

**Taiwan-Asia Semiconductor Corporation
and Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan-Asia Semiconductor Corporation

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2026 and 2025, combined total assets of these non-significant subsidiaries were NT\$362,899 thousand and NT\$361,321 thousand, representing 2.42% and 2.44%, respectively, of the consolidated total assets, and combined total liabilities of these non-significant subsidiaries were NT\$822 thousand and NT\$1,232 thousand, representing 0.01% and 0.02%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2026 and 2025, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$15,320 thousand and NT\$4,071 thousand, representing (110.33%) and (1.13%), of the consolidated total comprehensive income; for the six months ended June 30, 2026 and 2025, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$13,669 thousand and NT\$(11,978) thousand, representing (4.46%) and 1.53%, respectively, of the consolidated total comprehensive income. Also, as stated in Note 13 to

the consolidated financial statements, as of June 30, 2026 and 2025, the investments accounted for using the equity method were NT\$70,785 thousand and NT\$70,916 thousand, respectively. For the three months ended June 30, 2026 and 2025, the share of other comprehensive income (loss) of the associates were NT\$1,628 thousand and NT\$(1,566) thousand of the Group's consolidated comprehensive income; for the six months ended June 30, 2026 and 2025, the share of other comprehensive income (loss) of the associates were NT\$888 thousand and NT\$(2,911) thousand of the Group's consolidated comprehensive income.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chih-Yuan Chen and Tung-Feng Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2026

Notice to Readers

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

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

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,809,774	19	\$ 2,547,511	17	\$ 2,277,566	16
Financial assets at fair value through profit or loss - current (Note 7)	61,101	-	43,811	-	41,712	-
Financial assets at amortized cost - current (Notes 9 and 32)	23,160	-	23,160	-	23,160	-
Notes receivable (Note 23)	780	-	12,004	-	25,656	-
Trade receivables (Notes 10 and 23)	1,287,446	9	1,157,430	8	1,234,443	8
Trade receivables from related parties (Notes 23 and 31)	35,964	-	22,131	-	18,525	-
Other receivables (Note 31)	61,327	-	61,459	1	57,960	1
Inventories (Note 11)	1,715,833	12	1,595,204	11	1,780,544	12
Other current assets (Note 31)	<u>152,428</u>	<u>1</u>	<u>126,816</u>	<u>1</u>	<u>122,214</u>	<u>1</u>
Total current assets	<u>6,147,813</u>	<u>41</u>	<u>5,589,526</u>	<u>38</u>	<u>5,581,780</u>	<u>38</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	7,626	-	7,626	-	16,279	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	697,367	5	963,528	7	905,656	6
Financial assets at amortized cost - non-current (Note 9)	9,964	-	9,924	-	-	-
Investments accounted for using the equity method (Note 13)	70,785	1	69,799	1	70,916	-
Property, plant and equipment (Notes 14, 31 and 32)	7,216,323	48	7,266,766	49	7,024,547	47
Right-of-use assets (Note 15)	146,430	1	158,178	1	169,433	1
Investment properties (Note 16)	399,307	3	399,307	3	399,307	3
Intangible assets (Note 17)	156,162	1	121,070	1	82,321	1
Deferred tax assets (Notes 4 and 25)	56,685	-	60,734	-	85,305	1
Prepayment for equipment (Note 31)	57,414	-	28,072	-	289,168	2
Other non-current assets	<u>24,741</u>	<u>-</u>	<u>26,278</u>	<u>-</u>	<u>204,320</u>	<u>1</u>
Total non-current assets	<u>8,842,804</u>	<u>59</u>	<u>9,111,282</u>	<u>62</u>	<u>9,247,252</u>	<u>62</u>
TOTAL	<u>\$ 14,990,617</u>	<u>100</u>	<u>\$ 14,700,808</u>	<u>100</u>	<u>\$ 14,829,032</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 1,555,900	10	\$ 1,111,160	8	\$ 1,323,991	9
Contract liabilities - current (Note 23)	19,002	-	21,987	-	45,173	-
Notes payable	18,900	-	-	-	-	-
Trade payables	610,529	4	573,021	4	485,718	3
Trade payables to related parties (Note 31)	74,685	1	67,654	-	68,428	1
Other payables (Note 19)	712,018	5	683,178	5	712,746	5
Other payables to related parties (Note 31)	525,625	4	575,666	4	657,441	4
Current tax liabilities (Notes 4 and 25)	37,377	-	26,513	-	16,864	-
Provisions - current (Note 20)	4,635	-	7,163	-	8,565	-
Lease liabilities - current (Notes 15 and 31)	23,470	-	23,281	-	22,800	-
Current portion of long-term liabilities (Notes 18 and 32)	1,045,396	7	883,136	6	662,071	5
Other current liabilities	<u>11,546</u>	<u>-</u>	<u>12,800</u>	<u>-</u>	<u>14,122</u>	<u>-</u>
Total current liabilities	<u>4,639,083</u>	<u>31</u>	<u>3,985,559</u>	<u>27</u>	<u>4,017,919</u>	<u>27</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 32)	3,372,117	23	3,417,738	24	3,223,417	22
Provisions - non-current (Note 20)	33,934	-	31,654	-	27,510	-
Deferred tax liabilities (Notes 4 and 25)	6,336	-	5,598	-	5,821	-
Lease liabilities - non-current (Notes 15 and 31)	133,019	1	144,780	1	156,240	1
Net defined benefit liability - non-current (Notes 4 and 21)	31,599	-	28,892	-	20,358	-
Deferred revenue - non-current (Note 28)	18,445	-	20,081	-	23,345	-
Other non-current liabilities	<u>445</u>	<u>-</u>	<u>438</u>	<u>-</u>	<u>4,527</u>	<u>-</u>
Total non-current liabilities	<u>3,595,895</u>	<u>24</u>	<u>3,649,181</u>	<u>25</u>	<u>3,461,218</u>	<u>23</u>
Total liabilities	<u>8,234,978</u>	<u>55</u>	<u>7,634,740</u>	<u>52</u>	<u>7,479,137</u>	<u>50</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Ordinary shares	4,386,228	29	4,386,228	30	4,386,228	30
Capital surplus	<u>1,856,930</u>	<u>12</u>	<u>1,810,974</u>	<u>12</u>	<u>1,742,514</u>	<u>12</u>
Retained earnings						
Legal reserve	946,387	6	946,387	6	946,387	6
Special reserve	44,556	-	140,992	1	140,992	1
Accumulated deficit	<u>(658,572)</u>	<u>(4)</u>	<u>(663,340)</u>	<u>(4)</u>	<u>(115,167)</u>	<u>(1)</u>
Total retained earnings	<u>332,371</u>	<u>2</u>	<u>424,039</u>	<u>3</u>	<u>972,212</u>	<u>6</u>
Other equity	<u>(201,746)</u>	<u>(1)</u>	<u>(41,078)</u>	<u>-</u>	<u>(117,049)</u>	<u>(1)</u>
Treasury shares	<u>(23,172)</u>	<u>-</u>	<u>(23,172)</u>	<u>-</u>	<u>(23,172)</u>	<u>-</u>
Total equity attributable to owners of the Company	6,350,611	42	6,556,991	45	6,960,733	47
NON-CONTROLLING INTERESTS	<u>405,028</u>	<u>3</u>	<u>509,077</u>	<u>3</u>	<u>389,162</u>	<u>3</u>
Total equity	<u>6,755,639</u>	<u>45</u>	<u>7,066,068</u>	<u>48</u>	<u>7,349,895</u>	<u>50</u>
TOTAL	<u>\$ 14,990,617</u>	<u>100</u>	<u>\$ 14,700,808</u>	<u>100</u>	<u>\$ 14,829,032</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 7, 2026)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 31)	\$ 1,209,482	100	\$ 1,150,972	100	\$ 2,163,511	100	\$ 2,117,615	100
OPERATING COSTS (Notes 11, 24 and 31)	<u>1,212,637</u>	<u>101</u>	<u>1,114,739</u>	<u>97</u>	<u>2,204,483</u>	<u>102</u>	<u>2,122,958</u>	<u>101</u>
GROSS (LOSS) PROFIT	<u>(3,155)</u>	<u>(1)</u>	<u>36,233</u>	<u>3</u>	<u>(40,972)</u>	<u>(2)</u>	<u>(5,343)</u>	<u>(1)</u>
OPERATING EXPENSES (Notes 10, 21, 24, 27 and 31)								
Selling and marketing expenses	18,783	2	21,900	2	39,479	2	47,646	2
General and administrative expenses	124,436	10	107,835	9	237,003	11	242,755	11
Research and development expenses	85,927	7	166,928	15	165,130	7	329,864	16
Expected credit (gain) loss on trade receivables	<u>(8,380)</u>	<u>(1)</u>	<u>29</u>	<u>-</u>	<u>(3,477)</u>	<u>-</u>	<u>(3,264)</u>	<u>-</u>
Total operating expenses	<u>220,766</u>	<u>18</u>	<u>296,692</u>	<u>26</u>	<u>438,135</u>	<u>20</u>	<u>617,001</u>	<u>29</u>
LOSS FROM OPERATIONS	<u>(223,921)</u>	<u>(19)</u>	<u>(260,459)</u>	<u>(23)</u>	<u>(479,107)</u>	<u>(22)</u>	<u>(622,344)</u>	<u>(30)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24, 28 and 31)								
Interest income	12,698	1	11,985	1	22,104	1	19,611	1
Other income	14,630	1	30,503	3	32,529	2	44,875	2
Other gains and losses	26,801	2	(163,724)	(14)	58,985	3	(171,229)	(8)
Finance costs	(30,170)	(2)	(23,957)	(2)	(56,792)	(3)	(42,624)	(2)
Share of profit or loss of associates accounted for using the equity method	<u>26</u>	<u>-</u>	<u>2,017</u>	<u>-</u>	<u>(986)</u>	<u>-</u>	<u>1,004</u>	<u>-</u>
Total non-operating income	<u>23,985</u>	<u>2</u>	<u>(143,176)</u>	<u>(12)</u>	<u>55,840</u>	<u>3</u>	<u>(148,363)</u>	<u>(7)</u>
LOSS BEFORE INCOME TAX	(199,936)	(17)	(403,635)	(35)	(423,267)	(19)	(770,707)	(37)
INCOME TAX EXPENSE (Notes 4 and 25)	<u>24,719</u>	<u>2</u>	<u>2,704</u>	<u>-</u>	<u>39,400</u>	<u>2</u>	<u>4,324</u>	<u>-</u>
NET LOSS FOR THE PERIOD	<u>(224,655)</u>	<u>(19)</u>	<u>(406,339)</u>	<u>(35)</u>	<u>(462,667)</u>	<u>(21)</u>	<u>(775,031)</u>	<u>(37)</u>

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 210,800	18	\$ 55,943	5	\$ 157,432	7	\$ (6,584)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	1,610	-	(3,564)	-	1,874	-	(3,899)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(1,632)	-	(5,423)	(1)	(3,143)	-	3,854	-
Total of items that will not be reclassified subsequently to profit or loss	210,778	18	46,956	4	156,163	7	(6,629)	-
Items that may be reclassified subsequently to profit or loss:								
Share of the other comprehensive loss of associates accounted for using the equity method	(8)	-	(19)	-	-	-	(16)	-
Other comprehensive income (loss) for the period, net of income tax	210,770	18	46,937	4	156,163	7	(6,645)	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	\$ (13,885)	(1)	\$ (359,402)	(31)	\$ (306,504)	(14)	\$ (781,676)	(37)
NET LOSS								
ATTRIBUTABLE TO:								
Owners of the Company	\$ (193,409)	(16)	\$ (376,676)	(33)	\$ (408,499)	(19)	\$ (718,988)	(34)
Non-controlling interests	(31,246)	(3)	(29,663)	(2)	(54,168)	(2)	(56,043)	(3)
	\$ (224,655)	(19)	\$ (406,339)	(35)	\$ (462,667)	(21)	\$ (775,031)	(37)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:								
Owners of the Company	\$ 17,361	2	\$ (329,739)	(29)	\$ (252,336)	(12)	\$ (725,633)	(34)
Non-controlling interests	(31,246)	(3)	(29,663)	(2)	(54,168)	(2)	(56,043)	(3)
	\$ (13,885)	(1)	\$ (359,402)	(31)	\$ (306,504)	(14)	\$ (781,676)	(37)
LOSS PER SHARE (Note 26)								
Basic	\$ (0.44)		\$ (0.86)		\$ (0.93)		\$ (1.64)	
Diluted	\$ (0.44)		\$ (0.86)		\$ (0.93)		\$ (1.64)	

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

(With Deloitte & Touche review report dated August 7, 2026)

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company (Note 22)													
	Retained Earnings							Other Equity						
	Ordinary Shares		Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount				(Accumulated Deficit)	Total							
BALANCE, JANUARY 1, 2025	438,623	\$ 4,386,228	\$ 1,581,398	\$ 946,387	\$ -	\$ 775,527	\$ 1,721,914	\$ 14	\$ (140,131)	\$ (140,117)	\$ (23,172)	\$ 7,526,251	\$ 401,688	\$ 7,927,939
Appropriation of the 2024 earnings Special reserve	-	-	-	-	140,992	(140,992)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(8,496)	(8,496)
Other changes in capital surplus: Changes in capital surplus from investments in associates accounted for using the equity method	-	-	587	-	-	(200)	(200)	-	-	-	-	387	-	387
Net loss for the six months ended June 30, 2025	-	-	-	-	-	(718,988)	(718,988)	-	-	-	-	(718,988)	(56,043)	(775,031)
Other comprehensive loss for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	(16)	(6,629)	(6,645)	-	(6,645)	-	(6,645)
Total comprehensive loss for the six months ended June 30, 2025	-	-	-	-	-	(718,988)	(718,988)	(16)	(6,629)	(6,645)	-	(725,633)	(56,043)	(781,676)
Disposal of investments accounted for using the equity method	-	-	(125)	-	-	(73)	(73)	-	73	73	-	(125)	-	(125)
Changes in percentage of ownership interests in subsidiaries	-	-	160,654	-	-	(1,093)	(1,093)	(1)	293	292	-	159,853	52,013	211,866
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(29,348)	(29,348)	-	29,348	29,348	-	-	-	-
BALANCE, JUNE 30, 2025	438,623	\$ 4,386,228	\$ 1,742,514	\$ 946,387	\$ 140,992	\$ (115,167)	\$ 972,212	\$ (3)	\$ (117,046)	\$ (117,049)	\$ (23,172)	\$ 6,960,733	\$ 389,162	\$ 7,349,895
BALANCE, JANUARY 1, 2026	438,623	\$ 4,386,228	\$ 1,810,974	\$ 946,387	\$ 140,992	\$ (663,340)	\$ 424,039	\$ 19	\$ (41,097)	\$ (41,078)	\$ (23,172)	\$ 6,556,991	\$ 509,077	\$ 7,066,068
Appropriation of the 2025 earnings Special reserve	-	-	-	-	(96,436)	96,436	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(12,996)	(12,996)
Other changes in capital surplus: Changes in capital surplus from investments in associates accounted for using the equity method	-	-	20	-	-	-	-	-	-	-	-	20	-	20
Net loss for the six months ended June 30, 2026	-	-	-	-	-	(408,499)	(408,499)	-	-	-	-	(408,499)	(54,168)	(462,667)
Other comprehensive income for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	-	-	-	156,163	156,163	-	156,163	-	156,163
Total comprehensive (loss) income for the six months ended June 30, 2026	-	-	-	-	-	(408,499)	(408,499)	-	156,163	156,163	-	(252,336)	(54,168)	(306,504)
Changes in percentage of ownership interests in subsidiaries	-	-	45,936	-	-	-	-	-	-	-	-	45,936	(36,885)	9,051
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	316,831	316,831	-	(316,831)	(316,831)	-	-	-	-
BALANCE, JUNE 30, 2026	438,623	\$ 4,386,228	\$ 1,856,930	\$ 946,387	\$ 44,556	\$ (658,572)	\$ 332,371	\$ 19	\$ (201,765)	\$ (201,746)	\$ (23,172)	\$ 6,350,611	\$ 405,028	\$ 6,755,639

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

(With Deloitte & Touche review report dated August 7, 2026)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (423,267)	\$ (770,707)
Adjustments for:		
Depreciation expense	623,948	512,071
Amortization expense	33,425	28,613
Expected credit reserved gain on trade receivables	(3,477)	(3,264)
(Gain) loss on fair value change of financial assets and liabilities at fair value through profit or loss	(18,027)	17,927
Interest expense	55,898	42,624
Interest income	(22,104)	(19,611)
Dividend income	(6,909)	(7,634)
Compensation cost of employee share options	121	-
Share of loss (gain) of associates accounted for using the equity method	986	(1,004)
Gain on disposal of investments	-	(11,198)
Gain on disposal of property, plant and equipment	(23)	(2,092)
Property, plant and equipment transfer expenses	31,397	-
Impairment loss recognized on non-financial assets	(1,722)	(1,775)
Amortization of long-term deferred revenue	(1,636)	(1,479)
Gain on lease modification	-	(47)
Changes in operating assets and liabilities		
Contract assets	-	2,619
Notes receivable	11,224	(21,763)
Trade receivables	(126,539)	9,629
Trade receivables from related parties	(13,833)	3,153
Other receivables	(27)	72,417
Inventories	(304,778)	81,000
Other current assets	(23,871)	16,817
Other non-current assets	1,992	(717)
Contract liabilities	(2,985)	(24,088)
Notes payables	18,900	-
Trade payables	37,508	(335,820)
Trade payables to related parties	7,031	(11,419)
Other payables	14,873	(183,564)
Other payables to related parties	(50,011)	127,049
Provisions	(248)	5,142
Other current liabilities	(1,254)	(4,872)
Net defined benefit liabilities	2,707	1,434
Cash used in operations	(160,701)	(480,559)
Interest received	22,263	19,448
Dividend received	6,909	7,634
Interest paid	(59,929)	(49,588)
Income tax paid	(28,633)	(22,645)
Net cash used in operating activities	(220,091)	(525,710)

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (30,000)	\$ -
Proceeds from sale of financial assets at fair value through other comprehensive income	453,593	49,210
Purchase of financial assets at amortized cost	(40)	-
Proceeds from sale of financial assets at fair value through profit or loss	737	-
Net cash inflow on disposal of associate	-	15,389
Payments for property, plant and equipment	(449,691)	(478,772)
Proceeds from disposal of property, plant and equipment	259	3,866
(Increase) decrease in refundable deposits	(455)	5,494
Payments for intangible assets	(18,815)	(34,295)
Increase in other non-current assets	-	(157,500)
(Increase) decrease in prepayments for equipment	<u>(29,216)</u>	<u>6,119</u>
Net cash used in investing activities	<u>(73,628)</u>	<u>(590,489)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	444,740	79,376
Proceeds from long-term borrowings	113,985	317,292
Increase (decrease) in guarantee deposits	7	(731)
(Decrease) increase in other payables - related parties	(30)	500,925
Payment of the principal portion of lease liabilities	(11,572)	(10,811)
Changes in non-controlling interest	<u>8,852</u>	<u>210,757</u>
Net cash generated from financing activities	<u>555,982</u>	<u>1,096,808</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	262,263	(19,391)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,547,511</u>	<u>2,296,957</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,809,774</u>	<u>\$ 2,277,566</u>

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

(With Deloitte & Touche review report dated August 7, 2026)

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taiwan-Asia Semiconductor Corporation (the “Company”) was established in December 1983. The shares of the Company have been traded on the Taiwan Stock Exchange since May 2, 1995. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture and sales of semiconductor components as well as research and development, design, manufacture and sales of systems products.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. THE APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 7, 2026.

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

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

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and entities controlled by the Company (collectively referred to as the “Group”).

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027
Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

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

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

IFRS 18 “Presentation and Disclosure in Financial Statements” and
consequential amendments and Amendments to IAS 28 “Amendments to the
Fair Value Option for Investments in Associates and Joint Ventures”

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned “similar entity” includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

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

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

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

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

- b. Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

- c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Table 6 for the detailed information on subsidiaries (including percentage of ownership and main businesses).

d. Other significant accounting policies

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

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Others please refer to the consolidated financial statements for the year ended December 31, 2025 for information on the material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 1	\$ 26	\$ -
Checking accounts and demand deposits	878,973	1,019,157	1,068,116
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	1,780,800	1,190,328	1,049,450
Repurchase agreements collateralized by bonds	<u>150,000</u>	<u>338,000</u>	<u>160,000</u>
	<u>\$ 2,809,774</u>	<u>\$ 2,547,511</u>	<u>\$ 2,277,566</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	<u>\$ 61,101</u>	<u>\$ 43,811</u>	<u>\$ 41,712</u>
<u>Financial assets - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
The investment case of movie	<u>\$ 7,626</u>	<u>\$ 7,626</u>	<u>\$ 16,279</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 130,125	\$ 400,921	\$ 292,082
Unlisted shares	-	110,000	100,131
Private - placement funds	<u>327,934</u>	<u>229,014</u>	<u>208,737</u>
	458,059	739,935	600,950
Foreign investments			
Unlisted shares	<u>239,308</u>	<u>223,593</u>	<u>304,706</u>
	<u>\$ 697,367</u>	<u>\$ 963,528</u>	<u>\$ 905,656</u>

These investments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Domestic investments			
Restricted time deposit	\$ <u>23,160</u>	\$ <u>23,160</u>	\$ <u>23,160</u>
<u>Non-current</u>			
Domestic investments			
Corporate bonds (Note)	\$ <u>9,964</u>	\$ <u>9,924</u>	\$ <u>-</u>

Note: In July 2025, the Company acquired five-year corporate bonds issued by First Commercial Bank Co., Ltd. with a total face value of \$10,000 thousand. The bonds bear a coupon rate of 0.52% and have an effective interest rate of 1.35%.

Information on financial assets measured at amortized cost that have been pledged as collateral is disclosed in Note 32.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,304,461	\$ 1,177,922	\$ 1,252,381
Less: Allowance for impairment loss	<u>(17,015)</u>	<u>(20,492)</u>	<u>(17,938)</u>
	\$ <u>1,287,446</u>	\$ <u>1,157,430</u>	\$ <u>1,234,443</u>

The main credit period of sales of goods is 45-136 days. In order to minimize credit risk, the Group authorized a department to be responsible for determining credit limits, credit approvals, credit management and to manage other unusual risk to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates and the industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

June 30, 2026

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	3.06%	5.77%	16.98%	-	100%	
Gross carrying amount	\$ 1,267,230	\$ 11,124	\$ 7,867	\$ 2,432	\$ -	\$ 15,808	\$ 1,304,461
Loss allowance (Lifetime ECLs)	-	(340)	(454)	(413)	-	(15,808)	(17,015)
Amortized cost	<u>\$ 1,267,230</u>	<u>\$ 10,784</u>	<u>\$ 7,413</u>	<u>\$ 2,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,287,446</u>

December 31, 2025

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	1.91%	3.58%	9.88%	24.89%	100.00%	
Gross carrying amount	\$ 1,130,904	\$ 20,296	\$ 307	\$ 5,112	\$ 2,282	\$ 19,021	\$ 1,177,922
Loss allowance (Lifetime ECLs)	-	(387)	(11)	(505)	(568)	(19,021)	(20,492)
Amortized cost	<u>\$ 1,130,904</u>	<u>\$ 19,909</u>	<u>\$ 296</u>	<u>\$ 4,607</u>	<u>\$ 1,714</u>	<u>\$ -</u>	<u>\$ 1,157,430</u>

June 30, 2025

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	0.83%	1.90%	6.00%	28.99%	100.00%	
Gross carrying amount	\$ 1,182,126	\$ 21,890	\$ 5,787	\$ 23,377	\$ 4,163	\$ 15,038	\$ 1,252,381
Loss allowance (Lifetime ECLs)	-	(181)	(110)	(1,402)	(1,207)	(15,038)	(17,938)
Amortized cost	<u>\$ 1,182,126</u>	<u>\$ 21,709</u>	<u>\$ 5,677</u>	<u>\$ 21,975</u>	<u>\$ 2,956</u>	<u>\$ -</u>	<u>\$ 1,234,443</u>

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

	For the Six Months Ended June 30	
	2026	2025
Balance on January 1	\$ 20,492	\$ 21,202
Less: Net reversal of loss allowance	<u>(3,477)</u>	<u>(3,264)</u>
Balance on June 30	<u>\$ 17,015</u>	<u>\$ 17,938</u>

11. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	\$ 188,077	\$ 276,799	\$ 347,058
Work in progress	640,381	462,558	589,855
Raw materials	<u>887,375</u>	<u>855,847</u>	<u>843,631</u>
	<u>\$ 1,715,833</u>	<u>\$ 1,595,204</u>	<u>\$ 1,780,544</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Cost of inventories sold	\$ 1,163,750	\$ 1,071,048	\$ 2,132,726	\$ 2,031,479
Loss on decline in market value	<u>48,887</u>	<u>43,691</u>	<u>71,757</u>	<u>91,479</u>
	<u>\$ 1,212,637</u>	<u>\$ 1,114,739</u>	<u>\$ 2,204,483</u>	<u>\$ 2,122,958</u>

12. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
The Company	Ho Chung Investment Co., Ltd. ("Ho Chung Investment")	Investment business	100.00%	100.00%	100.00%	Note 2
The Company	River Asset Co., Ltd. ("River Asset")	Investment business	100.00%	100.00%	100.00%	Note 2
The Company	Star Asia Vision Corporation ("Star Asia")	Manufacturing and selling lighting equipment	65.34%	65.34%	74.37%	Notes 1 and 4
The Company	Wan Zun Guang Investment Co., Ltd. ("Wan Zun Guang")	Investment business	100.00%	100.00%	100.00%	Note 3
The Company	Champ-Asia Semiconductor Corporation ("Champ-Asia")	Manufacturing electronic parts	97.43%	97.92%	97.92%	Notes 2 and 6
Wan Zun Guang	ProAsia Semiconductor Corporation Ltd. ("ProAsia")	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	81.84%	82.78%	82.78%	Notes 3, 5 and 7
Ho Chung investment	United-Asia Semiconductor Corporation ("United-Asia")	Assembling and testing electronic parts	100.00%	100.00%	100.00%	Note 2
Ho Chung investment	Champ-Asia Semiconductor Corporation ("Champ-Asia")	Manufacturing electronic parts	0.08%	0.08%	0.08%	Notes 2 and 6
Star Asia	Champ-Asia Semiconductor Corporation ("Champ-Asia")	Manufacturing electronic parts	0.03%	-	-	Notes 2 and 6
River Asset	ProAsia Semiconductor Corporation Ltd. ("ProAsia")	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	0.10%	-	-	Notes 3 and 7

Note 1: The financial statements as of June 30, 2026 and 2025 were reviewed by independent auditors.

Note 2: The Company is not a major subsidiary; except Ho Chung Investment Co., Ltd. and Champ-Asia for the six months ended June 30, 2025, have been reviewed, the financial statements of the other non-major subsidiaries have not been reviewed.

Note 3: The Company's subsidiaries, ProAsia Semiconductor Corporation Ltd. and Wan Zun Guang Investment Co., Ltd., met the criteria of major subsidiaries commencing in 2026; among these, ProAsia Semiconductor Corporation Ltd. for the six months ended June 30, 2026 and 2025, and Wan Zun Guang Investment Co., Ltd. for the six months ended June 30, 2026, were reviewed by accountants.

- Note 4: On June 19, 2024, Star Asia, a subsidiary of the Company, conducted a share disposal of 66,400 shares in connection with its application for TPEx listing, resulting in a decrease in the Company's percentage of ownership from 77.38% to 74.37%. On August 7, 2025, upon Star Asia's initial TPEx listing, Star Asia conducted a cash capital increase by issuing 2,900 thousand shares with a par value of NT\$10 per share; the Company did not subscribe for the newly issued shares in proportion to its shareholding, and an overallotment of 100 thousand shares was also effected on the same date, resulting in a further decrease in the Company's percentage of ownership from 74.37% to 65.34%.
- Note 5: ProAsia Semiconductor Corporation Ltd. conducted a cash capital increase through the issuance of 8,716 thousand shares with a par value of NT\$10 per share on March 3, 2025. Wan Zun Guang Investment Co., Ltd., a subsidiary of the Company, did not subscribe for the newly issued shares in proportion to its shareholding, resulting in a decrease in its ownership interest from 86.82% to 82.78%. Subsequently, ProAsia Semiconductor Corporation Ltd. conducted another cash capital increase through the issuance of 7,513 thousand shares with a par value of NT\$10 per share on January 30, 2026. Wan Zun Guang Investment Co., Ltd. did not subscribe for the newly issued shares in proportion to its shareholding, resulting in a further decrease in its ownership interest from 82.78% to 81.84%.
- Note 6: Champ-Asia Semiconductor Corporation, a subsidiary of the Company, conducted a cash capital increase through the issuance of 25,000 thousand shares with a par value of NT\$10 per share on February 17, 2025. The Company and its subsidiary, Ho Chung Investment Co., Ltd., did not subscribe for the newly issued shares in proportion to their respective shareholdings, resulting in decreases in their ownership interests from 99.90% and 0.10% to 97.92% and 0.08%, respectively. Subsequently, Champ-Asia conducted another cash capital increase through the issuance of 6,700 thousand shares with a par value of NT\$10 per share on April 17, 2026. The Company and its subsidiaries, Ho Chung Investment Co., Ltd. and Star Asia Vision Corporation, did not subscribe for the newly issued shares in proportion to their respective shareholdings, resulting in changes in their ownership interests from 97.92%, 0.08% and 0.00% to 97.43%, 0.08% and 0.03%, respectively.
- Note 7: In May 2026, River Asset, a subsidiary of the Company, acquired the remaining 0.10% of the issued shares of ProAsia from non-controlling shareholders, and the Company's ownership interest increased accordingly.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	June 30, 2026	December 31, 2025	June 30, 2025
Individual non-material associates			
New Smart Technology Co., Ltd.	\$ 70,785	\$ 69,799	\$ 65,586
Anax-Asia Technology Corp.	<u>-</u>	<u>-</u>	<u>5,330</u>
	<u>\$ 70,785</u>	<u>\$ 69,799</u>	<u>\$ 70,916</u>

On April 9, 2025, the Company and its subsidiary, River Asset Co., Ltd., disposed of a portion of their respective equity interests in New Smart Technology Co., Ltd., resulting in decreases in their ownership interests from 4.48% and 17.92% to 4.18% and 16.69%, respectively.

On December 23, 2025, New Smart Technology Co., Ltd. issued new shares through a cash capital increase for employee subscription. The Company and its subsidiary, River Asset Co., Ltd., did not subscribe for the newly issued shares in proportion to their respective shareholdings, resulting in further decreases in their ownership interests from 4.18% and 16.69% to 4.03% and 16.12%, respectively.

During 2025, the Group assessed that the carrying amount of its equity investment in Anax-Asia Technology Corp was impaired and recognized an impairment loss in full.

The share of profit and other comprehensive income (loss) of investments accounted for using the equity method are recognized according to the financial report that has not been reviewed by the auditors; however, the management believes that the abovementioned financial statements of the invested company which have not been reviewed by the auditors did not have a significant impact on the Group.

For the business activities, main business location, country information and the registration of the abovementioned affiliated enterprises, please refer to Table 6 “Information on investees”.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Utility Facilities	Pollution Prevention Facilities	Transportation Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Construction in Progress and Equipment Under Installation	Total
<u>Cost</u>											
Balance on January 1, 2026	\$ 358,375	\$ 1,818,207	\$ 9,495,462	\$ 1,204,909	\$ 830,508	\$ 12,200	\$ 139,723	\$ 2,383,608	\$ 557,837	\$ 1,314,196	\$ 18,115,025
Additions	-	-	42,765	11,303	6,756	-	6,233	76,290	-	306,344	449,691
Disposals	-	-	(2,210)	-	-	-	(1,098)	(76)	-	-	(3,384)
Capitalized interest	-	-	-	-	-	-	-	-	-	7,656	7,656
Reclassification	-	-	334,897	-	13,850	-	-	294,556	-	(479,924)	163,379
Balance on June 30, 2026	<u>\$ 358,375</u>	<u>\$ 1,818,207</u>	<u>\$ 9,870,914</u>	<u>\$ 1,216,212</u>	<u>\$ 851,114</u>	<u>\$ 12,200</u>	<u>\$ 144,858</u>	<u>\$ 2,754,378</u>	<u>\$ 557,837</u>	<u>\$ 1,148,272</u>	<u>\$ 18,732,367</u>
<u>Accumulated depreciation and impairment</u>											
Balance on January 1, 2026	\$ -	\$ 1,312,089	\$ 5,780,570	\$ 1,035,521	\$ 668,315	\$ 11,549	\$ 111,560	\$ 1,876,519	\$ 52,136	\$ -	\$ 10,848,259
Disposals	-	-	(2,210)	-	-	-	(868)	(70)	-	-	(3,148)
Depreciation expense	-	26,667	461,360	22,893	11,324	228	9,917	50,636	29,175	-	612,200
Reclassification	-	-	-	-	-	-	-	60,455	-	-	60,455
Impairment loss reversed	-	-	-	-	-	-	-	(1,722)	-	-	(1,722)
Balance on June 30, 2026	<u>\$ -</u>	<u>\$ 1,338,756</u>	<u>\$ 6,239,720</u>	<u>\$ 1,058,414</u>	<u>\$ 679,639</u>	<u>\$ 11,777</u>	<u>\$ 120,609</u>	<u>\$ 1,985,818</u>	<u>\$ 81,311</u>	<u>\$ -</u>	<u>\$ 11,516,044</u>
Carrying amounts on June 30, 2026	<u>\$ 358,375</u>	<u>\$ 479,451</u>	<u>\$ 3,631,194</u>	<u>\$ 157,798</u>	<u>\$ 171,475</u>	<u>\$ 423</u>	<u>\$ 24,249</u>	<u>\$ 768,560</u>	<u>\$ 476,526</u>	<u>\$ 1,148,272</u>	<u>\$ 7,216,323</u>
Carrying amounts on December 31, 2025 and January 1, 2026	<u>\$ 358,375</u>	<u>\$ 506,118</u>	<u>\$ 3,714,892</u>	<u>\$ 169,388</u>	<u>\$ 162,193</u>	<u>\$ 651</u>	<u>\$ 28,163</u>	<u>\$ 507,089</u>	<u>\$ 505,701</u>	<u>\$ 1,314,196</u>	<u>\$ 7,266,766</u>
<u>Cost</u>											
Balance on January 1, 2025	\$ 182,714	\$ 1,812,717	\$ 8,086,733	\$ 1,179,722	\$ 784,834	\$ 11,867	\$ 128,430	\$ 2,092,280	\$ 28,892	\$ 2,674,251	\$ 16,982,440
Additions	-	2,572	34,354	17,876	6,493	333	1,235	15,787	230	399,892	478,772
Disposals	-	-	(75,270)	-	-	-	(3,286)	-	-	-	(78,556)
Capitalized interest	-	-	-	-	-	-	-	-	-	11,423	11,423
Reclassification	-	-	266,319	-	27,967	-	2,212	258,540	468,177	(1,046,122)	(22,907)
Balance on June 30, 2025	<u>\$ 182,714</u>	<u>\$ 1,815,289</u>	<u>\$ 8,312,136</u>	<u>\$ 1,197,598</u>	<u>\$ 819,294</u>	<u>\$ 12,200</u>	<u>\$ 128,591</u>	<u>\$ 2,366,607</u>	<u>\$ 497,299</u>	<u>\$ 2,039,444</u>	<u>\$ 17,371,172</u>
<u>Accumulated depreciation and impairment</u>											
Balance on January 1, 2025	\$ -	\$ 1,258,801	\$ 5,111,370	\$ 993,476	\$ 651,300	\$ 10,490	\$ 96,627	\$ 1,794,703	\$ 7,722	\$ -	\$ 9,924,489
Disposals	-	-	(73,496)	-	-	-	(3,286)	-	-	-	(76,782)
Depreciation expense	-	26,610	380,071	19,767	9,291	617	10,930	35,141	18,266	-	500,693
Impairment loss reversed	-	-	(1,775)	-	-	-	-	-	-	-	(1,775)
Balance on June 30, 2025	<u>\$ -</u>	<u>\$ 1,285,411</u>	<u>\$ 5,416,170</u>	<u>\$ 1,013,243</u>	<u>\$ 660,591</u>	<u>\$ 11,107</u>	<u>\$ 104,271</u>	<u>\$ 1,829,844</u>	<u>\$ 25,988</u>	<u>\$ -</u>	<u>\$ 10,346,625</u>
Carrying amounts on June 30, 2025	<u>\$ 182,714</u>	<u>\$ 529,878</u>	<u>\$ 2,895,966</u>	<u>\$ 184,355</u>	<u>\$ 158,703</u>	<u>\$ 1,093</u>	<u>\$ 24,320</u>	<u>\$ 536,763</u>	<u>\$ 471,311</u>	<u>\$ 2,039,444</u>	<u>\$ 7,024,547</u>

Some of the Group's buildings were pledged to financial institutions as collateral for obtaining long-term bank borrowings, please refer to Note 32.

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

Building	10-50 years
Machinery and equipment	3-10 years
Utility facilities	6-25 years
Pollution prevention facilities	5-20 years
Transportation equipment	3-13 years
Office equipment	3-7 years
Leasehold improvements	5-10 years
Other equipment	3-25 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amounts</u>			
Land	\$ 129,570	\$ 136,799	\$ 144,028
Buildings	11,091	13,864	16,636
Transportation equipment	3,848	5,232	6,617
Office equipment	1,674	1,913	2,152
Other equipment	<u>247</u>	<u>370</u>	<u>-</u>
	<u>\$ 146,430</u>	<u>\$ 158,178</u>	<u>\$ 169,433</u>
	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>
	<u>2026</u>	<u>2025</u>	<u>2026</u>
			<u>2025</u>
Additions to right-of-use assets			\$ <u>-</u>
Depreciation charge for right-of-use assets			\$ <u>6,838</u>
Land	\$ 3,615	\$ 3,614	\$ 7,229
Buildings	1,386	1,387	2,773
Transportation equipment	692	507	922
Office equipment	120	119	239
Other equipment	<u>61</u>	<u>59</u>	<u>119</u>
	<u>\$ 5,874</u>	<u>\$ 5,686</u>	<u>\$ 11,748</u>
			<u>\$ 11,378</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amounts</u>			
Current	\$ 23,470	\$ 23,281	\$ 22,800
Non-current	\$ 133,019	\$ 144,780	\$ 156,240

Range of discount rates for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	2.017%	2.017%	2.017%
Buildings	3.253%	3.253%	3.253%
Transportation equipment	1.566%-5.654%	1.566%-5.654%	1.566%-5.654%
Office equipment	2.079%	2.079%	2.079%
Other equipment	2.011%-5.590%	2.011%-5.590%	5.590%

c. Other lease information

	For the Six Months Ended June 30	
	2026	2025
Expenses relating to short-term leases	\$ 3,847	\$ 3,427
Total cash outflow for leases	\$ (17,149)	\$ (16,193)

The Group's leases of certain buildings qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Completed Investment Property
<u>Cost</u>	
Balance on January 1, 2026 and June 30, 2026	\$ 399,307
<u>Cost</u>	
Balance on January 1, 2025 and June 30, 2025	\$ 399,307

As of June 30, 2026 and 2025, the fair values of investment properties were both \$679,403 thousand. Such fair values were determined with reference to market evidence of transaction prices for similar properties and publicly available valuation data.

17. INTANGIBLE ASSETS

Software

Cost

Balance on January 1, 2026	\$ 215,959
Additions	18,815
Disposals	(21,223)
Reclassification	<u>49,702</u>
Balance on June 30, 2026	<u>\$ 263,253</u>

Accumulated amortization

Balance on January 1, 2026	\$ 94,889
Amortization expense	33,425
Disposals	<u>(21,223)</u>
Balance on June 30, 2026	<u>\$ 107,091</u>
Carrying amount on June 30, 2026	<u>\$ 156,162</u>

Cost

Balance on January 1, 2025	\$ 154,057
Additions	34,295
Disposals	(2,191)
Reclassification	<u>1,979</u>
Balance on June 30, 2025	<u>\$ 188,140</u>

Accumulated amortization

Balance on January 1, 2025	\$ 79,397
Amortization expense	28,613
Disposals	<u>(2,191)</u>
Balance on June 30, 2025	<u>\$ 105,819</u>
Carrying amount on June 30, 2025	<u>\$ 82,321</u>

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

Computer software	1-10 years
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18. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Unsecured borrowings</u>			
Bank loans	\$ 1,555,900	\$ 1,111,160	\$ 1,323,991

The range of weighted average effective interest rate on bank loans was 1.13%-2.59%, 0.94%-2.40% and 0.925%-2.50% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

b. Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Secured borrowings (Note 32)</u>			
Bank loans	\$ 2,163,391	\$ 2,168,749	\$ 1,632,433
Current portion	(543,871)	(452,228)	(339,712)
	<u>1,619,520</u>	<u>1,716,521</u>	<u>1,292,721</u>
<u>Unsecured borrowings</u>			
Bank loans	2,256,060	2,136,717	2,261,447
Current portion	(501,525)	(430,908)	(322,359)
Government grant discount	(1,938)	(4,592)	(8,392)
	<u>1,752,597</u>	<u>1,701,217</u>	<u>1,930,696</u>
	<u>\$ 3,372,117</u>	<u>\$ 3,417,738</u>	<u>\$ 3,223,417</u>

The bank loan was secured by the Group's own buildings and machinery and equipment. Please refer to Note 32.

The effective interest rate of long-term borrowings was 1.820%-3.096%, 1.120%-2.831% and 1.120%-2.365% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

The loan project for the return to Taiwan for investment is based on the program "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan," launched by the National Development Fund, Executive Yuan, as well as the "Intelligent Infrastructure Transformation Projects of Regulated Factories" administered by the Ministry of Economic Affairs. The Group has drawn down medium-term bank borrowings from domestic banks since September 2022. The maturity dates are between January 12, 2025 and April 15, 2030, and the Company shall repay the principal and interest on a monthly amortized basis after the grace period. The interest rates of bank borrowings as of June 30, 2026, December 31, 2025 and June 30, 2025 ranged from 1.120% to 1.825%, 1.120% to 1.825% and 1.120% to 1.125%, respectively.

19. OTHER LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
Payable for salaries and bonus	\$ 221,091	\$ 243,734	\$ 225,729
Payable for employees' compensation	18,922	18,802	6,699
Payable for remuneration of directors	3,524	6,017	2,010
Payable for dividends	12,996	-	8,496
Payables for equipment	145,576	178,866	158,864
Others	<u>309,909</u>	<u>235,759</u>	<u>310,948</u>
	<u>\$ 712,018</u>	<u>\$ 683,178</u>	<u>\$ 712,746</u>

20. PROVISIONS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Warranties	\$ 3,014	\$ 3,983	\$ 6,975
Carbon fee	<u>1,621</u>	<u>3,180</u>	<u>1,590</u>
	<u>\$ 4,635</u>	<u>\$ 7,163</u>	<u>\$ 8,565</u>
<u>Non-current</u>			
Warranties	<u>\$ 33,934</u>	<u>\$ 31,654</u>	<u>\$ 27,510</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality. Starting from 2025, the Group recognizes the carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The carbon fee provision was calculated based on the standard rate.

21. RETIREMENT BENEFIT PLANS

a. Defined benefit plans

For the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the pension expenses of defined benefit plans were \$1,951 thousand, \$1,341 thousand, \$3,903 thousand and \$2,682 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2025 and 2024, respectively.

b. Defined contribution plan

The Company, Ho Chung Investment, River Asset, Star Asia, Wan Zun Guang, ProAsia, United-Asia and Champ-Asia adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

22. EQUITY

a. Share capital - ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Number of authorized shares (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Amount of authorized shares	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>438,623</u>	<u>438,623</u>	<u>438,623</u>
Amount of issued and fully paid shares	<u>\$ 4,386,228</u>	<u>\$ 4,386,228</u>	<u>\$ 4,386,228</u>

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital (1)			
Arising from issuance of common share	\$ 1,336,850	\$ 1,336,850	\$ 1,336,850
Arising from treasury share transactions	90,735	90,735	90,735
May only be used to offset a deficit (2)			
Changes in percentage of ownership interests in subsidiaries	427,629	381,693	313,205
Share of changes in capital surplus of associates	<u>1,716</u>	<u>1,696</u>	<u>1,724</u>
	<u>\$ 1,856,930</u>	<u>\$ 1,810,974</u>	<u>\$ 1,742,514</u>

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

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy in the Company's Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as a legal reserve, setting aside amounts to a special reserve in accordance with the laws and regulations, and then allowing for other special reserves and a distribution of dividends to be recommended by the board of directors. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 24, g.

The Company operates in the high-tech industry and its business life cycle is in the growth stage. In view of its capital expenditure demand and comprehensive financial plan for continuous development, the Company issues both stock and cash dividends. The proportion of dividends to be distributed in stocks and cash is determined based on the Company's rate of growth and capital expenditures. However, the amount of cash dividends shall not be lower than 50% of the dividends distributed.

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

The appropriations of 2025 and 2024 earnings are as follows:

	For the Year Ended December 31	
	2025	2024
(Reversal of) special reserve	\$ (96,436)	\$ 140,992

The appropriation of special reserve for the years 2025 and 2024 was approved at the shareholders' meeting held on June 25, 2026 and June 17, 2025.

d. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares on January 1, 2026 and June 30, 2026	<u>-</u>	<u>755</u>	<u>755</u>
Number of shares on January 1, 2025 and June 30, 2025	<u>-</u>	<u>755</u>	<u>755</u>

Related information regarding shares of the Company held by its subsidiaries on the balance sheet date was as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>June 30, 2026</u>			
Ho Chung Investment	755	\$ 23,172	\$ 28,333
<u>December 31, 2025</u>			
Ho Chung Investment	755	23,172	19,694
<u>June 30, 2025</u>			
Ho Chung Investment	755	23,172	15,921

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 1,209,482</u>	<u>\$ 1,150,972</u>	<u>\$ 2,163,511</u>	<u>\$ 2,117,615</u>

a. Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes receivable	\$ 780	\$ 12,004	\$ 25,656	\$ 3,893
Trade receivables (Note 10)	1,304,461	1,177,922	1,252,381	1,262,010
Trade receivables from related parties	<u>35,964</u>	<u>22,131</u>	<u>18,525</u>	<u>21,680</u>
	<u>\$ 1,341,205</u>	<u>\$ 1,212,057</u>	<u>\$ 1,296,562</u>	<u>\$ 1,287,583</u>
Contract assets - current				
Sale of goods	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,619</u>
Contract liabilities - current				
Sale of goods	<u>\$ 19,002</u>	<u>\$ 21,987</u>	<u>\$ 45,173</u>	<u>\$ 69,261</u>

b. Disaggregation of revenue from contracts with customers

For information on the disaggregation of revenue from contracts with customers, please refer to Note 37.

24. NET LOSS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Bank deposits	\$ 12,213	\$ 11,648	\$ 20,546	\$ 18,743
Resale bonds	405	259	1,400	779
Financial assets at amortized cost	72	70	140	71
Others	<u>8</u>	<u>8</u>	<u>18</u>	<u>18</u>
	<u>\$ 12,698</u>	<u>\$ 11,985</u>	<u>\$ 22,104</u>	<u>\$ 19,611</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Rental income	\$ 662	\$ 687	\$ 1,227	\$ 1,491
Dividend income	-	-	6,909	7,634
Government grants (Note 28)	818	731	1,636	1,479
Others	<u>13,150</u>	<u>29,085</u>	<u>22,757</u>	<u>34,271</u>
	<u>\$ 14,630</u>	<u>\$ 30,503</u>	<u>\$ 32,529</u>	<u>\$ 44,875</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 19,927	\$ (4,526)	\$ 18,027	\$ (17,927)
Gain on disposal of property, plant and equipment	3	2,092	23	2,092
Gain on disposal of investments	-	11,198	-	11,198
Net foreign exchange gains (loss)	7,142	(168,328)	43,168	(161,879)
Gain on lease modification	-	-	-	47
Impairment loss reversed	1,722	1,775	1,722	1,775
Others	<u>(1,993)</u>	<u>(5,935)</u>	<u>(3,955)</u>	<u>(6,535)</u>
	<u>\$ 26,801</u>	<u>\$ (163,724)</u>	<u>\$ 58,985</u>	<u>\$ (171,229)</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	\$ 31,992	\$ 27,624	\$ 61,824	\$ 52,092
Interest on finance leases	<u>848</u>	<u>965</u>	<u>1,730</u>	<u>1,955</u>
	32,840	28,589	63,554	54,047
Less: Amounts included in the cost of qualifying assets	<u>(3,514)</u>	<u>(4,632)</u>	<u>(7,656)</u>	<u>(11,423)</u>
	29,326	23,957	55,898	42,624
Other financial cost	<u>844</u>	<u>-</u>	<u>894</u>	<u>-</u>
	<u>\$ 30,170</u>	<u>\$ 23,957</u>	<u>\$ 56,792</u>	<u>\$ 42,624</u>

Information on capitalized interest is as follows:

		For the Six Months Ended June 30			
		2026	2025		
Capitalized interest amount		\$ 7,656	\$ 11,423		
Capitalization rate		0.32%-2.45%	0.19%-2.36%		
e. Depreciation and amortization					
		For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
An analysis of depreciation by function					
Operating costs		\$ 291,946	\$ 235,215	\$ 582,045	\$ 457,686
Operating expenses		<u>22,551</u>	<u>28,162</u>	<u>41,903</u>	<u>54,385</u>
		<u>\$ 314,497</u>	<u>\$ 263,377</u>	<u>\$ 623,948</u>	<u>\$ 512,071</u>
An analysis of amortization by function					
Operating costs		\$ 6,965	\$ 7,555	\$ 13,918	\$ 12,574
Operating expenses		<u>10,215</u>	<u>6,696</u>	<u>19,507</u>	<u>16,039</u>
		<u>\$ 17,180</u>	<u>\$ 14,251</u>	<u>\$ 33,425</u>	<u>\$ 28,613</u>
f. Employee benefits expense					
		For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Wages and salaries		\$ 241,986	\$ 246,506	\$ 484,710	\$ 525,798
Labor and health insurance fees		21,326	23,595	43,163	47,030
Post-employment benefits					
Defined contribution plans		9,329	10,758	18,867	21,449
Defined benefit plans		1,951	1,341	3,903	2,682
Share-based payment					
Equity-settled		-	-	121	-
Other employee benefits		<u>6,737</u>	<u>6,695</u>	<u>13,279</u>	<u>12,115</u>
Total employee benefits expense		<u>\$ 281,329</u>	<u>\$ 288,895</u>	<u>\$ 564,043</u>	<u>\$ 609,074</u>
An analysis of employee benefits expense by function					
Operating costs		\$ 172,262	\$ 169,455	\$ 343,165	\$ 340,182
Operating expenses		<u>109,067</u>	<u>119,440</u>	<u>220,878</u>	<u>268,892</u>
		<u>\$ 281,329</u>	<u>\$ 288,895</u>	<u>\$ 564,043</u>	<u>\$ 609,074</u>

g. Employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, if there is profit in a given year, 10% to 20% shall be appropriated as employees' compensation and not more than 10% as remuneration to directors; however, any accumulated deficit shall first be offset. Employees' compensation may be distributed in the form of shares or cash, and the recipients may include employees of subsidiaries who meet certain specified conditions.

Pursuant to the amendments to the Securities and Exchange Act promulgated in August 2024, the Company amended its Articles of Incorporation as approved by the shareholders' meeting in 2025 to stipulate that no less than 10% of the total employees' compensation for the year shall be allocated to base-level employees.

As the Company incurred a loss before tax for the six months ended June 30, 2026 and 2025, no provision for employees' compensation (including that for base-level employees) and directors' remuneration has been made.

If the amounts change after the issuance of the annual consolidated financial statements, such differences shall be accounted for as changes in accounting estimates and recognized in the following year.

The actual amounts of employees' compensation and directors' remuneration for the years ended December 31, 2025 and 2024 were consistent with the amounts recognized in the consolidated financial statements for the respective years.

Information on employees' compensation and directors' remuneration approved by the Board of Directors is available at the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

25. INCOME TAXES

a. Major components of income tax expense recognized in profit or loss

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
In respect of the current year	\$ 24,936	\$ 12,965	\$ 38,042	\$ 17,923
Income tax on unappropriated retained earnings	2,542	1,883	2,542	1,883
Adjustments for prior year	<u>(2,828)</u>	<u>(34)</u>	<u>(2,828)</u>	<u>(34)</u>
	24,650	14,814	37,756	19,772
Deferred tax				
In respect of the current year	<u>69</u>	<u>(12,110)</u>	<u>1,644</u>	<u>(15,448)</u>
Income tax expense recognized in profit or loss	<u>\$ 24,719</u>	<u>\$ 2,704</u>	<u>\$ 39,400</u>	<u>\$ 4,324</u>

b. Income tax assessments

The income tax returns of Star Asia Vision Corporation through 2023 have been assessed by the tax authority.

The income tax returns of the Company, Ho Chung Investment Co., Ltd., River Asset Co., Ltd., Wan Zun Guang Investment Co., Ltd., ProAsia Semiconductor Corporation Ltd., United-Asia Semiconductor Corporation, and Champ-Asia Semiconductor Corporation through 2024 have been assessed by the tax authority.

26. LOSS PER SHARE

The losses and weighted average number of ordinary shares outstanding in the computation of losses per share were as follows:

Net Loss for the Year

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Earnings used in the computation of basic and diluted loss per share	<u>\$ (193,409)</u>	<u>\$ (376,676)</u>	<u>\$ (408,499)</u>	<u>\$ (718,988)</u>

Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares outstanding in computation of basic loss per share (in thousands)	<u>437,868</u>	<u>437,868</u>	<u>437,868</u>	<u>437,868</u>
Weighted average number of ordinary shares outstanding in computation of diluted loss per share (in thousands)	<u>437,868</u>	<u>437,868</u>	<u>437,868</u>	<u>437,868</u>

If the Company offers to settle compensation paid to employees in cash or shares, the Group shall assume that the entire amount of the compensation will be settled in shares, and the resulting potentially dilutive shares shall be included in the weighted average number of shares outstanding used in the computation of diluted loss per share. Such dilutive effect of the potential shares shall be included in the computation of diluted loss per share until the number of shares to be distributed to employees is resolved in the following year.

27. SHARE-BASED PAYMENT

Subsidiary's Cash Capital Increase with Employee Share Subscription

Champ-Asia Semiconductor Corporation approved a cash capital increase of 6,700 thousand shares at a meeting of the Board of Directors held on March 18, 2026, of which 10% was reserved for employee subscription. The grant date of the employee share subscription was March 18, 2026, and the eligible participants were employees of Champ-Asia Semiconductor Corporation who meet certain specified conditions.

The fair value of the employee share subscription rights arising from the above cash capital increase was measured using the Black-Scholes option pricing model. The inputs to the model were as follows:

March 18, 2026

Grant price	NT\$15.43
Exercise price	NT\$16.00
Expected volatility	40.76%
Expected term	9 days
Risk-free interest rate	1.28%

The remuneration cost recognized by the group in 2026 amounted to \$121 thousand.

28. GOVERNMENT GRANTS

The Corporation and subsidiaries have obtained a government loan of \$1,764,412 thousand with preferential interest rates under the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan and Subsidy for Low-Carbon and Intelligent Infrastructure Transformation Projects of Regulated Factories for capital expenditures on equipment purchases. The loan will be repaid in installments over a period of two to seven years. The fair value of the loan is estimated to be \$1,734,447 thousand based on the market interest rate of 1.45%-2.22% when the loan was taken out. The difference between the amount obtained and the fair value of the loan is in the amount of \$29,965 thousand as a government low-interest loan grant and recognized as unearned revenue.

The portion of deferred income, resulting from the early repayment of unearned government low-interest loan subsidies, is considered unearned. Upon repayment, the Company recognized a deferred income of \$2,966 thousand, along with a government low-interest loan subsidy of \$1,643 thousand that was granted during the actual loan period. The unearned revenue is reclassified to profit or loss over the useful life of the relevant assets. Other income recognized by the Company and subsidiaries for the six months ended June 30, 2026 and 2025 was \$1,636 thousand and \$1,479 thousand. Interest expense on the loan recognized for the six months ended June 30, 2026 and 2025 was \$2,654 thousand and \$4,422 thousand, respectively.

In 2025, the Company determined that the aforementioned amount of \$1,643 thousand represented government assistance for preferential-interest borrowings incurred during the loan period, and accordingly, the amount was derecognized from deferred income and recognized in profit or loss.

If the Company fails to meet the key points of the above project during the loan period, and the National Development Fund terminates the government grant, then the Company will pay the original interest rate plus the annual interest rate.

29. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheets plus net debt. As of June 30, 2026, December 31, 2025 and June 30, 2025, the gearing ratios were 33.25%, 30.40% and 29.68%, respectively.

30. FINANCIAL INSTRUMENTS

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

The management considers that the carrying amounts of financial instruments that are not measured at fair value in the consolidated financial statements approximate the fair values.

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

1) Fair value hierarchy

June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 61,101	\$ -	\$ -	\$ 61,101
The investment case of movie	<u>-</u>	<u>-</u>	<u>7,626</u>	<u>7,626</u>
	<u>\$ 61,101</u>	<u>\$ -</u>	<u>\$ 7,626</u>	<u>\$ 68,727</u>
Financial assets at FVTOCI				
Listed shares	\$ 130,125	\$ -	\$ -	\$ 130,125
Unlisted shares	-	-	239,308	239,308
Private-placement funds	<u>-</u>	<u>-</u>	<u>327,934</u>	<u>327,934</u>
	<u>\$ 130,125</u>	<u>\$ -</u>	<u>\$ 567,242</u>	<u>\$ 697,367</u>

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 43,811	\$ -	\$ -	\$ 43,811
The investment case of movie	<u>-</u>	<u>-</u>	<u>7,626</u>	<u>7,626</u>
	<u>\$ 43,811</u>	<u>\$ -</u>	<u>\$ 7,626</u>	<u>\$ 51,437</u>
Financial assets at FVTOCI				
Listed shares	\$ 400,921	\$ -	\$ -	\$ 400,921
Unlisted shares	-	-	333,593	333,593
Private-placement funds	<u>-</u>	<u>-</u>	<u>229,014</u>	<u>229,014</u>
	<u>\$ 400,921</u>	<u>\$ -</u>	<u>\$ 562,607</u>	<u>\$ 963,528</u>

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 41,712	\$ -	\$ -	\$ 41,712
The investment case of movie	<u>-</u>	<u>-</u>	<u>16,279</u>	<u>16,279</u>
	<u>\$ 41,712</u>	<u>\$ -</u>	<u>\$ 16,279</u>	<u>\$ 57,991</u>
Financial assets at FVTOCI				
Listed shares	\$ 292,082	\$ -	\$ -	\$ 292,082
Unlisted shares	-	-	404,837	404,837
Private-placement funds	<u>-</u>	<u>-</u>	<u>208,737</u>	<u>208,737</u>
	<u>\$ 292,082</u>	<u>\$ -</u>	<u>\$ 613,574</u>	<u>\$ 905,656</u>

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

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

For the six months ended June 30, 2026

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance on January 1, 2026	\$ 7,626	\$ 562,607	\$ 570,233
Recognized in profit or loss	737	-	737
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	-	127,823	127,823
Purchase	-	30,000	30,000
Disposal	<u>(737)</u>	<u>(153,188)</u>	<u>(153,925)</u>
Balance on June 30, 2026	<u>\$ 7,626</u>	<u>\$ 567,242</u>	<u>\$ 574,868</u>

For the six months ended June 30, 2025

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance on January 1, 2025	\$ 16,279	\$ 708,083	\$ 724,362
Recognized in other comprehensive income (included in unrealized valuation (loss) on financial assets at FVTOCI)	-	(45,299)	(45,299)
Disposal	<u>-</u>	<u>(49,210)</u>	<u>(49,210)</u>
Balance on June 30, 2025	<u>\$ 16,279</u>	<u>\$ 613,574</u>	<u>\$ 629,853</u>

3) Valuation techniques and inputs applied in Level 3 fair value measurement

The fair values of unlisted equity securities and private equity funds were determined using the market approach and asset approach.

The market approach uses the value multiples of other similar enterprises in market transactions as a reference for evaluating the value of the target enterprise. The theoretical basis is that, if the target enterprise to be evaluated is similar to the similar enterprises that have already traded in the market in terms of operation, market, management, technology and products, then the value of the target enterprise to be evaluated should be similar to that of the analogous enterprise; The asset approach is for each asset and liability on the balance sheet, re-estimate the fair market value, replacement cost or liquidation value. The assets or liabilities out of the balance sheet, including contingent liabilities, should also be assessed. The total assets minus the total liabilities are the desired equity value.

The present value of the expected return on the investment is calculated by discounting the cash flows using either the income approach or the cost approach.

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

	Fair Value on June 30, 2026	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 239,308	Market comparable companies	Price to earnings ratio multiple	9.31-13.29	The higher the multiple, the higher the fair value
			Enterprise value multiple	7.56-8.14	The higher the multiple, the higher the fair value
Private fund	327,934	Net asset value	Discount for lack of volatility	19.36%	The higher the discount for lack of marketability, the lower the fair value
The investment case of movie	7,626	Discounted cash flow method	Weighted average cost of capital	-	The higher the discount for risk, the lower the fair value

	Fair Value on December 31, 2025	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 333,593	Market comparable companies	Price to earnings ratio multiple	10.11-12.45	The higher the multiple, the higher the fair value
			Enterprise value multiple	1.82-10.31	The higher the multiple, the higher the fair value
			P/B ratio	1.10-1.16	The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%	The higher the discount for lack of marketability, the lower the fair value
Private fund	229,014	Net asset value	Discount for lack of volatility	23.29%	The higher the discount for risk, the lower the fair value
The investment case of movie	7,626	Discounted cash flow method	Weighted average cost of capital	-	The higher the discount for risk, the lower the fair value

	Fair Value on June 30, 2025	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 404,837	Market comparable companies	Price to earnings ratio multiple Enterprise value multiple P/B ratio	10.11-12.45 1.93-10.31 1.10-1.16	The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%	The higher the discount for lack of marketability, the lower the fair value
Private fund	208,737	Net asset value	Discount for lack of volatility	23.29%- 72.81%	The higher the discount for lack of marketability, the lower the fair value
The investment case of movie	16,279	Discounted cash flow method	Weighted average cost of capital	-	The higher the discount for risk, the lower the fair value

c. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 68,727	\$ 51,437	\$ 57,991
Financial assets at amortized cost (1)	4,246,516	3,851,263	3,653,348
Financial assets at FVTOCI			
Equity instruments	697,367	963,528	905,656

Financial liabilities

Financial liabilities at amortized cost (2)	7,915,615	7,311,992	7,138,339
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- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, trade receivables to related parties, other receivables and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, trade payables to related parties, other payables, other payables to related parties, current portion of long-term liabilities, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments included cash and cash equivalents, equity and debt investments, mutual funds, notes receivable, trade receivables, trade payables, lease liabilities and borrowings. The Group's finance division provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through the analysis of exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control procedures. During the implementation of financial plans, the Group shall comply with the relevant financial operating procedures governing financial risk management and segregation of duties.

1) Market risk

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

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Group was mainly exposed to the USD, EUR, CNY and JPY.

The following table details the Group's sensitivity to a 1% increase and a 1% decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period under the assumption of a 1% change in foreign currency rates. On the table below, if the amount is positive (negative), it indicates a decrease (increase) in pre-tax loss when functional currencies of the Group entities weakened (strengthened) by 1% against the relevant currency.

	USD Impact	
	For the Six Months Ended	
	June 30	
	2026	2025
Profit or loss	\$ (16,139)	\$ (15,135)
	EUR Impact	
	For the Six Months Ended	
	June 30	
	2026	2025
Profit or loss	\$ 346	\$ 436
	CNY Impact	
	For the Six Months Ended	
	June 30	
	2026	2025
Profit or loss	\$ (65)	\$ (24)
	JPY Impact	
	For the Six Months Ended	
	June 30	
	2026	2025
Profit or loss	\$ 4,477	\$ 777

This was mainly attributable to the exposure on outstanding USD, EUR, CNY and JPY receivables and payables which were not hedged at the end of the reporting period.

b) Interest rate risk

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

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	\$ 1,953,960	\$ 1,551,488	\$ 1,232,610
Financial liabilities	1,112,033	849,079	792,552
Cash flow interest rate risk			
Financial assets	878,973	1,019,157	1,068,116
Financial liabilities	5,540,826	5,257,416	5,133,447

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax loss for the six months ended June 30, 2026 and 2025 would have increased/decreased by \$(23,309) thousand and \$(20,327) thousand, respectively.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate borrowings.

c) Other price risk

The Group was exposed to price risk through its investments in equity securities. The Group has appointed a special team to monitor the price risk and make plans to manage the price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to the price risks of the aforementioned investments at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the six months ended June 30, 2026 and 2025 would have increased/decreased by \$687 thousand and \$580 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2026 and 2025 would have increased/decreased by \$6,974 thousand and \$9,057 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial losses to the Group. As of the end of the reporting period, the Group's maximum credit risk exposure that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to mitigate credit risks, the Group's management has assigned a dedicated team to be responsible for the determination of credit limits, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Group will review the recoverable amounts of receivables one by one on the balance sheet date to ensure that appropriate impairment losses have been made for uncollectible receivables. Accordingly, the Group's management believes that the Group's credit risk has been significantly reduced.

The objects of accounts receivable cover many customers and are scattered in different industries and geographical regions. The Group continues to evaluate the financial conditions of its customers with accounts receivable.

In addition, because the counterparties of liquidity and derivative financial instruments are financial institutions and corporate organizations with good credit ratings, the credit risk is limited.

The Group's customer base is vast and unrelated to each other, so the concentration of credit risk is not high.

3) Liquidity risk

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

Bank borrowings are a significant source of liquidity for the Group. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group had available unutilized short-term and long-term bank loan facilities set out in (b) below.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2026

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,440,832	\$ -	\$ -	\$ -	\$ -
Lease liabilities	26,513	24,707	17,466	27,667	75,569
Variable interest rate liabilities	2,251,346	1,648,606	1,197,270	605,999	-
Fixed interest rate liabilities	941,392	-	-	-	-
	<u>\$ 4,660,083</u>	<u>\$ 1,673,313</u>	<u>\$ 1,214,736</u>	<u>\$ 633,666</u>	<u>\$ 75,569</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 26,513</u>	<u>\$ 69,840</u>	<u>\$ 62,974</u>	<u>\$ 12,595</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2025

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,398,564	\$ -	\$ -	\$ -	\$ -
Lease liabilities	26,603	25,710	20,942	30,103	81,866
Variable interest rate liabilities	1,913,259	1,462,351	1,265,807	784,289	-
Fixed interest rate liabilities	<u>664,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,003,007</u>	<u>\$ 1,488,061</u>	<u>\$ 1,286,749</u>	<u>\$ 814,392</u>	<u>\$ 81,866</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 26,603</u>	<u>\$ 76,755</u>	<u>\$ 62,974</u>	<u>\$ 18,892</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2025

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,423,408	\$ -	\$ -	\$ -	\$ -
Lease liabilities	26,389	26,456	24,512	32,539	88,164
Variable interest rate liabilities	2,314,070	976,348	968,888	1,021,725	-
Fixed interest rate liabilities	<u>605,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,368,878</u>	<u>\$ 1,002,804</u>	<u>\$ 993,400</u>	<u>\$ 1,054,264</u>	<u>\$ 88,164</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 26,389</u>	<u>\$ 83,507</u>	<u>\$ 62,974</u>	<u>\$ 25,190</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities

	June 30, 2026	December 31, 2025	June 30, 2025
Secured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 2,620,410	\$ 2,407,160	\$ 1,632,433
Amount unused	<u>529,590</u>	<u>242,840</u>	<u>417,567</u>
	<u>3,150,000</u>	<u>2,650,000</u>	<u>2,050,000</u>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	4,454,364	3,573,292	3,737,219
Amount unused	<u>2,989,836</u>	<u>3,555,198</u>	<u>2,150,354</u>
	<u>7,444,200</u>	<u>7,128,490</u>	<u>5,887,573</u>
	<u>\$ 10,594,200</u>	<u>\$ 9,778,490</u>	<u>\$ 7,937,573</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships:

Name of Related Party	Relationship with the Group
Nichia Taiwan Corp.	Investor that has significant influence over the Group
Nichia Corp.	Investor that has significant influence over the Group
New Smart Technology Co., Ltd.	Associate
Zhen Min Investment Co., Ltd.	Related party in substance (Note)
TASC Employee Benefits Committee	Other related party
TASC Health Care & Charity Foundation	Other related party

Note: The chairman of the counterparty is also a director of the Company.

b. Operating revenue

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Nichia Corp.	\$ 93,327	\$ 66,150	\$ 185,923	\$ 133,007
Other related party	<u>-</u>	<u>-</u>	<u>-</u>	<u>339</u>
	<u>\$ 93,327</u>	<u>\$ 66,150</u>	<u>\$ 185,923</u>	<u>\$ 133,346</u>

The selling prices charged to the above related parties are not materially different from those charged to non-related parties.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Investors that have significant influence over the Group	\$ 39,029	\$ 36,054	\$ 73,498	\$ 65,439
Associate	<u>6,708</u>	<u>11,092</u>	<u>18,643</u>	<u>20,731</u>
	<u>\$ 45,737</u>	<u>\$ 47,146</u>	<u>\$ 92,141</u>	<u>\$ 86,170</u>

The purchase prices charged by the above related parties were not materially different from those charged by non-related parties.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Trade receivables from related parties	Investors that have significant influence over the Group	<u>\$ 35,964</u>	<u>\$ 22,131</u>	<u>\$ 18,525</u>
Other trade receivables	Other related party	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ -</u>

No collateral was obtained for outstanding receivables from related parties. As of June 30, 2026 and 2025, no allowance for doubtful accounts was recognized.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Trade payables to related parties	Investors that have significant influence over the Group Associate	\$ 59,511	\$ 56,500	\$ 55,210
		<u>15,174</u>	<u>11,154</u>	<u>13,218</u>
		<u>\$ 74,685</u>	<u>\$ 67,654</u>	<u>\$ 68,428</u>
Other payables to related parties	Associate	<u>\$ 24,700</u>	<u>\$ 74,711</u>	<u>\$ 156,516</u>

The payment terms with the above related parties were not materially different from non-related parties, the outstanding trade payables to related parties are unsecured.

f. Acquisition of property, plant and equipment

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Associate	<u>\$ 38,265</u>	<u>\$ 144,554</u>	<u>\$ 92,592</u>	<u>\$ 162,381</u>

g. Borrowings from related parties

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Other payables to related parties	Nichia Taiwan Corp.	<u>\$ 500,925</u>	<u>\$ 500,955</u>	<u>\$ 500,925</u>

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Interest expense	Nichia Taiwan Corp.	<u>\$ 3,117</u>	<u>\$ 2,295</u>	<u>\$ 6,199</u>	<u>\$ 2,295</u>

h. Prepayments

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments for rent	Investors that have significant influence over the Group	\$ 500	\$ 500	\$ 500
	Related party in substance	<u>36</u>	<u>-</u>	<u>-</u>
		<u>\$ 536</u>	<u>\$ 500</u>	<u>\$ 500</u>
Prepayments to suppliers	Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,042</u>
Prepayment for equipment	Associate	<u>\$ -</u>	<u>\$ 15,133</u>	<u>\$ 116,871</u>
Other prepayments	Associate	<u>\$ 58</u>	<u>\$ 57</u>	<u>\$ 1,042</u>

i. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Interest expenses	Investors that have significant influence over the Group	<u>\$ 99</u>	<u>\$ 143</u>	<u>\$ 208</u>	<u>\$ 297</u>

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities	Investors that have significant influence over the Group	<u>\$ 11,634</u>	<u>\$ 14,427</u>	<u>\$ 17,174</u>

In the lease contract with related parties, the rent is negotiated with reference to market conditions, and paid in accordance with general conditions.

j. Other

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Rental revenue	Associate	\$ 57	\$ 61	\$ 113	\$ 122
Donations	TASC Health Care & Charity Foundation	\$ 1,000	\$ -	\$ 1,000	\$ -
Rental expense	Related party in substance	\$ 12	\$ -	\$ 36	\$ -

In the lease contract with related parties, the rent is negotiated with reference to market conditions, and received in accordance with general conditions.

k. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 18,690	\$ 16,373	\$ 36,052	\$ 36,873
Post-employment benefits	<u>1,385</u>	<u>1,268</u>	<u>2,770</u>	<u>2,577</u>
	<u>\$ 20,075</u>	<u>\$ 17,641</u>	<u>\$ 38,822</u>	<u>\$ 39,450</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been mortgaged as collateral for bank credit lines, performance guaranty, and a deposit for management and maintenance of public open space:

	June 30, 2026	December 31, 2025	June 30, 2025
Demand deposits (included in financial assets at amortized cost - current)	\$ 23,160	\$ 23,160	\$ 23,160
Carrying amount of property, plant and equipment	<u>1,995,132</u>	<u>1,988,854</u>	<u>1,586,403</u>
	<u>\$ 2,018,292</u>	<u>\$ 2,012,014</u>	<u>\$ 1,609,563</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of June 30, 2026 were as follows:

- a. As of June 30, 2026, December 31, 2025 and June 30, 2025, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$0 thousand, \$2,129 thousand and \$0 thousand, respectively.
- b. Unrecognized commitments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of property, plant and equipment	<u>\$ 236,327</u>	<u>\$ 126,973</u>	<u>\$ 426,281</u>

- c. As of June 30, 2026, December 31, 2025 and June 30, 2025, the guarantees provided by the Company through banks amounted to approximately \$54,676 thousand, \$62,467 thousand and \$67,163 thousand, respectively.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2026

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 59,190	31.800 (USD:NTD)	\$ 1,882,242
JPY	874,159	0.1943 (JPY:NTD)	169,849
CNY	1,584	4.665 (CNY:NTD)	7,389
EUR	48	36.090 (EUR:NTD)	1,732
<u>Financial liabilities</u>			
Monetary items			
USD	8,412	31.900 (USD:NTD)	268,343
JPY	3,114,378	0.1983 (JPY:NTD)	617,581
CNY	189	4.7150 (CNY:NTD)	891
EUR	997	36.490 (EUR:NTD)	36,381

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 53,342	31.38 (USD:NTD)	\$ 1,673,872
JPY	333,958	0.1988 (JPY:NTD)	66,391
CNY	1,584	4.471 (CNY:NTD)	7,082
EUR	343	36.7 (EUR:NTD)	12,588

Financial liabilities

Monetary items			
USD	3,151	31.48 (USD:NTD)	99,193
JPY	1,708,873	0.2028 (JPY:NTD)	346,559
CNY	21,890	4.521 (CNY:NTD)	98,965
EUR	958	37.1 (EUR:NTD)	35,542

June 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 57,032	29.250 (USD:NTD)	\$ 1,668,186
JPY	239,571	0.2014 (JPY:NTD)	48,250
CNY	1,584	4.066 (CNY:NTD)	6,441
EUR	220	34.150 (EUR:NTD)	7,513

Financial liabilities

Monetary items			
USD	5,272	29.350 (USD:NTD)	154,733
JPY	613,354	0.2054 (JPY:NTD)	125,983
CNY	973	4.116 (CNY:NTD)	4,005
EUR	1,480	34.550 (EUR:NTD)	51,134

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended June 30				
Foreign Currency	Exchange Rate	2026	Exchange Rate	2025
		Net Foreign Exchange Gains (Losses)		Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ <u>7,142</u>	1 (NTD:NTD)	\$ <u>(168,328)</u>

For the Six Months Ended June 30				
Foreign Currency	2026		2025	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ <u>43,168</u>	1 (NTD:NTD)	\$ <u>(161,879)</u>

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others: Table 1.
- 2) Endorsements/guarantees provided: Table 2.
- 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
- 6) Intercompany relationships and significant intercompany transactions: None.

b. Information on investees (excluding investees in mainland China): Table 6.

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: None.
- 2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: None.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

37. OPERATING SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were LED and silicon vendor chips group, displays and lighting group, and power business group.

a. Segment revenues and results

The information of the Group's revenues and results by segment is as follows:

	LED and Silicon Vendor Chips Group	Displays and Lighting Group	Power Business Group	Other Segment	Consolidated
<u>For the six months ended June 30, 2026</u>					
Revenue from external customers	\$ 1,741,147	\$ 417,443	\$ 4,921	\$ -	\$ 2,163,511
Segment income	\$ 40,918	\$ 78,102	\$ (587,941)	\$ 45,654	\$ (423,267)
<u>For the six months ended June 30, 2025</u>					
Revenue from external customers	\$ 1,517,432	\$ 598,242	\$ 1,941	\$ -	\$ 2,117,615
Segment income	\$ (121,817)	\$ 103,441	\$ (599,663)	\$ (152,668)	\$ (770,707)

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales from January 1 to June 30, 2026 and 2025.

b. Total segment assets and liabilities

The amount of assets measured by the Group is not provided to the operating decision makers, so the amount of assets measured by the department is zero.

TABLE 1

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limits (Note 4)	Note
													Item	Value			
0	Taiwan-Asia Semiconductor Corporation	Champ-Asia Semiconductor Corporation	Other receivables - related parties	Y	\$ 600,000	\$ 300,000	\$ 300,000	2.6010%	b	\$ -	Purchase of equipment, replenishment of working capital	\$ -	-	\$ -	\$ 635,061	\$ 2,540,244	-
		ProAsia Semiconductor Corporation	Other receivables - related parties	Y	200,000	200,000	200,000	2.6019%	b	-	Purchase of equipment, replenishment of working capital	-	-	-	635,061	2,540,244	-

Note 1: The Corporation is number zero (0), investee companies by company sequentially numbered starting from 1.

Note 2: Funding nature:

a. Business associate clients marked a.

b. Clients needing short-term loans marked b.

Note 3: Limit on loans granted to a single party, which has the needs of short-term financing with the Company should not exceed 10% of the Company’s latest net asset value (\$6,350,611 thousand × 10% = \$635,061 thousand). Besides, limit on loans granted to a single party, which has business relationship with the subsidiaries should not exceed total amount that the two sides trade in the recent six-month period.

Note 4: Total amount of loans of the Company should not exceed 40% of the net value of the Company’s latest net asset value (\$6,350,611 thousand × 40% = \$2,540,244 thousand).

Note 5: The above transactions have been eliminated in the preparation of the consolidated financial statements.

TABLE 2

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation Champ-Asia Semiconductor Corporation	Subsidiary Subsidiary	\$ 1,270,122 1,270,122	\$ 1,400,000 620,000	\$ 1,400,000 620,000	\$ 1,070,994 11,020	\$ - -	22.05 9.76	\$ 3,175,305 3,175,305	Y Y	N N	N N	Note 2

Note 1: The calculation and amount of ceiling on providing endorsement/guarantee to others shall be disclosed. If there was contingent loss recognized in the financial statements, the recognized amount shall be disclosed under the Company’s “Procedures for Provision of Endorsements and Guarantees”, the Company’s total guarantees and endorsements to others should not exceed 50% of the Company’s net asset value, and total guarantees and endorsements provided for a single party should not exceed 20% of the Company’s net asset value. The calculation is shown below:

- a. \$6,350,611 thousand × 50% = \$3,175,305 thousand.
- b. \$6,350,611 thousand × 20% = \$1,270,122 thousand.

Note 2: Regarding the excess amount of endorsement guarantees extended to a single enterprise, the Company has submitted the improvement plan to the Audit Committee on November 5, 2025, and to report to the Board of Directors quarterly for supervision and control.

TABLE 3

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Taiwan-Asia Semiconductor Corporation	<u>Shares</u> AXT, Inc. (Note 3)	-	Financial assets at FVTPL - non-current	124,100	\$ -	-	\$ -
	Top Increasing Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	10,000,000	-	16.67	-
	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Financial assets at FVTOCI - non-current	10,000	239,308	0.45	239,308
	Fubon Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	250,000	12,925	-	12,925
	<u>Private fund</u> Wisdom Capital Limited Partnership	-	Financial assets at FVTOCI - non-current	-	327,934	-	327,934
Ho Chung Investment Co., Ltd.	<u>Shares</u> Taiwan-Asia Semiconductor Corporation	Parent company	Financial assets at FVTPL - current	754,543	28,333	0.17	28,333
	Shangya Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	6,800,000	117,200	15.35	117,200
River Asset Co., Ltd.	<u>Shares</u> Leadtrend Tech. Corp.	-	Financial assets at FVTPL - current	905,195	61,101	1.47	61,101

Note 1: The term “marketable securities” in this table refers to stocks, bonds, mutual funds and marketable securities derived from the above items that fall within the scope of IFRS No. 9 “Financial Instruments”.

Note 2: The information on investment in subsidiaries, please refer to Table 6.

Note 3: The 124,100 shares of AXT, Inc. which are owned by the Company, are preferred stocks.

TABLE 4

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Taiwan-Asia Semiconductor Corporation	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Sale	\$ 185,923	8.59	Collect receivables in 45 days after acceptance	\$ -	-	\$ 35,964	2.72	-

TABLE 5

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan-Asia Semiconductor Corporation	Champ-Asia Semiconductor Corporation ProAsia Semiconductor Corporation	Subsidiary Subsidiary	\$ 362,312 253,862	(Note 1) (Note 2)	\$ -	-	\$ -	\$ -
					-	-	-	-

Note 1: The receivables included intercompany loan \$300,000 thousand, goods \$62 thousand and other receivables \$62,250 thousand.

Note 2: The receivables included intercompany loan \$200,000 thousand, goods \$140 thousand and other receivables \$53,722 thousand.

Note 3: All the transactions had been eliminated when preparing consolidated financial statements.

TABLE 6

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2026	December 31, 2025	Shares	%	Carrying Amount			
Taiwan-Asia Semiconductor Corporation	Ho Chung Investment Co., Ltd.	Taiwan	Investment business	\$ 400,000	\$ 400,000	40,000,000	100.00	\$ 217,548	\$ 9,000	\$ 361	(Note 1)
	River Asset Co., Ltd.	Taiwan	Investment business	400,000	400,000	40,000,000	100.00	327,920	12,246	12,246	
	Star Asia Vision Corporation	Taiwan	Manufacture and sales of lighting equipment	163,360	163,360	16,336,000	65.34	371,748	55,995	36,589	(Note 1)
	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	13,048	13,048	932,000	4.03	14,129	9,668	(198)	
	Wan Zun Guang Investment Co., Ltd.	Taiwan	Investment business	2,152,010	2,020,010	215,201,000	100.00	865,173	(312,242)	(312,242)	
	Champ-Asia Semiconductor Corporation	Taiwan	Manufacturing of electronic parts	1,364,552	1,270,000	128,409,495	97.43	720,248	(233,475)	(228,156)	
River Asset Co., Ltd.	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	52,150	52,150	3,725,000	16.12	56,656	9,668	(788)	(Note 1)
	Anax-Asia Technology Corp.	Taiwan	Integrated circuits and modules design, manufacturing, testing and selling	10,500	10,500	1,050,000	30.00	-	-	-	(Note 1)
	ProAsia Semiconductor Corporation	Taiwan	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	3,200	-	200,000	0.10	3,068	(380,643)	(132)	
Star Asia Vision Corporation	Champ-Asia Semiconductor Corporation	Taiwan	Manufacturing of electronic parts	596	-	37,231	0.03	569	(233,475)	(27)	
Wan Zun Guang Investment Co., Ltd.	ProAsia Semiconductor Corporation	Taiwan	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	2,144,510	2,012,510	159,234,000	81.84	858,637	(380,643)	(312,048)	
Ho Chung Investment Co., Ltd.	United-Asia Semiconductor Corporation	Taiwan	Assembling and testing of electronic parts	101,000	101,000	10,100,000	100.00	91,892	503	503	(Note 1)
	Champ-Asia Semiconductor Corporation	Taiwan	Manufacturing of electronic parts	1,000	1,000	100,000	0.08	561	(233,475)	(183)	

Note 1: The calculation is based on the financial statements of the investee company that have not been reviewed by an accountant during the same period and the Company’s shareholding ratio.

Note 2: The amount was eliminated upon consolidation, excluding New Smart Technology Co., Ltd and Anax-Asia Technology Corp.