English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker: 4979

LuxNet Corporation and Subsidiaries
Consolidated Financial Statements
With Review Report of Independent Auditors
As of March 31, 2026 and 2025
And For The Three -month Periods Then Ended

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Financial Statements and a Report Originally Issued in Chinese

Consolidated Financial Statements

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English Translation of Consolidated Financial Statements Originally Issued in Chinese

REVIEW REPORT OF INDEPENDENT AUDITORS

To The Board of Directors and shareholders of
LuxNet Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of LuxNet Corporation (the "Company") and its subsidiaries as of March 31, 2026 and 2025, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025, and the notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 conducted in accordance with the Standards on Auditing of the Republic of China 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.

EY 安永

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2026 and 2025, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Cheng, Ching-Piao Cheng, Ching-Piao.

Chen, Kuo-Shuai Chen, Kuo-Shuai

Ernst & Young
Taiwan, R.O.C.
May 12th, 2026

<u>*Notices to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the standards on auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of March 31, 2026, December 31, 2025 and March 31, 2025

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of March 31, 2026		As of December 31, 2025		As of March 31, 2025	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$2,340,670	40	$2,543,737	48	$3,086,640	60
1136	Financial assets measured at amortized cost	6(3)	1,100,000	19	600,000	11	-	-
1170	Accounts receivable, net	6(5),6(16)	613,284	11	559,646	11	475,078	9
1180	Accounts receivable - related parties, net	6(5),6(16),7	283	-	-	-	-	-
1200	Other receivables	6(16)	24,186	-	23,501	-	46,539	1
1220	Current tax assets		-	-	-	-	1,056	-
130x	Inventories	6(6)	576,944	10	419,141	8	543,547	11
1419	Other prepaid expenses		10,938	-	10,275	-	4,525	-
1421	Prepayments		808	-	960	-	468	-
1470	Other current assets		18,101	-	11,341	-	9,475	-
11xx	Total current assets		4,685,214	80	4,168,601	78	4,167,328	81
	Non-current assets							
1510	Financial assets at fair value through profit or loss	6(2)	4,160	-	5,657	-	-	-
1517	Financial assets at fair value through other comprehensive income	6(4)	-	-	82,339	2	60,901	1
1600	Property, plant and equipment	6(7),7,8	1,054,969	18	1,038,026	19	849,722	17
1755	Right-of-use assets	6(17)	437	-	477	-	-	-
1780	Intangible assets	6(8)	3,865	-	3,661	-	1,097	-
1900	Other non-current assets	6(9),6(10)	82,663	2	29,977	1	36,078	1
15xx	Total non-current assets		1,146,094	20	1,160,137	22	947,798	19
1xxx	Total Assets		$5,831,308	100	$5,328,738	100	$5,115,126	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets(continued)

As of March 31, 2026, December 31, 2025 and March 31, 2025

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of March 31, 2026		As of December 31, 2025		As of March 31, 2025	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2130	Contract liabilities	6(15)	$1,072	-	$2,344	-	$303	-
2170	Accounts payable		623,196	11	429,401	8	590,901	11
2200	Other payables	6(11)	503,063	8	175,801	4	393,935	8
2220	Other payables - related parties	7	804	-	3,585	-	1,447	-
2230	Current income tax liabilities	6(21)	66,299	1	10,830	-	6,393	-
2280	Lease liabilities	6(17)	161	-	160	-	-	-
2365	Refund liabilities		325	-	44	-	-	-
2399	Other current liabilities		2,589	-	2,862	-	2,833	-
21xx	Total current liabilities		1,197,509	20	625,027	12	995,812	19
	Non-current liabilities							
2500	Financial liabilities at fair value through profit or loss	6(12)	-	-	-	-	3,360	-
2530	Bonds payable	6(13)	500,264	9	724,034	13	747,809	15
2580	Lease liabilities	6(17)	277	-	318	-	-	-
25xx	Total non-current liabilities		500,541	9	724,352	13	751,169	15
2xxx	Total liabilities		1,698,050	29	1,349,379	25	1,746,981	34
31xx	Equity attributable to shareholders of the parent	6(14)						
3100	Capital							
3110	Common stock		1,410,563	24	1,408,398	26	1,408,398	28
3130	Bond conversion rights certificates		13,030	-	2,165	-	-	-
3200	Capital surplus		1,423,122	25	1,210,248	23	1,174,245	23
3300	Retained earnings							
3310	Legal reserve		108,438	2	108,438	2	55,089	1
3320	Special reserve		59,656	1	59,656	1	14,599	-
3350	Unappropriated earnings		1,121,400	19	1,254,549	24	801,347	16
3400	Other components of equity		(2,951)	-	(64,095)	(1)	(85,533)	(2)
3xxx	Total equity		4,133,258	71	3,979,359	75	3,368,145	66
3x2x	Total liabilities and equity		$5,831,308	100	$5,328,738	100	$5,115,126	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three-month periods ended March 31, 2026 and 2025

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	For the three-month period ended March 31, 2026 Amount	2026 %	2025 Amount	2025 %
4000	Operating revenues	6(15),7	$1,193,478	100	$1,066,906	100
5000	Operating costs	6(6)	(890,125)	(75)	(827,301)	(78)
5900	Gross profit		303,353	25	239,605	22
6000	Operating expenses	7				
6100	Sales and marketing		(3,137)	-	(2,151)	-
6200	General and administrative		(34,757)	(3)	(23,857)	(2)
6300	Research and development		(15,020)	(1)	(16,495)	(2)
6450	Expected credit gains (losses)	6(16)	210	-	47	-
	Total operating expenses		(52,704)	(4)	(42,456)	(4)
6900	Operating income		250,649	21	197,149	18
7000	Non-operating incomes and expenses	6(19)				
7100	Interest income		13,702	1	11,918	1
7010	Other incomes		547	-	85	-
7020	Other gains or losses		22,679	2	9,009	1
7050	Finance costs		(4,305)	-	(4,715)	-
7055	Reversal of expected credit losses	6(16)	3,003	-	-	-
	Total non-operating incomes and expenses		35,626	3	16,297	2
7900	Income before income tax		286,275	24	213,446	20
7950	Income tax expense	4,6(21)	(56,622)	(5)	-	-
8200	Net income		229,653	19	213,446	20
8300	Other comprehensive income (loss)	6(20)				
8310	Items that not be reclassified subsequently to profit or loss					
8316	Unrealized gains (losses) on equity instruments investment measured at fair value through other comprehensive income		5,845	1	(25,878)	(2)
8300	Total other comprehensive income (loss), net of tax		5,845	1	(25,878)	(2)
8500	Total comprehensive income		$235,498	20	$187,568	18
9750	Earnings per share-basic (in NTD)	6(22)	$1.62		$1.52	
9850	Earnings per share-diluted (in NTD)	6(22)	$1.60		$1.50	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2026 and 2025

(Amounts Expressed In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent								
		Common Stock			Retained Earnings			Others		
		Common Stock	Bond conversion entielement certificates	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized gains (losses) on equity instruments investment measured at fair value through other comprehensive income	Total	Total Equity
Code	Items	3100	3130	3200	3310	3320	3350	3420	31xx	3xxx
A1	Balance as of January 1, 2025	$1,408,398	$-	$1,174,245	$55,089	$14,599	$805,447	$(59,655)	$3,398,123	$3,398,123
	Appropriation and distribution of 2024 earnings :									
B5	Cash dividends-common shares						(217,546)		(217,546)	(217,546)
D1	Net income for the three-month period ended March 31, 2025						213,446		213,446	213,446
D3	Other comprehensive income, net of tax, for the three-month period ended March 31, 2025							(25,878)	(25,878)	(25,878)
D5	Total comprehensive income	-	-	-	-	-	213,446	(25,878)	187,568	187,568
Z1	Balance as of March 31, 2025	$1,408,398	$-	$1,174,245	$55,089	$14,599	$801,347	$(85,533)	$3,368,145	$3,368,145
A1	Balance as of January 1, 2026	$1,408,398	$2,165	$1,210,248	$108,438	$59,656	$1,254,549	$(64,095)	$3,979,359	$3,979,359
	Appropriation and distribution of 2025 earnings :									
B5	Cash dividends-common shares						(307,503)		(307,503)	(307,503)
D1	Net income for the three-month period ended March 31, 2026						229,653		229,653	229,653
D3	Other comprehensive income (loss), net of tax, for the three-month period ended March 31, 2026							5,845	5,845	5,845
D5	Total comprehensive income	-	-	-	-	-	229,653	5,845	235,498	229,653
I1	Conversion of converitible bonds	2,165	10,865	212,874					225,904	225,904
Q1	Disposal of financial assets at fair value through other comprehensive income						(55,299)	55,299	-	-
Z1	Balance as of March 31, 2026	$1,410,563	$13,030	$1,423,122	$108,438	$59,656	$1,121,400	$(2,951)	$4,133,258	$4,133,258

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three-month periods ended March 31, 2026 and 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the three-month periods ended March 31, 2026	2025
AAAA	Cash flows from operating activities：		
A10000	Income before income tax	$286,275	$213,446
A20000	Adjustments：		
A20010	Income and expense adjustments：		
A20100	Depreciation (including right-of-use-assets)	21,032	14,015
A20200	Amortization	901	1,166
A20300	Expected credit (gain) losses	(3,213)	(47)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit of loss	(672)	360
A20900	Interest expense	4,305	4,715
A21200	Interest income	(13,702)	(11,918)
A22500	Loss (gain) on disposal of property, plant and equipment	124	-
A23800	Reversal of impairment loss on non-financial assets	(124)	-
A29900	Other - Loss (gain) related to inventories	1,628	(2,799)
A30000	Changes in operating assets and liabilities：		
A31150	Accounts receivable	(53,428)	(74,614)
A31160	Accounts receivable - related parties	(283)	-
A31180	Other receivables	4,485	1,350
A31200	Inventories	(159,431)	(155,367)
A31230	Prepayments	(511)	(847)
A31240	Other current assets	(6,760)	(2,367)
A32125	Contract liabilities	(1,272)	(163)
A32150	Accounts payables	193,795	139,276
A32180	Other payables	15,237	4,836
A32190	Other payables - related parties	(2,781)	1,447
A32230	Other current liabilities	(273)	(100)
A32240	Net defined benefit liabilities	(37)	(39)
A32990	Refund liabilities	281	-
A33000	Cash generated from (used in) operations	285,576	132,350
A33100	Interest received	11,535	10,567
A33500	Income tax paid	(1,153)	(996)
AAAA	Net cash provided by (used in) operating activities	295,958	141,921

Code	Items	For the three-month periods ended March 31, 2026	2025
BBBB	Cash flows from investing activities：		
B00020	Disposal of financial assets at fair value through other comprehensive income	88,184	-
B00040	Acquisition of financial assets at amortised cost	(500,000)	-
B02000	Decrease (increase) in prepayments for investments	(32,142)	-
B02700	Acquisition of property, plant and equipment	(52,715)	(182,419)
B04500	Acquisition of intangible assets	(2,310)	(463)
B06700	Decrease (increase) in other non-current assets	-	(142)
BBBB	Net cash provided by (used in) investing activities	(498,983)	(183,024)
CCCC	Cash flows from financing activities：		
C04020	Cash payments for the principal portion of the lease liabilities	(42)	-
CCCC	Net cash provided by (used in) financing activities	(42)	-
EEEE	Increase (decrease) in cash and cash equivalents	(203,067)	(41,103)
E00100	Cash and cash equivalents at beginning of period	2,543,737	3,127,743
E00200	Cash and cash equivalents at end of period	$2,340,670	$3,086,640

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

1. HISTORY AND ORGANIZATION

LuxNet Corporation (referred to “the Company”) was incorporated on November 15, 2001, and registered under the Ministry of Economic Affairs, ROC. The address of the Company’s registered office is No. 6, Hejiang Road, Zhongli, Taoyuan.

The major business activities of Company and subsidiaries (together referred to as “the Group”) were the manufacturing, processing and sale of electronic components and active components for optical communication and the retail sale of electronic materials.

The Company’s common shares were publicly listed on the Taipei Exchange (“TPEx”) on December 12, 2011.

2. DATE AND PROCEDURE OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUANCE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on May 12, 2026.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2026. The adoption of these new standards and amendments had no material impact on the Group.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
C	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
D	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028. In addition, entities in Taiwan with a need for early adoption may elect to early adopt IFRS 18 upon approval by the FSC.

(A) IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(B) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1)Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analysing entities' performance and make it easier to compare entities.

(2)Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3)Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(C) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendment permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(D) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(1) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.

(2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.

(3) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (B), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1)Statement of compliance

The consolidated financial statements for the three-month periods ended March 31, 2026 and 2025 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34, "Interim Financial Reporting," as endorsed and became effective by the FSC.

Except for the following 4(3)～4(5), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2025. For more details, please refer to Note 4 of the Group's consolidated financial statements for the year ended December 31, 2025.

(2)Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars ("NT$") unless otherwise specified.

(3)Basis of consolidation

The same principles of consolidation have been applied in the Group's consolidated financial statements as those applied in the Group's consolidated financial statements for the year ended December 31, 2025. For the principles of consolidation, please refer to Note 4(3) of the Group's consolidated financial statements for the year ended December 31, 2025.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The consolidated entities are listed as follows:

			Percentage of Ownership (%), as of		
Investor	Subsidiary	Main business	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
The Company	Toplight Corporation	Holding Company	100%	100%	100%
Toplight Corporation	Toptrans Corporation Limited	Holding Company	100%	100%	100%

(4)Post-employment benefits

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

(5)Income tax

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, “Income Tax.” The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

5.SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The same significant accounting judgments, estimates and assumptions have been applied in the Group's consolidated financial statements for the three-month period ended March 31, 2026 as those applied in the Group's consolidated financial statements for the year ended December 31, 2025. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Group's consolidated financial statements for the year ended December 31, 2025.

6.CONTENTS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Cash and petty cash	$47	$47	$45
Checking and saving	476,708	359,380	271,532
Time deposit (Note)	1,469,950	1,814,300	2,765,063
Cash equivalents – Investments in bonds under resale agreements	223,965	220,010	-
Cash equivalents – Investments in notes under resale agreements	170,000	150,000	50,000
Total	$2,340,670	$2,543,737	$3,086,640

Note: The contract will expire within three months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of change in value.

(2)Financial assets at fair value through profit or loss

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Mandatorily measured at fair value through profit or loss:			
Derivatives not designated as hedging instruments			
Embedded derivatives – redemption, put options	$4,160	$5,657	$-

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Current	$-	$-	$-
Non-current	4,160	5,657	-
Total	$4,160	$5,657	$-

No financial assets at fair value through profit or loss was pledged as collateral.

(3)Financial assets measured at amortized cost

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Time deposits	$1,100,000	$600,000	$-
Current	$1,100,000	$600,000	$-
Non-current	-	-	-
Total	$1,100,000	$600,000	$-

The Group classifies certain of its financial assets as financial assets measured at amortized cost, which were not pledged. Please refer to Note 12 for more details on credit risk.

(4)Financial assets at fair value through other comprehensive income

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Equity instruments investments measured at fair value through other comprehensive income – Non-current:			
Unlisted company stocks	$-	$82,339	$60,901

The Group classifies certain of its financial assets as financial assets at fair value through other comprehensive income, which were not pledged.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group's equity instrument investments measured at fair value through other comprehensive income for the three-month periods ended March 31, 2026 and 2025 are as follows:

(a)Movement for the three-month periods ended March 31, 2026

	Unlisted company stocks
As of Jan. 1, 2026	$82,339
Valuation gains (losses) related to investments derecognized	5,845
The fair value of the investments at the date of derecognition	(88,184)
As of Mar. 31, 2026	$-

Movement for the three-month periods ended March 31, 2025

	Unlisted company stocks
As of Jan. 1, 2025	$86,779
Valuation gains (losses) related to investments held at the period	(25,878)
As of Mar. 31, 2025	$60,901

(b)Derecognition

In consideration of the Group's investment strategy, the Group disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments are as follows:

	For the three-month period ended March 31, 2026
The fair value of the investments at the date of derecognition	$88,184
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	(55,299)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5)Accounts receivable and accounts receivable － related parties, net

A. Details of accounts receivable and accounts receivable - related parties, net

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Accounts receivable arising from operating activities	$660,684	$607,256	$522,736
Less: loss allowance	(47,400)	(47,610)	(47,658)
Subtotal	613,284	559,646	475,078
Accounts receivable - related parties, gross	283	-	-
Less: loss allowances	-	-	-
Subtotal	283	-	-
Total accounts receivable, net	$613,567	$559,646	$475,078

Accounts receivable are generally on 30～105 days terms. The total carrying amount were NT$660,967 thousand, NT$607,256 thousand and NT$522,736 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. Please refer to Note 6(16) for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2026 and 2025, respectively. Please refer to Note 12 for more details on credit risk.

B.Accounts receivable and accounts receivable - related parties were not pledged.

(6)Inventories

A. Details of inventories:

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Raw material	$248,367	$196,847	$243,673
Work in process	174,161	104,658	130,834
Finished goods	154,416	117,636	169,040
Total	$576,944	$419,141	$543,547

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. The cost of inventories recognized in expenses amounted to NT$890,125 thousand and NT$827,301 thousand for the three-month periods ended March 31, 2026 and 2025, respectively.

The following loss (gains) were included in cost of sale:

	For the three-month period ended March 31,	
Item	2026	2025
Loss (Gain) from inventory market decline and write-off obsolescence	$1,628	$(3,271)
Unallocated manufacturing overhead resulting from the actual production being lower than the normal capacity	-	4,785
Inventory gains and losses from physical count	-	472
Gains on sale of scrap	(512)	(59)
Total	$1,116	$1,927

The Group recognized gains on reversal of inventory market decline because the net realizable value of certain inventories previously provided with market loss or obsolescence were recovered for the three-month periods ended March 31, 2025.

C. The inventories were not pledged.

(7)Property, plant and equipment

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
A.Owner occupied property, plant and equipment	$1,054,969	$1,038,026	$849,722

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Equipment awaiting inspection	Total
Cost:							
As of Jan. 1, 2026	$382,721	$482,638	$1,408,575	$11,515	$548	$128,219	$2,414,216
Additions	-	-	-	-	-	37,935	37,935
Disposals	-	-	(2,499)	-	-	-	(2,499)
Reclassification	-	120,010	11,107	204	-	(131,321)	-
As of Mar. 31, 2026	$382,721	$602,648	$1,417,183	$11,719	$548	$34,833	$2,449,652
As of Jan. 1, 2025	$247,696	$367,278	$1,326,543	$5,239	$548	$20,592	$1,967,896
Additions	-	-	-	-	-	248,579	248,579
Disposals	-	-	-	-	-	-	-
Reclassification	135,025	40,071	13,077	-	-	(188,173)	-
As of Mar. 31, 2025	$382,721	$407,349	$1,339,620	$5,239	$548	$80,998	$2,216,475
Depreciation and impairment:							
As of Jan. 1, 2026	$-	$150,598	$1,219,255	$5,789	$548	$-	$1,376,190
Depreciation	-	5,102	15,522	368	-	-	20,992
Reversal of impairment losses	-	-	(124)	-	-	-	(124)
Disposal	-	-	(2,375)	-	-	-	(2,375)
As of Mar. 31, 2026	$-	$155,700	$1,232,278	$6,157	$548	$-	$1,394,683
As of Jan. 1, 2025	$-	$137,138	$1,209,959	$5,239	$402	$-	$1,352,738
Depreciation	-	2,471	11,499	-	45	-	14,015
Disposal	-	-	-	-	-	-	-
As of Mar. 31, 2025	$-	$139,609	$1,221,458	$5,239	$447	$-	$1,366,753
Net carrying amount:							
As of Mar. 31, 2026	$382,721	$446,948	$184,905	$5,562	$-	$34,833	$1,054,969
As of Dec. 31, 2025	$382,721	$332,040	$189,320	$5,726	$-	$128,219	$1,038,026
As of Mar. 31, 2025	$382,721	$267,740	$118,162	$-	$101	$80,998	$849,722

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. For the three-month periods ended March 31, 2026, the NT$124 thousand gain on reversal of impairment loss represented the sold of certain property, plant, and equipment in the Group. These have been recognized in the statement of comprehensive income.

C. Please refer to Note 8 for more details on property, plant and equipment under pledged.

(8)Intangible assets

	Computer software
Cost:	
As of Jan. 1, 2026	$36,857
Additions – acquired separately	750
Deduction	-
As of Mar. 31, 2026	$37,607
As of Jan. 1, 2025	$33,322
Additions – acquired separately	143
Deduction	-
As of Mar. 31, 2025	$33,465
Amortization and Impairment:	
As of Jan. 1, 2026	$33,196
Amortization	546
Deduction	-
As of Mar. 31, 2026	$33,742
As of Jan. 1, 2025	$32,157
Amortization	211
Deduction	-
As of Mar. 31, 2025	$32,368
Carrying amount, net:	
As of Mar. 31, 2026	$3,865
As of Dec. 31, 2025	$3,661
As of Mar. 31, 2025	$1,097

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Amounts of amortization recognized for intangible assets are as follows:

	For the three-month period ended March 31,	
	2026	2025
Operating costs	$379	$141
Sales and marketing expenses	10	7
General and administrative expenses	70	44
Research and development expenses	87	19
Total	$546	$211

(9)Other non-current assets

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Prepayment for equipment	$42,823	$22,906	$29,012
Prepayment for investment	32,142	-	-
Net defined benefit asset	3,717	3,680	2,789
Other non-current assets-others	3,081	2,491	4,277
Refundable deposits	900	900	-
Total	$82,663	$29,977	$36,078

(10)Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended March 31, 2026 and 2025 were NT$3,725 thousand and NT$3,053 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended March 31, 2026 and 2025 were all NT$0.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11)Other payables

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Accrued expense	$178,180	$163,558	$136,603
Payables on equipment	17,380	12,243	39,786
Payables on dividend	307,503	-	217,546
Total	$503,063	$175,801	$393,935

(12)Financial liabilities at fair value through profit or loss

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Mandatorily measured at fair value through profit or loss:			
Derivatives not designated as hedging instruments			
Embedded derivatives – redemption, put options	$-	$-	$3,360
Current	$-	$-	$-
Non-current	-	-	3,360
Total	$-	$-	$3,360

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(13)Bonds payable

A.The details of the bonds payable as of March 31, 2026, December 31, 2025 and March 31, 2025 are as follows:

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Liability component:			
Convertible domestic bonds payable	$521,800	$760,000	$800,000
Discounts on bonds payable	(21,536)	(35,966)	(52,191)
Total	500,264	724,034	747,809
Less: current portion	-	-	-
Net	$500,264	$724,034	$747,809
Embedded derivative — redemption, put options	$(4,160)	$(5,657)	$3,360
Equity component — conversion right	$44,737	$70,976	$75,097

For the details of the gain or loss from valuation through profit or loss on embedded derivative - redemption, put options and the interest expense on the convertible bonds payable, please refer to Note 6 (19) for more details.

B.On December 9, 2024, the Group issued the 3rd unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A) Issue amount: NTD 600,000 thousand

(B) Issue date: December 9, 2024

(C) Issue price: Issued at par value

(D) Coupon rate: 0%

(E) Period: December 9, 2024 to December 9, 2027

(F) Repayment at maturity: Unless the holders of the Convertible Bonds convert the bonds into the Company's common shares in accordance with Article 10 of these Terms, or the Company redeems the bonds early pursuant to Article 18, or the bondholders exercise their put options under Article 19, or the Company repurchases and cancels the bonds through securities firms, the Company shall repay the Convertible Bonds held by the bondholders in a lump-sum cash payment at their face value within ten business days after maturity (including the tenth business day). If the aforementioned date falls on a day when the Taipei Exchange is closed, the repayment date shall be deferred to the next business day

(G)Conversion period: The bondholders will have the right to convert their bonds at any time during the conversion period commencing March 10, 2025 (the 3 months following the issuing date) to December 09, 2027 (the maturity date), the bondholders may, at any time, request conversion of the Convertible Bonds into the Company's common shares in accordance with these Terms by notifying Taiwan Depository & Clearing Corporation ("TDCC") through their securities brokers, who will then forward such request to the Company's stock transfer agent for processing, subject to the provisions of Articles 10, 11, 12, and 16 hereof. The foregoing right of conversion shall not apply during the following periods: (i) the period during which the Company may be required to close its stock transfer books under ROC laws and regulations applicable from time to time; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of stock or cash dividends；(iii) subscription of new shares due to capital increase to the date ending on (and including) such record date; (iv) the period beginning on the record date of a capital reduction to one day prior to the trading day on which the shares of the Company are reissued after such capital reduction; no request for conversion other than the starting date of the stop of conversion for the change of stock denomination to the day before the trading day before the start of the new stock exchange. The commencement date of suspension of conversion (subscription) for a par value change referred to in the preceding paragraph shall mean the business day immediately preceding the date on which the application for registration of such change is filed with the Ministry of Economic Affairs. The Company shall officially announce the suspension period of at least four business days prior to such commencement date.

(H)Conversion price and adjustment: The conversion price was originally at NT$178 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

The Company distributed common share cash dividends in 2025. Therefore an adjustment to the conversion price was made in accordance with the Company's regulations governing the third domestic unsecured convertible bond issuance and conversion. On July 30, 2025, the conversion price was adjusted from NT$178 to NT$176.50.

(I)Redemption option of the issuer: Under the following circumstances, effective from three month after the issuance until 40 days to maturity, the Company may recall the bonds at par value:

a. The closing price of the Company's common stock exceeds 30% of the last adjusted conversion price for a period of 30 consecutive business days.

b. The balance of the Company's total bonds currently in circulation falls lower than 10% of par value.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(J)Put option of the bondholders:	The bondholders can execute put option after two years from issuance date (December 9, 2026). The Company should send through registered mail the "Notification of bondholder's put option" 40 days before the put option base date. TPEx (Taipei Exchange) should be notified by the Company and should announce the bondholder's put option; a written notification should be sent to the share transfer agent by bondholders 30 days after the TPEx's announcement. The redemption value is the bonds face value plus interest. After two years maturity period, the convertible bonds will be redeemed at 101.0025% of their face value (effective yield of 0.5%). After accepting the redemption request, the Company should redeem the bonds by cash within five business days after the maturity date.

C.On December 25, 2024, the Group issued the 4th unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A) Issue amount:	NTD 200,000 thousand
(B) Issue date:	December 25, 2024
(C) Issue price:	Issued at 112.08% of par value
(D) Coupon rate:	0%
(E) Period:	December 25, 2024 to December 25, 2027

(F) Repayment at maturity: Pursuant to Article 5 of these Terms, the coupon rate of the Convertible Bonds is 0%; therefore, no interest payment dates or methods are specified. Unless the holders of the Convertible Bonds convert the bonds into the Company's common shares in accordance with Article 10 of these Terms, or the Company redeems the bonds early pursuant to Article 18, or the bondholders exercise their put options under Article 19, or the Company repurchases and cancels the bonds through securities firms, the Company shall repay the Convertible Bonds held by the bondholders in a lump-sum cash payment at their face value within ten business days after maturity (including the tenth business day). If the aforementioned date falls on a day when the Taiwan Stock Exchange is closed, such date shall be deferred to the next business day.

(G) Conversion period: The bondholders will have the right to convert their bonds at any time during the conversion period commencing March 26, 2025 (the 3 months following the issuing date) to December 25, 2027 (the maturity date), the bondholders may, at any time, request conversion of the Convertible Bonds into the Company's common shares in accordance with these Terms by notifying Taiwan Depository & Clearing Corporation ("TDCC") through their securities brokers, who will then forward such request to the Company's stock transfer agent for processing, subject to the provisions of Articles 10, 11, 12, and 16 hereof. The foregoing right of conversion shall not apply during the following periods: (i) the period during which the Company may be required to close its stock transfer books under ROC laws and regulations applicable from time to time; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of stock or cash dividends；(iii) subscription of new shares due to capital increase to the date ending on (and including) such record date; (iv) the period beginning on the record date of a capital reduction to one day prior to the trading day on which the shares of the Company are reissued after such capital reduction; no request for conversion other than the starting date of the stop of conversion for the change of stock denomination to the day before the trading day before the start of the new stock exchange.

The commencement date of suspension of conversion (subscription) for a par value change referred to in the preceding paragraph shall mean the business day immediately preceding the date on which the application for registration of such change is filed with the Ministry of Economic Affairs. The Company shall publicly announce the suspension period at least four business days prior to such commencement date.

(H) Conversion price and adjustment: The conversion price was originally at NT$206 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

The Company distributed common share cash dividends in 2025. Therefore an adjustment to the conversion price was made in accordance with the Company’s regulations governing the third domestic unsecured convertible bond issuance and conversion. On July 30, 2025, the conversion price was adjusted from NT$206 to NT$204.30.

(I) Redemption clauses: Under the following circumstances, effective from three month after the issuance until 40 days to maturity, the Company may recall the bonds at par value:

a. The closing price of the Company’s common stock exceeds 30% of the last adjusted conversion price for a period of 30 consecutive business days.

b. The balance of the Company’s total bonds currently in circulation fall lower than 10% of par value.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(J) Put option of the bondholders:	The bondholders can execute put option after two years from issuance date (December 25, 2026). The Company should send through registered mail the "Notification of bondholder's put option" 40 days before the put option base date. TPEx (Taipei Exchange) should be notified by the Company and should announce the bondholder's put option; a written notification should be sent to the share transfer agent by bondholders 30 days after the TPEx's announcement. The redemption value is the bonds face value plus interest. After two years maturity period, the convertible bonds will be redeemed at 100.0000% of their face value (effective yield of 0%). After accepting the redemption request, the Company should redeem the bonds by cash within five business days after the maturity date.

D. The Group's domestic unsecured convertible bonds have applied for conversion in the amount of NT$238,200 thousand as of March 31, 2026, resulting in the issuance of 1,303 thousand common shares. The net amount to be converted (including the face amount of the convertible bond and discount, etc.) which exceeded the par value of the shares amounted to NT$239,113 thousand, which was credited to capital surplus. In addition, due to the exercise of the convertible bond conversion right, the originally recognized capital surplus-convertible bond equity was decreased by NT$26,239 thousand and discount on bonds payable decreased by NT$10,128 thousand.

(14)Equity

A. Common stock

The Company's authorized capital were all NT$2,000,000 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025. The Company's paid-in capital were NT$1,410,563 thousand, NT$1,408,398 thousand and NT$1,408,398 thousand, respectively, each share at par value of NT$10, divided into 141,056 thousand shares, 140,840 thousand shares and 140,840 thousand shares, respectively. Each share represents a voting right and a right to receive dividends.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company issued its third domestic unsecured corporate bonds and applied for conversion in the amount of NT$26,900 thousand from January 1 to December 31, 2025. A total of 152 thousand ordinary shares in the amount of NT$1,524 thousand were issued.

The Company issued its fourth domestic unsecured corporate bonds and applied for conversion in the amount of NT$13,100 thousand from January 1 to December 31, 2025. A total of 64 thousand ordinary shares in the amount of NT$641 thousand were issued.

The Company issued its third domestic unsecured corporate bonds and applied for conversion in the amount of NT$177,800 thousand from January 1 to March 31, 2026. A total of 1,007 thousand ordinary shares in the amount of NT$10,074 thousand were issued. As of March 31, 2026, the conversion has been accounted for under the bond conversion rights certificates as change registration was still pending completion.

The Company issued its fourth domestic unsecured corporate bonds and applied for conversion in the amount of NT$60,400 thousand from January 1 to March 31, 2026. A total of 296 thousand ordinary shares in the amount of NT$2,956 thousand were issued. As of March 31, 2026, the conversion has been accounted for under the bond conversion rights certificates as change registration was still pending completion.

B. Capital surplus

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Additional paid-in capital	$1,095,017	$1,095,017	$1,095,017
Conversion premium	279,237	40,124	-
Restricted stocks for employees	3,650	3,650	3,650
Unclaimed cash dividends beyond the statutory period	481	481	481
Stock option － Other	44,737	70,976	75,097
Total	$1,423,122	$1,210,248	$1,174,245

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

(a) Earning distribution

According to the Company's Articles of Incorporation as amended by the shareholders' meeting held on June 20, 2023, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues;
b. Offset prior years' operation losses;
c. Set aside 10% of the remaining amount as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion may be distributed, in whole or in part, as dividends and bonuses by issuing new shares, if any, will be resolved in the shareholders' meeting.
f. The distribution of the remaining portion may be distributed, in whole or in part, as dividends and bonuses by issuing new shares or in cash, if any, will be resolved in the shareholders' meeting.

According to the Company's Articles of Incorporation, if the distribution of dividends and bonuses or legal reserve and capital surplus was made in cash, the resolution shall be adopted by a majority of Board of Directors attended by two-thirds of the total number of directors, and shall report the distribution to shareholders' meeting.

(b) Dividend policies

The Company is at its growth stage and it considers its future cash demand and long-term financial plans. The distribution could be appropriately made in cash or in the form of dividend shares, when allocating the earnings for each year, the cash dividend shall not be less than 10 percent of the total dividends.

(c) Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(d) Special reserve

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by proportion and transfer to retained earnings.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(e) Based on the resolution approved through the Board of Directors' meetings and the shareholders' meetings held on March 5, 2026 and June 24, 2025, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2025	2024	2025	2024
Legal reserve	$76,505	$53,349		
Special reserve	4,440	45,057		
Common stock – cash dividend (Note 1)	307,503	217,546	2.18	1.5446
Total	$388,448	$315,952		

Note 1: According to the Articles of Incorporation, the board of directors has approved the appropriation of cash dividends for the year 2025 and 2024 on March 5, 2026 and March 13, 2025, respectively.

Please refer to Note 6(18) for details on employees' compensation and remuneration to directors.

(15) Operating revenue

	For the three-month period ended March 31,	
	2026	2025
Revenue from customer contracts		
Sales of goods	$1,193,478	$1,066,906

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A. Disaggregation of revenue

	Single Department For the three-month period ended March 31,	
	2026	2025
a. Primary geographical markets		
Taiwan	$149,689	$92,755
China	14,720	12,402
North America	1,022,807	954,100
Other	6,262	7,649
Total	$1,193,478	$1,066,906
b. Major product		
Active components for optical communication and modules	$1,004,444	$945,718
Chips	154,839	90,359
Other	34,195	30,829
Total	$1,193,478	$1,066,906
The timing for revenue recognition:		
At a point in time	$1,193,478	$1,066,906

B. Contract balances

Contract liabilities – current

	As of			
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	Jan. 1, 2025
Sales of goods	$1,072	$2,344	$303	$466

For the three-month period ended March 31, 2026 and 2025, contract liabilities decreased because certain performance obligations embedded in the beginning contract liabilities were fulfilled and recognized as revenues.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Transaction price allocated to unsatisfied performance obligations

As of March 31, 2026, December 31, 2025 and March 31, 2025, there were no information of unsatisfied performance obligations provided in the consolidated financial statements because the durations of the Group's revenue contracts were all less than one year.

D. Assets recognized from costs to fulfill a contract

None.

(16)Expected credit losses (gains)

	For the three-month period ended March 31,	
	2026	2025
Operating expenses – Expected credit losses (gains)		
Account receivables	$(210)	$(47)

Please refer to Note 12 for more details on credit risk.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group measures the loss allowance of its accounts receivables (including note receivables and accounts receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively, are as follow:

A. The Group considers the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

As of March 31, 2026

		Overdue			
	Not yet due	1-120 days	121-365 days	More than 365 days	Total
Gross carrying amount	$608,065	$5,502	$-	$47,400	$660,967
Loss ratio	0.01～3%	0.01～3%	30%	100%	
Lifetime expected credit losses	-	-	-	(47,400)	(47,400)
Carrying amount of accounts receivable	$608,065	$5,502	$-	$-	$613,567

As of December 31, 2025

		Overdue			
	Not yet due	1-120 days	121-365 days	More than 365 days	Total
Gross carrying amount	$557,932	$1,924	$-	$47,400	$607,256
Loss ratio	0.01～3%	0.01～3%	30%	100%	
Lifetime expected credit losses	-	(210)	-	(47,400)	(47,610)
Carrying amount of accounts receivable	$557,932	$1,714	$-	$-	$559,646

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of March 31, 2025

		Overdue			
	Not yet due	1-120 days	121-365 days	More than 365 days	Total
Gross carrying amount	$474,837	$500	$-	$47,399	$522,736
Loss ratio	0.01～3%	0.01～3%	30%	100%	
Lifetime expected credit losses	(259)	-	-	(47,399)	(47,658)
Carrying amount of accounts receivable	$474,578	$500	$-	$-	$475,078

B. The movement in the provision for impairment of note receivable, accounts receivable and other receivable during the three-month periods ended March 31, 2026 and 2025, respectively, is as follows:

	Note receivable	Accounts receivable	Other receivable
As of Jan. 1, 2026	$-	$47,610	$3,003
Addition (reversal) to the current period	-	(210)	(3,003)
As of Mar. 31, 2026	$-	$47,400	$-
As of Jan. 1, 2025	$-	$47,705	$3,003
Addition (reversal) to the current period	-	(47)	-
As of Mar. 31, 2025	$-	$47,658	$3,003

(17)Leases

A. The group as a lessee

The Group leases transportation equipments. These leases term for three years. The Group may not be allowed to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The effect that leases have on the financial position, financial performance and cash flows of the Group are as follow:

(A) Amounts recognized in the balance sheet

I. Right-of-use asset

The carrying amount of right-of-use assets

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Transportation equipments	$437	$477	$-

II. Lease liabilities

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Lease liabilities	$438	$478	$-
Current	$161	$160	$-
Non-current	277	318	-
Total	$438	$478	$-

Please refer to Note 6(19) for the interest on lease liabilities recognized during the three-month period ended March 31, 2026 and 2025 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of March 31, 2026, December 31,2025 and March 31, 2025.

(B) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three-month period ended March 31,	
	2026	2025
Transportation equipment	$40	$-

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) Income and costs relating to leasing activities

	For the three-month period ended March 31,	
	2026	2025
The expenses relating to short-term leases	$32	$15

As of March 31, 2026 and 2025, the portfolio of short-term leases of the Group to which it is committed at the end of the reporting period is dissimailar to the portfolio of short-term leases to which the short-term lease expense disclosed above and the amount of its lease commitments is NT$0.

(D) Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflow for leases amounting to NT$74 thousand and NT$15 thousand, respectively.

(18)Summary of employee benefits, depreciation and amortization by function is as follows:

Function / Nature	For the three-month period ended March 31,					
	2026			2025		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salaries and wages	$76,159	$34,840	$110,999	$60,073	$27,053	$87,126
Labor and health insurance	8,441	1,641	10,082	6,628	1,448	8,076
Pension	2,967	758	3,725	2,382	671	3,053
Other employee benefits expense	4,689	1,491	6,180	4,118	1,229	5,347
Depreciation	18,976	2,056	21,032	11,474	2,541	14,015
Amortization	716	185	901	1,078	88	1,166

According to the Company’s Articles of Incorporation, between 5% to 15% of profit of the current year is distributable as employees’ compensation and no more than 5% of profit of the current year is distributable as remuneration to directors. According to the amended Articles of Incorporation, 1% of profit of the current year included above shall be allocated as non - management employees’ compensation, However, the Company's accumulated losses shall first have been covered.

The employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the Board of Directors’ resolution regarding the employees’ compensation and remuneration to directors can be obtained from the “Market Observation Post System” on the website of the TWSE.

Based on profit, the Company estimated 5%～15% of the employees’ compensation and not higher than 5% of remuneration to directors for the three-month periods ended March 31, 2026 amounted to NT$15,391 thousand, and NT$6,156 thousand respectively. The employees’ compensation and remuneration to directors were recognized as salary expenses.

Based on profit, the Company estimated 5%～15% of the employees’ compensation and not higher than 5% of remuneration to directors for the three-month periods ended March 31, 2025 amounted to NT$11,476 thousand, and NT$4,590 thousand respectively. The employees’ compensation and remuneration to directors were recognized as salary expenses.

The Company’s Board of Directors’ meeting has determined the employees’ compensation and directors’ remuneration, all in cash, to be NT$41,838 thousand and NT$16,735 thousand, respectively for the year ended December 31, 2025 in a meeting held on March 5, 2026. No differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2025.

The Company’s Board of Directors’ meeting has determined the employees’ compensation and directors’ remuneration, all in cash, to be NT$29,239 thousand and NT$11,696 thousand, respectively for the year ended December 31, 2024, in a meeting held on March 13, 2025. No differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2024.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(19)Non-operating incomes and expenses

A.Interest incomes

	For the three-month period ended March 31,	
	2026	2025
Interest income		
Financial assets measured at amortized cost	$13,702	$11,918

B.Other incomes

	For the three-month period ended March 31,	
	2026	2025
Other incomes-others	$547	$85

C.Other gains and losses

	For the three-month period ended March 31,	
	2026	2025
Gains (losses) on disposal of property, plant and equipment	$(124)	$-
Reversal of impairment losses on property, plant and equipment	124	-
Foreign exchange gain (loss), net	22,007	9,369
Losses on financial assets at fair value through profit or loss	672	(360)
Total	$22,679	$9,009

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A. Finance costs

	For the three-month period ended March 31,	
	2026	2025
Interest on bonds payable	$4,303	$4,715
Interests on lease liabilities	2	-
Total	$4,305	$4,715

(20)Components of other comprehensive income

For the three-month period ended March 31, 2026

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that not be reclassified subsequently to profit or loss:					
Unrealized gains (losses) on equity instruments investments measured at fair value through other comprehensive income	$5,845	$-	$5,845	$-	$5,845

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the three-month period ended March 31, 2025

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that not be reclassified subsequently to profit or loss:					
Unrealized gains (losses) on equity instruments investments measured at fair value through other comprehensive income	$(25,878)	$-	$(25,878)	$-	$(25,878)

(21)Income tax

A. The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the three-month period ended March 31, 2026	2025
Current income tax expense (income):		
Current income tax expense	$56,622	$-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	-	-
Total income tax expense	$56,622	$-

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. The assessment of income tax return

As of March 31, 2026, income tax returns of the Company was assessed and approved up to 2024.

(22)Earnings per share

A.Basic earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the ordinary shareholders of the parent entity by the weighted average number of common shares outstanding during the year.

	For the three-month period ended March 31,	
	2026	2025
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$229,653	$213,446
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	141,674	140,840
Basic earnings per share (NT$)	$1.62	$1.52

B.Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the three-month period ended March 31,	
	2026	2025
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$229,653	$213,446
Interest expense from convertible bonds (in thousand NT$)	3,442	3,772
Valuation adjustments of financial assets/liabilities measured at fair value through profit or loss (in thousand NT$)	(539)	288
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$232,556	$217,506
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	141,674	140,840
Effect of dilution:		
Employee bonus－stock (in thousand shares)	119	195
Convertible bonds (in thousand shares)	3,544	4,342
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	145,337	145,377
Diluted earnings per share (in NT$)	$1.60	$1.50

C. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

7.RELATED PARTY TRANSACTIONS

(1)Deal with related parties as of the end of the reporting period

Related parties and Relationship

Related parties	Relationship
Optoway Technology Incorporation	The entity with significant influence over the Group
CHIEN, HUI-BIN	Second-degree relatives of the company's chairman

(2)Significant transactions with related parties

A. Sales

	For the three-month period ended March 31,	
	2026	2025
Optoway Technology Incorporation	$270	$123

Selling prices to related parties are similar to those to third party customers. The collection terms with related parties were about 30 days after monthly closing, whereas the terms with other customers were 30 to 105 days after monthly closing.

B. Accounts receivable-related parties

	As of		
	Mar. 31, 2026	Dec. 31,2025	Mar. 31, 2025
Optoway Technology Incorporation	$283	$-	$-
Less: loss allowance	-	-	-
Net	$283	$-	$-

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. For the three-month period ended March 31, 2026 and 2025, the Group provide Optoway Technology Incorporation the technical services in the amount of NT$736 thousand and NT$2,900 thousand, which was recorded under research and development expenses. As of March 31, 2026 and 2025, the amount of NT$762 thousand and NT$1,418 thousand has not been paid, which were recorded under other payables-related parties.

D. For the three-month period ended March 31, 2026 and 2025, the Group provide CHIEN, HUI-BIN the consulting services in the amount of NT$120 thousand and NT$90 thousand, which was recorded under management expenses. As of March 31, 2026 and 2025, the amount of NT$42 thousand and NT$29 thousand has not been paid, which were recorded under other payables-related parties.

E. Salaries and rewards to key management of the Group

	For the three-month period ended March 31,	
	2026	2025
Short-term employee benefits	$4,845	$4,421
Post-employee benefits	101	75
Total	$4,946	$4,496

8.PLEDGED ASSETS

The following assets of the Group are pledged as collaterals:

	Carrying Amount As of			
Item	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	Secured liabilities
Property, plant and equipment – land	$247,696	$247,696	$247,696	Long-term secured loans
Property, plant and equipment – buildings	292,267	295,835	230,105	Long-term secured loans
Total	$539,963	$543,531	$477,801	

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of March 31, 2026, December 31, 2025, and March 31, 2025, the details of significant contingencies and unrecognized contract commitments were as follows (in thousand dollars):

	As of		
Nature of Contract	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Guarantee notes issued as collateral for bank	USD 18,000	USD 18,000	USD 17,500
loans	NTD 1,180,000	NTD 1,180,000	NTD 1,180,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

In order to meet the needs of operational expansion, on May 12, 2026, the Board of Directors passed a resolution planning to purchase land and factory buildings, with a total price of approximately NT$ 1,050,000 thousand.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Financial assets at fair value through other comprehensive income	$-	$82,339	$60,901
Financial assets at fair value through profit or loss:			
Financial assets mandatorily measured at fair value through profit or loss	4,160	5,657	-

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Financial assets measured at amortized cost:			
Cash and cash equivalents (exclude cash on hand)	2,340,623	2,543,690	3,086,595
Financial assets measured at amortized cost	1,100,000	600,000	-
Accounts receivables (includes related parties)	613,567	559,646	475,078
Other receivables	24,186	23,501	46,539
Refundable deposits	900	900	-
Subtotal	4,079,276	3,727,737	3,608,212
Total	$4,083,436	$3,815,733	$3,669,113

Financial liabilities

	As of		
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Financial liabilities at fair value through profit or loss:			
Financial liabilities mandatorily measured at fair value through profit or loss	$-	$-	$3,360
Financial liabilities at amortized cost:			
Accounts payables	623,196	429,401	590,901
Other payables (includes related parties)	503,867	179,386	395,382
Lease liabilities	438	478	-
Bonds payables	500,264	724,034	747,809
Total	$1,627,765	$1,333,299	$1,737,452

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies, measures, and manages the aforementioned risks based on Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, the due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk (such as equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependence between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables; therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analyses is as follows:

When NTD is strengthened/weakened against foreign currency USD by 5%, the profit for the three-month periods ended March 31, 2026 and 2025 decreased/increased by NT$40,248 thousand and NT$22,045 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and borrowings with variable interest rates. If interest rate increases/decreases by 10 basis points, the net income (loss) for the three-month periods ended March 31, 2026 and 2025 would increase/decrease by NT$477 thousand and by NT$272 thousand, respectively.

Equity price risk

The fair value of the Group's unlisted equity securities to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities measured at financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's board of directors reviews and approves all equity investment decisions.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria, etc. Certain counterparties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivables from top ten customers represented 92%, 92% and 91% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivable is relatively insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counterparties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for accounts receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss are purchased based on low credit risk, and the Group makes an assessment on each balance sheet date as to whether the credit risk rises significantly since original recognition and then further determines the method of measuring the loss allowance and the loss rate.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Liquidity risk management

The Group's objective is to a balance between continuity of funding and flexibility through the use cash and cash equivalents, bank loans, bond payables, lease liabilities etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
As of March 31, 2026			
Accounts payables	$623,196	$-	$623,196
Other payables (includes related parties)	503,867	-	503,867
Lease liabilities	169	282	451
Bonds payables	-	521,800	521,800
As of December 31, 2025			
Accounts payables	$429,401	$-	$429,401
Other payables (includes related parties)	179,386	-	179,386
Lease liabilities	169	324	493
Bonds payables	-	760,000	760,000
As of March 31, 2025			
Accounts payables	$590,901	$-	$590,901
Other payables (includes related parties)	395,382	-	395,382
Bonds payables	-	800,000	800,000

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the three-month period ended March 31, 2026:

	Bonds payables	Lease liabilities	Total liabilities from financing activities
As of Jan. 1, 2026	$724,034	$478	$724,512
Cash flows	-	(42)	(42)
Non-cash flows	(223,770)	2	(223,768)
As of Mar. 31, 2026	$500,264	$438	$500,702

Reconciliation of liabilities for the three-month period ended March 31, 2025:

	Bonds payables	Total liabilities from financing activities
As of Jan. 1, 2025	$743,094	$743,094
Cash flows	-	-
Non-cash flows	4,715	4,715
As of Mar. 31, 2025	$747,809	$747,809

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments. Fair value is the price that would be received to sell a financial assets or paid to transfer a financial liabilities in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and liabilities:

(a) The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities etc.) at the report date.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(c) Fair value of equity instruments without market quotations (including private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of bank loans, bond payables and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.).

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period.

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, accounts receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount as of		
	Mar.31 2026	Dec.31 2025	Mar.31 2025
Financial liabilities			
Bonds payable	$500,264	$724,034	$747,809

	Fair value as of		
	Mar.31 2026	Dec.31 2025	Mar.31 2025
Financial liabilities			
Bonds payable	$504,468	$729,660	$753,400

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of March 31, 2026 is as follows:

Embedded derivatives

The embedded derivative financial instruments identified by the Group arising from the issuance of convertible bonds have been separated from the host contract and are accounted for at fair value through profit or loss. For contractual information regarding this transaction, please refer to Note 6.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis.

As of March 31, 2026, December 31, 2025 and March 31, 2025, fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of March 31, 2026

Financial assets:	Level 1	Level 2	Level 3	Total
Equity instrument measured at fair value through profit or loss				
Embedded derivatives	$-	$-	$4,160	$4,160

As of December 31, 2025

Financial assets:	Level 1	Level 2	Level 3	Total
Equity instrument measured at fair value through other comprehensive income	$-	$-	$82,339	$82,339
Financial assets measured at fair value through profit or loss				
Embedded derivatives	$-	$-	$5,657	$5,657

As of March 31, 2025

Financial assets:	Level 1	Level 2	Level 3	Total
Equity instrument measured at fair value through other comprehensive income	$-	$-	$60,901	$60,901
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss				
Embedded derivatives	$-	$-	$3,360	$3,360

Transfers between Level 1 and Level 2 during the period

For the three-month period ended March 31, 2026 and 2025, there were no transfers between Level 1 and Level 2 fair value hierarchy.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Reconciliations for fair value measurement in Level 3 of the fair value hierarchy

For the three-month period ended March 31, 2026 and 2025, the fair value hierarchy for movements during the period is as follows:

	Assets/(Liabilities)	
	Financial assets measured at fair value through other comprehensive income	Derivative instruments measured at fair value through profit or loss
As of Jan. 1, 2026	$82,339	$5,657
Conversion for the period	-	(2,169)
Total profit and loss recognized for the period		
Recognized in profit or loss (reported under "Other gains and losses ")	-	672
Recognized in other comprehensive income (presented in "Unrealized gains (losses) on equity instruments investments measured at fair value through other comprehensive income)	5,845	-
Disposition for the period	(88,184)	-
As of Mar. 31, 2026	$-	$4,160

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Assets/(Liabilities)	
	Financial assets measured at fair value through other comprehensive income	Derivative instruments measured at fair value through profit or loss
As of Jan. 1, 2025	$86,779	$(3,000)
Issue for the period	-	-
Total profit and loss recognized for the period		
Recognized in profit or loss (reported under "Other gains and losses ")	-	(360)
Recognized in other comprehensive income (presented in "Unrealized gains (losses) on equity instruments investments measured at fair value through other comprehensive income)	(25,878)	-
As of Mar. 31, 2025	$60,901	$(3,360)

Total gains and losses recognized in profit or loss for the three-month periods ended March 31, 2026 and 2025, in the table above contain gains and losses related to assets/liabilities on hand as of March 31, 2026 and 2025, in the amount of NT$672 thousand and NT$(360) thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of March 31, 2026

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Embedded derivatives	Binary-tree model for valuation of convertible bonds	Volatility	65.03%	The higher the volatility, the higher the fair value of embedded derivatives	Increase (decrease) in the volatility by 2% would result in increase (decrease) in the Group's profit or loss by NT$25 thousand/NT$(274) thousand

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stocks	Market comparable listed company approach	Multiplier of price-to book ratio	5.269	The higher the multiplier of price-to book ratio, the higher the fair value of the stocks	Increase (decrease) in the book to market ratio multiples by 10% would result in decrease (increase) in the Group's equity by NT$8,234 thousand.
	Discount for lack of marketability	Discount for lack of marketability	33.00%	The higher the discount for lack of marketability, the lower the fair value of the stocks	Increase (decrease) in the book to market ratio multiples by 10% would result in decrease (increase) in the Group's equity by NT$3,529 thousand.
Financial assets:					
At fair value through profit or loss					
Embedded derivatives	Binary-tree model for valuation of convertible bonds	Volatility	61.29%	The higher the volatility, the higher the fair value of embedded derivatives	Increase (decrease) in the volatility by 2% would result in increase (decrease) in the Group's profit or loss by NT$229 thousand/NT$(112) thousand

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of March 31, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stocks	Market comparable listed company approach	Multiplier of price-to book ratio	4.67	The higher the multiplier of price-to book ratio, the higher the fair value of the stocks	Increase (decrease) in the book to market ratio multiples by 10% would result in decrease (increase) in the Group's equity by NT$6,090 thousand.
		Discount for lack of marketability	33.00%	The higher the discount for lack of marketability, the lower the fair value of the stocks	Increase (decrease) in the book to market ratio multiples by 10% would result in decrease (increase) in the Group's equity by NT$2,610 thousand.
Financial liabilities:					
At fair value through profit of loss					
Embedded derivatives	Binary-tree model for valuation of convertible bonds	Volatility	63.20%	The higher the volatility, the higher the fair value of embedded derivatives	Increase (decrease) in the volatility by 1%would result in increase (decrease) in the Group's profit or loss by NT$300 thousand/NT$(420) thousand

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed.

As of March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (please refer to Note 6(13))	$-	$-	$504,468	$504,468

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (please refer to Note 6(13))	$-	$-	$729,660	$729,660

As of March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (please refer to Note 6(13))	$-	$-	$753,400	$753,400

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's financial department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(10) Significant financial assets and liabilities denominated in foreign currencies

Information regarding the Group's significant financial assets and liabilities denominated in foreign currencies was listed below (In thousands dollars):

	As of					
	March 31, 2026			December 31, 2025		
	Foreign currencies	Exchange rate	NTD	Foreign currencies	Exchange rate	NTD
Financial assets						
Monetary items:						
USD	$42,601	32.00	$1,363,021	$41,179	31.43	$1,294,260
Financial liabilities						
Monetary items:						
USD	$17,442	32.00	$558,058	$13,085	31.43	$411,269

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of March 31, 2025		
	Foreign currencies	Exchange rate	NTD
Financial assets			
Monetary items:			
USD	$29,291	33.21	$972,598
Financial liabilities			
Monetary items:			
USD	$16,013	33.21	$531,706

The above information is disclosed based on the carrying amount of foreign currency (after converted to functional currency).

The Group's entities' functional currency are various and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange gain (loss) were NT$22,007 thousand and NT$9,369 thousand for the three-month periods ended March 31, 2026 and 2025, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages and adjusts its capital structure considering changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. OTHER DISCLOSURES

(1) Information on significant transactions

A. Financing provided to others for the three-month period ended March 31, 2026: None.

B.Endorsement/Guarantee provided to others for the three-month period ended March 31, 2026: None.

C.Marketable securities held as of March 31, 2026 (excluding investments in subsidiaries, associates and joint ventures): Please refer to Attachment 1.

D.Related party transactions for purchases or sales amount of at least of NT$100 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2026: None.

E.Receivables from related parties of at least of NT$100 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2026: None.

(2) Information on investees

A.Name, locations and related information of investees (excluding investees in Mainland China): Please refer to Attachment 2.

B. If an investee is controlled by an investor, the related information for the investee shall be disclosed as the same as Note 13(1):

(a)Financing provided to others for the three-month period ended March 31, 2026: None.

(b)Endorsement/Guarantee provided to others for the three-month period ended March 31, 2026: None.

(c)Material marketable securities held as of March 31, 2026 (excluding investments in subsidiaries, associates and joint ventures) : None.

(d)Related party transactions for purchases or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2026: None.

(e)Receivables from related parties of at least of NT$100 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2026: None.

(3) Information on investments in Mainland China: None.

14.OPERATING SEGMENT

The Group's revenues are mainly from active components for optical communication. The chief operating decision maker (CODM) of the Group used overall operating results as the basis for evaluating performance and considered the Group a single segment and is prepared on the same basis as the summary of significant accounting policies described in Note 4.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Jointly Ventures)

As of March 31, 2026

Attachment 1

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of March 31, 2026				Note
				As of Mar. 31, 2026	Book Value	Percentage of ownership (%)	Fair Value	
	Stock:							
Luxnet Corporation	BANDWIDTH10, INC	-	Financial assets at fair value through other comprenensive income	220	$2,951	0.00%	$-	
	Add: Unrealized gains (losses) on equity instruments investment measured at fair value through other comprenensive income				(2,951)			
	Total				$-			

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Names, locations and related information of investees (Excluding Investees in Mainland China)

As of March 31, 2026

Attachment 2

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Ending balance			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of Mar. 31, 2026	As of Dec. 31, 2025	Shares	Precentage of ownership(%)	Book Value			
Luxnet Corporation	Toplight Corporation	Seychelles	Holding company	$122,980	$122,980	$4,000	100.00%	$- (Note 1)	$-	$-	Subsidary
Toplight Corporation	Toptrans Corporation Limited	Hong Kong	Holding company	122,980	122,980	4,000	100.00%	- (Note 1)	-	-	Sub-subsidary

Note 1: Transactions are eliminated when preparing the consolidated financial statements.