C SUN MFG. LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2026 AND 2025

(Stock Code：2467)

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR26000102

To the Board of Directors and Shareholders of C SUN MFG. LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of C SUN MFG. LTD. and subsidiaries as at June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. 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 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 consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of $1,492,263 and $1,099,893, constituting 5.12% and 9.67% of the consolidated total assets, and total liabilities of $138,295 and $36,504, constituting 1.08% and 0.53% of the consolidated total liabilities as at June 30, 2026 and 2025, respectively, and total comprehensive income (loss) of $13,811, ($17,319), $17,143 and ($12,632), constituting 0.22%, (8.17%), 0.20% and 9.80% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively. Furthermore, as described in Note 6(7), investments accounted for using equity method were based on the financial statements of the same reporting period which were not reviewed by independent auditors. The balance of these investments accounted for using the equity method amounted to $6,441,030 and $2,011,849 as at June 30, 2026 and 2025, respectively, and the comprehensive (loss) income recognized from associates accounted for using the equity method amounted to $2,389,342, $168,332, $3,516,151 and ($260,771), constituting 37.64%, 79.38%, 41.66% and 202.27% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for under equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of C SUN MFG. LTD. and subsidiaries as of June 30, 2026 and 2025, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods the ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Wu, Wei-Hao	Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan

August 7, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

C SUN MFG. 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	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 2,643,642	9	$ 1,863,940	12	$ 1,638,436	14
1110	Financial assets at fair value through profit or loss - current	6(2)	150,782	1	9,507	-	9,996	-
1120	Current financial assets at fair value through other comprehensive income	6(3)	510,326	2	253,506	2	192,118	2
1136	Current financial assets at amortised cost, net	6(4)	136,618	-	126,992	1	63,441	-
1150	Notes receivable, net	6(5)	157,461	1	112,814	1	65,572	1
1170	Accounts receivable, net	6(5)	2,449,899	8	1,869,842	12	1,800,004	16
1180	Accounts receivable - related parties	6(5) and 7	155	-	17	-	174	-
1200	Other receivables		123,527	-	41,860	-	44,115	-
1210	Other receivables due from related parties	7	131,275	-	65	-	122,093	1
130X	Inventories	6(6)	4,029,231	14	2,362,168	15	1,554,880	14
1410	Prepayments	7	141,304	1	153,556	1	106,353	1
1470	Other current assets		8,903	-	6,243	-	8,471	-
11XX	**Current Assets**		10,483,123	36	6,800,510	44	5,605,653	49
	Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	6(2)	4,607	-	-	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	6,310,551	22	1,642,596	11	1,236,921	11
1535	Non-current financial assets at amortised cost, net	6(4)	524,592	2	599,399	4	586,611	5
1550	Investments accounted for under equity method	6(7)	6,441,030	22	3,048,732	20	2,011,849	18
1600	Property, plant and equipment	6(8) and 8	5,024,794	17	2,859,248	19	1,565,838	14
1755	Right-of-use assets	6(9)	110,389	-	108,492	1	106,003	1
1780	Intangible assets		69,877	-	55,360	-	47,769	-
1840	Deferred income tax assets		117,902	1	135,425	1	162,130	1
1900	Other non-current assets	6(5)	74,922	-	63,446	-	49,699	1
15XX	**Non-current assets**		18,678,664	64	8,512,698	56	5,766,820	51
1XXX	**Total assets**		$ 29,161,787	100	$ 15,313,208	100	$ 11,372,473	100

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C SUN MFG. 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	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(11)	$ 1,020,000	4	$ 1,010,000	7	$ 1,350,000	12
2120	Current financial liabilities at fair value through profit or loss	6(12)	523	-	337	-	1,765	-
2130	Current contract liabilities	6(22)	2,989,798	10	1,316,879	9	647,199	6
2150	Notes payable		24,243	-	9,022	-	8,772	-
2170	Accounts payable		2,472,781	8	1,519,426	10	1,272,009	11
2180	Accounts payable - related parties	7	25,862	-	12,679	-	17,219	-
2200	Other payables	6(13)	1,932,287	7	898,427	6	621,996	5
2220	Other payables to related parties	7	670	-	1,649	-	-	-
2230	Current income tax liabilities	6(29)	284,186	1	74,492	-	83,010	1
2280	Current lease liabilities		13,293	-	12,920	-	14,478	-
2320	Long-term liabilities, current portion	6(15)	-	-	200,000	1	200,000	2
2399	Other current liabilities, others		2,941	-	4,806	-	6,854	-
21XX	**Current Liabilities**		8,766,584	30	5,060,637	33	4,223,302	37
	Non-current liabilities							
2530	Bonds payable	6(14)	517,196	2	-	-	-	-
2540	Long-term borrowings	6(15)	2,922,580	10	2,672,580	17	2,132,580	19
2570	Deferred income tax liabilities		613,642	2	578,595	4	507,974	4
2580	Non-current lease liabilities		9,300	-	10,366	-	12,486	-
2600	Other non-current liabilities		2,478	-	2,370	-	2,209	-
25XX	**Non-current liabilities**		4,065,196	14	3,263,911	21	2,655,249	23
2XXX	**Total Liabilities**		12,831,780	44	8,324,548	54	6,878,551	60
	Equity attributable to owners of parent							
	Share capital	6(18)						
3110	Share capital - common stock		1,615,137	6	1,567,553	10	1,567,553	14
	Capital surplus	6(19)						
3200	Capital surplus		2,305,713	8	588,506	4	513,688	4
	Retained earnings	6(20)						
3310	Legal reserve		616,567	2	535,554	4	535,554	5
3320	Special reserve		51,901	-	51,901	-	51,901	-
3350	Unappropriated retained earnings		1,263,978	4	1,056,540	7	582,949	5
	Other equity interest	6(21)						
3400	Other equity interest		10,184,564	35	2,993,610	20	1,347,396	12
3500	Treasury shares	6(18)	(220,845)	(1)	(253,897)	(2)	(478,899)	(4)
31XX	**Equity attributable to owners of the parent**		15,817,015	54	6,539,767	43	4,120,142	36
36XX	Non-controlling interest		512,992	2	448,893	3	373,780	4
3XXX	**Total equity**		16,330,007	56	6,988,660	46	4,493,922	40
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	**Total liabilities and equity**		$ 29,161,787	100	$ 15,313,208	100	$ 11,372,473	100

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three-month periods ended June 30				Six-month periods ended June 30			
			2026		2025		2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7	$ 2,782,556	100	$ 1,510,064	100	$ 5,044,062	100	$ 2,819,153	100
5000	Operating costs	6(6)(27)(28) and 7	(1,425,565)	(51)	(879,371)	(58)	(2,568,235)	(51)	(1,625,253)	(58)
5900	Net operating margin		1,356,991	49	630,693	42	2,475,827	49	1,193,900	42
	Operating expenses	6(27)(28)								
6100	Selling expenses		(222,615)	(8)	(149,426)	(10)	(412,033)	(8)	(305,794)	(11)
6200	General and administrative expenses		(204,681)	(7)	(90,075)	(6)	(415,664)	(8)	(206,899)	(7)
6300	Research and development expenses		(182,652)	(7)	(109,454)	(7)	(347,499)	(7)	(208,269)	(7)
6450	Expected credit losses	12(2)	16,273	1	(9,008)	(1)	13,809	-	(19,879)	(1)
6000	Total operating expenses		(593,675)	(21)	(357,963)	(24)	(1,161,387)	(23)	(740,841)	(26)
6900	Operating profit		763,316	28	272,730	18	1,314,440	26	453,059	16
	Non-operating income and expenses									
7100	Interest income	6(23)	15,085	1	14,311	1	24,451	-	24,902	1
7010	Other income	6(24)	68,755	2	8,633	1	78,080	2	24,519	1
7020	Other gains and losses	6(25)	(5,890)	-	(71,039)	(5)	33,915	1	(54,003)	(2)
7050	Finance costs	6(26)	(26,944)	(1)	(15,634)	(1)	(48,064)	(1)	(29,712)	(1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	64,078	2	58,403	4	89,138	2	88,355	3
7000	Total non-operating income and expenses		115,084	4	(5,326)	-	177,520	4	54,061	2
7900	**Profit before income tax**		878,400	32	267,404	18	1,491,960	30	507,120	18
7950	Income tax expense	6(29)	(209,734)	(8)	(50,033)	(4)	(340,888)	(7)	(127,798)	(5)
8200	**Profit for the period**		$ 668,666	24	$ 217,371	14	$ 1,151,072	23	$ 379,322	13

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three-month periods ended June 30				Six-month periods ended June 30			
			2026		2025		2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Other comprehensive income									
	Components of other comprehensive income that will not be reclassified to profit or loss	6(21)								
8316	Unrealized gains on investments in equity instruments at fair value through other comprehensive income	6(3)	$ 3,322,773	119	$ 191,535	13	$ 3,739,350	74	$ 109,961	4
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		2,323,107	84	126,870	8	3,418,645	68	(336,233)	(12)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		5,645,880	203	318,405	21	7,157,995	142	(226,272)	(8)
	Components of other comprehensive income that will be reclassified to profit or loss	6(21)								
8361	Financial statements translation differences of foreign operations		38,306	1	(371,952)	(24)	148,195	3	(326,185)	(12)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		2,157	-	(16,941)	(1)	8,368	-	(12,893)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(29)	(6,535)	-	65,164	4	(25,522)	(1)	57,108	2
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		33,928	1	(323,729)	(21)	131,041	2	(281,970)	(10)
8300	**Other comprehensive income (loss) for the period**		$ 5,679,808	204	($ 5,324)	-	$ 7,289,036	144	($ 508,242)	(18)
8500	**Total comprehensive income (loss) for the period**		$ 6,348,474	228	$ 212,047	14	$ 8,440,108	167	($ 128,920)	(5)
	Profit attributable to:									
8610	Owners of the parent		$ 640,180	23	$ 207,248	13	$ 1,106,348	22	$ 357,580	12
8620	Non-controlling interest		28,486	1	10,123	1	44,724	1	21,742	1
	Profit for the period		$ 668,666	24	$ 217,371	14	$ 1,151,072	23	$ 379,322	13
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		$ 6,314,359	227	$ 248,056	16	$ 8,374,801	166	($ 110,016)	(4)
8720	Non-controlling interest		34,115	1	(36,009)	(2)	65,307	1	(18,904)	(1)
	Total comprehensive income (loss) for the period		$ 6,348,474	228	$ 212,047	14	$ 8,440,108	167	($ 128,920)	(5)
	Basic earnings per share	6(30)								
9750	Total basic earnings per share		$ 4.09		$ 1.37		$ 7.16		$ 2.38	
	Diluted earnings per share	6(30)								
9850	Total diluted earnings per share		$ 4.02		$ 1.37		$ 7.02		$ 2.37	

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent												
				Retained earnings			Other equity interest							
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other	Unearned employee compensation	Treasury shares	Total	Non-controlling interest	Total equity
2025														
Balance at January 1, 2025		$ 1,567,553	$ 408,334	$ 463,150	$ 51,901	$ 1,072,688	($ 21,443)	$ 1,839,020	$ 530	$ -	($ 524,329)	$ 4,857,404	$ 393,384	$ 5,250,788
Profit for the period		-	-	-	-	357,580	-	-	-	-	-	357,580	21,742	379,322
Other comprehensive loss for the period	6(21)	-	-	-	-	-	(241,324)	(226,272)	-	-	-	(467,596)	(40,646)	(508,242)
Total comprehensive income (loss)		-	-	-	-	357,580	(241,324)	(226,272)	-	-	-	(110,016)	(18,904)	(128,920)
Appropriation of 2024 earnings:	6(20)													
Legal reserve		-	-	72,404	-	(72,404)	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(753,869)	-	-	-	-	-	(753,869)	-	(753,869)
Disposal of equity instruments at fair value through other comprehesive income	6(21)	-	-	-	-	3,115	-	(3,115)	-	-	-	-	-	-
Changes in equity of associates accounted for using equity method		-	-	-	-	(24,161)	-	-	-	-	-	(24,161)	-	(24,161)
Cash dividends distributed by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(700)	(700)
Share-based payment arrangements	6(17)	-	76,551	-	-	-	-	-	-	-	-	76,551	-	76,551
Treasury stock transferred to employees	6(18)	-	28,803	-	-	-	-	-	-	-	45,430	74,233	-	74,233
Balance at June 30, 2025		$ 1,567,553	$ 513,688	$ 535,554	$ 51,901	$ 582,949	($ 262,767)	$ 1,609,633	$ 530	$ -	($ 478,899)	$ 4,120,142	$ 373,780	$ 4,493,922
2026														
Balance at January 1, 2026		$ 1,567,553	$ 588,506	$ 535,554	$ 51,901	$ 1,056,540	($ 58,165)	$ 3,051,245	$ 530	$ -	($ 253,897)	$ 6,539,767	$ 448,893	$ 6,988,660
Profit for the period		-	-	-	-	1,106,348	-	-	-	-	-	1,106,348	44,724	1,151,072
Other comprehensive income for the period	6(21)	-	-	-	-	-	110,458	7,157,995	-	-	-	7,268,453	20,583	7,289,036
Total comprehensive income		-	-	-	-	1,106,348	110,458	7,157,995	-	-	-	8,374,801	65,307	8,440,108
Appropriation of 2025 earnings:	6(20)													
Legal reserve		-	-	81,013	-	(81,013)	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(837,580)	-	-	-	-	-	(837,580)	-	(837,580)
Disposal of equity instruments at fair value through other comprehesive income	6(21)	-	-	-	-	21,765	-	(21,765)	-	-	-	-	-	-
Issuance of convertible bonds	6(14)	-	340,042	-	-	-	-	-	-	-	-	340,042	-	340,042
Changes in equity of associates accounted for using equity method	6(19)	-	5,372	-	-	(2,082)	-	-	-	-	-	3,290	-	3,290
Cash dividends distributed by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(1,208)	(1,208)
Share-based payment arrangements	6(17)	-	92,601	-	-	-	-	-	-	-	-	92,601	-	92,601
Treasury stock transferred to employees	6(18)	-	169,792	-	-	-	-	-	-	-	33,052	202,844	-	202,844
Restricted shares granted to employees	6(18)	1,000	54,734	-	-	-	-	-	-	(55,734)	-	-	-	-
Conversion of convertible bonds	6(18)	46,584	1,054,666	-	-	-	-	-	-	-	-	1,101,250	-	1,101,250
Balance at June 30, 2026		$ 1,615,137	$ 2,305,713	$ 616,567	$ 51,901	$ 1,263,978	$ 52,293	$ 10,187,475	$ 530	($ 55,734)	($ 220,845)	$ 15,817,015	$ 512,992	$ 16,330,007

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

C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Six-month periods ended June 30 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,491,960	$ 507,120
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(27)	42,493	41,636
Amortization	6(27)	5,511	2,586
Expected credit impairment loss (gain)	12(2)	(13,809)	19,879
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(25)	(44,480)	3,169
Interest expense	6(26)	48,064	29,712
Interest income	6(23)	(24,451)	(24,902)
Dividend income	6(24)	(62,182)	(2,448)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(89,138)	(88,355)
Loss on disposal of property, plant and equipment	6(25)	182	1,573
Cost of share-based payments	6(17)	92,601	76,551
Gain on disposals of investments	6(25)	(165)	-
Impairment loss from non–financial assets		688	665
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(111,108)	3,541
Notes receivable		(39,024)	29,111
Accounts receivable		(505,650)	(199,252)
Accounts receivable-related parties		3,192	(7,156)
Other receivables		(25,354)	9,528
Inventories		(1,565,952)	(573,548)
Prepayments		17,180	(47,643)
Other current assets		(2,856)	2,729
Changes in operating liabilities			
Contract liabilities		1,598,372	180,971
Notes payable		15,221	4,554
Accounts payable		899,090	313,309
Accounts payable-related parties		11,610	4,405
Other payables		178,778	(75,709)
Other current liabilities		(1,929)	4,012
Cash inflow generated from operations		1,918,844	216,038
Interest paid		(35,108)	(29,571)
Income tax paid		(105,584)	(125,518)
Net cash flows from operating activities		1,778,152	60,949

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C SUN MFG. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Six-month periods ended June 30 2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 1,222,456)	($ 33,713)
Proceeds from disposal of financial assets at fair value through other comprehensive income		37,005	96,993
Acquisition of financial assets at amortised cost		(9,198)	(68,740)
Proceeds from disposal of financial assets at amortised cost		96,693	-
Acquisition of property, plant and equipment	6(31)	(2,187,957)	(571,282)
Proceeds from disposal of property, plant and equipment		94	3,279
Acquisition of intangible assets		(16,591)	(148)
Increase in refundable deposits		(16,144)	(180)
Interest received		24,283	15,343
Dividend received		7,479	2,448
Decrease (increase) in other non-current assets		5,319	(769)
Net cash flows used in investing activities		(3,281,473)	(556,769)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(32)	2,270,000	2,465,000
Repayment of short-term borrowings	6(32)	(2,260,000)	(1,765,000)
Proceeds from long-term borrowings	6(32)	1,706,000	493,580
Repayment of long-term borrowings	6(32)	(1,656,000)	(100,000)
Increase in guarantee deposits received		-	89
Repayment of principal portion of lease liabilities	6(32)	(7,935)	(8,442)
Proceeds from issuance of convertible corporate bonds	6(32)	1,963,414	-
Treasury stock transferred to employees	6(17)	202,844	74,233
Payment of cash dividends		-	(753,869)
Distribution of cash dividends by a subsidiary		(1,208)	(700)
Net cash flows from financing activities		2,217,115	404,891
Effect of exchange rate		65,908	(201,338)
Net increase (decrease) in cash and cash equivalents		779,702	(292,267)
Cash and cash equivalents at beginning of period	6(1)	1,863,940	1,930,703
Cash and cash equivalents at end of period	6(1)	$ 2,643,642	$ 1,638,436

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

C SUN MFG. LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

C SUN MFG. LTD. (the "Company") was incorporated in April, 1978. The Company and its subsidiaries (collectively referred herein as the "Group") are engaged in electronics, semiconductors, liquid crystal displays (LCD), printed circuit boards, textiles, plastics, rubber, printing, chemical industry, aerospace and other industrial box ovens, tunnel ovens, UV drying equipment, UV exposure equipment, automatic equipment, plasma generator (PRS series), automatic system integration technology, research, development, related parts manufacturing, maintenance, sales, import and export business of the previous products.

In September, 2001, the Company's shares were listed on the Taiwan Stock Exchange (TWSE).

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorized for issuance by the Board of Directors on August 7, 2026

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS 28 investments in associates and joint ventures'	January 1, 2027 (Note 2)

Note 1：The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.

Note 2：The entities shall apply the amendment simultaneously with IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income 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.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) June 30, 2026	December 31, 2025	June 30, 2025	Note
C SUN MFG. LTD.	C Sun (B.V.I.) Ltd.	Holding company	100%	100%	100%	Note 1
C SUN MFG. LTD.	K Sun (Samoa) Ltd.	Holding company	100%	100%	100%	Note 1
C SUN MFG. LTD.	CSUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	Manufacturing and Selling	100%	100%	100%	Note 1
C SUN MFG. LTD.	Hong-Teng Corp.	Manufacturing and Selling	70%	70%	70%	Note 1
C SUN MFG. LTD.	Navigation Technology Co., Ltd.	Selling	50%	50%	50%	Note 1
C SUN MFG. LTD.	G2C Holding USA, INC.	Holding company	100%	-	-	Note 1、2
G2C Holding USA, INC.	G2C AZ Operations, INC.	Selling	100%	-	-	Note 1、3
G2C Holding USA, INC.	C SUN AZ PROPERTIES I, LLC	Real estate investment and leasing	-	-	-	Note 1、4
C Sun (B.V.I.) Ltd.	Csun Technology (Guangzhou) Co., Ltd.	Manufacturing and Selling	100%	100%	100%	
C Sun (B.V.I.) Ltd.	Alpha Joint Ltd.	Holding company	100%	100%	100%	Note 1
C Sun (B.V.I.) Ltd.	Power Ever Enterprises Limited	Selling	77.47%	77.47%	77.47%	Note 1
Navigation Technology Co., Ltd.	Navigation Technology Japan Co., Ltd.	Selling	-	-	-	Note 1、5
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Holding company	100%	100%	100%	Note 1
Good Team International Enterprises Limited	Suzhou Top Creation Machines Co., Ltd.	Manufacturing and Selling	100%	100%	100%	
Good Team International Enterprises Limited	Nantong Top Creation Machines Co., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 1
Suzhou Top Creation Machines Co., Ltd.	Top Creation Machines CO., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 1

			Ownership(%)			
Name of investor	Name of subsidiary	Main business activities	June 30, 2026	December 31, 2025	June 30, 2025	Note
Suzhou Top Creation Machines Co., Ltd.	Suzhou Top Creation Intelligent Machines Co., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 1
Csun Technology (Guangzhou) Co., Ltd.	Jiangsu Chunag Gao Xin Materials Technology Co., Ltd.	Manufacturing and Selling	100%	100%	100%	Note 1

Note 1: As these subsidiaries did not meet the definition of significant subsidiaries, the financial statements as of June 30, 2026 and 2025 were not reviewed by independent auditors.
Note 2: G2C Holding USA, INC. was established in February 2026.
Note 3: G2C AZ Operations, INC. was established in February 2026.
Note 4: C SUN AZ PROPERTIES I, LLC. was established in May 2026.
Note 5: Navigation Technology Japan Co., Ltd. was established in April 2026.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Convertible bonds payable

A. Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

(a) The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

(b) The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

(c) The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

(d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

(e) When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and 'capital surplus—share options'.

(5) Employee benefits

Defined contribution plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(6) Employee share-based payment

Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(7) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of June 30, 2026. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and revolving funds	$ 2,563	$ 2,611	$ 2,316
Checking accounts and demand deposits	2,456,792	1,709,006	1,507,171
Time deposits	184,287	152,323	128,949
Total	$ 2,643,642	$ 1,863,940	$ 1,638,436

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	$ 67,774	$ -	$ -
Emerging stocks	36,840	-	-
Derivatives instruments	3,137	1,029	-
Hybrid instruments	38,175	8,478	9,996
Put right and call right of convertible bonds	4,856	-	-
	$ 150,782	$ 9,507	$ 9,996
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted stocks	$ 4,607	$ -	$ -

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	($ 3,242)	$ -
Hybrid instruments	9,338	(306)
Derivative instruments	542	(1,531)
Put right and call right of convertible bonds	1,353	-
	$ 7,991	($ 1,837)

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 13,467	$ -
Hybrid instruments	13,993	32
Derivative instruments	2,109	(1,436)
Put right and call right of convertible bonds	14,913	-
	$ 44,482	($ 1,404)

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

(There was no such transaction on June 30, 2025)

	June 30, 2026	
Derivative financial instruments	Contract amount (notional principal) (in thousands)	Contract period
Current items:		
Foreign exchange swap contracts	USD 8,400	2026/4-2026/10

	December 31, 2025	
Derivative financial instruments	Contract amount (notional principal) (in thousands)	Contract period
Current items:		
Foreign exchange swap contracts	USD 2,700	2025/10-2026/4
"	JPY 200,000	2025/12-2026/1

Foreign exchange swap contracts

The Group entered into foreign exchange swap contracts to hedge exchange rate risk of assets and liabilities denominated in foreign currencies whose values would be affected by the exchange rate fluctuations. However, these foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

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

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Equity instruments			
Listed stocks	$ 510,326	$ 253,506	$ 192,118
Non-current items:			
Equity instruments			
Listed stocks	$ 6,046,671	$ 1,525,243	$ 1,132,164
Emerging stocks	53,400	34,952	20,537
Unlisted stocks	210,480	82,401	84,220
	6,310,551	1,642,596	1,236,921
Total	$ 6,820,877	$ 1,896,102	$ 1,429,039

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income		
Held at end of period	$ 3,321,380	$ 191,535
Derecognised during the period	1,393	-
	$ 3,322,773	$ 191,535
Cumulative (gains) losses reclassified to retained earnings due to derecognition	($ 1,678)	$ -
Dividend income recognised in profit or loss held at end of period	$ 62,173	$ 2,448

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income		
Held at end of period	$ 3,724,480	$ 102,230
Derecognised during the period	14,870	7,731
	$ 3,739,350	$ 109,961
Cumulative losses (gains) reclassified to retained earnings due to derecognition	($ 21,765)	($ 3,115)
Dividend income recognised in profit or loss held at end of period	$ 62,173	$ 2,448

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Time deposits over three months	$ 136,618	$ 126,992	$ 63,441
Non-current items：			
Time deposits over twelve months	$ 299,285	$ 375,615	$ 368,368
Corporate bonds	225,307	223,784	218,243
	$ 524,592	$ 599,399	$ 586,611

A. As at June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $661,210, $726,391 and $650,052, respectively.

B. The Group has no financial assets at amortised cost pledged to others as collateral.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group’s investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 157,531	$ 112,828	$ 65,593
Less: Allowance for uncollectible accounts	(70)	(14)	(21)
	$ 157,461	$ 112,814	$ 65,572
Accounts receivable	$ 2,745,368	$ 2,174,365	$ 2,093,300
Accounts receivable-related parties	155	17	174
	2,745,523	2,174,382	2,093,474
Less: Allowance for uncollectible accounts	(295,469)	(304,523)	(293,296)
	$ 2,450,054	$ 1,869,859	$ 1,800,178
Overdue receivable (shown as other non-current assets)	$ 10,523	$ 8,483	$ 4,666
Less: Allowance for uncollectible accounts	(10,523)	(8,483)	(4,666)
	$ -	$ -	$ -

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	June 30, 2026		December 31, 2025		June 30, 2025	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due to 60 days	$ 2,323,851	$157,531	$ 1,802,993	$112,828	$ 1,705,922	$ 65,593
61 to 120 days	139,548	-	63,902	-	73,811	-
121 to 180 days	37,030	-	76,268	-	77,060	-
Over 180 days	245,094	-	231,219	-	236,681	-
	$ 2,745,523	$157,531	$ 2,174,382	$112,828	$ 2,093,474	$ 65,593

The above ageing analysis was based on past due date.

B. As of June 30, 2026, December 31, 2025 and June 30, 2025, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2025 the balance of receivables from contracts with customers amounted to $2,115,172.

C. The Group has no notes and accounts receivable pledged to others as collateral.

D. As of June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes and accounts receivable was $157,461, $112,814 and $65,572 ; $2,450,054, $1,869,859 and $1,800,178, respectively.

E. The Group entered into a factoring agreement with a bank to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, as of June 30, 2026, December 31, 2025 and June 30, 2025, the Group derecognised the transferred accounts receivable amounting to $0, $0 and $2,618, respectively.

F. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	June 30, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 307,197	($ 46,341)	$ 260,856
Work in progress	2,235,420	(109,036)	2,126,384
Finished goods	1,763,922	(121,931)	1,641,991
Total	$ 4,306,539	($ 277,308)	$ 4,029,231

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 195,613	($ 50,692)	$ 144,921
Work in progress	1,684,930	(166,048)	1,518,882
Finished goods	812,860	(114,495)	698,365
Total	$ 2,693,403	($ 331,235)	$ 2,362,168

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 197,210	($ 60,234)	$ 136,976
Work in progress	1,220,357	(134,549)	1,085,808
Finished goods	425,601	(93,505)	332,096
Total	$ 1,843,168	($ 288,288)	$ 1,554,880

The cost of inventories recognised as expense for the period:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Cost of goods sold and others	$ 1,471,359	$ 868,600
(Gain on reversal of decline) loss on decline in market value	(45,778)	10,800
Others	(16)	(29)
Total	$ 1,425,565	$ 879,371

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Cost of goods sold and others	$ 2,625,723	$ 1,606,837
(Gain on reversal of decline) loss on decline in market value	(57,328)	18,511
Others	(160)	(95)
Total	$ 2,568,235	$ 1,625,253

For the three-month and six month periods ended June 30, 2026, due to the continuous reduction of the Group's inventory, the net realizable value of inventory increased, resulting in a decrease in cost of goods sold recognized.

(7) Investments accounted for using equity method

	June 30, 2026	December 31, 2025	June 30, 2025
Associates:			
Gallant Precision Machining Co., Ltd.	$ 5,882,764	$ 2,703,167	$ 1,763,754
Gallant Micro. Machining Co., Ltd.	427,192	229,879	139,908
Alpha-Cure Asia Co., Ltd.	75,147	70,122	62,187
Viewmove Technologies, Inc.	55,927	45,564	46,000
	$ 6,441,030	$ 3,048,732	$ 2,011,849

Associates

A. The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Methods of measurement
		June 30, 2026	December 31, 2025	June 30, 2025		
Gallant Precision Machining Co., Ltd.	Taiwan	27.75%	27.75%	27.81%	Business strategy	Equity method
Gallant Micro. Machining Co., Ltd.	Taiwan	23.20% (Note)	23.81% (Note)	24.04% (Note)	Business strategy	Equity method
Alpha-Cure Asia Co., Ltd.	China	25.00%	25.00%	25.00%	Business strategy	Equity method
Viewmove Technologies, Inc.	Taiwan	20.70%	21.87%	21.91%	Business strategy	Equity method

Note : It refers to the comprehensive shareholding ratio including shares of investees directly held by the Group and indirectly held through the associate.

B. The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Gallant Precision Machining Co., Ltd.		
	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 5,384,333	$ 4,609,198	$ 4,490,308
Non-current assets	25,314,708	12,169,618	8,155,187
Current liabilities	(5,968,352)	(4,494,686)	(4,181,129)
Non-current liabilities	(2,174,231)	(2,390,492)	(2,530,132)
Total net assets	$ 22,556,458	$ 9,893,638	$ 5,934,234
Share in associate's net assets	$ 5,618,990	$ 2,439,393	$ 1,499,768
Goodwill	263,774	263,774	263,986
Carrying amount of the associate	$ 5,882,764	$ 2,703,167	$ 1,763,754

	Gallant Micro. Machining Co., Ltd.		
	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 3,514,701	$ 2,602,706	$ 2,292,345
Non-current assets	5,632,123	2,561,576	1,492,680
Current liabilities	(3,488,286)	(2,254,554)	(2,087,269)
Non-current liabilities	(515,356)	(454,826)	(449,787)
Total net assets	$ 5,143,182	$ 2,454,902	$ 1,247,969
Share in associate's net assets	$ 382,901	$ 185,588	$ 94,830
Goodwill	44,291	44,291	45,078
Carrying amount of the associate	$ 427,192	$ 229,879	$ 139,908

Statement of comprehensive income

	Gallant Precision Machining Co., Ltd.	
	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Revenue	$ 1,144,022	$ 1,312,328
Profit for the period from continuing operations	$ 225,359	$ 202,608
Other comprehensive income, net of tax	8,667,294	395,541
Total comprehensive income	$ 8,892,653	$ 598,149
Dividends received from associates	$ 98,335	$ 89,468

	Gallant Precision Machining Co., Ltd.	
	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Revenue	$ 2,172,166	$ 2,143,886
Profit for the period from continuing operations	$ 318,425	$ 291,287
Other comprehensive income (loss), net of tax	12,790,006	(1,276,344)
Total comprehensive income (loss)	$ 13,108,431	($ 985,057)
Dividends received from associates	$ 98,335	$ 89,468

	Gallant Micro. Machining Co., Ltd.	
	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Revenue	$ 821,536	$ 737,225
Profit for the period from continuing operations	$ 123,129	$ 86,406
Other comprehensive income, net of tax	1,735,252	2,763
Total comprehensive income	$ 1,858,381	$ 89,169
Dividends received from associates	$ 32,055	$ 32,625

	Gallant Micro. Machining Co., Ltd.	
	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Revenue	$ 1,651,841	$ 1,167,445
Profit for the period from continuing operations	$ 270,136	$ 128,613
Other comprehensive income (loss), net of tax	2,769,277	(162,572)
Total comprehensive income (loss)	$ 3,039,413	($ 33,959)
Dividends received from associates	$ 32,055	$ 32,625

C. The carrying amount of the Group’s interests in all individually immaterial associates and the Group’s share of the operating results are summarised below:

As of June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amount of the Group’s individually immaterial associates amounted to $131,074, $115,686 and $108,187, respectively.

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Profit for the period from continuing operations	$ 6,958	$ 2,497
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 6,958	$ 2,497
Dividends received from associates	$ -	$ -

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Profit for the period from continuing operations	$ 12,341	$ 8,530
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 12,341	$ 8,530
Dividends received from associates	$ -	$ -

D. The Group's material associate Gallant Precision Machining Co., Ltd. has quoted market prices. As of June 30, 2026, December 31, 2025 and June 30, 2025, the fair values were $5,162,599, $3,821,664 and $3,860,529, respectively.

E. The Group's material associate Gallant Micro. Machining Co., Ltd. has quoted market prices. As of June 30, 2026, December 31, 2025 and June 30, 2025, the fair values were $2,190,425, $1,348,447 and $1,431,150, respectively.

F. The Group is the single largest shareholder of Gallant Precision Machining Co., Ltd. with a 27.75% equity interest. Given that the key management of the Company and Gallant Precision Machining Co., Ltd. is not the same, which indicates that the Group has no current ability to direct the relevant activities of Gallant Precision Machining Co., Ltd., the Group has no control, but only has significant influence, over the investee.

G. The gain on investments accounted for under equity method amounted to $64,078, $58,403, $89,138 and $88,355 for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

(8) Property, plant and equipment

	2026							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and prepayment for equipment	Total
At January 1								
Cost	$ 988,497	$ 721,654	$ 107,774	$ 111,922	$ 26,683	$ 167,473	$ 1,281,159	$ 3,405,162
Accumulated depreciation	-	(249,345)	(81,333)	(73,762)	(18,995)	(122,479)	-	(545,914)
	$ 988,497	$ 472,309	$ 26,441	$ 38,160	$ 7,688	$ 44,994	$ 1,281,159	$ 2,859,248
Opening net book amount as at January 1	$ 988,497	$ 472,309	$ 26,441	$ 38,160	$ 7,688	$ 44,994	$ 1,281,159	$ 2,859,248
Additions	-	-	8,825	9,448	59	10,244	2,160,508	2,189,084
Disposals	-	-	(6)	(50)	(130)	(90)	-	(276)
Reclassifications	1,848,117	3,181	153	1,091	-	-	(1,852,542)	-
Depreciation charge	-	(12,646)	(2,719)	(8,063)	(1,252)	(8,599)	-	(33,279)
Net exchange differences	-	6,120	704	453	316	1,388	1,036	10,017
Closing net book amount as at June 30	$ 2,836,614	$ 468,964	$ 33,398	$ 41,039	$ 6,681	$ 47,937	$ 1,590,161	$ 5,024,794
At June 30								
Cost	$ 2,836,614	$ 734,637	$ 120,203	$ 124,007	$ 27,031	$ 180,805	$ 1,590,161	$ 5,613,458
Accumulated depreciation	-	(265,673)	(86,805)	(82,968)	(20,350)	(132,868)	-	(588,664)
	$ 2,836,614	$ 468,964	$ 33,398	$ 41,039	$ 6,681	$ 47,937	$ 1,590,161	$ 5,024,794

	2025							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and prepayment for equipment	Total
At January 1								
Cost	$ 436,285	$ 685,492	$ 113,626	$ 114,072	$ 23,835	$ 162,273	$ 67,623	$ 1,603,206
Accumulated depreciation	-	(233,693)	(96,655)	(80,389)	(17,988)	(114,749)	-	(543,474)
	$ 436,285	$ 451,799	$ 16,971	$ 33,683	$ 5,847	$ 47,524	$ 67,623	$ 1,059,732
Opening net book amount as at January 1	$ 436,285	$ 451,799	$ 16,971	$ 33,683	$ 5,847	$ 47,524	$ 67,623	$ 1,059,732
Additions	440,871	1,970	4,385	6,958	1,432	3,613	111,966	571,195
Disposals	-	-	(3,092)	(145)	(1,265)	(334)	-	(4,836)
Reclassifications (Note)	111,340	13,677	277	5,400	-	-	(137,542)	(6,848)
Depreciation charge	-	(11,574)	(1,691)	(8,886)	(1,630)	(8,270)	-	(32,051)
Net exchange differences	-	(14,505)	(1,388)	(1,028)	(429)	(3,604)	(400)	(21,354)
Closing net book amount as at June 30	$ 988,496	$ 441,367	$ 15,462	$ 35,982	$ 3,955	$ 38,929	$ 41,647	$ 1,565,838
At June 30								
Cost	$ 988,496	$ 673,306	$ 94,782	$ 118,041	$ 19,736	$ 146,196	$ 41,647	$ 2,082,204
Accumulated depreciation	-	(231,939)	(79,320)	(82,059)	(15,781)	(107,267)	-	(516,366)
	$ 988,496	$ 441,367	$ 15,462	$ 35,982	$ 3,955	$ 38,929	$ 41,647	$ 1,565,838

Note: It refers to construction in progress and prepayment for equipment transferred to intangible assets amounting to $6,848.

A. There were no borrowing costs capitalized as part of property, plant and equipment for the three-month and six month periods ended June 30, 2026 and 2025, respectively.

B. The Group’s buildings and structures include buildings and improvements, decoration works and hydroelectric engineering which are depreciated over 50 to 56 years, 2 to 51 years and 4 to 9 years, respectively.

C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings, photocopiers, business vehicles. Land contract is typically made for periods of 26 to 50 years and other rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise photocopiers and business vehicles, which were excluded from the right-of-use assets.

C. The carrying amount of the depreciation charge are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
	Carrying amount	Carrying amount	Carrying amount
Land	$ 87,740	$ 85,088	$ 78,972
Buildings	2,271	745	1,565
Transportation equipment (Business vehicles)	20,378	22,659	25,466
Office equipment (Photocopiers)	-	-	-
	$ 110,389	$ 108,492	$ 106,003

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
	Depreciation charge	Depreciation charge
Land	$ 614	$ 570
Buildings	275	367
Transportation equipment (Business vehicles)	3,639	3,886
Office equipment (Photocopiers)	-	132
	$ 4,528	$ 4,955

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
	Depreciation charge	Depreciation charge
Land	$ 1,219	$ 1,179
Buildings	600	720
Transportation equipment (Business vehicles)	7,395	7,413
Office equipment (Photocopiers)	-	273
	$ 9,214	$ 9,585

D. For the three-month and six-month periods ended June 30, 2026 and 2025, the additions to right-of-use assets were $5,877, $6,990, $7,226 and $56,360, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 107	$ 126
Expense on short-term lease contracts	11,555	6,972
Expense on leases of low-value assets	476	616

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 204	$ 237
Expense on short-term lease contracts	19,273	13,527
Expense on leases of low-value assets	890	938

F. For the three-month and six-month periods ended June 30, 2026 and 2025, the Group's total cash outflow for leases were $15,951, $12,142, $28,302 and $23,144, respectively.

(10) Leasing arrangements – lessor

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 6 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. For the three-month and six-month periods ended June 30, 2026 and 2025, the Group recognised rent income in the amounts of $4,042, $3,370, $8,020 and $6,930, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	June 30, 2026		December 31, 2025		June 30, 2025
2026	$ 6,192	2026	$ 11,769	2025	$ 5,996
2027	12,384	2027	11,789	2026	11,992
2028	12,616	2028	12,010	2027	11,992
2029	12,637	2029	12,030	2028	11,992
After 2030	4,328	After 2030	4,120	After 2029	16,601
Total	$ 48,157	Total	$ 51,718	Total	$ 58,573

(11) Short-term borrowings

Type of borrowings	June 30, 2026	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 1,020,000	1.85%~1.95%	None

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 1,010,000	1.80%~1.92%	None

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 1,350,000	1.85%~1.94%	None

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

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial liabilities held for trading			
Derivative instruments	$ 523	$ 337	$ 1,765

A. Amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are as follows:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Net gains (loss) recognised in profit		
Financial liabilities held for trading		
Derivative instruments	($ 174)	($ 1,765)

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Net gains (loss) recognised in profit		
Financial liabilities held for trading		
Derivative instruments	$ 163	($ 1,765)

B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Group does not adopt hedge accounting are as follows:

	June 30, 2026		
Derivative financial liabilities	Contract amount (Notional principal) (in thousands)		Contract period
Current items:			
Option	USD	2,300	2026/6-2026/10

	December 31, 2025		
Derivative financial liabilities	Contract amount (Notional principal) (in thousands)		Contract period
Current items:			
Option	USD	1,500	2025/11-2026/3

	June 30, 2025		
Derivative financial liabilities	Contract amount (Notional principal) (in thousands)		Contract period
Current items:			
Foreign exchange swap contracts	USD	4,550	2025/6-2025/7
"	JPY	300,000	2025/6-2025/7

(13) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Salary and bonus payable	$ 481,743	$ 332,882	$ 219,794
Employees' compensation and directors' remuneration	144,177	124,957	14,420
Pension payable	19,261	19,078	27,205
Accrued annual leave	31,053	32,452	29,382
Payable on machinery and equipment	1,134	7	6
Dividend payable	837,580	-	-
Others	417,339	389,051	331,189
	$ 1,932,287	$ 898,427	$ 621,996

(14) Bonds payable

	June 30, 2026
Bonds payable	$ 543,500
Less: Discount on bonds payable	(26,304)
	517,196
Less: Current portion or exercise of put options	-
	$ 517,196

A. The issuance of second domestic unsecured convertible bonds by the Company, as approved by the regulatory authority, the terms are as follows:

i. Each bond has a face value of NT$100,000, with a total of 7,000 bonds issued, amounting to $700,000 , 0%. The bonds mature 3 years from the issue date (January 9, 2026 ~ January 9, 2029) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on January 9, 2026.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of Company during the period from the date following three months after the issuance of these convertible bonds until the maturity date, except during the following periods when conversion (subscription) shall not be requested: (1) The period during which the transfer of common shares is suspended by law;(2) From fifteen business days prior to the record date for the free stock distribution, cash dividends, or cash capital increase subscription until the rights distribution record date;(3) From the record date for capital reduction until the day before the new shares are issued following the capital reduction;(4) From the start date of suspension of conversion for stock par value changes until the day before the new shares are issued and begin trading.

iii. The conversion price of the bonds is determined based on December 31, 2025 as the price determination reference date. The benchmark price is selected as the simple arithmetic average closing price of the Company's common shares on one of the following days before the reference date (excluding the reference date): the immediately preceding trading day, the three trading days prior, or the five trading days prior. The conversion price is then calculated by multiplying the benchmark price by a conversion premium rate of 105.01%. If there is a dividend or ex-rights event before the reference date, the closing prices used for the calculation should be adjusted as ex-dividend or ex-rights prices. After the conversion price is determined and before the actual issuance date, if any dividend or ex-rights event occurs, the conversion price shall be adjusted according to the price adjustment formula specified in the regulations. According to this method, the conversion price at the time of the bond issuance is NT$250.6 per share.

iv. Adjustment of Conversion Price:

(a.) After the issuance of these convertible bonds, except for the issuance of new common shares resulting from the conversion rights or subscription rights attached to various securities with common stock conversion or subscription rights issued (or privately placed) by the Company, or new shares issued as employee compensation, if there is an increase in the Company's issued common shares (including but not limited to cash capital increase, capital surplus capitalized, earnings capitalized, merger or issuance of new shares due to acquisition of another company's shares, stock split, or cash capital increase participation in the issuance of overseas depositary receipts), the Company shall adjust the conversion price of these convertible bonds in accordance with the relevant regulations.

(b.) After the issuance of these convertible bonds, if the Company distributes cash dividends on common shares, the conversion price shall be reduced on the ex-dividend record date in accordance with the applicable regulations. This reduction in conversion price shall not apply to conversion requests submitted before (but excluding) the ex-dividend record date.

(c.) After the issuance of these convertible bonds, if the Company conducts a subsequent offering (or private placement) of various securities with common stock conversion rights or subscription rights at a conversion or subscription price lower than the current market price per share, the Company shall adjust the conversion price of these convertible bonds in accordance with the applicable regulations. Such adjustment shall be made on the date of issuance of the aforementioned securities or the delivery date of the privately placed securities.

(d.) After the issuance of these convertible bonds, if there is a decrease in the number of common shares due to capital reduction not caused by the cancellation of treasury shares, the adjusted conversion price shall be calculated in accordance with the applicable regulations and adjusted on the capital reduction record date. If the decrease in common shares is due to a change in the par value of the stock, the adjustment shall be made on the new share issuance record date.

v. The Company's call right on these convertible bonds:

(a.) From the day following three months after the issuance of these convertible bonds until forty days before the expiration of the issuance period, if the closing price of the Company’s common shares exceeds the conversion price by 30% or more for 30 consecutive trading days, the Company may, within the subsequent 30 trading days, redeem the outstanding convertible bonds at their face value in cash.

(b.) From the day following three months after the issuance of these convertible bonds until forty days before the expiration of the issuance period, if the outstanding balance of the convertible bonds falls below 10% of the original total issued amount, the Company may redeem the outstanding convertible bonds at their face value in cash at any time thereafter.

(c.) If a bondholder fails to respond in writing to the Company’s stock affairs agent before the bond redemption record date, the Company shall redeem the convertible bonds held by such bondholder at face value in cash within five business days after the bond redemption record date.

(d.) If the Company exercises its early redemption right on these convertible bonds, the final deadline for bondholders to request conversion shall be the second business day after the termination of trading on the Taipei Exchange. However, bondholders must complete the application procedures with their brokerage firm at least one business day before the final deadline.

vi. Put Right of Bondholders: The put right record date for bondholders to sell back the convertible bonds early is the second anniversary of the issuance of these convertible bonds. The Company shall notify bondholders at least 40 days before the put right record date that they may, within 40 days prior to the put right record date, submit a written notice to the Company's stock affairs agent requesting the Company to redeem the convertible bonds they hold in cash at 100% of the bond's face value (with a put annual yield of 0%).

vii. All convertible bonds repurchased by the Company (including those bought back at securities firms' business locations), redeemed, or converted shall be canceled and will no longer be resold or reissued. The associated conversion rights shall be extinguished simultaneously.

viii. When the Group issued the convertible bonds, in accordance with International Accounting Standard (IAS) 32 "Financial Instruments: Presentation," the equity component of the conversion right was separated from the liability components and recognized as "Capital Surplus - Share Subscription Rights" amounting to $64,749. Additionally, the embedded put right was separated in accordance with International Financial Reporting Standard (IFRS) 9 "Financial Instruments" because its economic characteristics and risks are not closely related to those of the host debt instrument. It was measured at fair value through profit or loss and recorded as a financial asset. After separation, the effective interest rate of the host debt contract is 1.995%.

ix. As of June 30, 2026, a cumulative total of 5,086 units of the convertible bonds had been converted into 2,030 thousand shares of the company's common stock. The outstanding unsecured convertible bonds as of June 30, 2026, amounted to 1,914 bonds. Additionally, $47,044 has been transferred from " Capital Surplus, Share Subscription Rights " to "Capital Surplus, Share premium " with a recorded balance of $17,705 as of June 30, 2026.

B. The issuance of third domestic unsecured convertible bonds by the Company, as approved by the regulatory authority, the terms are as follows:

i. Each bond has a face value of NT$100,000, with a total of 10,000 bonds issued, amounting to $1,000,000 , 0%. The bonds mature 3 years from the issue date (January 22, 2026 ~ January 22, 2029) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on January 22, 2026.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of Company during the period from the date following three months after the issuance of these convertible bonds until the maturity date, except during the following periods when conversion (subscription) shall not be requested: (1) The period during which the transfer of common shares is suspended by law;(2) From fifteen business days prior to the record date for the free stock distribution, cash dividends, or cash capital increase subscription until the rights distribution record date;(3) From the record date for capital reduction until the day before the new shares are issued following the capital reduction;(4) From the start date of suspension of conversion for stock par value changes until the day before the new shares are issued and begin trading.

iii. The conversion price of the bonds is determined based on January 2, 2026 as the price determination reference date. The benchmark price is selected as the simple arithmetic average closing price of the Company's common shares on one of the following days before the reference date (excluding the reference date): the immediately preceding trading day, the three trading days prior, or the five trading days prior. The conversion price is then calculated by multiplying the benchmark price by a conversion premium rate of 102%. If there is a dividend or ex-rights event before the reference date, the closing prices used for the calculation should be adjusted as ex-dividend or ex-rights prices. After the conversion price is determined and before the actual issuance date, if any dividend or ex-rights event occurs, the conversion price shall be adjusted according to the price adjustment formula specified in the regulations. According to this method, the conversion price at the time of the bond issuance is NT$246.6 per share.

iv. Adjustment of Conversion Price:

(a.) After the issuance of these convertible bonds, except for the issuance of new common shares resulting from the conversion rights or subscription rights attached to various securities with common stock conversion or subscription rights issued (or privately placed) by the Company, or new shares issued as employee compensation, if there is an increase in the Company's issued common shares (including but not limited to cash capital increase, capital surplus capitalized, earnings capitalized, merger or issuance of new shares due to acquisition of another company's shares, stock split, or cash capital increase participation in the issuance of overseas depositary receipts), the Company shall adjust the conversion price of these convertible bonds in accordance with the relevant regulations.

(b.) After the issuance of these convertible bonds, if the Company distributes cash dividends on common shares, the conversion price shall be reduced on the ex-dividend record date in accordance with the applicable regulations. This reduction in conversion price shall not apply to conversion requests submitted before (but excluding) the ex-dividend record date.

(c.) After the issuance of these convertible bonds, if the Company conducts a subsequent offering (or private placement) of various securities with common stock conversion rights or subscription rights at a conversion or subscription price lower than the current market price per share, the Company shall adjust the conversion price of these convertible bonds in accordance with the applicable regulations. Such adjustment shall be made on the date of issuance of the aforementioned securities or the delivery date of the privately placed securities.

(d.) After the issuance of these convertible bonds, if there is a decrease in the number of common shares due to capital reduction not caused by the cancellation of treasury shares, the adjusted conversion price shall be calculated in accordance with the applicable regulations and adjusted on the capital reduction record date. If the decrease in common shares is due to a change in the par value of the stock, the adjustment shall be made on the new share issuance record date.

v. The Company's call right on these convertible bonds:

(a.) From the day following three months after the issuance of these convertible bonds until forty days before the expiration of the issuance period, if the closing price of the Company’s common shares exceeds the conversion price by 30% or more for 30 consecutive trading days, the Company may, within the subsequent 30 trading days, redeem the outstanding convertible bonds at their face value in cash.

(b.) From the day following three months after the issuance of these convertible bonds until forty days before the expiration of the issuance period, if the outstanding balance of the convertible bonds falls below 10% of the original total issued amount, the Company may redeem the outstanding convertible bonds at their face value in cash at any time thereafter.

(c.) If a bondholder fails to respond in writing to the Company’s stock affairs agent before the bond redemption record date, the Company shall redeem the convertible bonds held by such bondholder at face value in cash within five business days after the bond redemption record date.

(d.) If the Company exercises its early redemption right on these convertible bonds, the final deadline for bondholders to request conversion shall be the second business day after the termination of trading on the Taipei Exchange. However, bondholders must complete the application procedures with their brokerage firm at least one business day before the final deadline.

vi. Put Right of Bondholders: The put right record date for bondholders to sell back the convertible bonds early is the second anniversary of the issuance of these convertible bonds. The Company shall notify bondholders at least 40 days before the put right record date that they may, within 40 days prior to the put right record date, submit a written notice to the Company’s stock affairs agent requesting the Company to redeem the convertible bonds they hold in cash at 100% of the bond’s face value (with a put annual yield of 0%).

vii. All convertible bonds repurchased by the Company (including those bought back at securities firms’ business locations), redeemed, or converted shall be canceled and will no longer be resold or reissued. The associated conversion rights shall be extinguished simultaneously.

viii. When the Group issued the convertible bonds, in accordance with International Accounting Standard (IAS) 32 "Financial Instruments: Presentation," the equity component of the conversion right was separated from the liability components and recognized as "Capital Surplus - Share Subscription Rights" amounting to $275,293. Additionally, the embedded put right was separated in accordance with International Financial Reporting Standard (IFRS) 9 "Financial Instruments" because its economic characteristics and risks are not closely related to those of the host debt instrument. It was measured at fair value through profit or loss and recorded as a financial asset. After separation, the effective interest rate of the host debt contract is 1.981%.

ix. As of June 30, 2026, a cumulative total of 6,479 units of the convertible bonds had been converted into 2,628 thousand shares of the company's common stock. The outstanding unsecured convertible bonds as of June 30, 2026, amounted to 3,521 bonds. Additionally, $178,363 has been transferred from " Capital Surplus, Share Subscription Rights " to "Capital Surplus, Share premium " with a recorded balance of $96,930 as of June 30, 2026.

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2026
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from June 5, 2026 to December 3, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	$ 200,000
Unsecured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	70,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	143,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	166,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	36,000
Unsecured borrowings	Borrowing period is from November 14, 2024 to September 24, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	300,000
Unsecured borrowings	Borrowing period is from December 19, 2024 to December 17, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	79,000
Unsecured borrowings	Borrowing period is from October 29, 2024 to October 28, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	200,000
Secured borrowings	Borrowing period is from August 18, 2022 to August 18, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	100,000
Secured borrowings	Borrowing period is from February 12, 2025 to February 12, 2030; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	388,580
Secured borrowings	Borrowing period is from September 15, 2025 to September 21, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	640,000
Unsecured borrowings	Borrowing period is from September 17, 2025 to September 8, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Unsecured borrowings	Borrowing period is from June 15, 2026 to June 15, 2029; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	300,000
				2,922,580
Less: Long-term liabilities,current portion				-
				$ 2,922,580

Interest rate range: 1.73%~2.25%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from November 5, 2024 to May 5, 2026; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	$ 200,000
Unsecured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	70,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	143,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	166,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	36,000
Unsecured borrowings	Borrowing period is from November 14, 2024 to September 24, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	300,000
Unsecured borrowings	Borrowing period is from December 19, 2024 to December 17, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	79,000
Unsecured borrowings	Borrowing period is from October 29, 2024 to October 28, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	200,000
Secured borrowings	Borrowing period is from August 18, 2022 to August 18, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	100,000
Secured borrowings	Borrowing period is from February 12, 2025 to February 12, 2030; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	388,580
Secured borrowings	Borrowing period is from September 15, 2025 to September 21, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	640,000
Unsecured borrowings	Borrowing period is from September 17, 2025 to September 8, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	400,000
				2,872,580
Less: Long-term liabilities,current portion				(200,000)
				$ 2,672,580

Interest rate range: 1.73%~2.25%

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from November 5, 2024 to May 5, 2026; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	$ 200,000
Unsecured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	150,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	70,000
Secured borrowings	Borrowing period is from October 21, 2024 to October 20, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	143,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	166,000
Secured borrowings	Borrowing period is from October 11, 2024 to October 10, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	36,000
Unsecured borrowings	Borrowing period is from November 14, 2024 to September 24, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	300,000
Unsecured borrowings	Borrowing period is from December 19, 2024 to December 17, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	79,000
Unsecured borrowings	Borrowing period is from October 29, 2024 to October 28, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	None	200,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures (Note)	284,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures (Note)	124,000
Secured borrowings	Borrowing period is from September 20, 2023 to September 20, 2028; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures (Note)	92,000
Secured borrowings	Borrowing period is from August 18, 2022 to August 18, 2027; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	100,000
Secured borrowings	Borrowing period is from February 12, 2025 to February 12, 2030; interest is repayable monthly; principal is repayable in full at maturity.	Fixed	Land and structures	388,580
				2,332,580
Less: Long-term liabilities,current portion				(200,000)
				$ 2,132,580

Interest rate range: 1.73%~2.25%

Note : In order to repay the existing bank loans and replenish the medium-term working capital, the Company has pledged the property (please refer to Note 8 for details) to the management bank as collateral.

According to the abovementioned loan agreement, the Company agreed to provide the consolidated financial statements audited by CPA annually and maintain the following financial ratios and agreements before the full settlement of the debts during the duration of agreement:

A. Current ratio: Current assets against current liabilities shall be at least 120%.

B. Debt ratio: Debt against net tangible assets shall be no more than 200%.

C. Interest coverage ratio: The net profit before tax plus interest expense plus depreciation expense and amortisation expense divided by interest expense shall be at least three times.

D. Net tangible assets: the net asset value less intangible shall be no less than $2 billion.

As of June 30, 2025, the consolidated financial statements of the Group met the requirements of the financial ratio limits.

(16) Pensions

A.(a)The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(b) For the aforementioned pension plan, the Group recognized pension costs of $0 for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

(c) There are no expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage was 10%~20%. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2026 and 2025, were \$5,068, \$4,797, \$9,970 and \$9,382, respectively.

(17) <u>Share-based payment</u>

A. For the six-month periods ended June 30, 2026 and 2025, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks(Note)	June 29, 2026	100 thousand shares	-	100% of the shares shall vest after one year of employment
Treasury stock transferred to employees	February 25, 2026	69 thousand shares	-	Vested immediately
Treasury stock transferred to employees	May 8, 2026	513 thousand shares	-	Vested immediately
Treasury stock transferred to employees	January 6, 2025	355 thousand shares	-	Vested immediately
Treasury stock transferred to employees	February 25, 2025	444 thousand shares	-	Vested immediately

The above share-based payments are settled in equity.

Note: The Company issued restricted employee shares which are non-transferable during the vesting period. However, the holders are entitled to voting rights and rights to participate in dividend distributions. If an employee leaves the Company during the vesting period, the employee must return the shares; provided, however, that any dividends already received shall not be required to be returned.

B. The fair value of the Company's treasury stocks transferred to employees is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Compensation cost per unit
Treasury stock transferred to employees	2026.2.25	292	57	235
Treasury stock transferred to employees	2026.5.8	537	388	149
Treasury stock transferred to employees	2025.1.6	197.5	57	140.45
Treasury stock transferred to employees	2025.2.25	181.5	57	60.12

C. Details of the above share-based payment arrangement are as follows:

Restricted stocks

	2026	2025
	(in thousands)	(in thousands)
Outstanding shares at January 1	-	-
Granted during the period	100	-
Outstanding shares at June 30	100	-

D. The expiry date and exercise price of restricted employee shares outstanding at balance sheet date are as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected life (year)	Fair value per unit
Restricted stocks	2026.6.29	537	-	1	537

E. For the six-month periods ended June 30, 2026 and 2025, the expenses incurred by the Company due to share-based payment transactions amounted to $92,601 and $76,551, respectively.

(18) Share capital

A. As of June 30, 2026, the Company's authorised capital was $2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was $1,567,553 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (thousand shares) outstanding are as follows:

	2026	2025
At January 1	152,287	149,974
Restricted stocks	100	-
Conversion of convertible bonds	4,658	-
Treasury stock transferred to employees	582	799
At June 30	157,627	150,773

B. As of June 30, 2026, the Company has accepted conversions of convertible bonds and restricted stocks amounting to 4,658 thousand shares and 100 thousand shares, respectively, which have not yet completed the change registration.

C. On October 31, 2024, the Board of Directors has resolved for the Company to repurchase treasury shares amounting to 1,000 thousand shares. Aforementioned shares will be reissued to employees. As of June 30, 2026, the accumulated number of shares which were repurchased by the Company amounted to 803 thousand shares and 803 thousand shares have been reissued to employees.

D. On November 9, 2023, the Board of Directors has resolved for the Company to repurchase treasury shares amounting to 10,000 thousand shares. Aforementioned shares will be reissued to employees. As of June 30, 2026, the accumulated number of shares which are repurchased by the Company is 7,513 thousand shares and 3,627 thousand shares have been reissued to employees.

E. The issuance of restricted stocks for employees was approved by the shareholders' meeting on May 27, 2025 (refer to Note 6, (17)). The base date for the new share issuance is June 29, 2026, with a subscription price of NT$0 per share. Except for the restriction on the transfer of shares before employees meet the vesting conditions, the rights and obligations of the ordinary shares issued this time are identical to those of other already issued ordinary shares.

F. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		June 30, 2026	
Name of company holding the shares	Reason for reacquisition	Number of shares(Share in thousands)	Carrying amount
The Company	To be reissued to employees	3,886	$ 220,845

		December 31, 2025	
Name of company holding the shares	Reason for reacquisition	Number of shares(Share in thousands)	Carrying amount
The Company	To be reissued to employees	4,468	$ 253,897

		June 30, 2025	
Name of company holding the shares	Reason for reacquisition	Number of shares(Share in thousands)	Carrying amount
The Company	To be reissued to employees	5,982	$ 478,899

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

The details of capital surplus are as follows:

	2026									
	Share premium	Consolidation premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiaries	Capital surplus, changes in equity of investment	Employee stock option	Capital Surplus, Share Subscription Rights	Restricted stocks	Total
At January 1	$ 85,584	$ 133,672	$ 355,481	$ 11,761	$ 1,776	$ 225	$ 7	$ -	$ -	$ 588,506
Compensation cost	-	-	-	-	-	-	92,601	-	-	92,601
Treasury stock transferred	-	-	262,393	-	-	-	(92,601)	-	-	169,792
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	-	5,372	-	-	-	5,372
Issuance of convertible bonds	-	-	-	-	-	-	-	340,042	-	340,042
Conversion of convertible bonds	1,280,073	-	-	-	-	-	-	(225,407)	-	1,054,666
Issuance of restricted stock	-	-	-	-	-	-	-	-	54,734	54,734
At June 30	$ 1,365,657	$ 133,672	$ 617,874	$ 11,761	$ 1,776	$ 5,597	$ 7	$ 114,635	$ 54,734	$2,305,713

	2025									
	Share premium	Consolidation premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interest in subsidiaries	Capital surplus, changes in equity of investment	Employee stock option	Capital Surplus, Share Subscription Rights	Restricted stocks	Total
At January 1	$ 85,584	$ 133,672	$ 175,534	$ 11,761	$ 1,776	$ -	$ 7	$ -	$ -	$ 408,334
Compensation cost	-	-	-	-	-	-	76,551	-	-	76,551
Treasury stock transferred	-	-	105,354	-	-	-	(76,551)	-	-	28,803
At June 30	$ 85,584	$ 133,672	$ 280,888	$ 11,761	$ 1,776	$ -	$ 7	$ -	$ -	$ 513,688

(20) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Stock dividends should be appropriated at a rate of 20% per annum. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting. In accordance with the law, the Company authorised the distributable dividends and bonuses in whole or in part may be paid in cash after a special resolution has been adopted by the Board of Directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The aforesaid requirement that resolution shall be resolved at the shareholders' meeting is not applicable.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. The appropriation of 2025 and 2024 earnings had been resolved at the stockholders' meeting on May 22, 2026 and May 27, 2025, respectively. Details are summarized below:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	$ 81,013		$ 72,404	
Cash dividends	837,580	$ 5.5	753,869	$ 5.0
	$ 918,593		$ 826,273	

(21) Other equity items

	2026				
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Unearned employee compensation	Other	Total
At January 1	$ 3,051,245	($ 58,165)	$ -	$530	$ 2,993,610
Issuance of restricted stock	-	-	(55,734)	-	(55,734)
Valuation adjustment	7,157,995	-	-	-	7,157,995
Disposal transferred out from retained earnings	(21,765)	-	-	-	(21,765)
Currency translation differences:					
-Group	-	102,090	-	-	102,090
-Associate	-	8,368	-	-	8,368
At June 30	$ 10,187,475	$ 52,293	($ 55,734)	$530	$ 10,184,564

	2025				
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Unearned employee compensation	Other	Total
At January 1	$ 1,839,020	($ 21,443)	$ -	$ 530	$ 1,818,107
Valuation adjustment	(226,272)	-	-	-	(226,272)
Disposal transferred out from retained earnings	(3,115)	-	-	-	(3,115)
Currency translation differences:					
-Group	-	(228,431)	-	-	(228,431)
-Associate	-	(12,893)	-	-	(12,893)
At June 30	$ 1,609,633	($ 262,767)	$ -	$ 530	$ 1,347,396

(22) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the three-month period ended June 30, 2026	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	Total
Timing of revenue recognition											
At a point in time	$ 1,164,716	$ 206,424	$ 124,487	$ -	$ 316,032	$ 13,961	$ 366,285	$ 422,780	$ 107,684	$ -	$ 2,722,369
Over time	60,187	-	-	-	-	-	-	-	-	-	60,187
Total	$ 1,224,903	$ 206,424	$ 124,487	$ -	$ 316,032	$ 13,961	$ 366,285	$ 422,780	$ 107,684	$ -	$ 2,782,556

For the three-month period ended June 30, 2025	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	Total
Timing of revenue recognition											
At a point in time	$ 602,877	$ 54,938	$ 125,547	$ -	$ 166,349	$ 2,748	$ 192,940	$ 295,962	$ 13,761	$ -	$ 1,455,122
Over time	54,942	-	-	-	-	-	-	-	-	-	54,942
Total	$ 657,819	$ 54,938	$ 125,547	$ -	$ 166,349	$ 2,748	$ 192,940	$ 295,962	$ 13,761	$ -	$ 1,510,064

For the six-month period ended June 30, 2026	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	Total
Timing of revenue recognition											
At a point in time	$ 2,382,062	$ 290,454	$ 214,316	$ -	$ 463,412	$ 14,613	$ 801,991	$ 624,370	$ 140,258	$ -	$ 4,931,476
Over time	112,586	-	-	-	-	-	-	-	-	-	112,586
Total	$ 2,494,648	$ 290,454	$ 214,316	$ -	$ 463,412	$ 14,613	$ 801,991	$ 624,370	$ 140,258	$ -	$ 5,044,062

For the six-month period ended June 30, 2025	C SUN MFG. LTD.			Csun Technology (Guangzhou) Co., Ltd.			Suzhou Top Creation Machines Co., Ltd.		Other		
	Taiwan	China	Other	Taiwan	China	Other	China	Other	Taiwan	China	Total
Timing of revenue recognition											
At a point in time	$ 1,181,387	$ 43,718	$ 193,037	$ -	$ 314,596	$ 13,831	$ 253,998	$ 643,906	$ 55,652	$ -	$ 2,700,125
Over time	119,028	-	-	-	-	-	-	-	-	-	119,028
Total	$ 1,300,415	$ 43,718	$ 193,037	$ -	$ 314,596	$ 13,831	$ 253,998	$ 643,906	$ 55,652	$ -	$ 2,819,153

B. Contract liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Contract liabilities	$ 2,989,798	$ 1,316,879	$ 647,199	$ 504,148

Revenue recognised that was included in the contract liability balance at the beginning of the period

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Revenue recognised that was included in the contract liability balance at the beginning of the period	$ 267,547	$ 89,224

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Revenue recognised that was included in the contract liability balance at the beginning of the period	$ 997,091	$ 234,709

(23) Interest income

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Interest income from bank deposits	$ 15,085	$ 14,311

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Interest income from bank deposits	$ 24,451	$ 24,902

(24) Other income

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Rent income	$ 4,042	$ 3,370
Dividend income	62,182	2,448
Other income	2,531	2,815
	$ 68,755	$ 8,633

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Rent income	$ 8,020	$ 6,930
Dividend income	62,182	2,448
Other income	7,878	15,141
	$ 78,080	$ 24,519

(25) Other gains and losses

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Net currency exchange losses	($ 12,113)	($ 61,548)
Losses on disposal of property, plant and equipment	(199)	(694)
Gains on disposal of investments	-	-
Net gains (losses) on financial assets (liabilities) at fair value through profit	7,817	(3,602)
Other losses	(1,395)	(5,195)
	($ 5,890)	($ 71,039)

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Net currency exchange losses	($ 7,708)	($ 43,477)
Losses on disposal of property, plant and equipment	(182)	(1,573)
Gains on disposal of investments	165	-
Net gains (losses) on financial assets (liabilities) at fair value through profit	44,480	(3,169)
Other losses	(2,840)	(5,784)
	$ 33,915	($ 54,003)

(26) Finance costs

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Interest expense :		
Bank loan	$ 21,815	$ 15,508
Bonds payable	5,022	-
Lease liabilities	107	126
	$ 26,944	$ 15,634

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Interest expense :		
Bank loan	$ 34,869	$ 29,475
Bonds payable	12,991	-
Lease liabilities	204	237
	$ 48,064	$ 29,712

(27) Expenses by nature

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Employee benefit expenses	$ 512,572	$ 257,109
Depreciation charges on property, plant and equipment (including right-of-use assets)	$ 21,011	$ 20,849
Amortisation charges	$ 3,628	$ 1,227

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Employee benefit expenses	$ 951,365	$ 558,908
Depreciation charges on property, plant and equipment (including right-of-use assets)	$ 42,493	$ 41,636
Amortisation charges	$ 5,511	$ 2,586

(28) Employee benefit expenses

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Wages and salaries	$ 459,945	$ 218,012
Labour and health insurance fees	30,620	19,678
Pension costs	5,068	4,797
Other personnel expenses	16,939	14,622
	$ 512,572	$ 257,109

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Wages and salaries	$ 855,889	$ 484,522
Labour and health insurance fees	55,276	39,499
Pension costs	9,970	9,382
Other personnel expenses	30,230	25,505
	$ 951,365	$ 558,908

A. The current year's earnings, if any, shall be distributed a ratio of 1%~9% as employees' compensation in the form of shares or in cash as resolved by the Board of Directors. Qualification requirements of employees include the employees of subsidiaries of the company meeting certain specific requirements; and no less than 45% of the aforementioned employee remuneration shall be allocated as remuneration to rank-and-file employees. The Company shall distribute directors' remuneration no more than 2.25% of the total distributable amount as resolved by the Board of Directors. The appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting.

If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated as employees' compensation and directors' remuneration based on the abovementioned ratios.

B. For the three-month and six-month periods ended June 30, 2026 and 2025, employees' compensation was accrued at $7,757, $2,489, $13,500 and $4,437, respectively; while directors' remuneration was accrued at $3,100, $5,601, $16,022 and $9,983, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 1% and 1.18% of distributable profit of current year for the six-month period ended June 30, 2026.

Employees' compensation and directors' and supervisors' remuneration of 2025 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2025 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Current tax:		
Current tax on profits for the period	$ 218,393	$ 80,146
Prior period income tax (over) under estimation	(24,369)	524
Total current tax	194,024	80,670
Deferred tax:		
Origination and reversal of temporary differences	15,710	(30,637)
Income tax expense	$ 209,734	$ 50,033

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Current tax:		
Current tax on profits for the period	$ 351,336	$ 119,836
Prior period income tax (over) under estimation	(29,638)	524
Total current tax	321,698	120,360
Deferred tax:		
Origination and reversal of temporary differences	19,190	7,438
Income tax expense	$ 340,888	$ 127,798

(b) The income tax credit relating to components of other comprehensive income is as follows:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Currency translation differences	$ 6,535	($ 65,164)

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Currency translation differences	$ 25,522	($ 57,108)

(c) The income tax charged/(credited) to equity during the period is as follows:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Convertible bonds – equity component	($ 11,799)	$ -

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Convertible bonds – equity component	$ 7,858	$ -

B. The Company's income tax returns through 2024 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	For the three-month period ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 640,180	156,578	$ 4.09
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	22	
Restricted stocks	-	-	
Convertible bonds	4,018	3,562	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 644,198	160,162	$ 4.02

	For the six-month period ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,106,348	154,454	$ 7.16
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	132	
Restricted stocks	-	-	
Convertible bonds	10,393	4,603	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,116,741	159,189	$ 7.02

	For the three-month period ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 207,248	150,773	$ 1.37
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	29	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 207,248	150,802	$ 1.37

	For the six-month period ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 357,580	150,554	$ 2.38
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	44	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 357,580	150,598	$ 2.37

(31) Supplemental cash flow information

A. Investing activities with partial cash payments：

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Purchase of property, plant and equipment	$ 2,189,084	$ 571,195
Add: Opening balance of payable on equipment	7	93
Less: Ending balance of payable on equipment	(1,134)	(6)
Cash paid during the period	$ 2,187,957	$ 571,282

B. Financing activities with no cash flow effects：

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Cash dividend declared	$ 837,580	$ -

(32) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Note 1)	Guarantee deposits received	Lease liabilities (Note 2)	Dividends payable	Bonds payable	Total
January 1, 2026	$1,010,000	$ 2,872,580	$ 2,370	$ 23,286	$ -	$ -	$ 3,908,236
Changes in cash flow from financing activities	10,000	50,000	-	(7,935)	-	1,963,414	2,015,479
Payment of cash dividends	-	-	-	-	(1,208)	-	(1,208)
Interest expense	-	-	-	204	-	12,991	13,195
Paid interest	-	-	-	(204)	-	-	(204)
Impact of changes in foreign exchange rate	-	-	108	16	-	-	124
Changes in other non-cash items	-	-	-	7,226	-	(1,459,209)	(1,451,983)
Distributable dividends	-	-	-	-	838,788	-	838,788
June 30, 2026	$1,020,000	$ 2,922,580	$ 2,478	$ 22,593	$837,580	$ 517,196	$ 5,322,427

	Short-term borrowings	Long-term borrowings (Note 1)	Guarantee deposits received	Lease liabilities (Note 2)	Dividends payable	Bonds payable	Total
January 1, 2025	$ 650,000	$ 1,939,000	$ 2,371	$ 21,371	$ -	$ -	$ 2,612,742
Changes in cash flow from financing activities	700,000	393,580	89	(8,442)	-	-	1,085,227
Payment of cash dividends	-	-	-	-	(754,569)	-	(754,569)
Interest expense	-	-	-	237	-	-	237
Paid interest	-	-	-	(237)	-	-	(237)
Impact of changes in foreign exchange rate	-	-	(251)	(323)	-	-	(574)
Changes in other non-cash items	-	-	-	14,358	-	-	14,358
Distributable dividends	-	-	-	-	754,569	-	754,569
June 30, 2025	$1,350,000	$ 2,332,580	$ 2,209	$ 26,964	$ -	$ -	$ 3,711,753

Note 1: Including long-term borrowings - current portion.

Note 2: Including lease liability - current portion.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Alpha-Cure Asia Jiangsu Co., Ltd.	Associate
Gallant Precision Machining Co., Ltd.	Associate
Gallant Micro. Machining Co., Ltd.	Associate
Viewmove Technologies,Inc.	Associate
Gallant Precision Industries (Suzhou) Co., Ltd.	Associate
Alpha-Cure Asia Co.,Ltd.	Associate
Contrel Technology Co., Ltd.(Note)	Other related parties

Note: As the company has been serving as a corporate director of Contrel Technology Co., Ltd. since May 28, 2026, Contrel Technology Co., Ltd. has become an other related party of the company effective from the same date.

(2) Significant related party transactions

A.Operating revenue:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Sales of goods:		
Associates	$ 148	$ 80

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Sales of goods:		
Associates	$ 148	$ 80

Goods are sold based on the price lists in force and terms that would be available to third parties, and the collection term would be available to third parties.

B. Purchases:

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Purchases of goods:		
Associates	$ 8,565	$ 5,625
Purchases of services:		
Associates	15,779	3,663
Other related parties	294	-
Total	$ 24,638	$ 9,288

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Purchases of goods:		
Associates	$ 20,388	$ 12,923
Purchases of services:		
Associates	22,801	7,456
Other related parties	294	-
Total	$ 43,483	$ 20,379

The prices and conditions for the purchase of goods is based on agreement and there is no other comparable counterparty. The credit terms would be available to third parties.

C. Receivables from related parties:

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable:			
Associates	$ 155	$ 17	$ 174
Other receivables:			
Gallant Precision Machining Co., Ltd.	$ 98,778	$ -	$ 89,468
Gallant Micro. Machining Co., Ltd.	32,497	65	32,625
	$ 131,275	$ 65	$ 122,093

D. Payables to related parties:

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable:			
Associates	$ 25,862	$ 12,679	$ 17,219
Other payables:			
Associates	$ 670	$ 1,649	$ -

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

E. Prepayments:

	June 30, 2026	December 31, 2025	June 30, 2025
Gallant Precision Machining Co., Ltd.	$ -	$ -	$ 315

(3) Key management compensation

	For the three-month period ended June 30, 2026	For the three-month period ended June 30, 2025
Salaries and other short-term employee benefits	$ 26,218	$ 10,972
Post-employment benefits	109	99
	$ 26,327	$ 11,071

	For the six-month period ended June 30, 2026	For the six-month period ended June 30, 2025
Salaries and other short-term employee benefits	$ 55,677	$ 23,480
Post-employment benefits	217	199
	$ 55,894	$ 23,679

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	June 30, 2026	December 31, 2025	June 30, 2025	
Property, plant and equipment	$ 1,240,626	$ 1,249,911	$ 1,228,670	Long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

Other than the descriptions in other notes to the consolidated financial statements, the Group's significant commitments and contingencies as of the balance sheet date are as follows:

Promissory notes issued for performance guarantees of sales as of June 30, 2026, December 31, 2025 and June 30, 2025, were $58,321, $43,758 and $43,231, respectively.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	$ 417,409	$ 547,373	$ -

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During the six-month period ended June 30, 2026, the Group's strategy was to maintain the gearing ratio within reasonable risk level. The gearing ratios at June 30, 2026, December 31, 2025 and June 30, 2025 were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Total borrowings	$ 3,942,580	$ 3,882,580	$ 3,682,580
Less: Cash and cash equivalents	(2,643,642)	(1,863,940)	(1,638,436)
Net debt	1,298,938	2,018,640	2,044,144
Total equity	16,330,007	6,988,660	4,493,922
Total capital	$ 17,628,945	$ 9,007,300	$ 6,538,066
Gearing ratio	7.37%	22.41%	31.27%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 155,389	$ 9,507	$ 9,996
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	$ 6,820,877	$ 1,896,102	$ 1,429,039
Cash and cash equivalents	$ 2,643,642	$ 1,863,940	$ 1,638,436
Financial assets at amortised cost	661,210	726,391	650,052
Notes receivable	157,461	112,814	65,572
Accounts receivable (including related party)	2,450,054	1,869,859	1,800,178
Other receivables (including related party)	254,802	41,925	166,208
Guarantee deposits paid	26,335	9,755	10,373
	$ 6,193,504	$ 4,624,684	$ 4,330,819

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities			
Financial liabilities at fair value through profit or loss	$ 523	$ 337	$ 1,765
Financial liabilities at amortised cost			
Short-term borrowings	$ 1,020,000	$ 1,010,000	$ 1,350,000
Notes payable	24,243	9,022	8,772
Accounts payable (including related party)	2,498,643	1,532,105	1,289,228
Other accounts payable (including related party)	1,932,957	900,076	621,996
Bonds payable	517,196	-	-
Long-term borrowings (including current portion)	2,922,580	2,872,580	2,332,580
Guarantee deposits received	2,478	2,370	2,209
	$ 8,918,097	$ 6,326,153	$ 5,604,785
Lease liability (including current portion)	$ 22,593	$ 23,286	$ 26,964

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2026		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD/RMB/THB)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 16,988	31.85	$ 541,068
JPY:NTD	118,214	0.20	23,643
RMB:NTD	11,386	4.69	53,400
USD:RMB	17,109	6.81	116,512
USD:THB	534	33.10	17,675
Non-monetary items			
USD:NTD	$ 2,359	31.85	$ 75,147
Financial liabilities			
Monetary items			
USD:NTD	$ 207	31.85	$ 6,593
JPY:NTD	45,558	0.20	9,112
Non-monetary items: None			

	December 31, 2025			
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD/RMB/THB)
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$	15,206	31.43	$ 477,925
JPY:NTD		89,298	0.20	17,860
RMB:NTD		20,654	4.50	92,943
USD:RMB		19,833	7.03	139,426
USD:THB		2,157	31.42	67,773
Non-monetary items				
USD:NTD	$	2,231	31.43	$ 70,123
Financial liabilities				
Monetary items				
USD:NTD	$	54	31.43	$ 1,697
JPY:NTD		7,714	0.20	1,543
Non-monetary items: None				

	June 30, 2025			
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD/RMB)
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$	14,389	29.30	$ 421,598
JPY:NTD		107,768	0.20	21,920
RMB:NTD		20,804	4.09	85,109
USD:RMB		8,820	7.16	63,139
Non-monetary items				
USD:NTD	$	2,122	29.30	$ 62,187
Financial liabilities				
Monetary items				
USD:NTD	$	145	29.30	$ 4,249
JPY:NTD		59,648	0.20	12,132
Non-monetary items: None				

ii. Total exchange loss including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2026 and 2025 amounted to ($12,113), ($61,548), ($7,708) and ($43,477), respectively.

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation

	For the six-month period ended June 30,2026		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss (NTD/RMB)	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 5,411	$ -
JPY:NTD	1%	236	-
RMB:NTD	1%	534	-
USD:RMB	1%	1,165	-
USD:THB	1%	177	-
Non-monetary items			
USD:NTD	1%	$ -	$ 751
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 66)	$ -
JPY:NTD	1%	(91)	-

	For the six-month period ended June 30,2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss (NTD/RMB)	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 4,216	$ -
JPY:NTD	1%	219	-
RMB:NTD	1%	851	-
USD:RMB	1%	631	-
Non-monetary items			
USD:NTD	1%	$ -	$ 622
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 42)	$ -
JPY:NTD	1%	(121)	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2026 and 2025 would have increased/decreased by $437 and $0, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $27,284 and $5,716, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from short-term and certain long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the six-month periods ended June 30, 2026 and 2025, the Group's borrowings at variable rate were denominated in New Taiwan dollars, if the market interest rate had increased by 0.25%, the Company's cash outflow would have increased by $4,928 and $4,603, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group measured actual transaction status. If the contract payments were past based on the term, the default has occurred.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.

vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of June 30, 2026, December 31, 2025 and June 30, 2025, the provision matrix is as follows:

	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
At June 30, 2026					
Expected loss rate	0%~18%	2%~35%	4%~64%	10%~100%	
Total book value	$ 2,481,382	$ 139,548	$ 37,030	$ 245,094	$ 2,903,054
Loss allowance	($ 59,937)	($ 39,649)	($ 16,427)	($ 179,526)	($ 295,539)

	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
At December 31, 2025					
Expected loss rate	0%~18%	2%~35%	4%~64%	10%~100%	
Total book value	$ 1,915,821	$ 63,902	$ 76,268	$ 231,219	$ 2,287,210
Loss allowance	($ 62,127)	($ 15,678)	($ 43,330)	($ 183,402)	($ 304,537)

	Up to 60 days past due	61~120 days past due	121 to 180 days past due	Up to 181 days	Total
At June 30, 2025					
Expected loss rate	0%~18%	2%~35%	4%~64%	10%~100%	
Total book value	$ 1,771,515	$ 73,811	$ 77,060	$ 236,681	$ 2,159,067
Loss allowance	($ 59,861)	($ 19,176)	($ 34,877)	($ 179,403)	($ 293,317)

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable, contract assets and lease payments receivable are as follows:

	2026		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	$ 304,523	$ 14	$ 8,483
Provision for (Reversal of) impairment loss	(13,865)	56	-
Reclassification	(1,622)	-	1,622
Effect of foreign exchange	6,433	-	418
At June 30	$ 295,469	$ 70	$ 10,523

	2025		
	Accounts receivable	Notes receivable	Overdue receivables
At January 1	$ 285,807	$ 20	$ 5,336
Provision for impairment	19,878	1	-
Write-offs	(164)	-	-
Reclassification	124	-	(124)
Effect of foreign exchange	(12,349)	-	(546)
At June 30	$ 293,296	$ 21	$ 4,666

viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

ix. For financial instruments at amortised cost, the credit rating levels are presented below:

	June 30, 2026			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 661,210	$ -	$ -	$ 661,210

	December 31, 2025			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 726,391	$ -	$ -	$ 726,391

	June 30, 2025			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 650,052	$ -	$ -	$ 650,052

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at June 30, 2026, December 31, 2025 and June 30, 2025, the Group held money market position of $2,641,079, $1,861,329 and $1,636,120, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	June 30, 2026	December 31, 2025	June 30, 2025
Expiring within one year	$ 2,070,000	$ 2,280,000	$ 1,440,000
Expiring beyond one year	271,000	173,400	21,000
	$ 2,341,000	$ 2,453,400	$ 1,461,000

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

June 30, 2026	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 1,020,000	$ -	$ -	$ -
Notes payable	24,243	-	-	-
Accounts payable (including related party)	2,498,643	-	-	-
Other payables (including related party)	1,932,957	-	-	-
Lease liability (including current portion)	13,500	9,369	-	-
Bonds payables	-	-	543,500	-
Long-term borrowings (including current portion)	55,940	2,590,418	394,233	-
Guarantee deposits received	140	-	2,338	-
Derivative financial liabilities:				
Options	523	-	-	-

December 31, 2025	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 1,010,000	$ -	$ -	$ -
Notes payable	9,022	-	-	-
Accounts payable (including related party)	1,532,105	-	-	-
Other payables (including related party)	900,076	-	-	-
Lease liability (including current portion)	13,155	10,450	-	-
Long-term borrowings (including current portion)	252,972	2,356,260	398,593	-
Guarantee deposits received	134	-	2,236	-
Derivative financial liabilities:				
Options	337	-	-	-

June 30, 2025	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 1,350,000	$ -	$ -	$ -
Notes payable	8,772	-	-	-
Accounts payable (including related party)	1,289,228	-	-	-
Other payables	621,996	-	-	-
Lease liability (including current portion)	14,757	12,608	-	-
Long-term borrowings (including current portion)	245,218	1,312,262	905,628	-
Guarantee deposits received	82	-	1,433	694
Derivative financial liabilities:				
Foreign exchange swap contracts	1,765	-	-	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment in listed stocks, beneficiary certificates and convertible bonds is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group’s investment in derivative instruments is include in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in equity investment without active market and investment property is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities and long-term borrowings are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at June 30, 2026, December 31, 2025 and June 30, 2025 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

June 30, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 104,614	$ -	$ 4,607	$ 109,221
Debt securities	38,175	-	-	38,175
Derivative instrument	-	3,137	-	3,137
Put right and call right of convertible bonds	-	4,856	-	4,856
Financial assets at fair value through other comprehensive income				
Equity securities	6,610,397	-	210,480	6,820,877
	$ 6,753,186	$ 7,993	$215,087	$ 6,976,266
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	($ 523)	$ -	($ 523)

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Debt securities	$ 8,478	$ -	$ -	$ 8,478
Derivative instrument	-	1,029	-	1,029
Financial assets at fair value through other comprehensive income				
Equity securities	1,813,701	-	82,401	1,896,102
	$ 1,822,179	$ 1,029	$ 82,401	$ 1,905,609
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	($ 337)	$ -	($ 337)

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Debt securities	$ 9,996	$ -	$ -	$ 9,996
Financial assets at fair value through other comprehensive income				
Equity securities	1,344,820	-	84,219	1,429,039
	$ 1,354,816	$ -	$ 84,219	$ 1,439,035
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	($ 1,765)	$ -	($ 1,765)

(b)The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund	Convertible bond
Market quoted price	Closing price	Net asset value	Weighted average quoted price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

D. For the six-month periods ended June 30, 2026 and 2025, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the six-month periods ended June 30, 2026 and 2025:

	2026	2025
At January 1	$ 82,401	$ 81,340
Gains and losses recognised in profit or loss		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value	(2,893)	-
Gain recognised in other comprehensive income		
Recorded as unrealised (losses) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	28,044	3,244
Issued in the period	107,500	-
Effect of exchange rate	35	(365)
At June 30	$ 215,087	$ 84,219

F. Accounting Department segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 84,392	Market comparable companies	Price to book ratio multiple	0~39.01	The higher the multiple, the higher the fair value
			Discount for lack of marketability	0.3	The higher the discount for lack of marketability, the lower the fair
Venture capital shares Private equity fund investment	130,695	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 44,370	Market comparable companies	Price to book ratio multiple	0~20.51	The higher the multiple, the higher the fair value
			Discount for lack of marketability	0.5	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	38,031	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at June 30, 2025		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity						
Unlisted shares	$	55,957	Market comparable companies	Price to book ratio multiple	0~15.32	The higher the multiple, the higher the fair value
				Discount for lack of marketability	0.5	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment		28,262	Net asset value	Not applicable	Not applicable	Not applicable

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			June 30, 2026			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio multiple	± 10%	$ 461	($ 461)	$ 21,048	($ 21,048)

	Input	Change	December 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio multiple	± 10%	$ -	$ -	$ 8,240	($ 8,240)

	Input	Change	June 30, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio multiple	± 10%	$ -	$ -	$ 8,422	($ 8,422)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 2.

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting period: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 4.

(3) Information on invments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

For the six-month period ended June 30, 2026	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	Suzhou Top Creation Machines Co., Ltd.	Other	Elimination	Total
Revenue from external customers	$ 2,999,418	$ 478,025	$ 1,426,361	$ 140,258	$ -	$ 5,044,062
Inter-segment revenue	$ 153,833	$ 274,687	$ 4,375	$ 27,954	($ 460,849)	$ -
Segment income	$ 1,325,740	$ 94,850	$ 323,898	($ 2,133)	($ 250,395)	$ 1,491,960
Total segment assets	$ 24,152,902	$ 1,952,655	$ 5,445,635	$ 843,620	($ 3,233,025)	$ 29,161,787

For the six-month period ended June 30, 2025	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	Suzhou Top Creation Machines Co., Ltd.	Other	Elimination	Total
Revenue from external customers	$ 1,537,170	$ 328,427	$ 897,904	$ 55,652	$ -	$ 2,819,153
Inter-segment revenue	$ 67,007	$ 177,382	$ 33,249	$ 12,603	($ 290,241)	$ -
Segment income	$ 429,284	($ 202)	$ 136,973	$ 17,635	($ 76,570)	$ 507,120
Total segment assets	$ 9,587,273	$ 1,398,379	$ 2,263,827	$ 666,816	($ 2,543,822)	$ 11,372,473

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the six-month periods ended June 30, 2026 and 2025 is provided as follows:

	June 30, 2026	June 30, 2025
Reportable segments income	$ 1,742,355	$ 583,690
Other	(250,395)	(76,570)
Income before tax from continuing operations	$ 1,491,960	$ 507,120

C SUN MFG. LTD. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2026

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2026 Number of shares	Book value	Ownership (%)	Fair value	Footnote
C SUN MFG. LTD.	Fubon Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds	None	Non-current financial assets at amortised cost	-	$ 100,000	-	$ 100,000	
"	Cathay Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds (F19002)	"	"	-	83,507	-	83,507	
"	Cathay Life Insurance Co., Ltd. Subordinated Ordinary Corporate Bonds (F19003)	"	"	-	31,800	-	31,800	
"	E.sun Commercial Bank, Ltd. The Third Unsecured General-sequential Financial Bonds With A Term Of 3 Years At 2024	"	"	-	10,000	-	10,000	
"	Phison Electronics Corp. 3rd Domestic Unsecured Convertible Bonds	"	Financial assets measured at fair value through profit or loss - current	-	10,017	-	10,017	
"	Jentech Precision Industrial Co., Ltd.	"	"	4,000	13,720	-	13,720	
"	HIWIN MIKROSYSTEM CORP.	"	"	50,000	10,550	0.04%	10,550	
"	Innodisk Corporation	"	"	22,000	35,530	0.02%	35,530	
"	YE SIANG ENTERPRISE CO., LTD.	"	"	48,000	24,531	0.07%	24,531	
"	Good Will Instrument Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - current	2,447,000	175,450	1.69%	175,450	
"	UTECHZONE CO., LTD.	"	"	1,096,000	257,560	1.83%	257,560	
"	Yankey Engineering Co., Ltd.	"	"	94,831	72,166	0.08%	72,166	
"	Ampoc Far-East Co., Ltd.	"	Financial assets measured at fair value through other comprehensive income - non current	6,056,328	1,771,476	4.78%	1,771,476	
"	Test Research Inc.	"	"	4,138,000	1,355,195	1.75%	1,355,195	
"	CONTREL TECHNOLOGY CO., LTD.	Director	"	20,000,000	2,920,000	10.82%	2,920,000	
"	Advance Materials Corporation	None	"	620,070	46,406	0.56%	46,406	
"	Emax Tech Co., Ltd.	Director	"	2,163,334	84,392	10.82%	84,392	
"	Dunpin No.1 Innovation Investment Co., Ltd.	"	"	1,000,000	10,790	2.65%	10,790	
"	Dunpin Innovation No.5 Xinglin Co., Ltd.	"	"	10,000,000	100,000	3.80%	100,000	

Note: The disclosure threshold for material securities is NT$10,000 or above.

C SUN MFG. LTD. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the six months ended June 30, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	The Company holds indirectly 100% of the investee	Purchases	$ 276,937	18.60	Similary to third parties	Similary to third parties	Similary to third parties	($ 82,805)	(8.05)
"	"	"	(sales)	(151,225)	(4.80)	"	"	"	51,868	5.15

C SUN MFG. LTD. and subsidiaries

Significant inter-company transactions during the reporting periods

For the six months ended June 30, 2026

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms (Note 3)	Percentage of consolidated total operating revenues or total assets (Note 4)
0	C SUN MFG. LTD.	Csun Technology (Guangzhou) Co., Ltd.	1	Sales	$ 151,225	-	3.00
0	"	"	1	Purchases	276,937	-	5.49
0	"	"	1	Accounts receivable	51,868	-	0.18
0	"	"	1	Accounts payable	82,805	-	0.28
0	"	"	1	Service revenue	14,058	-	0.28
2	Top Creation Machines Co., Ltd.	Suzhou Top Creation Machines Co., Ltd.	3	Sales	10,499	-	0.21

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in “Number” column.

(1) Number 0 represents the Company

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows (If transactions of parent company with subsidiaries or transaction in subsidiaries refer to the same transaction, it will not be disclosed twice, for example; If parent company discloses a transaction with a subsidiary, then subsidiary will not disclose that transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.)

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The sales of the parent company with Csun Technology (Guangzhou) Co., Ltd. is strategy division for the Group, the price set of the transaction is based on the agreement, other transaction with non-parties are same with third parties. Transaction terms for the other transaction cannot be referenced to similary transactions, all is based on the agreement.

Note 4: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 5: The information only discloses the amount of transactions that are more than $10,000 and counterparties shall not be disclosed.

C SUN MFG. LTD. and subsidiaries

Information on investees

For the six months ended June 30, 2026

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount (Note 1)		Shares held as at June 30, 2026					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2026	Investment Income (loss) recognized by the Company for the six months ended June 30, 2026	Footnote
C SUN MFG. LTD.	C Sun (B.V.I) Ltd.	British Virgin Islands	Investment	$ 369,269	$ 364,399	-	100.00	$ 2,929,771	$ 246,543	$ 231,128	
"	K Sun (Samoa) Ltd.	Samoa	Investment	73,637	72,666	-	100.00	25,688	361	361	
"	Gallant Precision Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	896,001	896,001	44,697,827	27.75	5,882,764	203,526	56,476	
"	Gallant Micro. Machining Co., Ltd.	Taiwan	Machinery and equipment wholesale and manufacturing	116,284	116,284	2,137,000	7.44	427,192	270,136	20,321	
"	Viewmove Technologies,Inc.	Taiwan	Machinery and equipment wholesale and manufacturing	38,561	38,561	676,504	20.70	55,927	51,029	10,563	
"	C SUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	Thailand	Machinery and equipment sales	106,077	110,236	10,000	100.00	97,399	2,983	2,983	
"	Hong-Teng Corp.	Taiwan	Industrial rubber products manufacturing	7,469	7,469	700,000	70.00	10,376	3,454	2,418	
"	Navigation Technology Co., Ltd.	Taiwan	Business agent for various equipment, chemicals, and consumables in the semiconductor industry chain.	10,000	10,000	1,000,000	50.00	5,598	(3,809)	(1,904)	
"	G2C Holding USA,INC.	USA	Investment	63,700	-	200	100.00	63,695	(5)	(5)	Note 2
C Sun (B.V.I) Ltd.	Alpha Joint Ltd.	Samoa	Investment	18,473	18,229	580,000	100.00	100,584	2,093	2,093	
"	Power Ever Enterprises Limited	Samoa	Machinery and equipment sales	188,234	185,751	-	77.47	1,756,260	202,397	156,805	
G2C Holding USA,INC.	G2C AZ Operations,INC.	USA	Machinery and equipment sales	7,963	-	25	100.00	7,962	-	-	Note 3
"	C SUN AZ PROPERTIES I, LLC	USA	Real estate investment and leasing	-	-	-	-	-	-	-	Note 4
Power Ever Enterprises Limited	Good Team International Enterprises Limited	Hong Kong	Investment	191,100	188,580	6,000,000	100.00	2,203,188	220,156	220,156	
Suzhou Top Creation Machines Co., Ltd.	Top Creation Machines Co., Ltd.	Taiwan	Machinery installation and wholesales, Equipment retail and electronic materials wholesale	7,500	7,500	750,000	100.00	4,440	1,926	1,926	
Navigation Technology Co., Ltd.	Navigation Technology Japan Co., Ltd.	Japan	Business agent for various equipment, chemicals, and consumables in the semiconductor industry chain.	-	-	-	-	-	-	-	Note 5

Note1: Original investment amount has translated to New Taiwan Dollars at the closing exchange rate.
Note 2: G2C Holding USA, INC. was established in February 2026.
Note 3: G2C AZ Operations, INC. was established in February 2026.
Note 4: C SUN AZ PROPERTIES I, LLC was established in May 2026.
Note 5: Navigation Technology Japan Co., Ltd. was established in April 2026.

C SUN MFG. LTD. and subsidiaries

Information on investments in Mainland China

For the six months ended June 30, 2026

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Net profit (loss) of investee for the six months ended June 30, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2026 (Note2(2))	Book value of investments in Mainland China as of June 30, 2026	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Csun Technology (Guangzhou) Co., Ltd.	Manufacturing, installing, sales and processing all manner of drying equipment, tempature experiment equipment and exposure equipment.	$ 611,839	Reinvested in the Mainland China investee through investing in an existing company (C Sun (B.V.I) Ltd.) in the third area.	$ 149,669	$ -	$ -	$ 151,669	$ 86,875	100.00	$ 86,875	$ 1,065,180	$ 1,179,236	Note 2 (2)(B)、Note 6
Alpha-Cure Asia Co.,Ltd.	Manufacturing and processing UV curing lamp.	67,490	Reinvested in the Mainland China investee through investing in an existing company (Alpha Joint Ltd.) in the third area.	18,229	-	-	18,473	7,113	25.00	1,778	75,147	13,609	Note 2 (2)(C)、Note 7
Suzhou Amc Technology Co., Ltd.	Preparation, research and design, manufacturing and processing for copper claded laminates, semiconductor, special for components use materials and tc tape carrier package.	573,300	Reinvested in the Mainland China investee through investing in an existing company (K Sun (Samoa) Ltd.) in the third area.	7,578	-	-	7,679	-	0.89	-	-	-	
Northern Juye (Beijing) Information Technology Co., Ltd.	Operating information and internet technical and hardware sales.	159,250	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	5,428	-	-	5,500	-	2.82	-	-	-	
Suzhou Top Creation Machines Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	175,175	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	158,975	-	-	161,100	219,652	77.47	170,164	1,829,449	58,671	Note 2 (2)(B)、Note 4、Note 8
Jiangsu Chuang Gao Xin Materials Technology Co., Ltd.	Research and development, manufacturing high-tech materials, intellectual toys, toy balloon; computer software's develop application; manufacturing mould and precision machinery.	192,290	Invested the investee through the company (Csun Technology (Guangzhou) Co., Ltd.) in the Mainland China.	-	-	-	-	3,783	100.00	3,783	208,350	-	Note 2 (2)(C)
Nantong Top Creation Machines Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	318,500	Reinvested in the Mainland China investee through investing in an existing company (Good Team International Enterprises Limited) in the third area.	-	-	-	-	647	77.47	501	373,637	-	Note 2 (2)(C)、Note 4、Note 5
Suzhou Top Creation Intelligent Machines Co., Ltd.	Design and manufacturing printed circuit board, flat panel display, semiconductor, solar industry equipment and related parts sales.	351,750	Invested the investee through the company (Suzhou Top Creation Machines Co., Ltd.) in the Mainland China.	-	-	-	-	22,842	77.47	17,696	361,511	-	Note 2 (2)(C)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
C SUN MFG. LTD.	$120,472	$344,422	$9,798,004

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1)Directly invest in a company in Mainland China.

(2)Through investing in an existing company in the third area,which then investeed in the investee in Mainland China.

(3)Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the six months ended June 30, 2026' column:

(1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements that are reviewed and attested by R.O.C. parent company's CPA.

C.Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: C Sun (B.V.I.) Ltd. held 77.47% of the equity interest of Power Ever Enterprises Limited and indirectly obtained the equity interest of Suzhou Top Creation Machines Co., Ltd. and Nantong Top Creation Machines Co., Ltd. through investing in an existing company in the third area,which then invested in Suzhou Top Creation Machines Co., Ltd. and Nantong Top Creation Machines Co., Ltd. in Mainland China.

Note 5: Good Team International Enterprises Limited reinvested in Nantong Top Creation Machines Co., Ltd. by using the cash dividends of US$ 10,000 thousands which was distributed from Suzhou Top Creation Machines Co., Ltd.

Note 6: C SUN MFG. LTD. remitted back the investment income of $1,179,236 thousand from the investee company in Mainland china, Csun Technology (Guangzhou) Co., Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

Note 7: C SUN MFG. LTD. remitted back the investment income of $13,609 thousand from the investee company in Mainland china, Alpha-CureAsia Co.,Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

Note 8: C SUN MFG. LTD. remitted back the investment income of $58,671 thousand from the investee company in Mainland china, SuzhouTop Creation Machines Co., Ltd. and was permitted by Investment Commission, which are deductible from C SUN MFG. LTD. accumulated amount remitted out of Taiwan to Mainland China.

C SUN MFG. LTD. and subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the six months ended June 30, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale		Purchase		Accounts receivable		Accounts payable		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at June 30, 2026	%	Balance at June 30, 2026	%	Maximum balance during the six months ended June 30, 2026	Balance at June 30, 2026	Interest rate	Interest during the six months ended June 30, 2026	Others
Csun Technology (Guangzhou) Co., Ltd.	$ 151,225	4.80%	$ 276,937	18.60%	$ 51,868	5.15%	$ 82,805	8.05%	-	-	-	-	-