

**V5 TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE SIX-MONTH PERIODS ENDED
JUNE 30, 2026 AND 2025**

Address: 5F., No. 7, Li-Hsin 3rd Road, Hsinchu Science Park, Hsinchu City, Taiwan.

Telephone: 886-3-623-3089

Notice to Readers

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.

V5 Technologies Co., Ltd. And Subsidiaries

Consolidated Financial Statements

With Report Of Independent Auditors

Table of Contents

Item	Page
I. Cover Page	1
II. Table of Contents	2
III. Auditor's Report	3-4
IV. Consolidated Balance Sheet	5-6
V. Consolidated Statement of Comprehensive Income	7
VI. Consolidated Statement of Changes in Equity	8
VII. Consolidated Statement of Cash Flows	9
VIII. Notes to the Consolidated Financial Statements	
1. History and organization	10
2. Date and procedures of authorization of financial statements for issue	10
3. Newly issued or revised standards and interpretations	10-14
4. Summary of material accounting policies	14-16
5. Significant accounting judgements, estimates and assumptions	16
6. Contents of significant accounts	17-41
7. Related party transactions	42-44
8. Assets pledged as security	44
9. Significant contingencies and unrecognized contractual commitments	44
10. Losses due to major disasters	44
11. Significant subsequent events	44-45
12. Others	45-52
13. Other disclosure	
(1). Information on significant transactions	52-53
(2). Information on investees	53
(3). Information on investments in mainland China	53
14. Segment information	53

Review Report of Independent Auditors

To V5 Technologies Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of V5 Technologies Co., Ltd. and its subsidiaries as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2026 and 2025, changes in equity and cash flows for the six-month periods ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including the summary of significant 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

Except as explained in the following paragraph, 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.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$50,608 thousand and NT\$39,229 thousand, constituting 0.61% and 2.12% of the consolidated total assets, and total liabilities of NT\$10,570 thousand and NT\$7,914 thousand, constituting 0.48% and 0.66% of the consolidated total liabilities as of June 30, 2026 and 2025, respectively; and total comprehensive income of NT\$(5,509) thousand, NT\$(10,098) thousand, NT\$(17,107) thousand and NT\$(17,316) thousand, constituting (2.34)%, (9.07)%, (3.88)% and (8.01)% of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2026 and 2025, respectively. The information related to above subsidiaries disclosed in Note 13 was also not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and the information disclosed in the footnotes been reviewed by independent auditors described in the preceding paragraph, 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 V5 Technologies Co., Ltd. and its subsidiaries as of June 30, 2026 and 2025, and their consolidated financial performance for the three-month and six-month periods ended June 30, 2026 and 2025 and cash flows for the six-month periods ended June 30, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Chiu, Wan-Ju

Hsu, Hsin-Min

Ernst & Young, Taiwan

August 11, 2026

Notice to Readers

The reader is advised that these 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.

The accompanying consolidated financial statements are intended only to present the 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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

V5 Technologies Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of		
		June 30, 2026	December 31, 2025	June 30, 2025
Current assets				
Cash and cash equivalents	6.1	\$ 4,927,856	\$ 1,152,718	\$ 497,588
Financial assets at fair value through profit or loss, current	6.2	1,201,000	-	-
Contract assets, current	5, 6.11, 6.12	54,243	16,549	76,260
Notes receivable, net	6.12	-	200	-
Accounts receivable, net	5, 6.3, 6.12	267,245	186,094	24,537
Other receivables		3,944	219	2,858
Other receivables—related parties	7	-	-	20
Current tax assets		14,779	-	-
Inventories	5, 6.4	1,457,956	1,045,491	1,069,008
Prepayments		24,940	15,516	11,432
Other current assets		378	284	17
Total current assets		7,952,341	2,417,071	1,681,720
Non-current assets				
Property, plant and equipment	6.5	170,060	115,386	76,744
Right-of-use assets	6.13 , 7	58,188	67,484	72,520
Intangible assets	6.6	13,797	7,907	3,637
Deferred tax assets		52,478	11,296	9,655
Refundable deposits	7	10,989	5,348	4,634
Other noncurrent assets-others		-	18,075	5,790
Total non-current assets		305,512	225,496	172,980
Total assets		\$ 8,257,853	\$ 2,642,567	\$ 1,854,700

English Translation of Consolidated Financial Statements Originally Issued in Chinese

V5 Technologies Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of		
		June 30, 2026	December 31, 2025	June 30, 2025
Current liabilities				
Contract liabilities, current	6.11	\$ 993,011	\$ 929,586	\$ 726,747
Accounts payable		432,812	235,339	272,137
Other payables		508,066	235,317	92,380
Other payables — related parties	7	1,339	645	-
Current tax liabilities	4, 6.16	168,679	120,089	21,036
Provisions, current	6.8	54,778	20,614	13,051
Lease liabilities, current	6.13, 7	18,052	18,157	16,762
Other current liabilities		2,715	2,143	1,235
Total current liabilities		2,179,452	1,561,890	1,143,348
Non-current liabilities				
Provisions, noncurrent	6.8	1,118	1,102	1,086
Deferred tax liabilities		616	499	6
Lease liabilities, noncurrent	6.13, 7	40,338	49,129	55,016
Total non-current liabilities		42,072	50,730	56,108
Total liabilities		2,221,524	1,612,620	1,199,456
Equity				
Capital				
Common stock	6.9, 6.10	455,608	415,608	415,608
Additional paid-in capital	6.9, 6.10	4,836,297	20,656	14,997
Retained earnings	6.9, 6.10			
Legal reserve		58,184	-	-
Unappropriated earnings		675,089	581,838	216,684
Total equity attributable to the parent company		6,025,178	1,018,102	647,289
Non-controlling interests	4, 6.9	11,151	11,845	7,955
Total equity		6,036,329	1,029,947	655,244
Total liabilities and equity		\$ 8,257,853	\$ 2,642,567	\$ 1,854,700

English Translation of Consolidated Financial Statements Originally Issued in Chinese
V5 Technologies Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the six-month periods ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2026	2025	2026	2025
Operating revenues	6.11	\$ 734,845	\$ 437,244	\$ 1,419,287	\$ 741,474
Operating costs	6.4, 6.14	(296,547)	(167,853)	(575,975)	(288,805)
Gross profit		438,298	269,391	843,312	452,669
Operating expenses	6.12, 6.13, 6.14, 7				
Sales and marketing expenses		(46,761)	(35,146)	(70,012)	(55,483)
General and administrative expenses		(14,785)	(44,799)	(72,416)	(64,343)
Research and development expenses		(91,928)	(60,959)	(154,101)	(100,088)
Expected credit impairment losses		(9,424)	315	(13,705)	253
Subtotal		(162,898)	(140,589)	(310,234)	(219,661)
Operating income		275,400	128,802	533,078	233,008
Non-operating income and expenses	6.15				
Interest income		22,461	1,730	22,956	1,902
Other income	7	63	195	282	362
Other gains and losses	7	(13)	(7,283)	1,868	(6,581)
Finance costs	7	(467)	(555)	(963)	(924)
Subtotal		22,044	(5,913)	24,143	(5,241)
Income before income tax		297,444	122,889	557,221	227,767
Income tax expense	4, 5, 6.16	(61,564)	(11,596)	(116,064)	(11,596)
Net income		235,880	111,293	441,157	216,171
Other comprehensive income					
Total other comprehensive income		-	-	-	-
Total comprehensive income		\$ 235,880	\$ 111,293	\$ 441,157	\$ 216,171
Net income (loss) attributable to:					
Shareholders of the parent		\$ 236,274	\$ 111,669	\$ 442,360	\$ 216,684
Non-controlling interests		(394)	(376)	(1,203)	(513)
		\$ 235,880	\$ 111,293	\$ 441,157	\$ 216,171
Comprehensive income (loss) attributable to:					
Shareholders of the parent		\$ 236,274	\$ 111,669	\$ 442,360	\$ 216,684
Non-controlling interests		(394)	(376)	(1,203)	(513)
		\$ 235,880	\$ 111,293	\$ 441,157	\$ 216,171
Earnings per share (NTD)	6.17				
Earnings per share-basic		\$ 5.19	\$ 2.69	\$ 10.12	\$ 5.25
Earnings per share-diluted		\$ 5.18	\$ 2.68	\$ 10.11	\$ 5.24

English Translation of Consolidated Financial Statements Originally Issued in Chinese

V5 Technologies Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

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

(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Additional Paid-in Capital	Legal Reserve	Unappropriated earnings (Accumulated Deficits)	Equity Attributable to the Parent Company	Non Controlling Interests	Total Equity
Balance as of January 1, 2025	\$ 402,008	\$ 199,706	\$ -	\$ (195,603)	\$ 406,111	\$ 6,049	\$ 412,160
Appropriation to offset 2024 accumulated deficit :							
Offset accumulated deficits using capital surplus	-	(195,603)	-	195,603	-	-	-
Net income (loss) for the six-month period ended June 30, 2025	-	-	-	216,684	216,684	(513)	216,171
Other comprehensive income, for the six-month period ended June 30, 2025	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	216,684	216,684	(513)	216,171
Changes in subsidiaries' ownership	-	4,036	-	-	4,036	1,364	5,400
Share-based payment transaction	13,600	6,858	-	-	20,458	1,055	21,513
Balance as of June 30, 2025	<u>\$ 415,608</u>	<u>\$ 14,997</u>	<u>\$ -</u>	<u>\$ 216,684</u>	<u>\$ 647,289</u>	<u>\$ 7,955</u>	<u>\$ 655,244</u>
Balance as of January 1, 2026	\$ 415,608	\$ 20,656	\$ -	\$ 581,838	\$ 1,018,102	\$ 11,845	\$ 1,029,947
Appropriation and distribution of 2025 retained earnings :							
Legal reserve	-	-	58,184	(58,184)	-	-	-
Cash dividends	-	-	-	(290,925)	(290,925)	-	(290,925)
Net income (loss) for the six-month period ended June 30, 2026	-	-	-	442,360	442,360	(1,203)	441,157
Other comprehensive income, for the six-month period ended June 30, 2026	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	442,360	442,360	(1,203)	441,157
Capital increase in cash	40,000	4,808,205	-	-	4,848,205	-	4,848,205
Changes in subsidiaries' ownership	-	3	-	-	3	(3)	-
Share-based payment transaction	-	7,433	-	-	7,433	512	7,945
Balance as of June 30, 2026	<u>\$ 455,608</u>	<u>\$ 4,836,297</u>	<u>\$ 58,184</u>	<u>\$ 675,089</u>	<u>\$ 6,025,178</u>	<u>\$ 11,151</u>	<u>\$ 6,036,329</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
V5 Technologies Co., Ltd. and Subsidiaries
Consolidated Statements Of Cash Flows
For the six-month periods ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	For the six-month periods ended June 30,			For the six-month periods ended June 30,	
	2026	2025		2026	2025
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 557,221	\$ 227,767	Acquisition of financial assets at fair value through profit or loss	(1,200,000)	-
Adjustments:			Acquisition of property, plant and equipment	(45,517)	(18,990)
Income and expense items:			Disposal of property, plant and equipment	19	282
Depreciation	19,376	13,792	Increase in refundable deposits	(5,641)	(2,077)
Amortization	1,701	574	Acquisition of intangible assets	(7,591)	(493)
Expected credit impairment losses (gains)	13,705	(253)	Net cash used in investing activities	(1,258,730)	(21,278)
Net gain of financial assets and liabilities at fair value through profit or loss	(1,000)	-			
Interest expense	963	924			
Interest income	(22,956)	(1,902)			
Share-based payment	7,945	1,113			
Loss (Gain) on disposal of property, plant and equipment	100	(129)			
Gain on lease modification	(46)	(1,284)			
Changes in operating assets and liabilities:					
Contract assets	(37,694)	(50,434)			
Notes receivable	200	-			
Accounts receivable	(94,856)	46,477			
Other receivables	192	(2,410)	Cash flows from financing activities:		
Other receivables — related parties	-	6	Cash payments for the principal portion of the lease liability	(8,890)	(7,289)
Inventories	(413,268)	(478,823)	Capital increase in cash	4,848,205	-
Prepayments	(9,424)	(3,843)	Exercise of employee stock options	-	20,400
Other current assets	(94)	126	Change in non-controlling interests	-	5,400
Contract liabilities	63,425	456,655	Net cash provided by financing activities	4,839,315	18,511
Accounts payable	197,473	9,500			
Other payables	(18,614)	11,500			
Other payables — related parties	694	(944)			
Provision for Warranty Liabilities	34,164	5,994			
Other current liabilities	572	(342)			
Cash inflow from operations	299,779	234,064			
Interest received	19,039	1,902			
Interest paid	(947)	(921)	Net increase in cash and cash equivalents	3,775,138	232,069
Income tax paid	(123,318)	(209)	Cash and cash equivalents at beginning of period	1,152,718	265,519
Net cash provided by operating activities	194,553	234,836	Cash and cash equivalents at end of period	\$ 4,927,856	\$ 497,588

V5 TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Six-Month Periods Ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

V5 Technologies Co., Ltd. (hereinafter referred to as “the Company”) was officially incorporated on April 25, 2014. The Company is primarily engaged in the research, development, production, manufacturing, and sales of electronic design software and hardware tools. The Company’s registered address and principal place of business is located at 5F., No. 7, Li-Hsin 3rd Road, Hsinchu Science Park, Hsinchu City, Taiwan.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the six-month periods ended June 30, 2026 and 2025 were authorized for issue by the Board of Directors on August 11, 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.

- (2) Standards or interpretations issued, revised or amended, by IASB which have 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 18 “Presentation and Disclosure in Financial Statements”	1 January 2027 (Note)
b	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
c	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	1 January 2027
d	Amendments to the Fair Value Option for Investments in	1 January 2027

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
	Associates and Joint Ventures (Amendments to IAS 28)	(Note)

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.

(a) 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 analyzing 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.

(b) 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.

- (c) 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.

- (d) Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)

The amendments are:

- (1) Clarify that the entity that has a main business activity of investing in particular types of assets (as set out in paragraph 49(a) of IFRS 18) is eligible to elect the fair value option in IAS 28; and
- (2) Require the entity to apply the amendments to IAS 28 at the same time, and on the same basis, as it applies IFRS 18.

The abovementioned standards, amendments and interpretations have been issued by the IASB, endorsed by the FSC, and are effective for annual reporting periods beginning on or after 1 January 2027. Except for the standards, amendments and interpretations described in (a), which are expected to affect the presentation and disclosures of the Group's financial statements, the Group has assessed that the remaining new or amended standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“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 20 “Regulatory Assets and Regulatory Liabilities”	1 January 2029

- (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 20 “Regulatory Assets and Regulatory Liabilities”

This Standard sets out the requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense, and will replace IFRS 14 *Regulatory Deferral Accounts*.

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. The Group is evaluating the potential impact of the new or amended standards and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the six-month periods ended June 30, 2026 and 2025 have been prepared in accordance 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.

(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 expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognizes the carrying amount of any non-controlling interest;
- (c) recognizes the fair value of the consideration received;
- (d) recognizes the fair value of any investment retained;
- (e) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- (f) recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

Investor	Relationship with the Company	Main businesses	Percentage of ownership (%)		
			June 30, 2026	December 31, 2025	June 30, 2025
V5 MED INC.	Subsidiary of the Company	Sales and R&D of medical devices	93.18%	93.18% (Note 2)	96.47% (Note 1)

Note 1: On January 14, 2025, the Board of Directors of V5 MED INC. resolved to conduct a cash capital increase through the issuance of 2,000 thousand shares of common stock at an issue price of NT\$18 per share. The total cash proceeds received by the Group amounted to NT\$36,000 thousand. In accordance with relevant regulations, 15% of the newly issued shares were reserved for employee subscription, resulting in capital proceeds of NT\$30,600 thousand attributable to the Company. Consequently, the Company's ownership interest decreased to 96.47%. The transaction resulted in an increase in non-controlling interests of NT\$1,364 thousand and an adjustment to capital surplus of NT\$4,036 thousand.

Note 2: On October 28, 2025, the Board of Directors of V5 MED INC. resolved to conduct a cash capital increase through the issuance of 2,500 thousand shares of common stock at an issue price of NT\$20 per share. The total cash proceeds received by the Group amounted to NT\$50,000 thousand. In accordance with relevant regulations, 15% of the newly issued shares were reserved for employee subscription, resulting in capital proceeds of NT\$41,000 thousand attributable to the Company. Consequently, the Company's ownership interest decreased to 93.18%. The transaction resulted in an increase in non-controlling interests of NT\$3,341 thousand and an adjustment to capital surplus of NT\$5,659 thousand.

The financial statements of some of the consolidated subsidiaries listed above had not been reviewed by auditors. As at June 30, 2026 and 2025, the related assets of the subsidiaries which were unreviewed by auditors amounted to NT\$50,608 thousand and NT\$39,229 thousand, respectively, and the related liabilities amounted to NT\$10,570 thousand and NT\$7,914 thousand, respectively. The comprehensive income of these subsidiaries amounted to NT\$(5,509) thousand and NT\$(10,098) thousand for the three-month periods ended June 30, 2026 and 2025, respectively, and NT\$(17,107) thousand and NT\$(17,316) thousand for the six-month periods ended June 30, 2026 and 2025, respectively.

- (4) Except for the accounting policies stated in Note 4.5, the same accounting policies of consolidation have been applied in the Company's consolidated financial statements as those applied in the Company's consolidated financial statements for the year ended December 31, 2025. For the summary of material accounting policies, please refer to Note 4 of the Company's consolidated financial statements for the year ended December 31, 2025.

(5) Income taxes

Income tax expense for the interim period is accrued and disclosed based on the tax rate applicable to the expected total annual earnings. That is, the estimated annual average effective tax rate is applied to the pre-tax profit for the interim period. The estimation of the annual average effective tax rate includes only the current income tax expense. Deferred income tax is recognized and measured in accordance with IAS 12 "Income Taxes" consistent with the annual financial reporting. If there is a change in tax rates during the interim period, the impact of the change on deferred income tax is recognized in full in profit or loss, other comprehensive income, or directly in equity.

5. Significant accounting judgements, estimates and assumptions

The same significant accounting judgments, estimates and assumptions have been applied in the Company's consolidated financial statements for the six-month periods ended June 30, 2026 as those applied in the Company'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 Company's consolidated financial statements for the year ended December 31, 2025.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand & petty cash	\$195	\$195	\$161
Demand Deposit	677,483	892,345	442,361
Checking Deposit	178	178	178
Time deposits (note)	4,250,000	260,000	54,888
Total	<u>\$4,927,856</u>	<u>\$1,152,718</u>	<u>\$497,588</u>

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

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

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Fund	<u>\$1,201,000</u>	<u>\$-</u>	<u>\$-</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Accounts receivable

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	\$288,989	\$194,133	\$30,507
Less: loss allowance	(21,744)	(8,039)	(5,970)
Total	<u>\$267,245</u>	<u>\$186,094</u>	<u>\$24,537</u>

Accounts receivable were not pledged.

Accounts receivable are generally on 30-120 day terms. The total carrying amount as of June 30, 2026, December 31, 2025 and June 30, 2025 were NT\$288,989 thousand, NT\$194,133 thousand and NT\$30,507 thousand, respectively. Please refer to Note 6.12 for more details on loss allowance of accounts receivable for the six-month periods ended June 30, 2026 and 2025. Please refer to Note 12 for more details on credit risk management.

(4) Inventories

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	\$232,781	\$103,791	\$113,664
Work in progress	562,152	415,952	468,445
Finished goods	662,811	525,542	486,859
Merchandise Inventory	212	206	40
Total	<u>\$1,457,956</u>	<u>\$1,045,491</u>	<u>\$1,069,008</u>

The cost of inventories recognized as operating cost of the group amounted to NT\$296,547 thousand and NT\$167,853 thousand for the three-month periods ended June 30, 2026 and 2025, respectively, which included the write-down of inventories of NT\$7,368 thousand and NT\$227 thousand.

The cost of inventories recognized as operating cost of the group amounted to NT\$575,975 thousand and NT\$288,805 thousand for the six-month periods ended June 30, 2026 and 2025, respectively, which included the write-down of inventories of NT\$4,994 thousand and NT\$7,661 thousand.

No inventories were pledged.

(5) Property, plant and equipment

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Owner occupied property, plant and equipment	\$170,060	\$115,386	\$76,744

(a) Owner occupied property, plant and equipment

			Research and	Transportation	Office	Others	Construction in progress and equipment awaiting examination	Total
	Land	Buildings	development equipment	equipment	equipment			
Cost:								
As at January 1, 2026	\$52,174	\$15,973	\$18,704	\$2,909	\$23,817	\$25,067	\$-	\$138,644
Additions	24,993	5,825	1,610	-	11,396	16,087	4,119	64,030
Disposals	-	-	-	(488)	-	-	-	(488)
Transfers and reclassifications	-	-	-	-	803	1,332	(1,332)	803
As at June 30, 2026	<u>\$77,167</u>	<u>\$21,798</u>	<u>\$20,314</u>	<u>\$2,421</u>	<u>\$36,016</u>	<u>\$42,486</u>	<u>\$2,787</u>	<u>\$202,989</u>
As at January 1, 2025	\$29,546	\$-	\$31,763	\$2,366	\$10,361	\$11,426	\$-	\$85,462
Additions	-	-	5,131	345	1,258	10,247	4,878	21,859
Disposals	-	-	-	-	-	(205)	-	(205)
Transfers and reclassifications	-	-	-	-	-	932	-	932
As at June 30, 2025	<u>\$29,546</u>	<u>\$-</u>	<u>\$36,894</u>	<u>\$2,711</u>	<u>\$11,619</u>	<u>\$22,400</u>	<u>\$4,878</u>	<u>\$108,048</u>
Depreciation and impairment:								
As at January 1, 2026	\$-	\$47	\$7,172	\$878	\$9,170	\$5,991	\$-	\$23,258
Depreciation	-	699	2,375	254	3,163	3,549	-	10,040
Disposals	-	-	-	(369)	-	-	-	(369)
As at June 30, 2026	<u>\$-</u>	<u>\$746</u>	<u>\$9,547</u>	<u>\$763</u>	<u>\$12,333</u>	<u>\$9,540</u>	<u>\$-</u>	<u>\$32,929</u>

			Research and development	Transportation equipment	Office equipment	Construction in progress and equipment awaiting examination		Total
	Land	Buildings	equipment	equipment	equipment	Others	examination	Total
As at January 1, 2025	\$-	\$-	\$16,272	\$430	\$6,342	\$2,164	\$-	\$25,208
Depreciation	-	-	3,433	221	985	1,509	-	6,148
Disposals	-	-	-	-	-	(52)	-	(52)
As at June 30, 2025	\$-	\$-	\$19,705	\$651	\$7,327	\$3,621	\$-	\$31,304

Net carrying amount as at:

June 30, 2026	\$77,167	\$21,052	\$10,767	\$1,658	\$23,683	\$32,946	\$2,787	\$170,060
December 31, 2025	\$52,174	\$15,926	\$11,532	\$2,031	\$14,647	\$19,076	\$-	\$115,386
June 30, 2025	\$29,546	\$-	\$17,189	\$2,060	\$4,292	\$18,779	\$4,878	\$76,744

For the six-month periods ended June 30, 2026 and 2025, there was no capitalization of borrowing costs for property, plant and equipment.

The Group does not pledge property, plant and equipment as collateral.

(6) Intangible assets

	Patents	Computer software	Total
Cost:			
As at January 1, 2026	\$500	\$13,373	\$13,873
Additions	-	7,591	7,591
As at June 30, 2026	\$500	\$20,964	\$21,464
As at January 1, 2025	\$500	\$7,753	\$8,253
Additions	-	493	493
As at June 30, 2025	\$500	\$8,246	\$8,746
Amortization and impairment:			
As at January 1, 2026	\$500	\$5,466	\$5,966
Amortization	-	1,701	1,701
As at June 30, 2026	\$500	\$7,167	\$7,667

	Patents	Computer software	Total
As at January 1, 2025	\$471	\$4,064	\$4,535
Amortization	25	549	574
As at June 30, 2025	\$496	\$4,613	\$5,109
Net carrying amount as at:			
June 30, 2026	\$-	\$13,797	\$13,797
December 31, 2025	\$-	\$7,907	\$7,907
June 30, 2025	\$4	\$3,633	\$3,637

Amortization expense of intangible assets under the statement of comprehensive income:

	For the 3-month period ended		For the 6-month period ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Operating costs	\$45	\$-	\$91	\$-
Operating expenses	\$1,032	\$291	\$1,610	\$574

(7) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries have established employee retirement plans in accordance with the Labor Pension Act, which are defined contribution plans. Under the Act, the minimum monthly contribution rate of the Company and its domestic subsidiaries is 6% of each employee's monthly salary. The Company and its domestic subsidiaries have been making monthly contributions at a rate of 6% of each employee's salary to the individual retirement accounts administered by the Bureau of Labor Insurance in accordance with the established employee retirement plans.

For the three-month periods ended June 30, 2026 and 2025, expenses recognized for the defined contribution plans amounted to NT\$3,887 thousand and NT\$2,526 thousand, respectively. For the six-month periods ended June 30, 2026 and 2025, expenses recognized for the defined contribution plans amounted to NT\$7,361 thousand and NT\$4,718 thousand, respectively.

(8) Provisions

	Warranties	Decommissioning, restoration and rehabilitation	Total
As at January 1, 2026	\$20,614	\$1,102	\$21,716
Additions	47,383	-	47,383
Usage	(13,219)	-	(13,219)
Discount rate adjustment and unwinding of discount from the passage of time	-	16	16
As at June 30, 2026	\$54,778	\$1,118	\$55,896
Current—June 30, 2026	\$54,778	\$-	\$54,778
Non-current—June 30, 2026	\$-	\$1,118	\$1,118
Current—December 31, 2025	\$20,614	\$-	\$20,614
Non-current—December 31, 2025	\$-	\$1,102	\$1,102
Current—June 30, 2025	\$13,051	\$-	\$13,051
Non-current—June 30, 2025	\$-	\$1,086	\$1,086

Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

Decommissioning, restoration and rehabilitation

A provision has been recognized for decommissioning costs associated with areas leased by the Company. The Group is obligated under the lease agreements to restore the leased premises to their original condition at the end of the lease term.

(9) Equities

(a) Common stock

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Company's authorized share capital was NT\$600,000 thousand, with a par value of NT\$10 per share, totaling 60,000 thousand shares. The issued share capital amounted to NT\$455,608 thousand, NT\$415,608 thousand, and NT\$415,608 thousand, with a par value of NT\$10 per share, totaling 45,561 thousand shares, 41,561 thousand shares, and 41,561 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

On December 3, 2025, the Board of Directors resolved to implement a cash capital increase of NT\$4,848,205 thousand, issuing 4,000 thousand new shares with a par value of NT\$10 per share. The shares were issued at a premium, with the public subscription price set at NT\$780 per share. The record date for the capital increase was March 26, 2026, and the registration of the capital amendment was completed on April 13, 2026.

The issuance of new shares comprised both competitive bidding and public subscription. Shares allocated through competitive bidding were issued at a weighted average winning price of NT\$1,396.34 per share, while shares offered through public subscription were issued at NT\$780 per share.

In February 2025, the Company issued 1,360 thousand shares of common stock upon employees' exercise of stock options. The par value of each share is NT\$10, and the shares were issued at a premium of NT\$15 per share. The capital increase record date was February 5, 2025, and the related change registration procedures were completed on February 8, 2025.

(b) Capital surplus

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Share Premium	\$4,825,119	\$10,392	\$10,392
Recognized through changes in ownership interests in subsidiaries	9,698	9,695	4,036
Employee stock option expired	1,480	569	569
Total	<u>\$4,836,297</u>	<u>\$20,656</u>	<u>\$14,997</u>

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 to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- Payment of all taxes and dues;
- Offset prior years' operation losses;
- Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- Set aside or reverse special reserve in accordance with law and regulations; and
- The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and the interest of the shareholders etc. In principle, the Company shall appropriate no less than 10% of the distributable earnings for the year as shareholders' dividends, unless special circumstances exist or accumulated distributable earnings are less than 10% of the paid-in capital, in which case no dividend distribution may be made. Shareholders' dividends may be distributed in the form of cash dividends and/or stock dividends. The portion of cash dividends shall not be less than 10% of the total dividends declared.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

At the shareholders' meeting held on June 24, 2025, in order to strengthen the Company's financial structure and support future operational development, the shareholders approved the proposal to offset accumulated deficits for the year ended December 31, 2024 by utilizing capital surplus – share premium. The amount of accumulated deficits offset was NT\$195,603 thousand.

The appropriations for 2025 earnings were approved by shareholders' meeting on June 2, 2026. The appropriations and dividends per share were as follows:

	Appropriation of earnings (in thousand NT dollars)	Dividend per share (NT\$)
Legal reserve	\$58,184	
Cash dividends	290,925	\$7.00

The aforementioned 2025 appropriation approved by shareholders' meeting was consistent with the resolutions of the Board of Directors' meeting held on March 3, 2026. Information regarding the Board of Directors' proposal and the resolution of the shareholders' meeting on the distribution of earnings can be obtained from the Taiwan Stock Exchange's "Market Observation Post System (MOPS)."

The cash dividend per share for 2025 was adjusted to NT\$6.38543610 per share. The adjustments was due to the cash capital increase completed in March 2026, which increased the number of outstanding common shares.

Please refer to Note 6.14 for details on employees' compensation and remuneration to directors and supervisors.

(d) Non-controlling interests

	For the 6-month periods ended	
	June 30,	
	2026	2025
Beginning balance	\$11,845	\$6,049
Profit (loss) attributable to non-controlling interests	(1,203)	(513)
Changes in ownership interests in subsidiaries	(3)	1,364
Share-based Payment Transactions	512	1,055
Ending balance	<u>\$11,151</u>	<u>\$7,955</u>

(10) Share-based payment plans

(a) Share-based payment plan for employees of the parent entity

In order to attract and retain key talents necessary for the Company's development and to enhance employees' commitment and sense of belonging, thereby creating value for the Company and its shareholders, the Board of Directors approved the establishment of the "Employee Stock Option Plan" on September 21, 2022. Under the plan, each unit of stock options entitles the holder to subscribe for one share of common stock. The options have a contractual life of five years. The vesting of the options is subject to service conditions, and option holders may exercise a certain portion of the granted options starting from the first anniversary of the grant date, in accordance with the vesting schedule stipulated in the plan.

The fair value of the share options is estimated at the grant date using a Black-Scholes-Merton pricing-model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted is five years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these employee share options.

The relevant details of the aforementioned share-based payment plan are as follows:

Date of grant	Total number of share options granted (in thousands)	Exercise price of share options (NT\$)(Note)
September 28, 2022	1,500	\$15

(Note) Upon any changes in the Company's ordinary shares after the issuance of stock options, the exercise price of the options will be adjusted in accordance with the prescribed formula.

The following table contains further details on the aforementioned share-based payment plan:

	For the 6-month periods ended June 30,			
	2026		2025	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT\$)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT\$)
Outstanding at beginning of period	-	-	1,400	\$15
Granted	-	-	-	-
Exercised	-	-	(1,360)	15
Cancelled	-	-	-	-
Expired	-	-	(40)	15
Outstanding at end of period	-	-	-	-
Exercisable at end of period	-	-	-	-

(b) Share-based payment plan for employees of the subsidiary

The Company's subsidiary, V5 MED INC., obtained approval from its Board of Directors on February 16, 2024, to establish the "Employee Stock Option Plan". Under the plan, a total of 1,315 thousand units of stock options were granted, with each unit entitling the holder to subscribe for one share of common stock. The options have a contractual life of seven years. The vesting of the options is subject to service conditions, and option holders may exercise a certain portion of the granted options starting from the first anniversary of the grant date, in accordance with the vesting schedule stipulated in the plan.

The fair value of the share options is estimated at the grant date using a Black-Scholes-Merton pricing-model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted is seven years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these employee share options.

The relevant details of the aforementioned share-based payment plan are as follows:

Date of grant	Total number of share options granted (in thousands)	Exercise price of share options (NT\$)(Note)
February 16, 2024	1,315	\$15

(Note) Upon any changes in the Company's ordinary shares after the issuance of stock options, the exercise price of the options will be adjusted in accordance with the prescribed formula.

The following table lists the inputs to the model used for the plan granted:

	Issued on February 16, 2024
Dividend yield (%)	0%
Expected volatility (%)	44.41%
Risk-free interest rate (%)	1.1877%
Expected option life (Years)	7 years
Weighted average share price (NT \$)	\$18.97
Excise price	\$15

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The following table contains further details on the aforementioned share-based payment plan:

	For the 6-month periods ended June 30,			
	2026		2025	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT\$)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT\$)
Outstanding at beginning of period	1,285	\$15	1,285	\$15
Granted	-	-	-	-
Forfeited	(75)	15	-	-
Cancelled	(75)	15	-	-
Expired	-	-	-	-
Outstanding at end of period	<u>1,135</u>	15	<u>1,285</u>	15
Exercisable at end of period	<u>568</u>		<u>321</u>	
Weighted-Average Fair Value of Stock				
Options Granted During the Period (NT\$)		\$-		\$-

The information on the outstanding share options as of June 30, 2026, December 31, 2025 and June 30, 2025, is as follows:

	Range of exercise price	Weighted average remaining contractual life (Years)
As at June 30, 2026		
share options outstanding at the end of the period	\$15	4.63
As at December 31, 2025		
share options outstanding at the end of the period	\$15	5.13
As at June 30, 2025		
share options outstanding at the end of the period	\$15	5.63

(c) Cash Capital Increase Reserved for Employee Stock Options

On December 3, 2025, the Board of Directors resolved to conduct a cash capital increase by issuing new shares for the purpose of the Company's initial public offering prior to listing. In accordance with the Company Act, 12.375% of the total newly issued shares were reserved for subscription by eligible employees. The grant date is defined as the date on which the employees' subscription rights are confirmed.

The subscription reference date was set as January 13, 2026. A total of 4,000 thousand common shares were issued through the cash capital increase, of which 495 thousand shares were reserved for employee subscription. Employees actually subscribed to 434 thousand shares. The new shares were issued at NT\$780 per share, with March 26, 2026 designated as the capital increase record date.

The fair value parameters related to the employee subscription reserved under the cash capital increase are as follows:

	Issued on January 13, 2026
Stock price (NT\$)	\$636.25
Exercise price (NT\$)	\$780
Expected volatility (%)	49.84%
Expected option life (Years)	0.19 years
Expected dividend yield (%)	0%
Risk-free interest rate (%)	1.1566%
Fair value per share (NT\$)	\$15.02

(d) For the six-month periods ended June 30, 2026, the remuneration expense arising from the aforementioned share-based payment plans of the Group amounted to NT\$7,945 thousand, of which NT\$7,433 thousand was recognized in capital surplus and NT\$512 thousand was recognized under non-controlling interests.

(e) For the six-month periods ended June 30, 2025, the remuneration expense arising from the aforementioned share-based payment plans of the Group amounted to NT\$1,113 thousand, of which NT\$58 thousand was recognized in capital surplus and NT\$1,055 thousand was recognized under non-controlling interests.

(f) The expense recognized for employee services received is shown in the following table:

	For the 3-month period ended June 30,		For the 6-month period ended June 30,	
	2026	2025	2026	2025
Employee stock option	<u>\$(41)</u>	<u>\$784</u>	<u>\$7,945</u>	<u>\$1,113</u>

The Group did not cancel or modify any of its share-based payment plans during the six-month periods ended June 30, 2026 and 2025.

(11) Operating revenue

The relevant information on customer contract revenue of the Group for the six-month periods ended June 30, 2026 and 2025:

(a) Revenue by Category

	For the 3-month period ended June 30,		For the 6-month period ended June 30,	
	2026	2025	2026	2025
Sale of goods	\$712,386	\$412,739	\$1,370,595	\$711,095
Software license	19,541	20,567	44,702	26,104
Service Revenue	2,918	3,938	3,990	4,275
Total	<u>\$734,845</u>	<u>\$437,244</u>	<u>\$1,419,287</u>	<u>\$741,474</u>
Timing of revenue recognition:				
At a point in time	\$733,247	\$436,292	\$1,417,085	\$740,117
Over time	1,598	952	2,202	1,357
Total	<u>\$734,845</u>	<u>\$437,244</u>	<u>\$1,419,287</u>	<u>\$741,474</u>

(b) Contract balances

(i) Contract assets – Current

	As at			
	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Sales of good	\$53,272	\$15,730	\$71,350	\$25,006
Software license	971	819	4,910	410
Total	<u>\$54,243</u>	<u>\$16,549</u>	<u>\$76,260</u>	<u>\$25,416</u>

(ii) Contract assets – Non-current

	As at			
	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Software license	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$410</u>

The significant changes in the Group's balances of contract assets for the six-month periods ended June 30, 2026 and 2025 are as follows. For the impact of impairments, please refer to Note 6.12.

	For the 6-month periods ended June 30,	
	2026	2025
The opening balance transferred to accounts receivable	\$(11,035)	\$(10,023)
The consideration for the contract in the current period is not yet unconditionally receivable	48,729	60,457

(iii) Contract liabilities – Current

	As at			
	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Sales of good	\$981,142	\$895,931	\$718,880	\$268,558
Software license	11,869	33,655	7,867	1,534
Total	<u>\$993,011</u>	<u>\$929,586</u>	<u>\$726,747</u>	<u>\$270,092</u>

The significant changes in the Group's balances of contract liabilities for the six-month periods ended June 30, 2026 and 2025 are as follows:

	For the 6-month periods ended June 30,	
	2026	2025
The opening balance transferred to revenue	\$(716,246)	\$(221,919)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	779,671	678,574

(c) Transaction price allocated to unsatisfied performance obligations

As of June 30, 2026 and 2025, the Group is not required to provide information regarding unsatisfied performance obligations, as the expected duration of the Group's customer contracts for the sale of goods is primarily less than one year.

(d) Assets recognized from costs to fulfil a contract

None

(12) Expected credit losses

	For the 3-month periods ended June 30,	
	2026	2025
Operating expenses – Expected credit losses(gains)		
Accounts receivable	\$9,424	\$(315)
	For the 6-month periods ended June 30,	
	2026	2025
Operating expenses – Expected credit losses(gains)		
Accounts receivable	\$13,705	\$(253)

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

The Group measures the loss allowance of its contract assets and accounts receivable at an amount equal to lifetime expected credit losses. The related information on the assessment of the loss allowance as of June 30, 2026, December 31, 2025 and June 30 2025 is as follows:

- (a) The historical credit loss experience for contract assets shows that different customer segments do not have significantly different loss patterns. Therefore, the loss allowance of contract assets is measured at an amount equal to lifetime expected credit losses and with no distinction between groups, details are as follows:

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Total carrying amount	\$54,243	\$16,549	\$76,260
Expected credit loss rates	0%	0%	0%
Loss allowance	-	-	-
Total	<u>\$54,243</u>	<u>\$16,549</u>	<u>\$76,260</u>

- (b) The historical credit loss experience for notes receivable shows that different customer segments do not have significantly different loss patterns. Therefore, the loss allowance of notes receivable is measured at an amount equal to lifetime expected credit losses and with no distinction between groups, details are as follows:

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Total carrying amount	\$-	\$200	\$-
Expected credit loss rates	0%	0%	0%
Loss allowance	-	-	-
Total	<u>\$-</u>	<u>\$200</u>	<u>\$-</u>

- (c) The historical credit loss experience for accounts receivable shows that different customer segments do not have significantly different loss patterns. Therefore, the loss allowance of accounts receivable is measured at an amount equal to lifetime expected credit losses and with no distinction between groups, details are as follows:

As at June 30, 2026

	Not yet due	Overdue			Total
		<=180 days	181-365 days	>365 days	
Gross carrying amount	\$204,247	\$46,674	\$34,467	\$3,601	\$288,989
Loss rate	1.69%	13.85%	23.88%	100%	
Lifetime expected credit losses	(3,449)	(6,465)	(8,229)	(3,601)	(21,744)
Carrying amount	<u>\$200,798</u>	<u>\$40,209</u>	<u>\$26,238</u>	<u>\$-</u>	<u>\$267,245</u>

As at December 31, 2025

	Not yet due	Overdue			Total
		<=180 days	181-365 days	>365 days	
Gross carrying amount	\$108,479	\$82,170	\$3,484	\$-	\$194,133
Loss rate	0.37%	5.13%	98.25%	100%	
Lifetime expected credit losses	(401)	(4,215)	(3,423)	-	(8,039)
Carrying amount	<u>\$108,078</u>	<u>\$77,955</u>	<u>\$61</u>	<u>\$-</u>	<u>\$186,094</u>

As at June 30, 2025

	Not yet due	Overdue			Total
		<=180 days	181-365 days	>365 days	
Gross carrying amount	\$18,933	\$5,604	\$-	\$5,970	\$30,507
Loss rate	0%	0%	-%	100%	
Lifetime expected credit losses	-	-	-	(5,970)	(5,970)
Carrying amount	<u>\$18,933</u>	<u>\$5,604</u>	<u>\$-</u>	<u>\$-</u>	<u>\$24,537</u>

The movement in the provision for impairment of accounts receivable during the six-month periods ended June 30, 2026 and 2025 is as follows:

	For the 6-month periods ended June 30,	
	2026	2025
Beginning balance	\$8,039	\$6,223
Addition(Reversal)	13,705	(253)
Ending balance	<u>\$21,744</u>	<u>\$5,970</u>

(13) Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as buildings and transportation equipment. The lease terms range from 1 to 10 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

A. Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	\$53,462	\$62,552	\$70,332
Transportation equipment	4,726	4,932	2,188
Total	<u>\$58,188</u>	<u>\$67,484</u>	<u>\$72,520</u>

During the six-month periods ended June 30, 2026 and 2025, the Group's additions to right-of-use assets amounted to NT\$2,011 thousand and NT\$84,598 thousand, respectively.

b. Lease liabilities

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities	<u>\$58,390</u>	<u>\$67,286</u>	<u>\$71,778</u>
Current	\$18,052	\$18,157	\$16,762
Non-current	40,338	49,129	55,016
Total	<u>\$58,390</u>	<u>\$67,286</u>	<u>\$71,778</u>

Please refer to Note 6.15(d) for the interest on lease liabilities recognized during the six-month periods ended June 30, 2026 and 2025 and refer to Note 12 (5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the 3-month period ended		For the 6-month period ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Buildings	\$3,911	\$3,976	\$7,935	\$6,351
Transportation equipment	744	717	1,401	1,293
Total	<u>\$4,655</u>	<u>\$4,693</u>	<u>\$9,336</u>	<u>\$7,644</u>

C. Income and costs relating to leasing activities

	For the 3-month period ended		For the 6-month period ended	
	June 30,		June 30,	
	2026	2025	2026	2025
The expenses relating to short-term leases	\$10,080	\$1,774	\$14,248	\$3,512
The expenses relating to leases of low-value assets	173	111	327	177
Total	<u>\$10,253</u>	<u>\$1,885</u>	<u>\$14,575</u>	<u>\$3,689</u>

D. Cash outflow relating to leasing activities

During the six-month periods ended June 30, 2026 and 2025, the Group's total cash outflows for leases amounted to NT\$24,412 thousand and NT\$11,862 thousand, respectively.

E. Other information relating to leasing activities

Extension and termination options

Some of the Group's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(14) Summary statement of employee benefits, depreciation and amortization expenses by function:

For the 3-month periods ended June 30,						
	2026			2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$47,175	\$75,264	\$122,439	\$3,764	\$104,477	\$108,241
Labor and health insurance	2,568	4,296	6,864	383	4,227	4,610
Pension	1,383	2,504	3,887	188	2,338	2,526
Other employee benefits expense	1,102	2,306	3,408	169	1,959	2,128
Total	\$52,228	\$84,370	\$136,598	\$4,504	\$113,001	\$117,505
Depreciation	\$3,365	\$6,979	\$10,344	\$3,121	\$4,938	\$8,059
Amortization	\$45	\$1,032	\$1,077	\$-	\$291	\$291

For the 6-month periods ended June 30,						
	2026			2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$74,478	\$162,145	\$236,623	\$7,915	\$154,086	\$162,001
Labor and health insurance	4,782	8,276	13,058	817	7,807	8,624
Pension	2,541	4,820	7,361	398	4,320	4,718
Other employee benefits expense	2,032	5,056	7,088	389	4,148	4,537
Total	\$83,833	\$180,297	\$264,130	\$9,519	\$170,361	\$179,880
Depreciation	\$6,680	\$12,696	\$19,376	\$4,734	\$9,058	\$13,792
Amortization	\$91	\$1,610	\$1,701	\$-	\$574	\$574

According to the Articles of Incorporation, 6% of profit of the current year is distributable as employees' compensation, no less than 8% shall be allocated to frontline employees, and no higher than 6% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall first have been covered.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as 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.

Based on the profit of the three-month periods ended June 30, 2026, the Company estimated employees' compensation of NT\$30,000 thousand and remuneration to directors and supervisors of NT\$2,625 thousand, respectively. For the three-month periods ended June 30, 2025, the Company estimated employees' compensation of NT\$14,984 thousand and remuneration to directors and supervisors of NT\$4,995 thousand, respectively.

Based on the profit of the six-month periods ended June 30, 2026, the Company estimated employees' compensation of NT\$60,000 thousand and remuneration to directors and supervisors of NT\$5,250 thousand, respectively. For the six-month periods ended June 30, 2025, the Company estimated employees' compensation of NT\$14,984 thousand and remuneration to directors and supervisors of NT\$4,995 thousand, respectively.

Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

(15) Non-operating income and expenses

(a) Interest income

	For the 3-month ended	
	June 30,	
	2026	2025
Financial assets measured at amortized cost	\$22,461	\$1,730
	For the 6-month ended	
	June 30,	
	2026	2025
Financial assets measured at amortized cost	\$22,956	\$1,902

(b) Other income

	For the 3-month ended	
	June 30,	
	2026	2025
Others	\$63	\$195

	For the 6-month ended June 30,	
	2026	2025
Others	\$282	\$362

(c) Other gains and losses

	For the 3-month ended June 30,	
	2026	2025
Gains from lease modifications	\$-	\$1,284
Gains on disposal of property, plant and equipment	(75)	117
Foreign exchange (losses) gains, net	(938)	(8,684)
Net gains of financial assets and liabilities at fair value through profit or loss	1,000	-
Total	\$(13)	\$(7,283)

	For the 6-month ended June 30,	
	2026	2025
Gains from lease modifications	\$46	\$1,284
Gains on disposal of property, plant and equipment	(100)	129
Foreign exchange (losses) gains, net	922	(7,994)
Net gains of financial assets and liabilities at fair value through profit or loss	1,000	-
Total	\$1,868	\$(6,581)

(d) Finance costs

	For the 3-month ended June 30,	
	2026	2025
Interest on borrowings from bank	\$-	\$-
Interest on lease liabilities	459	552
Total interest expenses	459	552
Unwinding of discount on provisions	8	3
Total finance costs	\$467	\$555

	For the 6-month ended June 30,	
	2026	2025
Interest on borrowings from bank	\$-	\$37
Interest on lease liabilities	947	884
Total interest expenses	947	921
Unwinding of discount on provisions	16	3
Total finance costs	<u>\$963</u>	<u>\$924</u>

(16) Income tax

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

Income tax expense (income) recognized in profit or loss

	For the 3-month ended June 30,	
	2026	2025
Current income tax expense:		
Current income tax charge	\$108,281	\$(3,363)
Adjustments in respect of current income tax of prior periods	(13,395)	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(35,158)	14,750
Other	1,836	209
Total income tax expense	<u>\$61,564</u>	<u>\$11,596</u>

	For the 6-month ended June 30,	
	2026	2025
Current income tax expense:		
Current income tax charge	\$168,679	\$21,036
Adjustments in respect of current income tax of prior periods	(13,395)	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(41,064)	(9,649)
Other	1,844	209
Total income tax expense	<u>\$116,064</u>	<u>\$11,596</u>

B. The assessment of income tax returns

As of June 30, 2026, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2024(Note)
Subsidiary - V5 MED INC.	Assessed and approved up to 2024
Note: In 2025, the Company filed amended corporate income tax returns for fiscal years 2021, 2022, and 2023. As of June 30, 2026, the reassessments had not yet been finalized.	

(17) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

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

(1) Basic earnings per share

	For the 3-month periods ended June 30,	
	2026	2025
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$236,274	\$111,669
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	45,561	41,561
Basic earnings per share (NT\$)	\$5.19	\$2.69
	For the 6-month periods ended June 30,	
	2026	2025
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$442,360	\$216,684
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	43,704	41,298
Basic earnings per share (NT\$)	\$10.12	\$5.25

(2) Diluted earnings per share

	For the 3-month periods ended June 30,	
	2026	2025
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$236,274	\$111,669
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	45,561	41,561
Effect of dilution:		
Employee compensation — stock (in thousands)	55	53
Employee stock options (in thousands)	-	(note)
Weighted average number of ordinary shares outstanding after dilution (in thousands)	45,616	41,614
Diluted earnings per share (NT\$)	\$5.18	\$2.68

Note: Certain instruments were excluded from the calculation as they have an anti-dilutive effect.

	For the 6-month periods ended June 30,	
	2026	2025
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$442,360	\$216,684
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	43,704	41,298
Effect of dilution:		
Employee compensation — stock (in thousands)	68	53
Employee stock options (in thousands)	-	(note)
Weighted average number of ordinary shares outstanding after dilution (in thousands)	43,772	41,351
Diluted earnings per share (NT\$)	\$10.11	\$5.24

Note: Certain instruments were excluded from the calculation as they have an anti-dilutive effect.

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.

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
United Renewable Energy Co., Ltd	Investor accounted for using the equity method
New Castle Investment Co., Ltd	Substantive related party

Significant transactions with the related parties

(1) Significant transactions with related parties

(a) Other receivables - related parties

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
New Castle Investment Co., Ltd	\$-	\$-	\$20

(b) Refundable deposits

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
United Renewable Energy Co., Ltd	\$7,686	\$2,349	\$2,349

(c) Other payables - related parties

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
United Renewable Energy Co., Ltd	\$1,339	\$645	\$-

(d) Other revenue

	For the 3-month periods ended	
	June 30,	
	2026	2025
New Castle Investment Co., Ltd	\$-	\$69

	For the 6-month periods ended June 30,	
	2026	2025
New Castle Investment Co., Ltd	\$-	\$143

(e) Payment on behalf

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
United Renewable Energy Co., Ltd	\$4,597	\$7,847	\$2,283

(f) Right-of-use assets

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
United Renewable Energy Co., Ltd	\$51,609	\$59,162	\$66,714

The Company entered into a lease agreement with a related party for office premises. The lease terms were negotiated between both parties, and rental payments are made monthly.

(g) Lease liabilities

	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
United Renewable Energy Co., Ltd	\$52,582	\$59,827	\$66,963

(h) Interest expense

	For the 3-month periods ended June 30,	
	2026	2025
United Renewable Energy Co., Ltd	\$420	\$529

	For the 6-month periods ended June 30,	
	2026	2025
United Renewable Energy Co., Ltd	\$868	\$834

(i) Key management personnel compensation

	For the 3-month periods ended June 30,	
	2026	2025
Short-term employee benefits	\$2,799	\$7,600
Post-employment benefits	54	54
Total	<u>\$2,853</u>	<u>\$7,654</u>

	For the 6-month periods ended June 30,	
	2026	2025
Short-term employee benefits	\$6,983	\$11,605
Post-employment benefits	108	108
Total	<u>\$7,091</u>	<u>\$11,713</u>

8. Assets pledged as security

None.

9. Significant contingencies and unrecognized contractual commitments

None.

10. Losses due to major disasters

None.

11. Significant subsequent events

(1) On August 11, 2026, the Company's Board of Directors approved the establishment of an offshore subsidiary. To enhance the efficiency of the Company's overall fund utilization while maintaining prudent risk control, the Company plans to establish an offshore investment company in Samoa. The proposed investment is intended to facilitate overseas investment arrangements and generate stable interest income. The total investment amount shall not exceed USD\$30,000 thousand.

- (2) On August 11, 2026, the Company's Board of Directors approved a strategic investment. To secure key technologies and effectively integrate upstream and downstream industry resources, thereby expanding the overall scale of operations and enhancing market competitiveness, the Company plans to make a strategic investment in Ultra Display Co., Ltd. ("Ultra Display"). The Company intends to acquire a portion of Ultra Display's shares from its existing shareholders in order to further strengthen business cooperation between the two parties. The Company plans to acquire common shares held by certain shareholders of Ultra Display for a cash consideration of up to NT\$40,536 thousand. Upon completion of the transaction closing, the Company is expected to hold up to 62% of the equity interest in Ultra Display.

12. Other

(1) Categories of financial instruments

<u>Financial assets</u>	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at fair value through profit or loss:			
Mandatory measurement at fair value through profit or loss	\$1,201,000	\$-	\$-
Financial assets measured at amortized cost:			
Cash and cash equivalents (exclude cash on hand)	4,927,661	1,152,523	497,427
Accounts receivable	267,245	186,294	24,537
Other receivables (Related parties included)	3,944	219	2,878
Refundable deposits	10,989	5,348	4,634
Total	<u>\$6,410,839</u>	<u>\$1,344,384</u>	<u>\$529,476</u>
<u>Financial liabilities</u>	As at		
	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities measured at amortized cost:			
Accounts payable	\$432,812	\$235,339	\$272,137
Other payables (Related parties included)	509,405	235,962	92,380
Lease liabilities	58,390	67,286	71,778
Total	<u>\$1,000,607</u>	<u>\$538,587</u>	<u>\$436,295</u>

(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 activities. The Group identifies measures and manages the aforementioned risks based on the 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, due approval process by the Board of Directors 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 of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies 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 are denominated in a different currency from the Group's functional currency).

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.

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 USD and RMB. The information of the sensitivity analysis is as follows:

- (a) When NTD strengthens/weakens against USD by 1%, the profit for the six-month periods ended June 30, 2026 and 2025 is increased/decreased by NT\$590 thousand and NT\$347 thousand, respectively.

- (b) When NTD strengthens/weakens against RMB by 1%, the profit for the six-month periods ended June 30, 2026 and 2025 is increased/decreased by NT\$56 thousand and NT\$57 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 time deposits at variable interest rates. The Group generally places time deposits with short maturities; therefore, it is exposed to low cash flow risk arising from interest rate fluctuations.

(4) Credit risk management

Credit risk is the risk that a 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 contract assets and accounts receivable) and from its financing activities (primarily for bank deposits).

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. The credit risk of certain counterparties will also be managed through credit enhancement measures.

As of June 30, 2026, December 31, 2025 and June 30, 2025, accounts receivable from top ten customers represented 86%, 97% and 64% of the total accounts receivable of the Group, respectively. The credit concentration risk of other receivables is insignificant.

Credit risk from balances with banks is managed by the Group's finance department in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. The details of the assessment for the credit risk of the Group are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Total carrying amount as at		
			June 30, 2026	December 31, 2025	June 30, 2025
Simplified approach (Note)	(Note)	Lifetime expected credit losses	\$343,232	\$210,882	\$106,767

Note: By using simplified approach loss allowance is measured at (lifetime expected credit losses), including contract assets, notes receivable and accounts receivable.

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).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and leases. 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 payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
<u>As at June 30, 2026</u>					
Accounts payable	\$432,812	\$-	\$-	\$-	\$432,812
Other payables (Related parties included)	509,405	-	-	-	509,405
Lease liabilities	19,569	35,081	6,761	-	61,411
<u>As at December 31, 2025</u>					
Accounts payable	\$235,339	\$-	\$-	\$-	\$235,339
Other payables (Related parties included)	235,962	-	-	-	235,962
Lease liabilities	19,921	36,424	14,874	-	71,219
<u>As at June 30, 2025</u>					
Accounts payable	\$272,137	\$-	\$-	\$-	\$272,137
Other payables (Related parties included)	92,380	-	-	-	92,380
Lease liabilities	18,677	34,929	22,987	-	76,593

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the 6-month periods ended June 30, 2026:

	<u>Leases liabilities</u>
As at January 1, 2026	\$67,286
Cash flows	(8,890)
Non-cash changes	
Increase during the period	2,011
Leases modifications	<u>(2,017)</u>
As at June 30, 2026	<u><u>\$58,390</u></u>

Reconciliation of liabilities for the 6-month periods ended June 30, 2025:

	<u>Leases liabilities</u>
As at January 1, 2025	\$35,087
Cash flows	(7,289)
Non-cash changes	
Increase during the period	84,598
Leases modifications	<u>(40,618)</u>
As at June 30, 2025	<u><u>\$71,778</u></u>

(7) Fair values of financial instruments

The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability 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 financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivable, accounts payable 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 funds) at the reporting date.

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset 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

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. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at June 30, 2026

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	\$1,201,000	\$-	\$-	\$1,201,000

As of December 31, 2025 and June 30, 2025, there was no information required to be disclosed.

Transfers between Level 1 and Level 2 during the period

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

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	(in thousands)		
	As at June 30, 2026		
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$1,899	31.840	\$60,480
RMB	1,201	4.689	5,633
<u>Financial liabilities</u>			
Monetary items:			
USD	47	31.840	1,483
	As at December 31, 2025		
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$2,977	31.40	\$93,464
RMB	609	4.491	2,733
<u>Financial liabilities</u>			
Monetary items:			
USD	44	31.40	1,381

As at June 30, 2025			
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$1,197	29.280	\$35,042
RMB	1,405	4.090	5,746
<u>Financial liabilities</u>			
Monetary items:			
USD	12	29.280	351
RMB	20	4.090	83

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

Due to the diversity of foreign currency denominations held by the Group, it is not practicable to disclose the exchange gains or losses on financial assets and financial liabilities by each significant foreign currency. The Group recognized net foreign exchange gains(losses) of NT\$(938) thousand and NT\$(8,684) thousand for the three-month periods ended June 30, 2026 and 2025, respectively, and net foreign exchange gains(losses) of NT\$922 thousand and NT\$(7,994) thousand for the six-month periods ended June 30, 2026 and 2025, respectively.

(10) 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 its capital structure and makes adjustments to it, in light of 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 disclosure

(1) Information on significant transactions

- a. Financing provided to others: None
- b. Endorsement/Guarantee provided to others: None
- c. Securities held as of June 30, 2026 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 1.
- d. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the 6-month periods ended June 30, 2026: None
- e. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 2026: None

- f. Significant intercompany transactions between consolidated entities: Please refer to Attachment 2.

(2) Information on investees

For entities over which the Group has direct or indirect significant influence or control, information such as the name and location of the investees is disclosed in Attachment 3.

(3) Information on investments in mainland China

- a. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: None.
- b. Directly or indirectly significant transactions through third regions with the investees in Mainland China: None.

14. Segment information

(1) General information

The Group is primarily engaged in the research, development, production, manufacturing, and sales of electronic design software and hardware tools. The Group's chief operating decision maker reviews the overall operating results of the Group as a whole for the purpose of resource allocation and performance assessment. Accordingly, the Group is considered to operate in a single operating segment.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
V5 TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 1 : (Significant securities held as of June 30, 2026) (Excluding subsidiaries, associates and joint ventures)

Investor Company	Type of securities	Name of securities	Relationship	Financial statement account	June 30, 2026				Shares as collateral (thousand)
					Units (thousand)/ shares(thousand)	Carrying amount	Percentage of ownership (%)	Fair value/ Net assets value	
V5 Technologies Co., Ltd.	Fund	Fubon Money Market Fund	None	Financial assets at fair value through profit or loss, current	-	\$600,892	-	\$600,892	None
	Fund	Taishin Ta-Chong Money Market Fund	None	Financial assets at fair value through profit or loss, current	-	300,055	-	300,055	None
	Fund	Shin Kong Chi-Shin Money Market Fund	None	Financial assets at fair value through profit or loss, current	-	300,053	-	300,053	None

English Translation of Consolidated Financial Statements Originally Issued in Chinese

V5 TECHNOLOGIES CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

ATTACHMENT 2 (Significant intercompany transactions between consolidated entities)

No. (Note 1)	Related Party	Counterparty	Relationship with the Company (Note 2)	Transactions			Percentage of consolidated operating revenues or consolidated total assets (Note 3)
				Account	Amount	Term	
0	V5 Technologies Co., Ltd.	V5 MED INC.	1	Accounts receivable related parties	\$10	According to the contract, 30 days	0.00%
0	V5 Technologies Co., Ltd.	V5 MED INC.	1	Other receivables related parties	89		0.00%
0	V5 Technologies Co., Ltd.	V5 MED INC.	1	Sales	10		0.00%
0	V5 Technologies Co., Ltd.	V5 MED INC.	1	Rental income	510		0.01%

Note 1: V5 Technologies Co., Ltd. and its subsidiaries are coded as follows:

1. V5 Technologies Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. The holding company to subsidiary
2. Subsidiary to holding company
3. Subsidiary to subsidiary

Note 3: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, cumulative balances are used as basis.

Note 4: The disclosure of significant transactions in this table may be determined by the Company in accordance with the materiality principle.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

V5 TECHNOLOGIES CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

ATTACHMENT 3 (Related information of investee companies)

V5 Technologies Co., Ltd.

Investee company	Location	Main businesses and products	Initial Investment (Note 1)		Investment as of June 30, 2026			Net income (loss) of investee company	Investment income (loss) recognized	Note
			June 30, 2026	December 31, 2025	Number of shares	Percentage of ownership (%)	Carrying amount			
V5 MED INC.	Taiwan	Sales and R&D of medical devices	\$136,600	\$136,600	10,250 thousand shares	93.18%	\$28,788	\$(17,617)	\$(16,437)	The Company's subsidiaries