KAYO UDE Limited	KAYOUDE VIETNAM COMPANY LIMITED	Vietnam	Processing, manufacturing, and selling of battery components	63,700 (US$ 2,000)	-	-	100.00	63,734	39	39	Notes 1 and 2
Global Connection (Samoa) Holding Inc.	Sunderland Inc.	Republic of Mauritius	Holding company	447,938 (US$ 14,064)	442,032 (US$ 14,064)	14,064	100.00	193,900	(40,753)	(40,753)	Notes 1 and 2
	San Francisco Inc.	Republic of Mauritius	Holding company	877,022 (US$ 27,536)	865,456 (US$ 27,536)	27,536	100.00	2,980,662	218,306	218,306	Notes 1 and 2
	All First International Co., Ltd.	Samoa	International trading	318,500 (US$ 10,000)	314,300 (US$ 10,000)	10,000	100.00	721,508	4,339	4,339	Notes 1 and 2
DYP Corp.	Ta Yang UDE Limited	Samoa	Holding company	118,195 (US$ 3,711)	116,637 (US$ 3,711)	4,438	100.00	(34,356)	23,985	22,967	Notes 1, 2 and 3
Ta Yang UDE Limited	Morning Paragon Limited	Samoa	International trading	61,748 (US$ 1,939)	60,933 (US$ 1,939)	1,939	100.00	71,863	(128)	(128)	Notes 1 and 2
Linkpower Electronics Co., Ltd.	Noblestyle Electronics (HK) Co., Limited	Hong Kong	General business	403 (HK$ 100)	403 (HK$ 100)	-	91.09	(22,262)	(1,732)	(1,578)	Notes 1 and 2

Note 1: No market price for reference. The book value on the reporting date is used as the fair value instead.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 3: The investment gain or loss was recognized based on the net income after tax less unrealized up-stream or side-stream gain or loss.

Note 4: The amount of foreign currency investment was translated with the exchange rate on the reporting date.

Note 5: Information on investments in mainland China. Refer to Table 8.

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss) (Notes 2 b. (2) and 7)	Carrying Amount as of June 30, 2026 (Note 7)	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
Dongguan Jian Guan P.E. Co, Ltd.	Manufacturing and selling of electronic components	$ 463,399 (HK$ 116,432)	b. (1)	$ 405,981 (HK$ 12,647 and US$ 12,000)	$ -	$ -	$ 405,981 (HK$ 12,647 and US$ 12,000)	100.00	$ (41,661)	$ (41,661)	$ 160,939	$ -
Zhong Jiang U.D.E. Electronics Corp.	Manufacturing and selling of electronic components	935,975 (US$ 29,000)	b. (2)	833,835 (US$ 27,603)	-	-	833,835 (US$ 27,603)	100.00	225,040	218,306 (Note 6)	2,980,619	-
Zhong Jiang U.D.E. Networking Electronics Corp.	Selling of electronic components	2,476 (RMB 500)	b. (3)	- (Note 3)	-	-	-	100.00	6,320	6,320	96,453	-
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Manufacturing and selling of electronic components	76,252 (US$ 2,500)	b. (4)	70,734 (US$ 2,342)	-	-	70,734 (US$ 2,342)	51.00	24,113	12,298	(53,375)	-
Dongguan U.D.E. Electronics Corp.	Researching of electronic components	16,125 (US$ 500)	b. (1)	15,871 (US$ 502)	-	-	15,871 (US$ 502)	100.00	908	908	32,938	-
Dongguan Han Lian Technology Co., Ltd.	Manufacturing and selling of electronic connectors and electronic products	37,392 (RMB 8,400)	b. (5)	(Note 4)	-	-	-	100.00	5,421	5,421	42,046 (Note 5)	-
Shenzhen Deshenglong Electronics Co., Ltd.	Manufacturing of computer hardware, software and peripheral devices	45,608 (RMB 10,000)	b. (5)	(Note 4)	-	-	-	40.00	-	-	-	-
Linkpower Electronics Co., Ltd.	Manufacturing and selling of electronic components	115,329 (RMB 26,000)	b. (3)	(Note 3)	-	-	-	91.09	133,197	119,934	1,310,636 (Note 5)	-
Huangshan Yuhao Electronics Co., Ltd.	Manufacturing of electronic components	22,179 (RMB 5,000)	b. (3)	(Note 3)	-	-	-	91.09	3,571	3,253	38,203 (Note 5)	-
Hangzhou Qigu Technology Co., Ltd.	Real estate investment business	11,200 (RMB 2,525)	b. (3)	(Note 3)	-	-	-	91.09	(707)	(644)	1,999 (Note 5)	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2026	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$1,326,421	$1,418,521	Note 8

Note 1: Three methods of investing in mainland China are as follows:

a. Directly invests in mainland China.

b. Investments in mainland China through an existing company established in a third region.

1) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in Sunderland Inc.)
2) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in San Francisco Inc.)
3) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in San Francisco Inc. and re-invested in Zhong Jiang U.D.E. Electronics Corp.)
4) Investments in mainland China through an existing company established in a third region (Ta Yang U.D.E Limited.)
5) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in Sunderland Inc. and re-invested in Dongguan Jian Guan P.E. Co., Ltd.)

c. Other methods.

Note 2: In the column of investment gain (loss)

a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.

b. The basis for recognizing investment gain (loss) is as follows:

1) The financial statement reviewed by the attesting CPA of international accounting firm in cooperation with an accounting firm in the ROC.
2) The financial statement reviewed by the attesting CPA of parent company in Taiwan.
3) Other.

Note 3: Zhong Jiang U.D.E. Networking Electronics Corp. is invested directly by Zhong Jiang U.D.E. Electronics Corp. No outward remittance for investment from Taiwan.

Note 4: Dongguan Han Lian Technology Co., Ltd. and Shenzhen Deshenglong Electronics Co., Ltd. are invested directly by Dongguan Jian Guan P.E. Co., Ltd. No outward remittance for investment from Taiwan.

Note 5: Includes the differences between the cost of investment and the net value of the equity.

Note 6: Unrealized gross profit of up-stream and side-stream transactions were considered.

Note 7: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 8: Pursuant to the Ministry of Economic Affairs' authorization document No. 11351017250 dated October 4, 2024, the Company obtained a Headquarters Operation Certification issued by the Industrial Development Bureau of the Ministry of Economic Affairs, valid from September 16, 2024 to September 15, 2027. Consequently, there is no restriction on the Company's investment limit in Mainland China.

(Continued)

Significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area:

1. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, and

2. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

In Thousands of New Taiwan Dollars

Related Party	Type	Purchase (Sale)		Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized Gain/(Loss)	Note
		Amount	% of Total		Payment Terms	Compare to Normal Transactions	Ending Balance	% of Total		
Dongguan Jian Guan P.E. Co, Ltd.	Purchase	$ 25,536	1	Negotiated case by case	O/A 105 days	Note 7	$ (8,773)	(1)	$ -	Note 1
Zhong Jiang U.D.E. Electronics Corp.	(Sale)	(37,285)	(2)	Negotiated case by case	O/A 105 days	〃	31,432	1	-	Note 2
	Purchase	2,225,982	98	Negotiated case by case	O/A 105 days	〃	(1,265,197)	(98)	29,733	Note 3
Zhong Jiang U.D.E. Networking Electronics Corp.	(Sale)	(172,239)	(7)	Negotiated case by case	O/A 105 days	〃	8,078	-	-	Note 4
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Purchase	230,948	93	Negotiated case by case	O/A 105 days	〃	(50,923)	(81)	1,568	Note 5

Note 1: The transaction of All First International Co., Ltd. purchase from Dongguan Jian Guan P.E. Co., Ltd.

Note 2: The transaction of All First International Co., Ltd. sales to Zhong Jiang U.D.E. Electronics Corp.

Note 3: The transaction of All First International Co., Ltd. purchase from Zhong Jiang U.D.E. Electronics Corp.

Note 4: The transaction of All First International Co., Ltd. sales to Zhong Jiang U.D.E. Networking Electronics Corp.

Note 5: The transaction of Morning Paragon Limited purchase from Dongguan De Yang Precision Rubber Plastic. Co., Ltd.

Note 6: Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Note 7: The payment terms of non-related party are negotiated case by case, and payment is received in advance or from O/A 30 days to O/A 90 days.

3. The amount of property transactions and the amount of the resultant gains or losses:

Related Party	Type	Acquisitions And Selling Property, plant and equipment		Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized Gain/(Loss)	Note
		Amount	% of Total		Payment Terms	Compare to Normal Transactions	Ending Balance	% of Total		
Zhong Jiang U.D.E. Electronics Corp.	Acquisitions of equipment	$ (44,112)	100	Negotiated case by case	By contract	Note 2	$ 44,721	94	$ 6,734	Note 1

(Continued)

Note 1: Represents a transaction in which U.D. ELECTRONIC VIETNAM COMPANY LIMITED acquired equipment from Zhong Jiang U.D.E. Electronics Corp.

Note 2: The payment terms of non-related party are negotiated case by case, and payment is received in advance or from O/A 30 days to O/A 90 days.

4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.

5. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.

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 receiving of services: None.

(Concluded)