Prosperity Dielectrics Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Prosperity Dielectrics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Prosperity Dielectrics Co., Ltd. and its subsidiaries (collectively, the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, 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 13 to the consolidated financial statements, the financial statements of certain investments accounted for using the equity method were not reviewed by independent auditors. As of March 31, 2026 and 2025, the total investments accounted for using the equity method amounted to NT$357,119 thousand and NT$376,079 thousand, respectively, and for the three months ended March 31, 2026 and 2025, the total share of gains (loss) of the associates accounted for using the equity method amounted to NT$1,276 thousand and NT$(2,571) thousand, respectively. In addition, the related information on certain investments disclosed in Note 30 to the consolidated financial statements was also not reviewed by independent auditors.

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 investments 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 March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yi-Min Huang and Wen-Hsiang Chen.

Yi-min Huang Wen-Hsiang Chen

Deloitte & Touche
Taipei, Taiwan
Republic of China

April 29, 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.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 1,130,044	11	$ 947,246	9	$ 653,432	8
Financial assets at fair value through profit or loss - current (Note 7)	61,600	1	54,250	1	83,250	1
Financial assets at amortized cost - current (Note 8)	152,630	1	149,120	1	140,319	2
Notes receivable from unrelated parties (Note 9)	19,690	-	25,703	-	21,620	-
Trade receivables from unrelated parties (Note 9)	700,327	7	684,389	7	653,180	8
Trade receivables from related parties (Note 26)	260,287	3	277,841	3	235,577	3
Other receivables from unrelated parties	40,965	-	33,044	-	35,986	1
Other receivables from related parties (Note 26)	10,257	-	4,585	-	2,151	-
Inventories (Note 10)	927,382	9	752,701	7	673,156	8
Other current assets	51,811	-	62,338	1	28,170	-
Total current assets	3,354,993	32	2,991,217	29	2,526,841	31
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 12)	3,288,368	32	3,615,401	35	1,647,509	20
Financial assets at amortized cost - non-current (Note 8)	1,092,016	10	1,076,655	11	1,216,037	15
Investments accounted for using the equity method (Note 13)	1,216,389	12	1,200,246	12	1,232,755	15
Property, plant and equipment (Note 14)	1,310,390	13	1,241,569	12	1,384,218	17
Right-of-use assets (Note 15)	58,490	1	66,080	1	113,683	1
Computer software	2,740	-	3,275	-	4,022	-
Deferred tax assets (Note 4)	44,752	-	39,172	-	40,307	1
Other non-current assets	8,664	-	7,938	-	8,486	-
Total non-current assets	7,021,809	68	7,250,336	71	5,647,017	69
TOTAL	$ 10,376,802	100	$ 10,241,553	100	$ 8,173,858	100

LIABILITIES AND EQUITY	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ -	-	$ 20,000	-	$ 70,000	1
Trade payables to unrelated parties	382,276	4	346,179	4	268,084	3
Trade payables to related parties (Note 26)	108,457	1	70,246	1	125,539	2
Other payables to unrelated parties (Note 17)	524,065	5	432,628	4	364,049	5
Other payables to related parties (Note 26)	26,871	-	13,357	-	13,082	-
Current tax liabilities (Note 4)	146,965	2	70,731	1	89,144	1
Lease liabilities - current (Note 15)	30,849	-	30,987	-	30,297	-
Current portion of long-term borrowings (Note 16)	-	-	-	-	30,000	-
Other current liabilities	23,686	-	10,090	-	14,827	-
Total current liabilities	1,243,169	12	994,218	10	1,005,022	12
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Note 4)	149,649	2	177,515	2	162,706	2
Lease liabilities - non-current (Note 15)	20,827	-	28,457	-	85,857	1
Net defined benefit liabilities - non-current (Note 4)	4,243	-	5,146	-	3,547	-
Guarantee deposits received	43,125	-	31,203	-	20,088	1
Total non-current liabilities	217,844	2	242,321	2	272,198	4
Total liabilities	1,461,013	14	1,236,539	12	1,277,220	16
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	1,720,000	17	1,720,000	17	1,720,000	21
Capital surplus	497,255	5	497,255	5	497,255	6
Retained earnings						
Legal reserve	785,055	8	785,055	8	732,642	9
Special reserve	55,421	-	55,421	-	55,421	-
Unappropriated earnings	3,917,950	38	3,713,437	36	3,572,073	44
Total retained earnings	4,758,426	46	4,553,913	44	4,360,136	53
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	22,295	-	(13,444)	-	41,920	1
Unrealized gain on financial assets at fair value through other comprehensive income	1,972,184	19	2,301,661	22	331,698	4
Total other equity	1,994,479	19	2,288,217	22	373,618	5
Treasury shares	(54,371)	(1)	(54,371)	-	(54,371)	(1)
Total equity	8,915,789	86	9,005,014	88	6,896,638	84
TOTAL	$ 10,376,802	100	$ 10,241,553	100	$ 8,173,858	100

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

(With Deloitte & Touche review report dated April 29, 2026)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
NET SALES (Note 20)	$ 1,016,550	100	$ 944,168	100
COST OF SALES (Note 10)	728,319	72	733,231	78
GROSS PROFIT	288,231	28	210,937	22
OPERATING EXPENSES				
Selling and marketing expenses	30,038	3	30,025	3
General and administrative expenses	33,120	3	26,690	3
Research and development expenses	18,277	2	14,553	1
Total operating expenses	81,435	8	71,268	7
PROFIT FROM OPERATIONS	206,796	20	139,669	15
NON-OPERATING INCOME AND EXPENSES				
Interest income	16,054	1	15,158	2
Dividend income	210	-	157	-
Other income	4,225	-	3,354	-
Gain on disposal of property, plant and equipment	28	-	-	-
Gain on lease modifications	-	-	2	-
Foreign exchange gain	27,849	3	18,208	2
gain on valuation of financial assets at FVTPL	7,350	1	-	-
Interest expense	(164)	-	(784)	-
Miscellaneous expenses	(3,023)	-	(1,840)	-
Loss on valuation of financial assets at FVTPL	-	-	(3,775)	(1)
Share of loss of associates and joint ventures accounted for using the equity method (Note 13)	(961)	-	(16,946)	(2)
Total non-operating income and expenses	51,568	5	13,534	1
PROFIT BEFORE INCOME TAX	258,364	25	153,203	16
INCOME TAX EXPENSE (Notes 4 and 22)	(53,851)	(5)	(32,723)	(3)
NET PROFIT FOR THE PERIOD	204,513	20	120,480	13

(Continued)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized valuation (loss) gain on investments in equity instruments at fair value through other comprehensive income	$ (327,033)	(32)	$ (54,545)	(6)
Share of the other comprehensive loss of associates accounted for using the equity method	(2,444)	-	(2,346)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	33,220	3	31,439	3
Share of the other comprehensive income of associates accounted for using the equity method	2,519	-	898	-
Other comprehensive (loss) income for the period	(293,738)	(29)	(24,554)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ (89,225)	(9)	$ 95,926	10
EARNINGS PER SHARE (Note 23)				
Basic	$ 1.19		$ 0.70	
Diluted	$ 1.19		$ 0.70	

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

(With Deloitte & Touche review report dated April 29, 2026) (Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

				Retained Earnings			Other Equity (Note 19)			
	Number of Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2025	172,000	$ 1,720,000	$ 497,255	$ 732,642	$ 55,421	$ 3,451,593	$ 9,583	$ 388,589	$ (54,371)	$ 6,800,712
Net profit for the three months ended March 31, 2025	-	-	-	-	-	120,480	-	-	-	120,480
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	32,337	(56,891)	-	(24,554)
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	120,480	32,337	(56,891)	-	95,926
BALANCE AT MARCH 31, 2025	172,000	$ 1,720,000	$ 497,255	$ 732,642	$ 55,421	$ 3,572,073	$ 41,920	$ 331,698	$ (54,371)	$ 6,896,638
BALANCE AT JANUARY 1, 2026	172,000	$ 1,720,000	$ 497,255	$ 785,055	$ 55,421	$ 3,713,437	$ (13,444)	$ 2,301,661	$ (54,371)	$ 9,005,014
Net profit for the three months ended March 31, 2026	-	-	-	-	-	204,513	-	-	-	204,513
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	35,739	(329,477)	-	(293,738)
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	204,513	35,739	(329,477)	-	(89,225)
BALANCE AT MARCH 31, 2026	172,000	$ 1,720,000	$ 497,255	$ 785,055	$ 55,421	$ 3,917,950	$ 22,295	$ 1,972,184	$ (54,371)	$ 8,915,789

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

(With Deloitte & Touche review report dated April 29, 2026)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 258,364	$ 153,203
Adjustments for:		
Depreciation expense	74,811	97,666
Amortization expense	1,186	1,548
Net (gain) loss on valuation of financial assets at FVTPL	(7,350)	3,775
Interest expense	164	784
Interest income	(16,054)	(15,158)
Dividend income	(210)	(157)
Share of loss of associates accounted for using the equity method	961	16,946
Gain on disposal of property, plant and equipment	(28)	-
Impairment loss of non-financial assets	6,401	1,318
Gain on lease modification	-	(2)
Changes in operating assets and liabilities		
Decrease in notes receivable from unrelated parties	6,013	3,686
(Increase) decrease in trade receivables from unrelated parties	(15,938)	29,590
Decrease (increase) in trade receivables from related parties	17,554	(5,062)
Increase in other receivables from unrelated parties	(5,320)	(1,121)
(Increase) decrease in other receivables from related parties	(5,180)	1,826
Increase in inventories	(181,082)	(32,227)
Decrease (increase) in other current assets	10,526	(5,676)
Increase in other non-current assets	(435)	-
Increase in trade payables to unrelated parties	36,097	23,057
Increase in trade payables to related parties	38,211	12,943
Decrease in other payables to unrelated parties	(21,319)	(30,361)
Increase in other payables to related parties	13,514	167
Increase (decrease) in other current liabilities	13,596	(7,268)
Decrease in net defined benefit liabilities	(903)	(545)
Cash generated from operations	223,579	248,932
Interest received	13,488	14,651
Interest paid	(167)	(791)
Dividends received	175	-
Income tax paid	(11,063)	(1,953)
Net cash generated from operating activities	226,012	260,839
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(18,871)	(15,534)
Payments for property, plant and equipment	(23,437)	(26,121)
Proceeds from disposal of property, plant and equipment	28	-
Increase in refundable deposits	(942)	(52)
Acquisition of intangible assets	-	(400)
Net cash used in investing activities	(43,222)	(42,107)

(Continued)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions of short-term borrowings	$ -	$ 70,000
Repayments of short-term borrowings	(20,000)	-
Repayments of long-term borrowings	-	(37,917)
Proceeds from guaranteed deposits received	11,922	-
Refund of guaranteed deposits received	-	(186)
Repayment of the principal portion of lease liabilities	(7,768)	(7,265)
Net cash (used in) generated from financing activities	(15,846)	24,632
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	15,854	11,224
NET INCREASE IN CASH AND CASH EQUIVALENTS	182,798	254,588
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	947,246	398,844
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,130,044	$ 653,432

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

(With Deloitte & Touche review report dated April 29, 2026) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Prosperity Dielectrics Co., Ltd. (PDC or the “Company”) was incorporated on May 21, 1990. The Company mainly manufactures, processes and sells multilayer ceramic capacitors (MLCC), chip resistors, and ceramic dielectric powders.

The Company’s shares have been listed on the mainboard of the Taipei Exchange (TPEx) since April 19, 2002. The parent company, Walsin Technology Corporation, held 43.13% of the ordinary shares of the Company as of March 31, 2026 and 2025.

The consolidated financial statements of the Company and its subsidiaries (collectively known as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on April 29, 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 IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
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

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other 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 preparation

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 which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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 the 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 the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of PDC and the entities controlled by PDC (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 date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by PDC. 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 PDC 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 Group's interests 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 PDC.

See Note 11, Tables 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material 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, estimates 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 volatility in foreign currency markets and US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 283	$ 286	$ 345
Checking accounts and demand deposits	388,133	264,617	301,737
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	580,388	460,557	73,213
Repurchase agreements collateralized by bonds	161,240	221,786	278,137
	$ 1,130,044	$ 947,246	$ 653,432

The market rate intervals of cash equivalents were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with original maturities of 3 months or less	0.65%-1.65%	0.65%-1.65%	0.9%-1.45%
Repurchase agreements collateralized by bonds	1.4%-1.45%	1.4%	1.4%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily classified as at FVTPL - current			
Non-derivative financial assets			
Domestic listed shares	$ 61,600	$ 54,250	$ 83,250

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Time deposits with original maturities of more than 3 months (a)	$ 146,271	$ 142,909	$ 140,319
Current portion of bonds (b)	6,359	6,211	-
	$ 152,630	$ 149,120	$ 140,319
Non-current			
Time deposits with original maturities of more than 1 year (a)	$ -	$ -	$ 91,516
Bonds (b)	1,092,016	1,076,655	1,124,521
	$ 1,092,016	$ 1,076,655	$ 1,216,037

a. The ranges of interest rates for time deposits with original maturities of more than 3 months and 1 year were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with original maturities of more than 3 months	1.55%-3.1%	1.55%-3.1%	1.25%-1.7%
Time deposits with original maturities of more than 1 year	-	-	3.1%

b. The corporate bonds held by the Group at the balance sheet date were as follows:

March 31, 2026

Current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
August 2025	US$ 200,000	1.375%	4.0018%

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
January 2025	US$ 4,800,000	2.375%-3.7%	4.638%-4.792%
January to May 2024	US$ 9,100,000	5.033%-6.45%	5.17%-5.8%
	TW$ 200,000,000	3.7%	3.7%
February to November 2023	US$ 9,156,000	4.902%-6.75%	5.0868%-5.5403%
June 2022	US$ 5,000,000	3.3%-3.875%	3.7563%-3.8992%

December 31, 2025

Current

Period	Face Value		Range of Coupon Rate	Range of Effective Interest Rate
August 2025	US$	200,000	1.375%	4.0018%

Non-current

Period	Face Value		Range of Coupon Rate	Range of Effective Interest Rate
January 2025	US$	4,800,000	2.375%-3.7%	4.638%-4.792%
January to May 2024	US$	9,100,000	5.033%-6.45%	5.17%-5.8%
	TW$	200,000,000	3.7%	3.7%
February to November 2023	US$	9,156,000	4.902%-6.75%	5.0868%-5.5403%
June 2022	US$	5,000,000	3.3%-3.875%	3.7563%-3.8992%

March 31, 2025

Non-current

Period	Face Value		Range of Coupon Rate	Range of Effective Interest Rate
January to March 2025	US$	4,800,000	2.375%-3.7%	4.638%-4.792%
January to May 2024	US$	9,100,000	5.033%-6.45%	5.17%-5.8%
	TW$	200,000,000	3.7%	3.7%
February to November 2023	US$	9,156,000	4.902%-6.75%	5.0868%-5.5403%
June 2022	US$	5,000,000	3.3%-3.875%	3.7563%-3.8992%

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable from unrelated parties			
At amortized cost			
Gross carrying amount	$ 19,690	$ 25,703	$ 21,620
Less: Allowance for impairment loss	-	-	-
	$ 19,690	$ 25,703	$ 21,620
Trade receivables from unrelated parties			
At amortized cost			
Gross carrying amount	$ 724,046	$ 708,072	$ 677,090
Less: Allowance for impairment loss	(23,719)	(23,683)	(23,910)
	$ 700,327	$ 684,389	$ 653,180

The average credit period of sales of goods is 0 to 120 days. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures 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 year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable and trade receivables at an amount equal to lifetime ECLs. The expected credit losses on notes receivable and trade receivables are estimated by reference to the customers' past default records and current financial positions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the Group determines the expected credit loss rate only by reference to the past due days of notes receivable and accounts receivable.

The Group writes off a note receivable or trade receivable when there is evidence 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 notes receivable and trade receivables based on past default experience with the customers and the customers' current financial positions:

March 31, 2026

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	$ 736,369	$ 208	$ 7,159	$ -	$ -	$ -	$ 743,736
Loss allowance (Lifetime ECLs)	(22,993)	(10)	(716)	-	-	-	(23,719)
Amortized cost	$ 713,376	$ 198	$ 6,443	$ -	$ -	$ -	$ 720,017

December 31, 2025

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	$ 728,130	$ -	$ 4,100	$ 1,545	$ -	$ -	$ 733,775
Loss allowance (Lifetime ECLs)	(22,964)	-	(410)	(309)	-	-	(23,683)
Amortized cost	$ 705,166	$ -	$ 3,690	$ 1,236	$ -	$ -	$ 710,092

March 31, 2025

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	$ 690,762	$ 2,272	$ 5,676	$ -	$ -	$ -	$ 698,710
Loss allowance (Lifetime ECLs)	(23,228)	(114)	(568)	-	-	-	(23,910)
Amortized cost	$ 667,534	$ 2,158	$ 5,108	$ -	$ -	$ -	$ 674,800

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

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	$ 23,683	$ 23,882
Add: Foreign exchange differences	36	28
Balance at March 31	$ 23,719	$ 23,910

10. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$ 350,905	$ 255,756	$ 200,124
Semi-finished goods	112,841	119,225	122,026
Work in progress	157,239	156,779	164,766
Raw materials	272,672	204,290	176,242
Inventory in transit	33,725	16,651	9,998
	$ 927,382	$ 752,701	$ 673,156

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

	For the Three Months Ended March 31	
	2026	2025
Cost of inventories sold	$ 721,918	$ 731,913
Inventory write-downs	6,401	1,318
	$ 728,319	$ 733,231

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) March 31, 2026	Proportion of Ownership (%) December 31, 2025	Proportion of Ownership (%) March 31, 2025
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Investment holding	100	100	100
Prosperity Dielectrics Co., Ltd.	Prosperity Investments (Singapore) Co., Limited	Investment company	100 (Note 1)	100 (Note 1)	-
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Investment holding	100	100	100
PDC Prime Holdings Limited	Frontier Components Co., Limited	International trade	100	100	100
PDC Prime Holdings Limited	Prosperity International Development (HK) Co., Limited	Investment holding	100	100	100
PDC Success Investments Ltd.	PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of ceramic materials	100	100	100
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	100	100	100

Note 1: The company was established in December 2025.

The above-mentioned subsidiaries included in the consolidated financial statements have been reviewed for the three months ended March 31, 2026 and 2025 and have been audited for the year ended December 31, 2025.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Domestic investments - listed shares	$ 2,727,667	$ 3,078,761	$ 1,368,868
Domestic investments - unlisted shares	560,701	536,640	278,641
	$ 3,288,368	$ 3,615,401	$ 1,647,509

Investments in Equity Instruments at FVTOCI

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Domestic investments - listed shares			
Walton Advanced Engineering Inc.	$ 1,530,350	$ 1,825,569	$ 421,285
Walsin Lihwa Corporation	357,637	377,209	252,761
HannStar Board Corporation	415,625	481,332	272,738
Fubon Financial Holding Co., Ltd.			
Preferred Shares C	25,800	26,700	26,100
Hotai Finance Co., Ltd.			
Preferred Shares B	97,800	99,500	97,100
O-Bank Co., Ltd.			
Preferred Shares B	59,250	59,250	59,500
TXC Corporation	241,205	209,201	239,384
Domestic investments - unlisted shares			
Chin-Xin Investment Co., Ltd.	276,541	263,445	102,184
Hwa Bao Botanic Conservation Corp.	284,160	273,195	176,457
	$ 3,288,368	$ 3,615,401	$ 1,647,509

These investments in equity instruments 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.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in Associates

	March 31, 2026	December 31, 2025	March 31, 2025
Chongqing Shuohong Investment Co., Ltd.	$ 493,475	$ 486,005	$ 516,588
Chongqing Xincheng Electronics Co., Ltd.	39,469	38,997	40,120
GHPW Enterprise Corporation (HK) Limited	62,919	61,605	63,722
Tsai Yi Corporation	113,655	113,671	89,446
Joyin Co., Ltd.	357,119	353,886	376,079
Hannstar Board New Energy Co., Ltd.	1,855	1,923	2,201
PSA Japan investment G.K.	147,897	144,159	144,599
	$ 1,216,389	$ 1,200,246	$ 1,232,755

Share of profit (loss) of associates for the three months ended March 31, 2026 and 2025 after restated was summarized as follows:

	For the Three Months Ended March 31	
	2026	2025
Chongqing Shuohong Investment Co., Ltd.	$ (6,914)	$ (6,201)
Chongqing Xincheng Electronics Co., Ltd.	(683)	22
GHPW Enterprise Corporation (HK) Limited	(520)	(285)
Tsai Yi Corporation	1,866	(2,485)
Joyin Co., Ltd.	1,276	(2,571)
Hannstar Board New Energy Co., Ltd.	(68)	(54)
PSA Japan investment G.K.	4,082	(5,372)
	$ (961)	$ (16,946)

At the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Chongqing Shuohong Investment Co., Ltd.	20.43%	20.43%	20.43%
Chongqing Xincheng Electronics Co., Ltd.	13.04%	13.04%	13.04%
GHPW Enterprise Corporation (HK) Limited	10%	10%	10%
Tsai Yi Corporation	3.36%	3.36%	3.36%
Joyin Co., Ltd.	30.4%	30.4%	30.4%
Hannstar Board New Energy Co., Ltd.	5%	5%	5%
PSA Japan investment G.K.	9%	9%	9%

Even though PDC holds less than 20% of the voting rights each in Chongqing Xincheng Electronics Co., Ltd., GHPW Enterprise Corporation (HK) Limited, Tsai Yi Corporation, Hannstar Board New Energy Co., Ltd. and PSA Japan Investment G.K. its parent company, Walsin Technology Corporation, exercises significant influence over those companies; therefore, they are accounted for using the equity method.

Refer to Table 5 "Information on Investments" and Table 6 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

Except for Joyin Co., Ltd., the share of profit or loss and other comprehensive income of the investments in subsidiaries and associates accounted for using the equity method for the three months ended March 31, 2026 and 2025 was recognized based on the associates' financial statements reviewed by independent accountants for the same periods.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Property under Construction and Prepayments for Equipment	Total
Cost							
Balance at January 1, 2025	$ 451,115	$ 1,119,463	$ 2,850,848	$ 52,700	$ 229,584	$ 114,536	$ 4,818,246
Additions	-	-	-	-	-	17,485	17,485
Disposals	-	-	-	(41)	(31)	-	(72)
Effect of foreign currency exchange differences	-	3,796	2,885	14	564	-	7,259
Reclassifications	-	6,011	239	-	660	(899)	6,011
Balance at March 31, 2025	$ 451,115	$ 1,129,270	$ 2,853,972	$ 52,673	$ 230,777	$ 131,122	$ 4,848,929
Accumulated depreciation and impairment							
Balance at January 1, 2025	$ -	$ 910,327	$ 2,201,298	$ 40,341	$ 208,737	$ -	$ 3,360,703
Depreciation expenses	-	17,849	68,904	1,264	2,589	-	90,606
Disposals	-	-	-	(41)	(31)	-	(72)
Effects of foreign currency exchange differences	-	3,574	2,881	13	561	-	7,029
Reclassifications	-	6,011	-	-	434	-	6,445
Balance at March 31, 2025	$ -	$ 937,761	$ 2,273,083	$ 41,577	$ 212,290	$ -	$ 3,464,711
Carrying amount at March 31, 2025	$ 451,115	$ 191,509	$ 580,889	$ 11,096	$ 18,487	$ 131,122	$ 1,384,218
Cost							
Balance at January 1, 2026	$ 451,115	$ 1,070,723	$ 2,697,614	$ 51,992	$ 205,175	$ 231,665	$ 4,708,284
Additions	-	-	-	-	-	136,196	136,196
Disposals	-	-	(1,950)	-	-	-	(1,950)
Effect of foreign currency exchange differences	-	4,350	1	-	76	-	4,427
Reclassifications	-	(25,444)	2,241	-	279	(2,520)	(25,444)
Balance at March 31, 2026	$ 451,115	$ 1,049,629	$ 2,697,906	$ 51,992	$ 205,530	$ 365,341	$ 4,821,513
Accumulated depreciation and impairment							
Balance at January 1, 2026	$ -	$ 938,306	$ 2,291,709	$ 44,602	$ 192,098	$ -	$ 3,466,715
Depreciation expenses	-	15,187	49,064	1,063	1,831	-	67,145
Disposals	-	-	(1,950)	-	-	-	(1,950)
Effects of foreign currency exchange differences	-	4,243	-	-	72	-	4,315
Reclassifications	-	(25,444)	-	-	342	-	(25,102)
Balance at March 31, 2026	$ -	$ 932,292	$ 2,338,823	$ 45,665	$ 194,343	$ -	$ 3,511,123
Carrying amount at March 31, 2026	$ 451,115	$ 117,337	$ 359,083	$ 6,327	$ 11,187	$ 365,341	$ 1,310,390

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:

Buildings	
Main buildings	15-41 years
Electrical mechanical and power equipment	2-21 years
Engineering system	2-25 years
Others	2-35 years
Machinery and equipment	2-12 years
Office equipment	3-5 years
Other equipment	2-10 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Land	$ 49,998	$ 55,652	$ 97,865
Buildings	8,083	9,904	15,368
Transportation equipment	409	524	450
	$ 58,490	$ 66,080	$ 113,683

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ -	$ 1,172
Depreciation charge for right-of-use assets		
Land	$ 5,879	$ 5,274
Buildings	1,735	1,735
Transportation equipment	52	51
	$ 7,666	$ 7,060

Except for the recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Current	$ 30,849	$ 30,987	$ 30,297
Non-current	$ 20,827	$ 28,457	$ 85,857

The discount rates of lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	1%	1%	1%
Buildings	1%	1%	1%
Transportation equipment	1%	1%	1%

c. Other lease information

	March 31, 2026	December 31, 2025	March 31, 2025
Expenses relating to short-term leases	$ 2,199	$ 6,013	$ 1,281
Total cash outflow for leases	$ (9,967)	$ (36,280)	$ (8,546)

16. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured borrowings			
Line of credit borrowings	$ -	$ 20,000	$ 70,000
Interest rate	-	1.8%	1.89%

b. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
E.Sun Commercial Bank			
Line of credit borrowings: The loan limit is NT$600,000 thousand. Repayment of the principal will be made in 24 equal monthly payments starting 2 years before the maturity date.			
Loan period			
2020.07.09-2025.06.15	$ -	$ -	$ 9,992
2020.08.07-2025.06.15	-	-	12,489
2021.11.09-2025.06.15	-	-	7,494
Add: Current portion of deferred revenue	-	-	25
Less: Current portion	-	-	(30,000)
Long-term borrowings	$ -	$ -	$ -
Interest rate	-	-	1.325%

17. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Other payables			
Payables for accrued expense	$ 355,232	$ 386,360	$ 301,678
Payables for purchases of equipment	130,114	17,355	29,556
Payables for annual leave (Note 18)	3,973	3,316	3,575
Payables for compensation of employees and remuneration of directors	34,246	25,097	28,740
Payables for dividends	500	500	500
	$ 524,065	$ 432,628	$ 364,049

18. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Employee benefits (presented in other payables)	$ 3,973	$ 3,316	$ 3,575

The provision for employee benefits represents the accrual of employees' vested service leave entitlement.

19. EQUITY

a. Share capital

Common shares

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares (in thousands of shares)	220,000	220,000	220,000
Authorized capital	$ 2,200,000	$ 2,200,000	$ 2,200,000
Issued and paid shares (in thousands of shares)	172,000	172,000	172,000
Issued capital	$ 1,720,000	$ 1,720,000	$ 1,720,000

Shares issued with par value of $10 carry one vote per share and the right to dividends.

To enhance return on equity and increase earnings per share, PDC resolved at the board of directors meeting on April 29, 2026, to proceed with a capital reduction by cash distribution to shareholders in the amount of NT$102,720 thousand. A total of 10,272 thousand shares will be cancelled. Based on the total issued ordinary shares of 172,000 thousand shares as of April 29, 2026, after deducting 800 thousand treasury shares, the outstanding shares amounted to 171,200 thousand shares, resulting in a capital reduction ratio of 6%. Following the capital reduction, the paid-in capital will be NT$1,609,280 thousand.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Issuance of common shares	$ 402,192	$ 402,192	$ 402,192
Conversion of bonds	55,484	55,484	55,484
Treasury share transactions	28,889	28,889	28,889
May only be used to offset a deficit			
Share of changes in capital surplus of associates accounted for using the equity method	10,690	10,690	10,690
	$ 497,255	$ 497,255	$ 497,255

Note 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 capital surplus and once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in PDC's articles of incorporation (the "Articles"), where PDC made a profit in a fiscal year, the profit shall be first used to offset losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals PDC's paid-in capital. After setting aside or reversing a special reserve in accordance with the law and regulations, additional appropriations may be made to the special reserve depending on business needs. Any remaining profit together with any undistributed retained earnings shall be used by PDC's board of directors as the basis of proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of the compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 21-b.

In addition to the distribution of dividends in accordance with the Articles, cash dividends are limited to 50% of the total dividends distributed. The remaining retained earnings shall be distributed in the form of share dividends. However, should the Company obtain sufficient funds to meet its capital requirements during the current year, the cash distribution ratio can be raised to 100%. The Group should decide on the most appropriate dividend distribution policy and the form of payment based on the current year's actual operating condition, taking into consideration the following year's capital budget plans.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2025 and 2024 which were proposed by the board of directors on April 29, 2026 and approved in the shareholders' meetings on June 17, 2025, respectively, were as follows:

	For the Year Ended December 31	
	2025	2024
Legal reserve	$ 55,506	$ 52,413
Cash dividends	136,960	240,800
Cash dividends per share (NT$)	0.8	1.4

The appropriation of earnings for 2025 will be resolved by the shareholders in their meeting to be held on June 11, 2026.

d. Other equity items

The movements of other equity items were as follows:

	For the Three Months Ended March 31, 2026		
	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI	Total
Balance at January 1	$ (13,444)	$ 2,301,661	$ 2,288,217
Exchange differences on the translation of the net assets of foreign operations	33,220	-	33,220
Unrealized valuation gain on investments in equity instruments at FVTOCI	-	(327,033)	(327,033)
Share from associates accounted for using the equity method	2,519	(2,444)	75
Balance at March 31	$ 22,295	$ 1,972,184	$ 1,994,479

	For the Three Months Ended March 31, 2025		
	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI	Total
Balance at January 1	$ 9,583	$ 388,589	$ 398,172
Exchange differences on the translation of the net assets of foreign operations	31,439	-	31,439
Unrealized valuation gain on investments in equity instruments at FVTOCI	-	(54,545)	(54,545)
Share from associates accounted for using the equity method	898	(2,346)	(1,448)
Balance at March 31	$ 41,920	$ 331,698	$ 373,618

e. Treasury shares

1) Movements of the treasury shares for the three months ended March 31, 2026 and 2025 were as follows:

Unit: In Thousands of Shares

	For the Three Months Ended March 31, 2026			
Purpose of Buy-back	**Number of Shares at January 1, 2026**	**Increase During the Period**	**Decrease During the Period**	**Number of Shares at March 31, 2026**
Shares transferred to employees	800	-	-	800

	For the Three Months Ended March 31, 2025			
Purpose of Buy-back	**Number of Shares at January 1, 2025**	**Increase During the Period**	**Decrease During the Period**	**Number of Shares at March 31, 2025**
Shares transferred to employees	800	-	-	800

2) As of March 31, 2026 and 2025, the amount of the Company's treasury shares were both $54,371 thousand.

3) The buy-back shares shall be transferred to employees at one time or in installments within 5 years from the date of purchase. All employees of PDC and employees of the Company's subsidiaries in which PDC directly or indirectly holds more than 50% of the voting shares on the subscription date are eligible to subscribe. As the buy-back shares had not been transferred to employees within five years from the date of repurchase, the board of directors resolved on April 29, 2026 to cancel such shares and proceed with the registration of capital reduction.

4) The Securities and Exchange Act stipulates that the proportion of the number of shares that a company can buy back must not exceed 10% of the Company's total issued shares. The total amount of shares purchased must not exceed retained earnings plus the amount of issued share premium and realized capital surplus. For the three months ended March 31, 2026 and 2025, PDC held a maximum of 800 thousand shares as treasury shares, and the total amount of shares purchased was $54,371 thousand, which complies with the provisions of the Securities and Exchange Act.

5) Treasury shares held by PDC shall not be pledged in accordance with the provisions of the Securities and Exchange Act, and shall not enjoy shareholder rights.

20. OPERATING REVENUE

Disaggregation of revenue based on customer segments by geographical region

Region	For the Three Months Ended March 31 2026	2025
Asia	$ 918,443	$ 851,669
America	54,589	60,949
Europe	43,504	31,550
Others	14	-
	$ 1,016,550	$ 944,168

The customer's location of operations is the basis for calculating the disaggregation of revenue based on customer segments by geographical region.

21. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION

a. The employee benefits expense, depreciation and amortization incurred in the current period are summarized according to their functions as follows:

	For the Three Months Ended March 31					
	2026			2025		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	$ 111,001	$ 42,714	$ 153,715	$ 92,285	$ 35,209	$ 127,494
Labor/health insurance	11,261	3,186	14,447	11,150	3,114	14,264
Pension	3,836	1,024	4,860	3,612	1,152	4,764
Other employee benefits	7,069	1,569	8,638	7,853	1,873	9,726
Depreciation	71,501	3,310	74,811	93,728	3,938	97,666
Amortization	715	471	1,186	961	587	1,548

The number of employees of the Group as of March 31, 2026 and 2025 was 735 and 748, respectively.

b. Compensation of employees and remuneration of directors

According to the Company's Articles, PDC accrues compensation of employees and remuneration of directors at rates of 2%-10% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The estimated compensation of employees and remuneration of directors for the three months ended March 31, 2026 and 2025 are as follows:

	For the Three Months Ended March 31 2026	2025
Accrual rate		
Compensation of employees	2.5%	2.5%
Remuneration of directors	1%	1%
Amount		
Compensation of employees	$ 6,532	$ 4,082
Remuneration of directors	$ 2,617	$ 1,627

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors and paid on February 25, 2026 and February 19, 2025, respectively, are as follows. The differences were adjusted to profit and loss for the years ended December 31, 2026 and 2025, respectively.

	For the Year Ended December 31			
	2025		2024	
	Cash	Shares	Cash	Shares
Compensation of employees				
Amounts approved in the board of directors' meeting	$ 17,927	$ -	$ 16,553	$ -
Actual amounts paid	Note 1	-	16,530	-
Remuneration of directors				
Amounts approved in the board of directors' meeting	7,171	-	6,621	-
Actual amounts paid	Note 1	-	6,621	-

Note 1: The compensation of employees and remuneration of directors for 2025 have not been distributed.

Information on the compensation of employees and remuneration of directors resolved by the PDC's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES

a. Major components of income tax expense recognized in profit or loss are as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	$ 53,851	$ 33,028
Adjustments of previous year's income tax	-	(305)
Income tax expense recognized in profit or loss	$ 53,851	$ 32,723

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. PDC's income tax returns through 2024 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Earnings per share for the three months ended March 31, 2026 and 2025 are as follows:

	For the Three Months Ended March 31, 2026		
	Amount (In Thousands) After Income Tax	Number of Shares	Earnings Per Share (In Dollars) After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	$ 204,513	171,200,000	$ 1.19
Effect of potentially dilutive common shares - employee share options	-	273,988	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	$ 204,513	171,473,988	$ 1.19

	For the Three Months Ended March 31, 2025		
	Amount (In Thousands) After Income Tax	Number of Shares	Earnings Per Share (In Dollars) After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	$ 120,480	171,200,000	$ 0.70
Effect of potentially dilutive common shares - employee share options	-	353,663	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	$ 120,480	171,553,663	$ 0.70

The Group may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group have the essential financial resources and operating plans to meet the needs of working capital, capital expenditures, research and development expenses, debt repayment and dividend expenditures in the next 12 months.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments that are not measured at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements as approximate fair values. There were no major differences between the carrying amounts and fair values as of March 31, 2026, December 31, 2025 and March 31, 2025.

2) Fair value of financial instruments that are measured at fair value on a recurring basis

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 61,600	$ -	$ -	$ 61,600
Financial assets at FVTOCI				
Investment in equity instruments				
Domestic listed shares	$ 2,727,667	$ -	$ -	$ 2,727,667
Domestic unlisted shares	-	-	560,701	560,701
	$ 2,727,667	$ -	$ 560,701	$ 3,288,368

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 54,250	$ -	$ -	$ 54,250
Financial assets at FVTOCI				
Investment in equity instruments				
Domestic listed shares	$ 3,078,761	$ -	$ -	$ 3,078,761
Domestic unlisted shares	-	-	536,640	536,640
	$ 3,078,761	$ -	$ 536,640	$ 3,615,401

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 83,250	$ -	$ -	$ 83,250
Financial assets at FVTOCI				
Investment in equity instruments				
Domestic listed shares	$ 1,368,868	$ -	$ -	$ 1,368,868
Domestic unlisted shares	-	-	278,641	278,641
	$ 1,368,868	$ -	$ 278,641	$ 1,647,509

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2026 and 2025.

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

The fair values of unlisted equity securities were determined using the market approach or asset-based approach. The significant unobservable inputs are the liquidity discount of multiplier of price-book ratio and value of net assets. An increase in price-book ratio would result in an increase in the fair value. An increase in liquidity discount would result in a decrease in the fair value.

b. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 61,600	$ 54,250	$ 83,250
Financial assets at amortized cost (Note 1)	3,411,346	3,202,771	2,962,943
Financial assets at FVTOCI			
Equity instruments	3,288,368	3,615,401	1,647,509
Financial liabilities			
Amortized cost (Note 2)	1,084,794	913,613	890,842

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, investments in debt instruments, notes receivable, trade receivables (include related parties), other receivables (include related parties) and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables (include related parties), other payables (include related parties), current portion of long-term borrowings, long-term borrowings and guarantee deposits received.

c. Financial risk management objectives and policies

The Group’s major financial instruments include equity and debt investments, borrowings, trade receivables and trade payables. The Company’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Group utilizes derivatives based on the procedures for the handling of derivative financial instrument transactions, which had been approved by the board of directors, to hedge against foreign currency risk. The internal auditor reviews compliance with policies and risk limits on an ongoing basis.

1) Market risk

The Group is exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Group's exposure to market risk in financial instruments and its management and measurement of such exposure has not changed since the last period.

a) Foreign currency risk

The Group manages the risk of exchange rate fluctuations arising from foreign currency transactions by using forward exchange contracts to the extent permitted by the regulations governing the procedures for the handling of derivative financial instrument transactions.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 29.

	USD Impact		RMB Impact		JPY Impact	
	For the Three Months Ended March 31		For the Three Months Ended March 31		For the Three Months Ended March 31	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
Profit or loss	$ 42,646	$ 43,018	$ 13,746	$ 15,389	$ -	$ -
Equity	1,888	1,912	15,988	16,701	4,437	4,338

The sensitivity analysis included only outstanding foreign currency denominated monetary items, and their adjusted translation at the end of the period for a 3% change in foreign currency rates. A positive number indicates a decrease in post-tax profit and equity associated with the New Taiwan dollar strengthening 3% against the relevant currency. For a 3% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and positive impact on post-tax profit and equity.

b) Interest rate risk

The Group was exposed to interest rate risk arising from both fixed and floating interest rate deposits, and repurchase agreements collateralized by bonds and borrowings.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial liabilities	$ 51,676	$ 59,444	$ 116,154
Cash flow interest rate risk			
Financial assets	887,899	825,252	583,185
Financial liabilities	-	20,000	100,000

The Group's sensitivity analysis of interest rate risk mainly focuses on changes in the fair value of the financial assets and liabilities at fixed interest rate at the end of the reporting period. If interest rates were lower by 1% and all other variables were held constant, the Group's variable-rate financial assets for the three months ended March 31, 2026 and 2025 would have resulted in cash outflows by $2,220 thousand and $1,208 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group.

The management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance is made for irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group's working capital is sufficient to meet its obligations; therefore, there is no liquidity risk arising from the inability to raise funds to meet its contractual obligations.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods:

March 31, 2026

	Less than 1 Year	2-3 Years	3+ Years	Total
Non-derivative financing liabilities				
Non-interest bearing	$ 1,084,794	$ -	$ -	$ 1,084,794
Lease liabilities	30,849	18,325	2,502	51,676
	$ 1,115,643	$ 18,325	$ 2,502	$ 1,136,470

December 31, 2025

	Less than 1 Year	2-3 Years	3+ Years	Total
Non-derivative financing liabilities				
Non-interest bearing	$ 893,613	$ -	$ -	$ 893,613
Variable interest rate liabilities	20,000	-	-	20,000
Lease liabilities	30,987	25,719	2,738	59,444
	$ 944,600	$ 25,719	$ 2,738	$ 973,057

March 31, 2025

	Less than 1 Year	2-3 Years	3+ Years	Total
Non-derivative financing liabilities				
Non-interest bearing	$ 790,842	$ -	$ -	$ 790,842
Variable interest rate liabilities	100,000	-	-	100,000
Lease liabilities	30,297	54,619	31,238	116,154
	$ 921,139	$ 54,619	$ 31,238	$ 1,006,996

26. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation, refer to Table 4. Details of transactions between the Group and other related parties are disclosed as follows:

Related party name and category

Related Party Name	Related Party Category
Walsin Technology Corporation	Parent company
Dongguan Walsin Technology Electronics Co., Ltd.	Sister company
Pan Overseas (Guangzhou) Electronic Co., Ltd.	Sister company
Walsin Technology Corporation (HK) Limited	Sister company
Kamaya Electric Co., Ltd.	Sister company
Kamaya Electric (M) Sdn. Bhd.	Sister company
Eleceram Technology Co., Ltd.	Sister company
INPAQ Technology Co., Ltd.	Sister company
INPAQ Technology (Suzhou) Co., Ltd.	Sister company
Taiwan INPAQ Electronics Co., Ltd.	Sister company
INPAQ Technology (China) Co., Ltd.	Sister company
Hunan Frontier Electronics Co., Ltd.	Sister company
PSA Japan investment G.K.	Sister company
Tsai Yi Corporation	Associate
Joyin Co., Ltd.	Associate
Dongguan Joyin Electronics Co., Ltd	Associate
Hannstar Board New Energy Co., Ltd.	Associate
Walsin Lihwa Corporation	Other related party
Hannstar Board Corporation	Other related party
Falcon Automation Equipment Corporation	Other related party
Info-Tek Corp.	Other related party
VVG Inc.	Other related party
Global Brands Manufacture Ltd.	Other related party
Hwa Bao Botanic Conservation Corp.	Other related party
PSA Charitable Foundation	Other related party
PSA WG Culture and Arts Foundation	Other related party
New Taipei City Private Career Social Welfare Charitable Foundation	Other related party

Transactions

Transactions between the Group and other related parties for the three months ended March 31, 2026 and 2025 are disclosed as follows:

	Sales of Goods	
	For the Three Months Ended March 31	
Related Party Category/Name	**2026**	**2025**
Parent company	$ 226,390	$ 194,699
Sister companies		
Dongguan Walsin Technology Electronics Co., Ltd.	18,297	51,576
Others	14,692	19,435
	32,989	71,011
Other related parties	-	5
	$ 259,379	$ 265,715

	Purchases of Goods	
	For the Three Months Ended March 31	
Related Party Category/Name	**2026**	**2025**
Parent company	$ 76,951	$ 70,055
Sister companies		
Dongguan Walsin Technology Electronics Co., Ltd.	71,731	89,985
Others	8,965	9,884
	80,696	99,869
Associates	11,756	8,675
	$ 169,403	$ 178,599

The selling prices between the Group and related parties were not significantly different from that of general transactions. The collection terms of general transactions are within 0 to 120 days. The collection terms of related parties were not significantly different from that of general customers. Among them, trade receivables (payables) of Walsin Technology Corporation are directly offset by its respective counterparty’s trade receivables (payables), and the remaining receivables are collected (paid) under the usual collection (payment) terms.

The prices of the purchase transactions between the Group and related parties were not significantly different from that of general transactions, and the payment terms of general transactions are within 0 to 120 days. The payment terms of related parties were not significantly different from that of general suppliers.

	Acquisition of Assets	
	For the Year Ended March 31	
Related Party Category/Name	**2026**	**2025**
Other related parties		
Falcon Automation Equipment Corporation	$ 26,640	$ -

Lease arrangements as lessee

Item	Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities	Parent company	$ 8,061	$ 9,733	$ 14,724
	Other related parties	5,681	6,087	7,299
		$ 13,742	$ 15,820	$ 22,023

Item	Related Party Category	For the Three Months Ended March 31	
		2026	2025
Interest expense	Parent company	$ 22	$ 38
	Other related parties	14	19
		$ 36	$ 57
Rental expense	Sister companies	$ 63	$ 63

Lease arrangements as lessor

Lease income was summarized as follows:

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Parent company	$ 762	$ 742
Sister companies	-	22
Associates	13	13
Other related parties	670	650
	$ 1,445	$ 1,427

For the three months ended March 31, 2026 and 2025, the remaining balances were as follows:

Related Party Category/Name	Trade Receivables			Trade Payables		
	March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 213,265	$ 239,039	$ 158,179	$ -	$ -	$ -
Sister companies						
Dongguan Walsin Technology Electronics Co., Ltd.	18,514	10,292	52,067	81,103	41,971	99,291
INPAQ Technology (Suzhou) Co., Ltd.	27,915	27,935	21,833	-	-	-
Others	593	536	3,493	12,003	12,211	14,840
	47,022	38,763	77,393	93,106	54,182	114,131
Associates	-	-	-	15,351	16,064	11,408
Other related parties	-	39	5	-	-	-
	$ 260,287	$ 277,841	$ 235,577	$ 108,457	$ 70,246	$ 125,539

Related Party Category	Other Receivables March 31, 2026	Other Receivables December 31, 2025	Other Receivables March 31, 2025	Other Payables March 31, 2026	Other Payables December 31, 2025	Other Payables March 31, 2025
Parent company	$ 8,366	$ 2,726	$ 4	$ -	$ -	$ -
Sister companies	24	108	923	511	467	644
Associates	1,388	1,216	1,118	13	9	56
Other related parties	479	535	106	26,347	12,881	12,382
	$ 10,257	$ 4,585	$ 2,151	$ 26,871	$ 13,357	$ 13,082

Other receivables are the uncollected amounts from the Group's lease income, selling of raw materials and spare parts, and the collections and payments on behalf of others.

Other payables are the payments that have not been made for the acquisition of equipment and the collections and payments on behalf of others.

The remaining trade payables - related parties were not guaranteed and would be paid off by cash; trade receivables - related parties were also not guaranteed. There was no bad debt expense for trade receivables - related parties as of March 31, 2026, December 31, 2025 and March 31, 2025.

Remuneration of key management personnel

Remuneration of the board of directors and other key management personnel for the three months ended March 31, 2026 and 2025 was as follows:

	For the Three Months Ended March 31 2026	For the Three Months Ended March 31 2025
Short-term employee benefits	$ 19,796	$ 18,629
Post-employment benefits	54	54
	$ 19,850	$ 18,683

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at the end of the reporting period were as follows:

a. Significant unrecognized commitments

Unrecognized commitments were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of property, plant and equipment	$ 584,049	$ 633,802	$ 67,927

On July 31, 2025, the board of directors resolved to increase the capital expenditure budget for plant and equipment investments by approximately $1,160,000 thousand, in view of operational expansion and long-term strategic needs. Within the aforementioned budget, on September 26, 2025, the Company entered into a construction contract with a non-related party for the development of a factory on its own land. The contract amount is $632,000 thousand, and capital expenditures will be disbursed in stages according to the progress of construction.

b. Contingencies

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had no open and unused letters of credit.

28. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Refer to Note 19.

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the entities in the Group and the exchange rates between the foreign currencies and their respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets									
Monetary items									
USD	$ 48,197	31.98	$ 1,541,340	$ 46,449	31.438	$ 1,460,264	$ 46,072	33.182	$ 1,528,761
RMB	126,364	4.6307	585,154	140,871	4.4965	633,426	134,563	4.5758	615,733
Non-monetary items									
Investments accounted for using the equity method									
USD	1,967	31.98	62,919	1,960	31.438	61,605	1,920	33.182	63,722
RMB	115,089	4.6307	532,944	116,758	4.4965	525,002	121,664	4.5758	556,708
JPY	738,377	0.2003	147,897	717,566	0.2009	144,159	650,175	0.2224	144,599
Financial liabilities									
Monetary items									
USD	3,746	31.98	119,797	3,478	31.438	109,341	2,858	33.182	94,834
RMB	27,413	4.6307	126,941	16,238	4.4965	73,014	22,459	4.5758	102,768

For the three months ended March 31, 2026 and 2025, foreign exchange gains were $27,849 thousand and $18,208 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions.

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

6) Intercompany relationships and significant intercompany transactions (Table 4)

b. Investees and information about reinvestment

   Information on investees (Table 5)

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 year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6)

   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 6):

      a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

      b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

      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 year 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.

31. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the geographical segments as its operating segments. The Group’s reportable segments under IFRS 8 “Operating Segments” were as follows:

- Taiwan segment
- China segment

a. Segment revenue and results

The following tables detail the Group's segment revenue and results by reportable segments for the three months ended March 31, 2026 and 2025 as restated:

	For the Three Months Ended March 31, 2026			
	Taiwan Segment	**China Segment**	**Adjustments and Eliminations**	**Total**
Net sales	$ 938,367	$ 517,291	$ (439,108)	$ 1,016,550
Cost of sales	(662,545)	(497,540)	431,766	(728,319)
Unrealized gain on inter-affiliate accounts	(13,342)	-	13,342	-
Gross profit	262,480	19,751	6,000	288,231
Operating expenses	(68,647)	(6,788)	(6,000)	(81,435)
Profit from operations	193,833	12,963	-	206,796
Non-operating income and expenses	60,307	2,516	(11,255)	51,568
Profit before income tax	$ 254,140	$ 15,479	$ (11,255)	$ 258,364

	For the Three Months Ended March 31, 2025			
	Taiwan Segment	**China Segment**	**Adjustments and Eliminations**	**Total**
Net sales	$ 820,993	$ 487,916	$ (364,741)	$ 944,168
Cost of sales	(628,257)	(474,042)	369,068	(733,231)
Unrealized gain on inter-affiliate accounts	(634)	-	634	-
Gross profit	192,102	13,874	4,961	210,937
Operating expenses	(58,582)	(7,725)	(4,961)	(71,268)
Profit from operations	133,520	6,149	-	139,669
Non-operating income and expenses	17,407	(5,466)	1,593	13,534
Profit before income tax	$ 150,927	$ 683	$ 1,593	$ 153,203

b. Segment assets and liabilities

	March 31, 2026			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	$ 866,079	$ 263,965	$ -	$ 1,130,044
Notes and trade receivables	913,633	515,192	(448,521)	980,304
Inventories	851,408	129,621	(53,647)	927,382
Other current assets	186,295	137,060	(6,092)	317,263
Total current assets	2,817,415	1,045,838	(508,260)	3,354,993
Financial assets at FVTOCI - non-current	3,288,368	-	-	3,288,368
Investments accounted for using the equity method	1,915,368	743,760	(1,442,739)	1,216,389
Financial assets at amortized cost	783,778	308,238	-	1,092,016
Property, plant and equipment	1,307,277	3,113	-	1,310,390
Other non-current assets	106,769	7,877	-	114,646
Total assets	$ 10,218,975	$ 2,108,826	$ (1,950,999)	$ 10,376,802

	December 31, 2025			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	$ 617,471	$ 329,775	$ -	$ 947,246
Notes and trade receivables	928,025	476,046	(416,138)	987,933
Inventories	716,766	76,239	(40,304)	752,701
Other current assets	176,062	127,278	(3)	303,337
Total current assets	2,438,324	1,009,338	(456,445)	2,991,217
Financial assets at FVTOCI - non-current	3,615,401	-	-	3,615,401
Investments accounted for using the equity method	1,964,136	730,766	(1,494,656)	1,200,246
Financial assets at amortized cost	774,242	302,413	-	1,076,655
Property, plant and equipment	1,236,782	4,787	-	1,241,569
Other non-current assets	108,749	7,716	-	116,465
Total assets	$ 10,137,634	$ 2,055,020	$ (1,951,101)	$ 10,241,553

	March 31, 2025			
	Taiwan Segment	**China Segment**	**Adjustments and Eliminations**	**Total**
Cash and cash equivalents	$ 500,265	$ 153,167	$ -	$ 653,432
Notes and trade receivables	768,574	539,324	(397,521)	910,377
Inventories	628,286	70,627	(25,757)	673,156
Other current assets	168,058	127,053	(5,235)	289,876
Total current assets	2,065,183	890,171	(428,513)	2,526,841
Financial assets at FVTOCI - non-current	1,647,509	-	-	1,647,509
Investments accounted for using the equity method	2,010,641	765,029	(1,542,915)	1,232,755
Financial assets at amortized cost	807,202	408,835	-	1,216,037
Property, plant and equipment	1,373,815	10,403	-	1,384,218
Other non-current assets	157,506	8,992	-	166,498
Total assets	$ 8,061,856	$ 2,083,430	$ (1,971,428)	$ 8,173,858

	March 31, 2026			
	Taiwan Segment	**China Segment**	**Adjustments and Eliminations**	**Total**
Total current liabilities	$ 1,113,716	$ 584,066	$ (454,613)	$ 1,243,169
Guarantee deposits received	7,486	35,639	-	43,125
Deferred income tax liabilities	149,649	-	-	149,649
Other non-current liabilities	25,070	-	-	25,070
Total liabilities	$ 1,295,921	$ 619,705	$ (454,613)	$ 1,461,013

	December 31, 2025			
	Taiwan Segment	**China Segment**	**Adjustments and Eliminations**	**Total**
Total current liabilities	$ 906,873	$ 503,485	$ (416,140)	$ 994,218
Guarantee deposits received	7,486	23,717	-	31,203
Deferred income tax liabilities	177,515	-	-	177,515
Other non-current liabilities	33,603	-	-	33,603
Total liabilities	$ 1,125,477	$ 527,202	$ (416,140)	$ 1,236,539

	March 31, 2025			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	$ 898,132	$ 509,646	$ (402,756)	$ 1,005,022
Guarantee deposits received	7,486	12,602	-	20,088
Deferred income tax liabilities	162,706	-	-	162,706
Other non-current liabilities	89,404	-	-	89,404
Total liabilities	$ 1,157,728	$ 522,248	$ (402,756)	$ 1,277,220

All intercompany transactions had been eliminated upon consolidation.

TABLE 1

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Prosperity Dielectrics Co., Ltd.	Listed shares							
	Walton Advanced Engineering Inc.	The chairman of the securities issuer is the same as the Company's	Financial assets at FVTOCI - non-current	31,915,536	$ 1,530,350	6.16	$ 1,530,350	
	Walsin Lihwa Corporation	The chairman of the securities issuer is the second degree of kinship of the Company	〃	11,861,940	357,637	0.27	357,637	
	HannStar Board Corporation	The chairman of the securities issuer is the same as the Company's	〃	5,214,865	415,625	1.07	415,625	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	None	〃	500,000	25,800	-	25,800	
	Hotai Finance Co., Ltd. Preferred Shares B	〃	〃	1,000,000	97,800	0.14	97,800	
	TXC Corporation	〃	〃	2,602,000	241,205	0.76	241,205	
	O-Bank Co., Ltd. Preferred Shares B	〃	〃	5,000,000	59,250	0.16	59,250	
	Taiwan Semiconductor Manufacturing Co., Ltd.	〃	Financial assets at FVTPL - current	35,000	61,600	-	61,600	
	Shares							
	Chin-Xin Investment Co., Ltd.	The chairman of the securities issuer is the second degree of kinship of the Company	Financial assets at FVTOCI - non-current	3,500,000	276,541	0.72	276,541	
	Hwa Bao Botanic Conservation Corp.	〃	〃	18,000,000	284,160	10	284,160	
	Bonds							
	ANZ New Zealand International Ltd.	None	Financial assets at amortized cost - non-current	-	63,788	-	65,476	
	Sumitomo Mitsui Trust Bank, Limited	〃	〃	-	32,021	-	32,799	
	Norinchukin Bank	〃	〃	-	32,106	-	32,434	
	Credit Agricole S.A.	〃	〃	-	31,954	-	32,556	
	NBN Co Limited	〃	〃	-	64,703	-	66,206	
	Burlington Northern Santa Fe, LLC	〃	〃	-	33,409	-	34,027	
	Bristol-Myers Squibb Company	〃	〃	-	32,802	-	33,713	
	Macquarie Group Limited.	〃	〃	-	50,792	-	51,685	
	Banco Santander, S.A.	〃	〃	-	64,539	-	65,431	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Prosperity Dielectrics Co., Ltd.	<u>Bonds</u>							
	The First Issue of 2024 for unsecured Cumulative Subordinated Corporate Bonds of Cathay Life Insurance Co., Ltd. Series A	None	Financial assets at amortized cost - non-current	-	$ 200,000	-	$ 200,680	
	The Second Issue of 2024 for US-dollar-denominated unsecured cumulative subordinated corporate Bonds of Cathay Life Insurance Co., Ltd.	〃	〃	-	79,950	-	80,656	
	Hyundai Capital America	〃	〃	-	64,284	-	65,290	
	Volkswagen Group America Finance, LLC	〃	〃	-	33,429	-	33,771	
	Shinhan Card Co., Ltd.	〃	Financial assets at amortized cost - current	-	6,359	-	6,353	
Frontier Components Co., Limited	<u>Bonds</u>							
	TSMC Arizona Corp.	None	Financial assets at amortized cost - non-current	-	95,914	-	95,561	
	Amazon.com, Inc.	〃	〃	-	63,682	-	63,473	
	Westpac New Zealand Ltd.	〃	〃	-	4,947	-	5,040	
	Equinor ASA	〃	〃	-	73,219	-	74,083	
	Berkshire Hathaway Energy Company	〃	〃	-	70,477	-	71,490	

(Concluded)

TABLE 2

PROSPERITY DIELECTRICS CO., LTD. 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 THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Indirectly owned second-tier subsidiary	Sales	$ (227,023)	(24)	No significant difference with third parties	-	-	Trade receivables $ 231,390	25	
	Walsin Technology Corporation	Parent company	Sales	(226,390)	(24)	〃	-	-	Trade receivables 213,265	23	
Frontier Components Co., Limited	Prosperity Dielectrics Co., Ltd.	Parent company	Purchases	227,023	100	〃	-	-	Trade payables (231,390)	(95)	
	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Sales	(212,085)	(88)	〃	-	-	Trade receivables 201,639	84	
Dongguan Frontier Electronics Co., Ltd.	Frontier Components Co., Limited	Parent company	Purchases	212,085	68	〃	-	-	Trade payables (201,639)	(64)	

TABLE 3

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Indirectly owned second-tier subsidiary	Trade receivables	$ 231,390	4.11	$ -	-	$ 78,420	$ -
	Walsin Technology Corporation	Parent company	Trade receivables	213,265	4.00	-	-	-	-
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Trade receivables	201,639	4.26	-	-	66,562	-

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Parent company to subsidiary	Sales	$ 227,023	No significant difference with third parties	22
				Trade receivables	231,390	〃	2
1	Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Subsidiary to subsidiary	Sales	212,085	〃	21
				Trade receivables	201,639	〃	2

Note 1: The investee company is represented in the number column as follows:

a. The parent company is numbered “0”.
b. The subsidiaries are numbered consecutively from “1” in the order presented in the table above.

Note 2. There are three natures of relationships regarding the flow of transactions (in the case of the same transaction between the parent company and its subsidiary or between subsidiaries, there is no need to repeat disclosure. For example: If the parent company has disclosed the transaction between the parent company and the subsidiary, the subsidiary does not need to be disclosed. If a subsidiary has disclosed the transaction between the other subsidiary and itself, the other subsidiary does not need to be disclosed).

a. From the parent company to its subsidiary.
b. From a subsidiary to its parent company.
c. Between subsidiaries.

Note 3: The transaction amount as a percentage of the consolidated total revenue or total assets is calculated as follows: For balance sheet items, each item’s period-end balance is shown as a percentage of consolidated total assets as of March 31, 2026. For profit or loss items, cumulative amounts are shown as a percentage of consolidated total operating revenue for the three months ended March 31, 2026.

Note 4: The decision whether or not to disclose the significant intercompany transactions was made based on the principle of materiality.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Samoa	Investment holding	$ 728,456	$ 728,456	23,464,538	100	$ 1,496,386	$ 11,255	$ 11,255	
	Tsai Yi Corporation	Taiwan	Investment holding	51,928	51,928	4,934,995	3.36	113,655	56,043	1,866	
	Hannstar Board New Energy Co., Ltd.	Taiwan	Solar power generation	2,500	2,500	250,000	5	1,855	(1,358)	(68)	
	Joyin Co., Ltd.	Taiwan	Manufacturing of electronic components	426,701	426,701	23,715,360	30.4	357,119	8,452	2,569	
	Prosperity Investments (Singapore) Co., Limited	Singapore	Investment company	-	-	-	100	-	-	-	
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Republic of Mauritius	Investment holding	387,932	387,932	12,009,000	100	554,947	(9,499)	(9,499)	
	Frontier Components Co., Limited	Hong Kong	International trade	287,852 (Note 2)	287,852 (Note 2)	70,036,752	100	871,532	21,156	21,156	
	Prosperity International Development (HK) Co., Ltd.	Hong Kong	Investment holding	76,784 (Note 2)	76,784 (Note 2)	2,401,000	100	62,945	(520)	(520)	
Prosperity International Development (HK) Co., Ltd.	GHPW Enterprise Corporation (HK) Limited	Hong Kong	Investment holding	76,752 (Note 2)	76,752 (Note 2)	2,400,000	10	62,919	(5,198)	(520)	
Frontier Components Co., Limited	PSA Japan Investment G.K.	Japan	Investment company	130,696 (Note 2)	130,696 (Note 2)	-	9	147,897	45,352	(4,082)	

Note 1: For the information on investees in mainland China, refer to Table 6.

Note 2: The closing exchange rate as of March 31, 2026 was used to convert the foreign currencies into New Taiwan dollars. The closing exchange rate as of March 31, 2026 was US$ to NT$ = 1:31.98 and JPY to NT$ = 1:0.2003.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA OF PROSPERITY DIELECTRICS CO., LTD.
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. The names of investee companies in mainland China, their main businesses and products, total amount of paid-in capital, method of investment, remittance of funds, percentage of ownership in investment, investment gain or loss, carrying amount, and accumulated repatriation of investment income were as follows:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2026 (Note 3)	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outward	Inward						
PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of ceramic components	$ 383,760 (US$ 12,000,000)	Note 1	$ 383,760 (US$ 12,000,000)	$ -	$ -	$ 383,760 (US$ 12,000,000)	$ (9,504)	100	$ (9,504)	$ 554,644	$ 248,805 (US$ 7,780,004)
Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	195,078 (US$ 6,100,000)	Note 1	195,078 (US$ 6,100,000)	-	-	195,078 (US$ 6,100,000)	7,163	100	7,163	331,639	265,471 (US$ 8,301,154)
Chongqing Shuohong Investment Co., Ltd.	Investment management, investment consultation services	2,454,271 (RMB 530,000,000) (Note 4)	Note 1	-	-	-	-	(33,838)	20.43	(6,914)	493,475	-
Chongqing Xincheng Electronic Co., Ltd.	Selling of electronic components, real estate investment and leasing	250,623 (RMB 54,122,000) (Note 5)	Note 1	-	-	-	-	(5,240)	13.04	(683)	39,469	-
GHPW Enterprise Corporation (Chongqing) Limited	Business consultations, business management, consultation services and property management	767,520 (US$ 24,000,000)	Note 1	76,752 (US$ 2,400,000)	-	-	76,752 (US$ 2,400,000)	(5,164)	10	(516)	62,898	-

Note 1: Investment in mainland China companies through an existing company established in a third region.

Note 2: Based on the financial statements of the investee companies reviewed by the attesting CPA of the parent company in Taiwan.

Note 3: The average exchange rate as of March 31, 2026 is used to convert the foreign currencies into New Taiwan dollars except for the investment gains and losses of the current period (converted at the average exchange rate of the three months ended March 31, 2026) if the relevant figures in this table involve foreign currencies.

Note 4: Investment amount of RMB 108,290,000 was made using PDC Electronics (Suzhou) Co., Ltd.’s own capital.

Note 5: Investment amount of RMB 7,055,500 was made using Frontier Electronic (Chong Qing) Co., Ltd.’s own capital, which has been transferred to Dongguan Frontier Electronics Co., Ltd. in December 2017.

2. Investment quota for mainland China:

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2026	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$ 558,366 (US$ 17,459,842.8)	$ 641,504 (US$ 20,059,533.72)	(Note 2)

Note 1: The average exchange rates as of March 31, 2026 are as follows:

US$ to NT$ = 1:31.98
RMB to NT$ = 1:4.6307

The average exchange rates for the three months ended March 31, 2026 are as follows:

US$ to NT$ = 1:31.631
RMB to NT$ = 1:4.5506

Note 2: The Company has obtained the operational headquarters certification document approved by the Industrial Development Bureau of the Ministry of Economic Affairs and is exempt from the “Regulations Governing the Examination of Investment or Technical Cooperation in mainland China”.

3. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 2 and 4.

(Continued)

4. Circumstances in which investee mainland China companies in provide endorsements, guarantees or collaterals directly or indirectly through third-region enterprises: None.

5. Circumstances of financing provided with investee mainland China companies directly or indirectly through a third region: None.

6. Other transactions that have a material effect on the current profit and loss or financial status: None.

(Concluded)