Stock Code:3596

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Arcadyan Technology Corporation:

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $2,270,763 thousand and $2,674,979 thousand, constituting 4% and 6% of consolidated total assets as of March 31, 2026 and 2025, respectively, total liabilities amounting to $785,525 thousand and $751,904 thousand, constituting 2% and 3% of consolidated total liabilities as of March 31, 2026 and 2025, respectively, and total comprehensive income amounting to $(5,916) thousand and $(76,578) thousand, constituting 1% and 11% of absolute value of the consolidated total comprehensive income for the three months ended March 31, 2026 and 2025, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, 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 Arcadyan Technology Corporation and its subsidiaries as of March 31, 2026 and 2025, and of its consolidated financial performance as well as its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Kuan-Ying Kuo and Chen-Hsing Liu.

KPMG

Taipei, Taiwan (Republic of China)
May 7, 2026

Notes to Readers

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2026, December 31, 2025, and March 31, 2025

(Expressed In thousand dollars of TWD)

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 10,602,255	20	4,692,290	10	8,528,215	20
1110	Current financial assets at fair value through profit or loss (note (6)(b))	18,410	-	4,254	-	494	-
1136	Current financial assets at amortized cost (note (6)(e))	8,123,370	15	8,922,938	20	5,214,134	12
1139	Current financial assets for hedging (note (6)(d))	59,071	-	13,181	-	-	-
1170	Accounts receivable, net (notes (6)(f) and (6)(s))	6,868,997	13	8,167,942	18	7,163,556	17
1200	Other receivables (including related parties) (notes (6)(u) and (7))	1,411,829	3	702,109	2	1,464,740	3
1310	Inventories, net (note (6)(g))	19,168,739	35	14,519,040	32	12,654,576	30
1410	Prepayments	336,536	-	249,354	1	321,777	1
1470	Other current assets	70,728	-	81,547	-	69,960	-
		46,659,935	86	37,352,655	83	35,417,452	83
	Non-current assets:						
1550	Investments accounted for using equity method (note (6)(h))	168,163	-	183,497	1	193,843	-
1511	Non-current financial assets at fair value through profit or loss (note (6)(b))	41,077	-	38,614	-	41,304	-
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	9,487	-	10,609	-	13,810	-
1600	Property, plant and equipment (note (6)(i))	5,675,316	11	5,751,095	13	5,847,246	14
1755	Right-of-use assets (note (6)(j))	425,218	1	413,887	1	354,125	1
1780	Intangible assets	62,504	-	51,060	-	52,803	-
1840	Deferred tax assets	883,264	2	882,265	2	867,939	2
1900	Other non-current assets (note (8))	111,449	-	127,317	-	103,910	-
		7,376,478	14	7,458,344	17	7,474,980	17
	Total assets	$ 54,036,413	100	44,810,999	100	42,892,432	100

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note (6)(k))	$ 331,200	-	184,700	-	496,508	1
2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	2,877	-	15,395	-	29,402	-
2126	Current financial liabilities for hedging (note (6)(d))	6,694	-	2,870	-	42,761	-
2130	Current contract liabilities (note (6)(s))	7,990,911	15	4,178,585	9	2,924,582	7
2171	Accounts payable (including related parties) (note (7))	17,851,371	33	13,472,370	30	14,074,427	33
2200	Other payables (including related parties) (notes (6)(l) and (7))	7,355,965	14	7,532,446	17	6,549,820	15
2216	Dividends payable	1,983,248	4	40	-	1,652,691	4
2230	Current tax liabilities	1,116,546	2	943,853	2	934,306	2
2250	Current provisions (note (6)(n))	854,885	2	826,277	2	705,389	2
2280	Current lease liabilities (note (6)(m))	15,722	-	16,622	-	23,490	-
2300	Other current liabilities	422,924	1	337,081	1	324,171	1
		37,932,343	71	27,510,239	61	27,757,547	65
	Non-current liabilities:						
2570	Deferred tax liabilities	72,197	-	63,019	-	-	-
2580	Non-current lease liabilities (note (6)(m))	7,694	-	1,348	-	13,011	-
2640	Non-current net defined benefit liability	43,581	-	44,303	-	40,315	-
2670	Other non-current liabilities	163,216	-	158,927	1	34,831	-
		286,688	-	267,597	1	88,157	-
	Total liabilities	38,219,031	71	27,777,836	62	27,845,704	65
	Equity:						
	Equity attributable to owners of parent (note (6)(q)):						
3110	Ordinary shares	2,203,543	4	2,203,543	5	2,203,543	5
3200	Capital surplus	3,209,903	6	3,429,455	8	3,431,405	8
3300	Retained earnings	10,174,769	19	11,249,315	25	9,156,454	21
3410	Exchange differences on translation of foreign financial statements	138,288	-	93,033	-	233,176	1
3420	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(40,013)	-	(38,891)	-	(35,690)	-
3450	Gains (losses) on hedging instruments	41,902	-	8,249	-	(34,209)	-
		15,728,392	29	16,944,704	38	14,954,679	35
3600	**Non-controlling interests**	88,990	-	88,459	-	92,049	-
	Total equity	15,817,382	29	17,033,163	38	15,046,728	35
	Total liabilities and equity	$ 54,036,413	100	44,810,999	100	42,892,432	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

(Expressed In thousand dollars of TWD)

		For the three months ended March 31,			
		2026		2025	
		Amount	%	Amount	%
4000	**Operating revenue (notes (6)(d) and (6)(s)):**	$ 12,784,117	100	12,702,682	100
5000	**Operating costs (notes (6)(g), (6)(i), (6)(j), (6)(o), (7) and (12))**	10,846,201	85	10,747,502	85
	Gross profit from operations	1,937,916	15	1,955,180	15
	Operating expenses (notes (6)(i), (6)(j), (6)(o), (6)(t), (7) and (12)):				
6100	Selling expenses	220,453	2	204,618	2
6200	Administrative expenses	194,244	2	167,913	1
6300	Research and development expenses	700,937	5	723,372	5
	Total operating expenses	1,115,634	9	1,095,903	8
	Net operating income	822,282	6	859,277	7
	Non-operating income and expenses:				
7100	Interest income	85,826	1	55,097	-
7020	Other gains or losses	4,275	-	7,958	-
7230	Foreign exchange gains or losses, net (note (6)(u))	(14,340)	-	20,847	-
7635	Gains (losses) on financial assets (liabilities) at fair value through profit or loss (notes (6)(b) and (6)(d))	7,649	-	(27,753)	-
7770	Share of loss of associates and joint ventures accounted for using equity method (note (6)(h))	(16,127)	-	(6,428)	-
7510	Interest expense (note (6)(m))	(759)	-	(10,243)	-
	Total non-operating income and expenses	66,524	1	39,478	-
	Income before tax	888,806	7	898,755	7
7950	Less: Income tax expenses (note (6)(p))	200,249	2	219,853	2
	Net income	688,557	5	678,902	5
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(c))	(1,122)	-	(5,627)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(p))	-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	(1,122)	-	(5,627)	-
8360	**Components of other comprehensive income (loss) that may be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	45,526	1	33,547	-
8368	Gains (losses) on hedging instrument (note (6)(d))	42,066	-	(42,761)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss (note (6)(h))	(9)	-	96	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(p))	8,413	-	(8,552)	-
	Total components of other comprehensive income (loss) that may be reclassified to profit or loss	79,170	1	(566)	-
8300	**Other comprehensive income**	78,048	1	(6,193)	-
8500	**Total comprehensive income**	**$ 766,605**	**6**	**672,709**	**5**
	Net income, attributable to:				
8610	Owners of parent	$ 688,288	5	678,727	5
8620	Non-controlling interests	269	-	175	-
		$ 688,557	**5**	**678,902**	**5**
	Comprehensive income, attributable to:				
8710	Owners of parent	$ 766,074	6	672,367	5
8720	Non-controlling interests	531	-	342	-
		$ 766,605	**6**	**672,709**	**5**
	Earnings per share (note (6)(r))				
9750	Basic earnings per share (TWD)	**$ 3.12**		**3.08**	
9850	Diluted earnings per share (TWD)	**$ 3.09**		**3.05**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2026 and 2025

(Expressed in thousand dollars of TWD)

	Equity attributable to owners of parent											
			Retained earnings			Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2025	$ 2,203,543	3,651,759	1,776,234	8,133,796	9,910,030	199,700	(30,063)	-	169,637	15,934,969	91,707	16,026,676
Net income for the three months ended March 31, 2025	-	-	-	678,727	678,727	-	-	-	-	678,727	175	678,902
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	33,476	(5,627)	(34,209)	(6,360)	(6,360)	167	(6,193)
Total comprehensive income for the three months ended March 31, 2025	-	-	-	678,727	678,727	33,476	(5,627)	(34,209)	(6,360)	672,367	342	672,709
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary shares	-	-	-	(1,432,303)	(1,432,303)	-	-	-	-	(1,432,303)	-	(1,432,303)
Cash dividends from capital surplus	-	(220,354)	-	-	-	-	-	-	-	(220,354)	-	(220,354)
Balance at March 31, 2025	**$ 2,203,543**	**3,431,405**	**1,776,234**	**7,380,220**	**9,156,454**	**233,176**	**(35,690)**	**(34,209)**	**163,277**	**14,954,679**	**92,049**	**15,046,728**
Balance at January 1,2026	$ 2,203,543	3,429,455	2,027,285	9,222,030	11,249,315	93,033	(38,891)	8,249	62,391	16,944,704	88,459	17,033,163
Net income for the three months ended March 31, 2026	-	-	-	688,288	688,288	-	-	-	-	688,288	269	688,557
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	45,255	(1,122)	33,653	77,786	77,786	262	78,048
Total comprehensive income for the three months ended March 31, 2026	-	-	-	688,288	688,288	45,255	(1,122)	33,653	77,786	766,074	531	766,605
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary shares	-	-	-	(1,762,834)	(1,762,834)	-	-	-	-	(1,762,834)	-	(1,762,834)
Cash dividends from capital surplus	-	(220,354)	-	-	-	-	-	-	-	(220,354)	-	(220,354)
Changes in equity of subsidiaries and associates accounted for using equity method	-	802	-	-	-	-	-	-	-	802	-	802
Balance at March 31, 2026	**$ 2,203,543**	**3,209,903**	**2,027,285**	**8,147,484**	**10,174,769**	**138,288**	**(40,013)**	**41,902**	**140,177**	**15,728,392**	**88,990**	**15,817,382**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in thousand dollars of TWD)

	For the three months ended March 31, 2026	2025
Cash flows from operating activities:		
Income before tax	$ 888,806	898,755
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	184,642	181,900
Amortization expense	11,636	11,459
Expected credit impairment loss	1,691	2,026
Interest expense	759	10,243
Interest income	(85,826)	(55,097)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(7,649)	27,753
Share of loss of associates and joint ventures accounted for using equity method	16,127	6,428
Gains on disposal of property, plant, and equipment and intangible assets	(718)	(394)
Others	10,925	1,305
Total adjustments to reconcile profit (loss)	131,587	185,623
Changes in operating assets and liabilities:		
Increase in financial assets or liabilities at fair value through profit or loss	(21,488)	(2,184)
Decrease (increase) in accounts receivable	1,297,444	(1,920,773)
(Increase) decrease in other receivables (including related parties)	(707,292)	198,837
Increase in inventories	(4,649,699)	(1,516,720)
(Increase) decrease in prepayments	(87,182)	61,283
Decrease in other current assets	7,886	6,793
Increase in current contract liabilities	3,812,326	4,347
Increase in accounts payable (including related parties)	4,379,001	3,392,127
Decrease in other payables (including related parties) and other current liabilities	(69,069)	(110,395)
(Decrease) increase in other operating liabilities	(722)	5,712
Total changes in operating assets and liabilities	3,961,205	119,027
Total adjustments	4,092,792	304,650
Cash inflow generated from operations	4,981,598	1,203,405
Interest received	83,208	57,888
Interest paid	(855)	(12,709)
Income taxes paid	(24,857)	-
Net cash flows from operating activities	5,039,094	1,248,584
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(5,120,432)	(110,282)
Proceeds from disposal of financial assets at amortized cost	5,920,376	-
Acquisition of property, plant and equipment	(39,618)	(90,143)
Proceeds from disposal of property, plant and equipment	1,262	4,788
Decrease in refundable deposits	11,866	34,766
Acquisition of intangible assets	(23,080)	(12,074)
Increase in other non-current assets	(6,207)	(6,567)
Net cash flows from (used in) investing activities	744,167	(179,512)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	146,500	(684,747)
Increase in deposits received	2,643	391
Repayments of principal of lease liabilities	(4,841)	(4,830)
Other financing activities	20	-
Net cash flows from (used in) financing activities	144,322	(689,186)
Effect of exchange rate changes on cash and cash equivalents	(17,618)	(7,967)
Net increase in cash and cash equivalents	5,909,965	371,919
Cash and cash equivalents at beginning of period	4,692,290	8,156,296
Cash and cash equivalents at end of period	**$ 10,602,255**	**8,528,215**

See accompanying notes to consolidated financial statements.

(1) Company history

Arcadyan Technology Corporation (the "Company") was incorporated in May 9, 2003. The registered address is 8F., No. 8, Sec. 2, Guangfu Road, East District, Hsinchu City.

The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates. The Company is primarily engaged in the research, development, manufacture and sale of integrated access devices, wireless networking products, digital home multimedia appliances, mobile broadband products and wireless audio-visual products. Please refer to note (4)(b) for related information of the Group primary business activities.

(2) Approval date and procedures of the consolidated financial statements:

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

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRS") endorsed by the Financial Supervisory Commission ("FSC"), R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(b) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’ s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 starting from fiscal year 2028. Companies that need to adopt the new standard earlier may elect early adoption once IFRS 18 is endorsed by the FSC.

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities issuers” (hereinafter referred to as the Regulations) and the guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the FSC. These consolidated financial statements do not include all the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except as described in the following paragraph, the material accounting policies applied in the interim financial statement are consistent with the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

			Percentage of ownership			
Name of Investor	**Name of Subsidiary**	**Nature of operation**	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**	**Description**
The Company	Arcadyan Technology N.A. Corp. (“Arcadyan USA”)	Selling and technical support of wireless networking products	100 %	100 %	100 %	
〃	Arcadyan Germany Technology GmbH (“Arcadyan Germany”)	Selling and technical support of wireless networking products	100 %	100 %	100 %	Note 1
〃	Arcadyan Technology Corporation Korea (“Arcadyan Korea”)	Selling of wireless networking products	100 %	100 %	100 %	Note 1
〃	Arcadyan Holding (BVI) Corp. (“Arcadyan Holding”)	Investment activities	100 %	100 %	100 %	

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Nature of operation	Percentage of ownership March 31, 2026	Percentage of ownership December 31, 2025	Percentage of ownership March 31, 2025	Description
The Company and ZHI-BAO	Arcadyan do Brasil Ltda. (“Aracadyan Brasil”)	Selling of wireless networking products	100 %	100 %	100 %	Note 1
〃	Arcadyan India Private Limited (“Arcadyan India”)	Selling of wireless networking products	100 %	100 %	100 %	
The Company	ZHI-BAO Technology Inc. (“ZHI-BAO”)	Investment activities	100 %	100 %	100 %	
〃	Tatung Technology Inc. (“TTI”)	Research and development, and selling digital home appliance	61 %	61 %	61 %	Note 1
〃	Arcadyan Technology Limited (“Arcadyan UK”)	Selling and technical support of wireless networking products	100 %	100 %	100 %	Note 1
〃	Arcadyan Technology Australia Pty Ltd (“Arcadyan AU”)	Selling of wireless networking products	100 %	100 %	100 %	Note 1
〃	Arcadyan Technology Corporation (Russia), LLC (“Arcadyan RU”)	Selling of wireless networking products	100 %	100 %	100 %	Note 1
〃	Arcadyan Turkey Technology and Trade Joint Stock Company (“Arcadyan Turkey”)	Selling of wireless networking products	100 %	100 %	100 %	Note 1
〃	Arcadyan Technology Japan CO., Ltd (Arcadyan Japan)	Selling of wireless networking products	100 %	100 %	- %	Note 2, 3
Arcadyan Holding	Sinoprime Global Inc. (“Sinoprime”)	Investment activities	100 %	100 %	100 %	
〃	Arcadyan Technology (Shanghai) Corp. (“SVA”)	Research and development, and selling of wireless networking products	100 %	100 %	100 %	Note 1
〃	Arch Holding (BVI) Corp. (“Arch Holding”)	Investment activities	100 %	100 %	100 %	Note 1
Arch Holding	Compal Networking (Kunshan) Co., Ltd. (“CNC”)	Supply chain management for wireless networking products	100 %	100 %	100 %	Note 1
Sinoprime	Arcadyan Technology (Vietnam) Co., Ltd. (“Arcadyan Vietnam”)	Manufacturing of wireless networking products	100 %	100 %	100 %	
TTI	Quest International Group Co., Ltd. (“Quest”)	Investment activities	100 %	100 %	100 %	Note 1
Quest	Exquisite Electronic Co., Ltd. (“Exquisite”)	Investment activities	100 %	100 %	100 %	Note 1
TTI and Exquisite	Tatung Home Appliances (Wujiang) Co., Ltd. (“TCH”)	Manufacturing of digital home appliance	100 %	100 %	100 %	Note 1

Note 1: The financial statements of non-major subsidiaries as of March 31, 2026 and 2025 have not been reviewed by auditors.
Note 2: The financial statements of non-major subsidiaries as of March 31, 2026 have not been reviewed by the auditors.
Note 3: The subsidiary was incorporated on November 25, 2025.

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(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Employee benefits

The pension cost for the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the reporting date of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

(d) Income taxes

The income tax expenses have been measured and disclosed in accordance with paragraph B12 of International Accounting Standards 34," Interim Financial Reporting".

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as income tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as income tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 " Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, the major sources of significant accounting judgements, estimates and underlying assumptions of uncertainty which are in conformity with note (5) of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the consolidated financial statements for the year ended December 31, 2025. Please refer to note (6) of the consolidated financial statements for the year ended December 31, 2025.

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(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 4,509	5,121	3,261
Checking accounts and demand deposits	6,373,156	2,529,989	1,987,883
Time deposits with original maturities of less than three months	3,214,590	957,180	4,137,071
Repurchase agreements	1,010,000	1,200,000	2,400,000
Cash and cash equivalents presented in the consolidated statement of cash flows	**$ 10,602,255**	**4,692,290**	**8,528,215**

Please refer to note (6)(u) for the disclosure of the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

	March 31, 2026	December 31, 2025	March 31, 2025
Current financial assets mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging:			
Foreign exchange forward contracts	**$ 18,410**	**4,254**	**494**
Non-current financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets:			
Fund unlisted on domestic or foreign markets	**$ 41,077**	**38,614**	**41,304**
Financial liabilities held-for-trading :			
Derivative instruments not used for hedging:			
Foreign exchange forward contracts	$ 2,877	15,395	19,995
Foreign exchange swaps contracts	-	-	9,407
Total	**$ 2,877**	**15,395**	**29,402**

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The Group uses derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to, arising from its operating activities. As of March 31, 2026, December 31 and March 31, 2025, the derivative instruments, without the application of hedge accounting, classified as financial assets mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities were as follows:

	March 31, 2026		
	Contract amount (in thousands)	**Currency**	**Maturity date**
Derivative financial assets:			
Forward contracts:			
Foreign exchange forward	EUR 13,000	Sell EUR / USD	April 14, 2026~ June 12, 2026
Foreign exchange forward	AUD 4,000	Sell AUD / USD	April 29, 2026~ May 28, 2026
Derivative financial liabilities:			
Forward contracts:			
Foreign exchange forward	AUD 5,000	Sell AUD / USD	April 14, 2026~ April 29, 2026

	December 31, 2025		
	Contract amount (in thousands)	**Currency**	**Maturity date**
Derivative financial assets:			
Forward contracts:			
Foreign exchange forward	EUR 16,000	Sell EUR / USD	January 29, 2026 April 14, 2026
Derivative financial liabilities:			
Forward contracts:			
Foreign exchange forward	EUR 7,000	Sell EUR / USD	January 14, 2026~ May 14, 2026
Foreign exchange forward	EUR 7,000	Sell EUR / TWD	January 29, 2026~ March 30, 2026
Foreign exchange forward	AUD 17,000	Sell AUD / USD	January 29, 2026~ April 14, 2026

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	March 31, 2025		
	Contract amount (in thousands)	Currency	Maturity date
Derivative financial assets:			
Forward contracts:			
Foreign exchange forward	EUR 5,000	Sell EUR / USD	September 12, 2025~ October 14, 2025
Derivative financial liabilities:			
Forward contracts:			
Foreign exchange forward	EUR 18,000	Sell EUR / USD	April 14, 2025~ September 12, 2025
Foreign exchange forward	USD 11,448	Buy USD / INR	April 15, 2025~ May 15, 2025
Foreign exchange forward	USD 300	Buy USD / BRL	September 29, 2025
Swap contracts:			
Foreign exchange swaps	USD 30,000	B/S USD /TWD	April 23, 2025~ April 29, 2025

Please refer to note (6)(u) for the exposure to credit risk of the financial instruments.

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any aforementioned financial assets as collaterals.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Equity investments at fair value through other comprehensive income:			
Stocks unlisted on domestic markets	$ 9,487	10,609	13,810

(i) For the three months ended March 31, 2026 and 2025, unrealized gains (losses) from the above-mentioned equity investments measured at fair value were $(1,122) and $(5,627), respectively, and were recognized under other comprehensive income.

(ii) There were no disposals of strategic investments and transfers of any cumulative gains or losses within equity relating to these investments for the three months ended March 31, 2026 and 2025.

(iii) Please refer to note (6)(u) for the information of market risk.

(iv) The Group did not provide any aforementioned financial assets as collaterals.

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(d) Financial assets and liabilities used for hedging

(i) Financial assets and liabilities used for hedging were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Cash flow hedge:			
Financial assets used for hedging:			
Foreign exchange forward contracts	$ 59,071	13,181	-
Financial liabilities used for hedging:			
Foreign exchange forward contracts	$ 6,694	2,870	42,761

(ii) Cash flow hedge–foreign exchange risk

The strategy of the Group is to enter into foreign exchange forward contracts to hedge its foreign currency exposure risk in relation to the forecast sales.

As of March 31, 2026, December 31 and March 31, 2025, the information relating to the items designated as hedging instruments were as follows:

	March 31, 2026				
	Contract amount (in thousands)		Currency	Maturity date	Average strike price
Derivative financial assets used for hedging					
Forward contracts:					
Foreign exchange forward	EUR	40,000	Sell EUR / USD	April 29, 2026~ December 30, 2026	1.1978
Foreign exchange forward	AUD	3,000	Sell AUD / USD	July 30, 2026	0.7099
Derivative financial liabilities used for hedging					
Forward contracts:					
Foreign exchange forward	AUD	11,000	Sell AUD / USD	April 29, 2026~ June 29, 2026	0.6664

	December 31, 2025				
	Contract amount (in thousands)		Currency	Maturity date	Average strike price
Derivative financial assets used for hedging					
Forward contracts:					
Foreign exchange forward	EUR	41,000	Sell EUR / USD	January 29, 2026~ December 30, 2026	1.1912
Foreign exchange forward	AUD	9,000	Sell AUD / USD	January 29, 2026~ June 29, 2026	0.6710
Derivative financial liabilities used for hedging					
Forward contracts:					
Foreign exchange forward	AUD	12,000	Sell AUD / USD	January 29, 2026~ June 29, 2026	0.6607

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ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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	March 31, 2025			
	Contract amount (in thousands)	**Currency**	**Maturity date**	**Average strike price**
Derivative financial liabilities used for hedging				
Forward contracts:				
Foreign exchange forward	EUR 54,000	Sell EUR / USD	April 29, 2025~ December 30, 2025	1.0673

(iii) Adjustments on reclassification from components of other comprehensive income

For the three months ended March 31, 2026 and 2025, the details of adjustments on reclassification from components of other comprehensive income were as follows:

	For the three months ended March 31,	
	2026	**2025**
Cash flow hedge:		
Gains (losses) in current period	$ 35,226	(48,045)
Less: Gains (losses) of adjustments on reclassification from components of other comprehensive income which belongs to profit or loss	(6,840)	(5,284)
Net gains (losses) recognized in other comprehensive income	**$ 42,066**	**(42,761)**

(iv) For the three months ended March 31, 2026 and 2025, the ineffective portions of cash flow hedge recognized in profit or loss amounted to $1,206 and $0, respectively, and were included in "Gains (losses) on financial assets (liabilities) at fair value through profit or loss".

(v) For the three months ended March 31, 2026 and 2025, gains or losses from reclassification adjustments of other equity interest, deriving from the changes in fair value of hedge instruments, were recognized under operating revenues in the consolidated statements of comprehensive income.

(e) Financial assets at amortized cost

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Time deposits with original maturity of more than three months	**$ 8,123,370**	**8,922,938**	**5,214,134**

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets at amortized cost.

As of March 31, 2026, December 31 and March 31, 2025, the ranges of interest rates for aforementioned financial assets were 0.67%~2.58%, 0.67%~2.58% and 0.67%~3.85%, respectively.

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any financial assets at amortized cost as collaterals.

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(f) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable – measured at amortized cost	$ 6,901,650	8,199,094	7,197,406
Less: allowance for uncollectible accounts	(32,653)	(31,152)	(33,850)
	$ 6,868,997	8,167,942	7,163,556

The Group applies the simplified approach to estimate its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics that represent customers' ability to pay all amounts due under the contractual terms, as well as incorporated forward looking information, including historical credit losses experience and macroeconomic outlook. The expected credit losses of the Group as of March 31, 2026, December 31 and March 31, 2025 were as follows:

	March 31, 2026			
Credit rating	**Gross carrying amount**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit impaired**
Level A	$ 2,972,860	0%	-	No
Level B	3,036,368	0.1%	3,042	No
Level C	871,559	1%	8,748	No
Level D	-	5%	-	-
Level E	20,863	100%	20,863	Yes
Total	$ 6,901,650		32,653	

	December 31, 2025			
Credit rating	**Gross carrying amount**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit impaired**
Level A	$ 4,100,879	0%	-	No
Level B	3,355,662	0.1%	3,363	No
Level C	722,097	1%	7,333	No
Level D	-	5%	-	-
Level E	20,456	100%	20,456	Yes
Total	$ 8,199,094		31,152	

	March 31, 2025			
Credit rating	**Gross carrying amount**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit impaired**
Level A	$ 2,557,485	0%	-	No
Level B	3,768,446	0.1%	3,770	No
Level C	849,894	1%	8,499	No
Level D	-	5%	-	-
Level E	21,581	100%	21,581	Yes
Total	$ 7,197,406		33,850	

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The aging analysis of accounts receivable were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not overdue	$ 6,308,968	7,556,778	6,441,209
Overdue 1~30 days	502,189	620,930	572,649
Overdue 31~60 days	47,322	116	161,967
Overdue 61~90 days	22,016	512	-
Overdue 91~180 days	-	302	-
Overdue over 181 days	21,155	20,456	21,581
	$ 6,901,650	**8,199,094**	**7,197,406**

The movement of allowance for uncollectible accounts receivable were as follows:

	For the three months ended March 31,	
	2026	**2025**
Balance at beginning	$ 31,152	31,503
Impairment loss recognized	1,501	2,347
Balance at ending	**$ 32,653**	**33,850**

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any aforementioned accounts receivable as collaterals.

(g) Inventories

(i) A summary of the Group’s inventories were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$ 7,434,002	4,099,742	4,303,574
Work in progress and semi-finished goods	879,784	382,015	954,446
Finished goods	10,854,953	10,037,283	7,396,556
	$ 19,168,739	**14,519,040**	**12,654,576**

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(ii) The details of operating costs for the three months ended March 31, 2026 and 2025 were as follows:

	For the three months ended March 31,	
	2026	**2025**
Cost of sales and expenses	$ 10,842,440	10,704,487
Provision for inventory valuation and obsolescence loss	3,761	43,015
	$ 10,846,201	**10,747,502**

(iii) As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any inventories as collaterals.

(h) Investments accounted for using equity method

A summary of the Group’s investments accounted for using equity method at the reporting date were as follows:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Associates	**$ 168,163**	**183,497**	**193,843**

(i) Aggregate financial information of the Group's equity-accounted associates that are individually immaterial, included in the consolidated financial statements is summarized as follows:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Aggregate carrying amount of the Group’s associates that are individually immaterial	**$ 168,163**	**183,497**	**193,843**

	For the three months ended March 31,	
	2026	**2025**
Share of associates attributed to the Group were as follows:		
Net loss from continuing operations	$ (16,127)	(6,428)
Other comprehensive (loss) income	(9)	96
Total comprehensive loss	**$ (16,136)**	**(6,332)**

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(ii) The effects of changes in ownership interests of the aforementioned associates on equity attributable to owners of parent were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Capital surplus-changes in ownership interests in associates	$ **802**	**-**

(iii) As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any investment accounted for using equity method as collaterals.

(i) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group for the three months ended March 31, 2026 and 2025 were as follows:

	Land	Buildings and construction	Machinery and equipment	Research and development equipment	Mold equipment	Leasehold improvement and other equipment	Construction in progress and prepayment for purchase of equipment	Total
Cost or deemed cost:								
Balance at January 1, 2026	$ 878,978	3,137,790	3,345,454	908,693	205,529	503,188	790,015	9,769,647
Additions	-	1,620	9,828	14,005	10,540	4,141	9,113	49,247
Reclassifications	-	-	1,733	-	-	-	(4,227)	(2,494)
Disposals and derecognitions	-	(3,374)	-	(180)	(1,246)	(1,308)	-	(6,108)
Effect of movements in exchange rates	-	46,027	107,686	6	114	4,017	39	157,889
Balance at March 31, 2026	$ **878,978**	**3,182,063**	**3,464,701**	**922,524**	**214,937**	**510,038**	**794,940**	**9,968,181**
Balance at January 1, 2025	$ 878,978	3,220,556	3,157,158	842,636	203,334	506,872	526,929	9,336,463
Additions	-	4,403	33,176	35,605	3,118	8,381	35,548	120,231
Reclassifications	-	-	-	-	1,958	144	(2,102)	-
Disposals and derecognitions	-	-	(7,349)	-	(3,671)	(610)	-	(11,630)
Effect of movements in exchange rates	-	27,443	67,926	4	258	2,511	21	98,163
Balance at March 31, 2025	$ **878,978**	**3,252,402**	**3,250,911**	**878,245**	**204,997**	**517,298**	**560,396**	**9,543,227**
Depreciation:								
Balance at January 1, 2026	$ -	478,230	2,405,190	619,017	141,646	374,469	-	4,018,552
Depreciation for the period	-	30,971	98,586	24,122	12,859	11,324	-	177,862
Disposals and derecognitions	-	(3,374)	-	(180)	(1,246)	(764)	-	(5,564)
Effect of movements in exchange rates	-	6,232	93,555	6	91	2,131	-	102,015
Balance at March 31, 2026	$ **-**	**512,059**	**2,597,331**	**642,965**	**153,350**	**387,160**	**-**	**4,292,865**
Balance at January 1, 2025	$ -	364,142	2,115,398	545,711	102,108	342,782	-	3,470,141
Depreciation for the period	-	31,763	87,925	23,604	13,445	16,112	-	172,849
Disposals and derecognitions	-	-	(2,962)	-	(3,671)	(603)	-	(7,236)
Effect of movements in exchange rates	-	2,458	56,366	3	214	1,186	-	60,227
Balance at March 31, 2025	$ **-**	**398,363**	**2,256,727**	**569,318**	**112,096**	**359,477**	**-**	**3,695,981**
Carrying amounts:								
Balance at January 1, 2026	$ **878,978**	**2,659,560**	**940,264**	**289,676**	**63,883**	**128,719**	**790,015**	**5,751,095**
Balance at March 31, 2026	$ **878,978**	**2,670,004**	**867,370**	**279,559**	**61,587**	**122,878**	**794,940**	**5,675,316**
Balance at January 1, 2025	$ **878,978**	**2,856,414**	**1,041,760**	**296,925**	**101,226**	**164,090**	**526,929**	**5,866,322**
Balance at March 31, 2025	$ **878,978**	**2,854,039**	**994,184**	**308,927**	**92,901**	**157,821**	**560,396**	**5,847,246**

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any property, plant and equipment as collaterals.

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(j) Right-of-use assets

The Group leases land, buildings and vehicles, recognizing as right-of-use assets. The cost and depreciation of the right-of-use assets of the Group for the three months ended March 31, 2026 and 2025 were as follows:

	Land	Buildings and construction	Vehicles and other	Total
Cost:				
Balance at January 1, 2026	$ 337,447	159,232	4,691	501,370
Additions	-	-	10,063	10,063
Disposals and derecognitions	-	-	(1,729)	(1,729)
Effect of movements in exchange rates	6,722	2,765	(1)	9,486
Balance at March 31, 2026	**$ 344,169**	**161,997**	**13,024**	**519,190**
Balance at January 1, 2025	$ 351,967	66,553	11,816	430,336
Additions	-	-	707	707
Disposals and derecognitions	-	-	(7,832)	(7,832)
Effect of movements in exchange rates	4,033	529	-	4,562
Balance at March 31, 2025	**$ 356,000**	**67,082**	**4,691**	**427,773**
Depreciation:				
Balance at January 1, 2026	$ 43,183	41,356	2,944	87,483
Depreciation for the period	1,866	4,132	782	6,780
Disposals and derecognitions	-	-	(1,729)	(1,729)
Effect of movements in exchange rates	882	556	-	1,438
Balance at March 31, 2026	**$ 45,931**	**46,044**	**1,997**	**93,972**
Balance at January 1, 2025	$ 37,320	25,700	8,743	71,763
Depreciation for the period	1,940	6,626	485	9,051
Disposals and derecognitions	-	-	(7,832)	(7,832)
Effect of movements in exchange rates	440	226	-	666
Balance at March 31, 2025	**$ 39,700**	**32,552**	**1,396**	**73,648**
Carrying amount:				
Balance at January 1, 2026	**$ 294,264**	**117,876**	**1,747**	**413,887**
Balance at March 31, 2026	**$ 298,238**	**115,953**	**11,027**	**425,218**
Balance at January 1, 2025	**$ 314,647**	**40,853**	**3,073**	**358,573**
Balance at March 31, 2025	**$ 316,300**	**34,530**	**3,295**	**354,125**

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(k) Short-term borrowings

The short-term borrowings were summarized as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank borrowings	$ **331,200**	**184,700**	**496,508**
Unused credit lines for short-term borrowings	$ **19,143,753**	**18,095,827**	**19,373,352**
Range of interest rates	**2.50%~2.70%**	**2.34%**	**3.25%~3.58%**

For the information of the Group's interest risk, foreign currency risk and liquidity risk, please refer to note (6)(u).

(l) Other payables (including related parties)

The details of other payables were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Payable for salaries, bonuses and employee's compensation	$ 1,468,542	1,588,920	1,288,067
Payable for import and export expenses and freight charges	1,116,150	1,071,601	1,181,663
Payable for service fees	129,121	152,133	193,340
Others	4,642,152	4,719,792	3,886,750
Total	$ **7,355,965**	**7,532,446**	**6,549,820**

(m) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ **15,722**	**16,622**	**23,490**
Non-current	$ **7,694**	**1,348**	**13,011**

For the maturity analysis, please refer to note (6)(u).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2026	**2025**
Interest expense on lease liabilities	$ 126	302
Expenses relating to short-term leases or leases of low-value assets	$ 4,906	3,611

The amounts recognized in the consolidated statements of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2026	**2025**
Total cash outflow for leases	$ 9,873	8,743

(i) Land, buildings, offices and vehicles leases

The Group leases buildings, offices and vehicles with lease terms ranging from 1 to 5 years, and the right-of-use asset for land has a term of 45 years.

(ii) Other leases

The Group leases parts of offices and vehicles with lease terms of 1 year. The Group has elected not to recognize right-of-use assets and lease liabilities for these short-term leases or leases of low-value assets.

(n) Current provisions

Provisions for warranty are related to sales of products and are estimated based on historical experience of similar products or services and customer feedback.

There were no significant changes in provisions for the three months ended March 31, 2026 and 2025. Please refer to note (6)(q) of the 2025 annual consolidated financial statements for related information.

(o) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material curtailment and settlement or other material one-time events since prior fiscal year. As a result, the pension plan cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2025 and 2024.

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The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Operating costs	$ 32	28
Selling expenses	34	33
Administrative expenses	55	56
Research and development expenses	100	153
	$ 221	**270**

(ii) Defined contribution plans

The pension expenses of the Company and its domestic subsidiaries under the defined contribution plans were contributed to the Bureau of Labor Insurance as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Operating costs	$ 441	461
Selling expenses	1,524	1,357
Administrative expenses	2,075	1,870
Research and development expenses	11,845	10,598
	$ 15,885	**14,286**

Other subsidiaries included in the preparation of the consolidated financial statements recognized the pension expenses, basic endowment insurance expenses, and social welfare expenses amounting to $12,698 and $10,381 for the three months ended March 31, 2026 and 2025, respectively.

(p) Income taxes

(i) Income tax expenses for the period are the best estimated measurement by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. The amount of income tax expenses was as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Current income tax expense	**$ 200,249**	**219,853**

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(ii) The amounts of income tax expenses (benefits) recognized in other comprehensive income were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Items that may be reclassified subsequently to profit or loss:		
Gains (losses) on hedging instruments	$ 8,413	(8,552)

(iii) Examination and approval

The ROC tax authorities have examined the income tax returns of the Company, ZHI-BAO and TTI through 2023. The relevant differences of examination have been reflected as income tax adjustments in the year of determination.

(iv) Global minimum top-up tax

Some of the Group's operating regions have enacted a new global minimum top-up tax law. The Group is closely monitoring the legislative progress for the introduction of the global minimum top-up tax in each of the regions in which the Group operates. As of March 31, 2026, the application of this new tax law was assessed to have no significant impact on the Group.

The Group recognizes supplemental tax as current income tax expense when incurred and applies a temporary mandatory exception to the accounting treatment for deferred income tax arising from the supplement tax.

(q) Capital and other equities

Except for the following disclosures, there was no significant change for capital and other equity interest for the three months ended March 31, 2026 and 2025. Please refer to note (6)(t) of the 2025 annual consolidated financial statements for related information.

(i) Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital－premium	$ 3,200,202	3,420,556	3,420,556
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries	3,698	3,698	3,698
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	5,642	4,840	6,790
Expired stock options	361	361	361
	$ 3,209,903	3,429,455	3,431,405

The Company’s Board of Directors meeting held on February 25, 2026 and February 26, 2025, approved to distribute the cash of $220,354 (TWD1 per share) from capital surplus. The related information can be accessed through the Market Observation Post System website.

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(ii) Retained earnings

According to the Company' s Articles of Incorporation, if the Company makes earnings in a fiscal year, after all taxes and dues have been paid and accumulated loss for previous years have been made up, shall set aside 10% of earnings as legal reserve (unless the amount of legal reserve reaches total paid-in capital), and set aside the special reserve in accordance with relevant laws and regulations. Depending on operation conditions, the board of directors shall retain an appropriate amount then propose an earnings distribution plan. According to the Company' s Articles of Incorporation, the Company authorizes the board of directors to distribute dividends, bonuses, capital surplus and legal reserve in whole or in part in the form of cash, after a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of total number of directors, and shall report such distribution plan in the general shareholders' meeting.

The Company adheres to a stable dividend policy, and dividends distribution should be determined after considering the business environment, operating performance, financial structure. If there is any year-end retained earnings to be distributed to shareholders, the dividends and bonuses shall not be lower than 30% of the net income and the cash dividends to shareholders shall not be lower than 10% of total dividends.

(iii) Earnings distributed

Earnings distribution for 2025 and 2024 were approved by the Board of Directors meeting held on February 25, 2026 and February 26, 2025, respectively. The relevant dividend distributions to shareholders were as follows:

	2025		2024	
	Amount per share (TWD)	**Total amount**	**Amount per share (TWD)**	**Total amount**
Cash dividends distributed to ordinary shareholders	$ 8.0	**1,762,834**	6.5	**1,432,303**

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(r) Earnings per share

The basic earnings per share and diluted earnings per share of the Group are calculated as follows:

	For the three months ended March 31, 2026	2025
Basic earnings per share:		
Net income attributable to ordinary shareholders of the Company	$ 688,288	678,727
Weighted-average number of ordinary shares (in thousands)	220,354	220,354
Basic earnings per share (TWD)	$ 3.12	3.08
Diluted earnings per share:		
Net income attributable to ordinary shareholders of the Company	$ 688,288	678,727
Weighted-average number of ordinary shares (in thousands)	220,354	220,354
Effect of dilutive potential ordinary shares (in thousands):		
Effect of compensation to employees	2,278	1,908
Weighted-average number of ordinary shares (in thousands) (adjusted for the effects of dilutive potential ordinary shares)	222,632	222,262
Diluted earnings per share (TWD)	$ 3.09	3.05

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2026	2025
Primary geographical markets:		
America	$ 7,105,294	6,121,526
Europe	4,145,830	3,982,061
Asia and others	1,532,993	2,599,095
	$ 12,784,117	12,702,682
Major products:		
Mobility Solution	$ 5,149,095	4,196,473
Broadband Solution	3,937,352	2,606,613
Smart Home Solution	3,290,752	5,375,000
Others	406,918	524,596
	$ 12,784,117	12,702,682

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(ii) Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$ 6,901,650	8,199,094	7,197,406
Less: allowance for uncollectible accounts	(32,653)	(31,152)	(33,850)
Total	**$ 6,868,997**	**8,167,942**	**7,163,556**
Current contract liabilities	**$ 7,990,911**	**4,178,585**	**2,924,582**

For the details on accounts receivable and allowance for uncollectible accounts, please refer to note (6)(f).

The change in the balance of contract liabilities results from the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

The amounts of revenue recognized for the three months ended March 31, 2026 and 2025 that were included in the balance of contract liabilities at the beginning of the periods were $2,333,865 and $2,117,120, respectively.

(t) Compensation to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if there is any profit before tax prior to deduction of the compensation of employees and directors in a fiscal year, it shall first be used to offset against any accumulated deficits. Thereafter, no more than 2% of the remaining net profit shall be allocated as directors' compensation and no less than 5% as employee compensation, including a minimum of 5% to those non-executive employees.

Prior to the amendment, the Articles of Incorporation stipulated that, if there is any profit before tax prior to deduction of the compensation of employees and directors in a fiscal year, it shall first be used to offset against any accumulated deficits. Thereafter, no more than 2% of the remaining net profit shall be allocated as directors' compensation and no less than 5% as employee compensation.

In the event that the Company has accumulated losses, the Company shall reserve an amount to offset its accumulated losses. Employees who are entitled to receive the above-mentioned employee compensation, in share or cash, may include the employees who serve in the subsidiaries of the Company who meet certain specific requirements.

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For the three months ended March 31, 2026 and 2025, the Company accrued employee compensation of $115,520 (including distribution to the non-executive employees) and $114,784, and the directors' remuneration of $6,158 and $6,125, respectively. The estimated amounts mentioned above are based on the income before tax prior to deduction of the compensation to employees and directors of each respective ending period, multiplied by the percentages of compensation to employees and directors, which were approved by the management of the Company. The estimations were recorded under operating costs or operating expenses for each period. The differences between the actual amounts and the estimations recognized in the financial statements, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the distribution year. If the Board of Directors resolves to distribute employee compensation in the form of stock, the number of the shares of the employee compensation is determined based on the closing price of the day before the Board of Directors meeting.

The Company recognized its employee compensation of $469,507 (including distribution to the non-executive employees) and $421,162, and directors' remuneration of $24,968 and $22,792 for the years ended December 31, 2025 and 2024, respectively, all of which were paid in cash. There were no differences between the amounts approved by the Board of Directors meeting and those recognized in the consolidated financial statements. Related information can be accessed through the Market Observation Post System website.

(u) Financial instruments

Except for those described below, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk, liquidity risk and market risk. Please refer to note (6)(x) of the 2025 annual consolidated financial statements for related information.

(i) Credit risk

For credit risk exposure of accounts receivables, please refer to note (6)(f).

Other financial assets at amortized cost include other receivables (including related parties), repurchase agreements and time deposits. These financial assets are considered to have low credit risk, and thus, the impairment provision during the period was measured at an amount equal to 12 months expected losses. Besides, due to the counterparties and the performing parties of the time deposits and repurchase agreements held by the Group are financial institutions with investment grade or above credit ratings, these time deposits and repurchase agreements are considered to have low credit risk.

The movements of allowance for the three months ended March 31, 2026 and 2025 were as follows:

	Other receivables
Balance at January 1, 2026	$ 3,253
Impairment loss recognized	190
Balance at March 31, 2026	**$ 3,443**
Balance at January 1, 2025	$ 8,220
Impairment loss reversed	(321)
Balance at March 31, 2025	**$ 7,899**

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(ii) Liquidity risk

The following are the contractual maturities of financial liabilities. Except for lease liabilities, the amounts exclude estimated interest payments.

	Carrying amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
March 31, 2026					
Non-derivative financial liabilities					
Unsecured bank borrowings	$ 331,200	(331,200)	(331,200)	-	-
Accounts payable (including related parties)	17,851,371	(17,851,371)	(17,851,371)	-	-
Other payables (including related parties)	7,355,965	(7,355,965)	(7,355,965)	-	-
Dividends payable	1,983,248	(1,983,248)	(1,983,248)	-	-
Lease liability－current and non-current	23,416	(23,810)	(15,987)	(4,296)	(3,527)
Deposits received	37,722	(37,722)	(1,374)	-	(36,348)
Derivative financial liabilities					
Other foreign exchange forward contracts:	2,877				
Outflow		(109,600)	(109,600)	-	-
Inflow		106,906	106,906	-	-
Foreign exchange forward contracts used for hedging:	6,694				
Outflow		(241,120)	(241,120)	-	-
Inflow		234,566	234,566	-	-
	$ 27,592,493	**(27,592,564)**	**(27,548,393)**	**(4,296)**	**(39,875)**
December 31, 2025					
Non-derivative financial liabilities					
Unsecured bank borrowings	$ 184,700	(184,700)	(184,700)	-	-
Accounts payable (including related parties)	13,472,370	(13,472,370)	(13,472,370)	-	-
Other payables	7,532,446	(7,532,446)	(7,532,446)	-	-
Dividends payable	40	(40)	(40)	-	-
Lease liability－current and non-current	17,970	(18,266)	(16,879)	(1,387)	-
Deposits received	35,079	(35,079)	(1,374)	-	(33,705)
Derivative financial liabilities					
Other foreign exchange forward contracts:	15,395				
Outflow		(874,840)	(874,840)	-	-
Inflow		857,401	857,401	-	-
Foreign exchange forward contracts used for hedging:	2,870				
Outflow		(252,480)	(252,480)	-	-
Inflow		248,769	248,769	-	-
	$ 21,260,870	**(21,264,051)**	**(21,228,959)**	**(1,387)**	**(33,705)**

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		Carrying amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
March 31, 2025						
Non-derivative financial liabilities						
Unsecured bank borrowings	$	496,508	(496,508)	(496,508)	-	-
Accounts payable (including related parties)		14,074,427	(14,074,427)	(14,074,427)	-	-
Other payables		6,549,820	(6,549,820)	(6,549,820)	-	-
Dividends payable		1,652,691	(1,652,691)	(1,652,691)	-	-
Lease liability－current and non-current		36,501	(37,317)	(24,173)	(12,697)	(447)
Deposits received		34,831	(34,831)	(1,374)	-	(33,457)
Derivative financial liabilities						
Other foreign exchange forward contracts:		19,995				
Outflow			(1,040,314)	(1,040,314)	-	-
Inflow			1,024,859	1,024,859	-	-
Foreign exchange swaps contracts:		9,407				
Outflow			(993,000)	(993,000)	-	-
Inflow			983,890	983,890	-	-
Foreign exchange forward contracts used for hedging :		42,761				
Outflow			(1,928,880)	(1,928,880)	-	-
Inflow			1,907,692	1,907,692	-	-
	$	**22,916,941**	**(22,891,347)**	**(22,844,746)**	**(12,697)**	**(33,904)**

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exposure to foreign currency risk

The Group's significant exposure to financial assets and liabilities for foreign currency risk were as follows:

Unit: thousands of foreign currency

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD	$ 867,309	USD/TWD =32.000	27,753,888	857,483	USD/TWD =31.375	26,903,529	692,427	USD/TWD =33.100	22,919,334
EUR	21,439	EUR/TWD =36.800	788,955	38,985	EUR/TWD =36.940	1,440,106	27,384	EUR/TWD =35.720	978,156

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	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial liabilities									
Monetary items									
USD	964,895	USD/TWD =32.000	30,876,640	1,026,023	USD/TWD =31.375	32,191,472	766,070	USD/TWD =33.100	25,356,917
EUR	10,573	EUR/TWD =36.800	389,086	6,378	EUR/TWD =36.940	235,603	15,085	EUR/TWD =35.720	538,836

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables (including related parties), short-term borrowings, accounts payable (including related parties), and other payables (including related parties) that are denominated in foreign currency. The analysis assumes that all other variables remain constant. A strengthening (weakening) 5% of each foreign currency against the functional currency as of March 31, 2026 and 2025, would have affected the net income before tax for the three months ended March 31, 2026 and 2025 as follows. The analysis is performed on the same basis for both periods.

	March 31, 2026	March 31, 2025
USD (against the TWD)		
Strengthening 5%	$ (156,138)	(121,879)
Weakening 5%	156,138	121,879
EUR (against the TWD)		
Strengthening 5%	19,993	21,966
Weakening 5%	(19,993)	(21,966)

3) Exchange gains and losses of monetary items

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months ended March 31, 2026 and 2025, the net foreign exchange (losses) gains (including realized and unrealized portions) amounted to $(14,340) and $20,847, respectively.

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(iv) Interest rate analysis

The Group's risk exposure to financial assets and liabilities for interest rate were as follows:

		Carrying amount	
		March 31, 2026	**March 31, 2025**
Fixed rate financial instrument:			
Financial assets	$	12,347,960	11,751,205
Financial liabilities		(331,200)	(496,508)
	$	**12,016,760**	**11,254,697**
Variable rate financial instrument:			
Financial assets	**$**	**6,373,132**	**1,987,800**

The following sensitivity analysis is based on the risk exposure to interest rate for the non-derivative financial instruments on the reporting date. Regarding the assets with variable interest rates, the analysis is on the basis of the assumption that the amount of assets outstanding at the reporting date were outstanding throughout the whole year. The rate of change used for internal reporting to management internally is expressed as the interest rate increase or decrease by 0.25%, which also represents the assessment of the Group' s management for the reasonably possible range of interest rate changes.

If the interest rate had increased or decreased by 0.25% on the reporting date, assuming all other variable factors remaining constant, the net income before tax would have increased or decreased by $3,983 and $1,242 for the three months ended March 31, 2026 and 2025, respectively, mainly due to the Group's bank deposits with variable interest rates.

(v) Fair value information

1) The categories and fair value of financial instruments

The Group's financial assets and liabilities at fair value through profit or loss, financial assets and liabilities used for hedging and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values of the Group' s financial assets and liabilities (including the information on fair value hierarchy, but excluding financial instruments not measured at fair value whose carrying amount reasonably approximates to the fair value, and lease liabilities, as the disclosure of fair value information is not required), were as follows:

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	March 31, 2026				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss －current and non-current					
Non-hedging derivative financial assets	$ 18,410	-	18,410	-	18,410
Non-derivative financial assets mandatorily measured at fair value through profit or loss	41,077	-	-	41,077	41,077
Subtotal	59,487				
Financial assets used for hedging	59,071	-	59,071	-	59,071
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	9,487	-	-	9,487	9,487
Financial assets measured at amortized cost					
Cash and cash equivalents	10,602,255	-	-	-	-
Time deposits with original maturity of more than three months	8,123,370	-	-	-	-
Accounts receivable, net	6,868,997	-	-	-	-
Other receivables (including related parties)	1,411,829	-	-	-	-
Refundable deposits	57,698	-	-	-	-
Subtotal	27,064,149				
Total	**$ 27,192,194**				
Financial liabilities at fair value through profit or loss					
Non-hedging derivative financial liabilities	$ 2,877	-	2,877	-	2,877
Financial liabilities for hedging	6,694	-	6,694	-	6,694
Financial liabilities measured at amortized cost					
Short-term borrowings	331,200	-	-	-	-
Accounts payable (including related parties)	17,851,371	-	-	-	-
Other payables (including related parties)	7,355,965	-	-	-	-
Dividends payable	1,983,248	-	-	-	-
Lease liabilities–current and non-current	23,416	-	-	-	-
Deposits received	37,722	-	-	-	-
Subtotal	27,582,922				
Total	**$ 27,592,493**				

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	December 31, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss－current and non-current					
Non-hedging derivative financial assets	$ 4,254	-	4,254	-	4,254
Non-derivative financial assets mandatorily measured at fair value through profit or loss	38,614	-	-	38,614	38,614
Subtotal	42,868				
Financial assets used for hedging	13,181	-	13,181	-	13,181
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	10,609	-	-	10,609	10,609
Financial assets measured at amortized cost					
Cash and cash equivalents	4,692,290	-	-	-	-
Time deposits with original maturity of more than three months	8,922,938	-	-	-	-
Accounts receivable, net	8,167,942	-	-	-	-
Other receivables (including related parties)	702,109	-	-	-	-
Refundable deposits	69,564	-	-	-	-
Subtotal	22,554,843				
Total	**$ 22,621,501**				
Financial liabilities at fair value through profit or loss					
Non-hedging derivative financial liabilities	$ 15,395	-	15,395	-	15,395
Financial liabilities for hedging	2,870	-	2,870	-	2,870
Financial liabilities measured at amortized cost					
Short-term borrowings	184,700	-	-	-	-
Accounts payable (including related parties)	13,472,370	-	-	-	-
Other payables (including related parties)	7,532,446	-	-	-	-
Dividends payable	40	-	-	-	-
Lease liabilities–current and non-current	17,970	-	-	-	-
Deposits received	35,079	-	-	-	-
Subtotal	21,242,605				
Total	**$ 21,260,870**				

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	March 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss －current and non-current					
Non-hedging derivative financial assets	$ 494	-	494	-	494
Non-derivative financial assets mandatorily measured at fair value through profit or loss	41,304	-	-	41,304	41,304
Subtotal	41,798				
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	13,810	-	-	13,810	13,810
Financial assets measured at amortized cost					
Cash and cash equivalents	8,528,215	-	-	-	-
Time deposit with original maturity of more than three months	5,214,134	-	-	-	-
Accounts receivable, net	7,163,556	-	-	-	-
Other receivables	1,464,740	-	-	-	-
Refundable deposits	90,463	-	-	-	-
Subtotal	22,461,108				
Total	**$ 22,516,716**				
Financial liabilities at fair value through profit or loss					
Non-hedging derivative financial liabilities	$ 29,402	-	29,402	-	29,402
Financial liabilities for hedging	42,761	-	42,761	-	42,761
Financial liabilities measured at amortized cost					
Short-term borrowings	496,508	-	-	-	-
Accounts payable (including related parties)	14,074,427	-	-	-	-
Other payables (including related parties)	6,549,820	-	-	-	-
Dividends payable	1,652,691	-	-	-	-
Lease liabilities–current and non-current	36,501	-	-	-	-
Deposits received	34,831	-	-	-	-
Subtotal	22,844,778				
Total	**$ 22,916,941**				

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2) Fair value valuation techniques for financial instruments not measured at fair value

The Group estimates financial instruments that not measured at fair value by using methods and assumptions as follows:

a) Financial assets and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the most recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Fair value valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments trade in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in active markets.

Fair value measured using valuation techniques can be determined by reference to the fair value of similar financial instruments, the discounted cash flow method, or other valuation techniques, including models that incorporate observable market information available at the reporting date.

The Group holds unquoted equity investments without an active market. The measurement of fair value of the equity instruments is based on the Guideline listed Company method, which mainly uses the Price-to-Book ratio of comparable listed companies and the discount for lack of marketability as key assumptions. The estimation has been adjusted for the effect of the discount due to the lack of marketability for the equity securities.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants, such as discount method or option pricing models. Fair value of foreign exchange forward contracts is usually determined by using the forward exchange rate.

4) Transfers between fair value hierarchy

There was no transfer between the level of fair value hierarchy for the three months ended March 31, 2026 and 2025.

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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5) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	**Equity instrument without an active market**
Balance at January 1, 2026	$ 38,614	10,609
Total gains and losses recognized		
In profit or loss	2,463	-
In other comprehensive income	-	(1,122)
Balance at March 31, 2026	**$ 41,077**	**9,487**
Balance at January 1, 2025	$ 37,965	19,437
Total gains and losses recognized		
In profit or loss	3,339	-
In other comprehensive income	-	(5,627)
Balance at March 31, 2025	**$ 41,304**	**13,810**

For the three months ended March 31, 2026 and 2025, total gains and losses mentioned above recognized in “Gains (losses) on financial assets (liabilities) at fair value through profit or loss” and “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income” were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Total gains and losses recognized:		
In profit or loss, and presented in “Gains (losses) on financial assets (liabilities) at fair value through profit or loss”	**$ 2,463**	**3,339**
In other comprehensive income, and presented in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”	**$ (1,122)**	**(5,627)**

(Continued)

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair values include "financial assets measured at fair value through profit or loss – investments in private equity fund" and "financial assets measured at fair value through other comprehensive income – equity investments".

Most of the fair value measurements of the Group which are categorized as equity investments within Level 3 have several significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent from each other, as a result, there is no correlation between them.

Quantified information of significant unobservable inputs were as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income–equity investments without an active market	Comparable market approach	· Price-to-Book ratio multiples (1.18~1.46, 1.22~1.54 and 1.49~1.63 on March 31, 2026, December 31 and March 31, 2025, respectively)	· The higher the multiple is , the higher the fair value will be.
		· Lack-of-Marketability discount rate (All are 30% on March 31, 2026, December 31 and March 31, 2025)	· The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.
Financial assets at fair value through profit or loss–investments in private equity fund	Net asset value method	· Net asset value	· Inapplicable

(Continued)

7) Fair value measurements in Level 3 – Sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement on financial instruments is reasonable. However, the measurement results would be different if different valuation models or parameters are adopted. For financial instruments categorized as Level 3, if the valuation parameters changed, the impacts on other comprehensive income or loss are as follows:

			Other comprehensive income	
	Input	**Move up or down**	**Favorable change**	**Unfavorable change**
March 31, 2026				
Financial assets at fair value through other comprehensive income	Price-to-Book ratio multiples	5%	$ **494**	**497**
	Lack-of-Marketability discount rate	5%	$ **227**	**210**
December 31, 2025				
Financial assets at fair value through other comprehensive income	Price-to-Book ratio multiples	5%	$ **546**	**560**
	Lack-of-Marketability discount rate	5%	$ **231**	**227**
March 31, 2025				
Financial assets at fair value through other comprehensive income	Price-to-Book ratio multiples	5%	$ **711**	**727**
	Lack-of-Marketability discount rate	5%	$ **309**	**292**

The favorable and unfavorable changes represent the fluctuations fair value, which are calculated using valuation techniques based on various degrees of unobservable inputs. If the fair value of a financial instrument is affected by more than one input, the table above only reflects the impact of changes in a single input, and does not consider the correlation and variance between other inputs.

(v) Financial risk management

There were no significant changes in the Group's objectives and policies of financial risk management with those disclosed in note (6)(y) of the 2025 annual consolidated financial statements.

(Continued)

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(w) Capital management

The Group's objectives, policies and processes of capital management were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025. There were no significant changes in the quantified factors of the Group's capital management with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to note (6)(z) of the 2025 annual consolidated financial statements for further details.

(x) Investing and financing activities not affecting cash flow

The Group's investing and financing activities which did not affect the cash flow for the three months ended March 31, 2026 and 2025 were as follows:

(i) The acquisition of right-of-use assets by lease, please see note (6)(j).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes	
	January 1, 2026	**Cash flows**	**Other**	**March 31, 2026**
Short-term borrowings	$ 184,700	146,500	-	331,200
Lease liabilities–current and non-current	17,970	(4,841)	10,287	23,416
Deposits received	35,079	2,643	-	37,722
Total liabilities from financing activities	**$ 237,749**	**144,302**	**10,287**	**392,338**

			Non-cash changes	
	January 1, 2025	**Cash flows**	**Other**	**March 31, 2025**
Short-term borrowings	$ 1,181,255	(684,747)	-	496,508
Lease liabilities–current and non-current	40,295	(4,830)	1,036	36,501
Deposits received	34,440	391	-	34,831
Total liabilities from financing activities	**$ 1,255,990**	**(689,186)**	**1,036**	**567,840**

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

Compal Electronics, Inc. (CEI) is both the parent company and the ultimate controlling party of the Group, holding 33% of the Company's outstanding ordinary shares. CEI has compiled the consolidated financial statements available for public use.

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(b) Name and relationship with related parties

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Compal Electronics, Inc.	Parent company
Compal Electronics (Vietnam) Co., Ltd. (“CVC”)	The ultimate parent company is the same
Kinpo Group Management Service Company	An associate of parent company
LIZ Electronics (Nantong) Co., Ltd.	〃
AcBel Polytech Inc.	Substantial related party

(c) Significant related party transactions

(i) Purchases of goods from related parties

The amounts of significant purchases from related parties were as follows:

	For the three months ended March 31,	
	2026	2025
Parent company	$ 1,087,141	48,051
Other related parties	209,339	233,668
	$ 1,296,480	**281,719**

The payment terms and prices of purchases from related parties were not significantly different from those offered by third-party vendors. The payment terms were net 60 to 120 days from the end of the month of delivery.

(ii) Payables to related parties

The payables to related parties arising from the transactions mentioned above were as follows:

Account	Related party categories	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	Parent company	$ 2,738,905	1,313,153	48,376
Accounts payable	Other related parties	215,772	119,567	242,018
		$ 2,954,677	**1,432,720**	**290,394**

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(iii) Other receivables from related parties

The other receivables arising from selling raw materials were as follows:

Account	Related party categories	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables	Parent company	$ 1,202,719	523,352	-

The Group sold raw materials to its parent company for toll manufacturing purposes. The related revenues and costs, which were not recognized as sales of raw materials and purchases of semi-finished goods, have been eliminated in the consolidated financial statements. The related receivables and payables have not been derecognized as the criteria for derecognition of financial assets and liabilities were not met, and are therefore presented on a gross basis.

(iv) Other expenditures

The Group engaged related parties to provide technical support, professional services and other services, and the related expenses for the three months ended March 31, 2026 and 2025 were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Other related parties	$ 300	305

(d) Transactions with key management personnel

Key management personnel compensation comprised:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Short-term employee benefits	$ 34,063	34,810
Post-employment benefits	318	289
	$ 34,381	35,099

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(8) Pledged assets:

The carrying amount of the Group's pledged assets were as follows:

Assets	Purpose of Pledge	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits (recorded as other non-current assets)	Performance Guarantees	$ -	16,359	16,359

(9) Significant contingent liabilities and unrecognized commitments:

As of March 31, 2026, December 31 and March 31, 2025, the Group had entered into agreements for property and plant construction, with contracted but not yet due payments amounting to $353,140, $353,140 and $678,184, respectively.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other:

(a) The followings are the summary statement of employee benefits, depreciation and amortization expenses by function:

By function / By item	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	232,713	628,303	861,016	200,460	538,440	738,900
Labor and health insurance	23,903	42,107	66,010	17,202	40,794	57,996
Pension	4,137	24,667	28,804	3,277	21,660	24,937
Others	15,941	25,528	41,469	17,226	20,108	37,334
Depreciation	144,600	40,042	184,642	138,137	43,763	181,900
Amortization	116	11,520	11,636	72	11,387	11,459

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicality factors.

ARCADYAN TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(13) Other disclosure items:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2026:

(i) Loans to other parties:

Unit: In thousand dollars of TWD/USD

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits (Note 2)	Maximum limit of fund financing (Notes 2)	Note
0	The Company	Arcadyan do Brasil Ltda.	Other receivables	Yes	96,000 (USD3,000)	96,000 (USD3,000)	64,000 (USD2,000)	4.6%	2	-	Operating Turnover	-	-	-	3,145,678	6,291,356	The transactions had been eliminated in the consolidated financial statements.
0	〃	Arcadyan Technology Limited	〃	Yes	160,000 (USD5,000)	160,000 (USD5,000)	-	4.8%	1	1,600,000 (USD50,000)	-	-	-	-	1,280,000	6,291,356	〃

Note 1: Number 1 represents the business relationship with the Company; number 2 represents the short-term financing facility, if necessary.

Note 2: According to the policy of the Company on Lending Funds to Other Parties, the total amount of loans to others shall not exceed 40% of the net worth of the Company. To borrowers having business relationship with the Company, the total amount of loans to the borrower shall not exceed 80% of the transaction amount in the latest fiscal year or the expected amount for the current year, and shall not exceed 20% of the net worth of the Company. Also, the amount shall be aggregated with the Company’ s endorsements/guarantees for the borrower upon calculation. When a short-term financing facility is deemed necessary, only the investees of the Company are permitted to borrow. The total amount of loans to the borrower shall not exceed 20% of the net worth of the Company, and it shall be aggregated with the Company’s endorsements/guarantees for the borrower upon calculation. Inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, or loans of fund to the Company made by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, shall not apply to the restriction in paragraph 1 and paragraph 3, but the aggregate total amount of loans to borrowing companies shall not exceed the net worth of the lending company.

Note 3: Except for the highest balance, all amounts have been translated into TWD using the exchange rate of USD@32 at the end of the reporting period.

(ii) Guarantees and endorsements for other parties:

Unit: In thousand dollars of TWD/USD

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	Arcadyan Technology Australia Pty Ltd	2	2,097,118	240,000 (USD7,500)	240,000 (USD7,500)	-	-	1.53 %	6,291,356	Y	N	N

Note 1: The total amount of endorsements/ guarantees the Company or the Group is permitted to provide shall not exceed 40% of the Company’ s net worth. The total amount of endorsements/ guarantees the Company or the Group is permitted to provide for a single company shall not exceed one-third (1/3) of the aforementioned amount of limitation.

Note 2: Relationships between endorsers/ guarantors and endorsees/ guarantees party are categorized into the following seven types:

1. Companies having business transactions with the Company.
2. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
3. Companies that directly or indirectly hold more than 50% of the voting shares of the Company.
4. Transactions between companies in which the Company directly or indirectly holds more than 90% of the voting shares.
5. Mutual guarantees between companies in the same industry of co-developers, as required by contractual obligations for construction projects.
6. Endorsements or guarantees provided by all shareholders in proportion to their shareholdings due to joint investment relationships.
7. Joint and several guarantees provided between companies in the same industry for performance obligations under pre-sale housing contracts in accordance with consumer protection laws.

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(iii) Significant securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

Unit: In thousand dollars of TWD

			Transaction details				Transactions with terms different from others		Accounts receivable (payable)		
Name of company	**Counter party**	**Nature of relationship**	**Purchases/ (Sales)**	**Amount**	**Percentage of total Purchases/ (Sales)**	**Payment terms**	**Unit price**	**Payment terms**	**Ending balance**	**Percentage of total Accounts Receivable (Payable)**	**Note**
The Company	Arcadyan USA	Subsidiary	(Sales)	(6,316,022)	(50)%	Net 120 days from delivery	-	-	-	- %	Notes 2, 3
〃	Arcadyan AU	〃	(Sales)	(559,657)	(4)%	Net 60 days from the end of the month of delivery	-	-	206,818	4 %	Note 2
〃	Arcadyan Germany	〃	(Sales)	(333,589)	(3)%	Net 150 days from delivery	-	-	267,702	5 %	Note 2
〃	Arcadyan Vietnam	〃	Purchases	3,778,730	17 %	Net 180 days from the end of the month of delivery	According to cost plus pricing	-	(937,396)	3 %	Notes 1, 2
The Company and subsidiary	CEI	Parent company of the Company	Purchases	1,087,141	8 %	Net 60 days from the end of the month of delivery	-	-	(2,738,905)	(15)%	-
Arcadyan Vietnam	The Company	Parent company	(Sales)	(3,778,730)	(100)%	Net 180 days from the end of the month of delivery	According to cost plus pricing -	-	937,396	- %	Notes 1, 2
〃	CVC	The ultimate parent company is the same	Purchases	203,649	2 %	Net 60 days from the end of the month of delivery	-	-	(206,025)	(1)%	-
Arcadyan USA	The Company	Parent company	Purchases	6,316,022	100 %	Net 120 days from delivery	-	-	-	- %	Notes 2, 3
Arcadyan AU	The Company	Parent company	Purchases	559,657	100 %	Net 60 days from the end of the month of delivery	-	-	(206,818)	(100)%	Note 2
Arcadyan Germany	The Company	Parent company	Purchases	333,589	100 %	Net 150 days from delivery	-	-	(267,702)	(100)%	Note 2

Note 1: The ending balances were derived from the net transactions on processing and sales of raw materials.
Note 2: The transactions had been eliminated in the consolidated financial statements.
Note 3: As of March 31, 2026, the advance receipts arising from this transaction amounted to $4,693,983 and were recognized under current contract liabilities.

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(v) Receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

Unit: In thousand dollars of TWD

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 4)	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Arcadyan Germany	Subsidiary	267,702	4.69	-		18,079	-	Note 5
〃	Arcadyan AU	Subsidiary	206,818	13.97	-		118,750	-	Note 5
〃	CEI	Parent company of the Company	1,202,719 (Note 1)	(Note 1)	-		817,490	-	-
CNC	The Company	Parent company	266,647 (Note 2)	(Note 2)	-		-	-	Note 5
Arcadyan Vietnam	The Company	Parent company	937,396 (Note 3)	(Note 3)	-		937,396	-	Note 5

Note 1: Represents other receivables arising from sale of raw materials.
Note 2: Represents other receivables arising from supply chain support fees.
Note 3: Represents other receivables arising from contract processing services.
Note 4: Information as of April 27, 2026.
Note 5: The transactions had been eliminated in the consolidated financial statements.

(vi) Business relationships between the parent company and subsidiaries and significant intercompany transactions:

Unit: In thousands dollars of TWD

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Arcadyan Germany	1	Operating revenues	333,589	There is no significant difference of price with non-related customers. The credit period is net 150 days from delivery.	2.61 %
〃	〃	〃	1	Accounts receivable	267,702	〃	0.50 %
〃	〃	Arcadyan USA	1	Operating revenues	6,316,022	There is no significant difference of price with non-related customers. The credit period is net 120 days from delivery and may adjust depending on funding needs.	49.41 %
〃	〃	〃	1	Contract liabilities	4,693,983	〃	8.69 %
〃	〃	Arcadyan AU	1	Operating revenues	559,657	There is no significant difference of price with non-related customers. The credit period is net 60 days from the end of the month of delivery.	4.38 %
〃	〃	〃	1	Accounts receivable	206,818	〃	0.38 %

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No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Arcadyan Vietnam	The Company	2	Processing revenue	3,778,730	The price is based on the cost-plus markup. The credit period is net 180 days from the end of the month of delivery and may adjust depending on funding needs.	29.56 %
〃	〃	〃	2	Accounts receivable	937,396	〃	1.73 %
2	CNC	The Company	2	Service revenue	34,927	The price is based on the cost-plus markup. The credit period is net 120 days from the end of the month in which the services are provided and may adjust depending on funding needs.	0.27 %
〃	〃	〃	2	Other receivables	266,647	〃	0.49 %

Note 1: The numbers filled in as follows:
1.0 represents the parent company.
2. Subsidiaries are sorted in a numerical order starting from 1.
Note 2: Transactions labeled as follows:
1 represents transactions between the parent company to its subsidiaries.
2 represents transactions between the subsidiaries to the parent company.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2026 (excluding information on investees in Mainland China):

Unit: In thousand dollars of TWD and USD and thousand shares

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Ending Balance as of March 31, 2026			Net Income (Losses) of the Investee	Share of Income (losses) of the Investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
The Company	Arcadyan Holding	British Virgin Islands	Investment activities	1,375,362	1,375,362	37,780	100%	1,522,932	(862,339)	(862,339)	Notes 2, 4
The Company	Arcadyan USA	USA	Selling and technical support of wireless networking products	23,055	23,055	1	100%	164,758	34,214	34,214	〃
The Company	Arcadyan Germany	Germany	Selling and technical support of wireless networking products	1,125	1,125	0.5	100%	125,921	4,115	4,115	〃
The Company	Arcadyan Korea	Korea	Selling of wireless networking products	2,879	2,879	20	100%	30,632	(1,590)	(1,590)	〃
The Company and ZHI-BAO	Arcadyan Brasil	Brazil	Selling of wireless networking products	81,593	81,593	968	100%	(57,928)	2,155	2,155	〃
The Company	ZHI-BAO	Hsinchu City	Investment activities	48,000	48,000	34,980	100%	277,528	(15,073)	(15,073)	〃
The Company	TTI	Taipei City	Research and development, and selling digital home appliance	308,726	308,726	25,028	61%	139,445	690	421	〃
The Company	Arcadyan UK	United kingdom	Selling and technical support of wireless networking products	1,988	1,988	50	100%	7,489	233	233	〃
The Company	Arcadyan AU	Australia	Selling of wireless networking products	1,161	1,161	50	100%	139,996	16,895	16,895	〃
The Company	Arcadyan RU	Russia	Selling of wireless networking products	7,672	7,672	-	100%	367	(24)	(24)	〃

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				Original investment amount		Ending Balance as of March 31, 2026					
Investor company	Investee company	Location	Main businesses and products	March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value	Net Income (Losses) of the Investee	Share of Income (losses) of the Investee	Note
The Company and ZHI-BAO	CBN	Hsinchu County	Manufacturing and selling of broadband network products	48,197	48,197	13,673	19.95%	168,163	(70,039)	(16,127)	Note 3
The Company and ZHI-BAO	Arcadyan India	India	Selling of wireless networking products	76,952	76,952	19,800	100%	29,662	(7,819)	(7,819)	Notes 2, 4
The Company	Arcadyan Turkey	Turkey	Selling of wireless networking products	61,268	61,268	6,200	100%	53,524	1,307	1,307	〃
The Company	Arcadyan Japan	Japan	Selling of wireless networking products	2,008	2,008	1	100%	1,763	(240)	(240)	〃
Arcadyan Holding	Sinoprime	British Virgin Islands	Investment activities	929,600 (USD29,050)	929,600 (USD29,050)	29,050	100%	1,498,976 (USD46,843)	(833,034) (USD(26,336))	(833,034) (USD(26,336))	Notes 2, 4
〃	Arch Holding	British Virgin Islands	Investment activities	32,352 (USD1,011)	32,352 (USD1,011)	1	100%	136,096 (USD4,253)	(42,227) (USD(1,335))	(30,650) (USD(969))	〃
Sinoprime	Arcadyan Vietnam	Vietnam	Manufacturing of wireless networking products	928,000 (USD29,000)	928,000 (USD29,000)	-	100%	1,494,112 (USD46,691)	(833,066) (USD(26,337))	(833,066) (USD(26,337))	〃
TTI	Quest	Samoa	Investment activities	38,400 (USD1,200)	38,400 (USD1,200)	1,200	100%	8,305	(89)	(89)	〃
Quest	Exquisite	Samoa	Investment activities	37,440 (USD1,170)	37,440 (USD1,170)	1,170	100%	7,392 (USD231)	(95) (USD(3))	(95) (USD(3))	〃

Note 1: The amounts in New Taiwan Dollars were translated at the exchange rate of USD@31.631 based on the average exchange rate for net income (losses) of the investees, others were translated at the exchange rate of USD@32 based on the reporting date.

Note 2: The Group has owner control.

Note 3: The Group has significant influence.

Note 4: The transactions had been eliminated in the consolidated financial statements.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: In thousand dollars of TWD and USD

					Investment flows								
Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2026	Outflow	Inflow	Accumulated outflow of investment from Taiwan as of March 31, 2026	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period	Note
SVA	Research and development, and sale of wireless networking products	259,200 (USD8,100)	Note 1	(Note 4) 429,440 (USD13,420)	-	-	429,440 (USD13,420)	1,360 (USD43)	100%	1,360 (USD43)	59,648 (USD1,864)	-	Note 3
CNC	Supply chain management for wireless networking products	78,400 (USD2,450)	Notes 1, 6	(Note 5) 32,352 (USD1,011)	-	-	32,352 (USD1,011)	(42,227) (USD(1,335))	100%	(42,227) (USD(1,335))	279,552 (USD8,736)	-	〃
TCH	Manufacturing of digital home appliance products	387,360 (USD12,105)	Notes 1, 7 and 8	36,800 (USD1,150)	-	-	36,800 (USD1,150)	(253) (USD(8))	100%	(253) (USD(8))	20,736 (USD648)	-	〃

Note 1: Investment in Mainland China through companies registered in a third region.
Note 2: The amounts in New Taiwan Dollars were translated at the exchange rate of USD@31.631 based on the average exchange rate for net income (losses) of the investees, others were translated at the exchange rate of USD@32 based on the reporting date.
Note 3: Investment gains and losses were recognized in accordance with self-prepared financial statements, which have not been reviewed by CPA.
Note 4: The Company paid US$18,420 thousands and acquired 100% shares of SVA from Accton Asia through Arcadyan Holding in 2010.
Note 5: The Company paid US$8,561 thousands and acquired 100% shares of CNC from Just through Arcadyan Holding in 2007.
Note 6: The Company's subsidiary, CNC, conducted a capital reduction and returned share capital in the amount of USD10,000 thousands.
Note 7: The Company's subsidiary, TTI, obtained control over TCH for USD1,150 thousands on February 28, 2013 (base date of stock transferring).
Note 8: The Company's subsidiary, TTI, increased the capital of TCH by converting its accounts receivable amounting to USD8,755 thousands on August 16, 2023.

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(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in Mainland China by Investment Commission, MOEA
498,592 (USD15,581)	778,752 (USD24,336)	9,437,035

Note : The amounts in TWD were translated at the exchange rate of USD@32 at the reporting date.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China for the three months ended March 31, 2026, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(14) Segment information:

The Group operates a single operating segment - the networking product segment, which is primarily engaged in the research, development, manufacture and sale of wireless LAN products, integrated digital home and mobile multimedia products, wireless audio-visual products, and digital set-top box products. The operating segment information of the Group is consistent with the information in the consolidated financial statements. For the segment profit or loss, please refer to the consolidated statement of comprehensive income; and please see the consolidated balance sheets for the segment assets.