

**Prosperity Dielectrics Co., Ltd. and
Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
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 June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six 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

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.

Conclusion

Based on our reviews and the report of other auditors (please refer to the other matter paragraph), 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 June 30, 2026 and 2025, and its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain investments accounted for using the equity method, but such financial statements were reviewed by other auditors. Our opinion, insofar as it relates to the amounts included for these investees, is based solely on the reports of the other auditors. The investments accounted for using the equity method amounted to NT\$359,046 thousand and NT\$351,546 thousand as of June 30, 2026 and 2025, and the total share of (loss) gain of the associates accounted for using the equity method for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 amounted to NT\$(510) thousand, NT\$(14,976) thousand, NT\$766 thousand and NT\$(17,547) thousand, respectively.

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

July 31, 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	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,134,288	9	\$ 947,246	9	\$ 684,580	9
Financial assets at fair value through profit or loss - current (Note 7)	84,350	1	54,250	1	37,100	-
Financial assets at amortized cost - current (Note 8)	320,846	3	149,120	1	128,572	2
Notes receivable from unrelated parties (Note 9)	31,609	-	25,703	-	18,935	-
Trade receivables from unrelated parties (Note 9)	927,649	7	684,389	7	686,470	9
Trade receivables from related parties (Note 26)	203,207	2	277,841	3	320,046	4
Other receivables from unrelated parties	47,336	-	33,044	-	44,837	1
Other receivables from related parties (Note 26)	16,714	-	4,585	-	8,740	-
Inventories (Note 10)	1,109,342	9	752,701	7	675,838	8
Other current assets	75,117	1	62,338	1	23,412	-
Total current assets	3,950,458	32	2,991,217	29	2,628,530	33
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 12)	4,417,755	36	3,615,401	35	1,696,827	21
Financial assets at amortized cost - non-current (Note 8)	1,060,843	9	1,076,655	11	1,105,820	14
Investments accounted for using the equity method (Note 13)	1,342,645	11	1,200,246	12	1,133,194	14
Property, plant and equipment (Note 14)	1,362,873	11	1,241,569	12	1,293,034	16
Right-of-use assets (Note 15)	54,762	1	66,080	1	80,735	1
Computer software	2,707	-	3,275	-	3,497	-
Deferred tax assets (Note 4)	41,330	-	39,172	-	41,867	1
Other non-current assets	7,432	-	7,938	-	7,158	-
Total non-current assets	8,290,347	68	7,250,336	71	5,362,132	67
TOTAL	\$ 12,240,805	100	\$ 10,241,553	100	\$ 7,990,662	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 150,000	1	\$ 20,000	-	\$ -	-
Trade payables to unrelated parties	478,321	4	346,179	4	288,954	4
Trade payables to related parties (Note 26)	214,666	2	70,246	1	180,265	2
Other payables to unrelated parties (Note 17)	835,376	7	432,628	4	605,063	8
Other payables to related parties (Note 26)	32,538	-	13,357	-	16,815	-
Current tax liabilities (Note 4)	118,861	1	70,731	1	18,676	-
Lease liabilities - current (Note 15)	31,555	-	30,987	-	30,926	1
Other current liabilities	31,993	-	10,090	-	21,786	-
Total current liabilities	1,893,310	15	994,218	10	1,162,485	15
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Note 4)	140,873	1	177,515	2	188,407	2
Lease liabilities - non-current (Note 15)	16,305	-	28,457	-	43,781	1
Net defined benefit liabilities - non-current (Note 4)	3,284	-	5,146	-	2,716	-
Guarantee deposits received	38,963	1	31,203	-	18,895	-
Total non-current liabilities	199,425	2	242,321	2	253,799	3
Total liabilities	2,092,735	17	1,236,539	12	1,416,284	18
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	1,712,000	14	1,720,000	17	1,720,000	22
Capital surplus	295,286	3	497,255	5	497,255	6
Retained earnings						
Legal reserve	840,561	7	785,055	8	785,055	10
Special reserve	55,421	-	55,421	-	55,421	1
Unappropriated earnings	4,016,217	33	3,713,437	36	3,318,606	41
Total retained earnings	4,912,199	40	4,553,913	44	4,159,082	52
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	30,631	-	(13,444)	-	(112,092)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	3,197,954	26	2,301,661	22	364,504	4
Total other equity	3,228,585	26	2,288,217	22	252,412	3
Treasury shares	-	-	(54,371)	-	(54,371)	(1)
Total equity	10,148,070	83	9,005,014	88	6,574,378	82
TOTAL	\$ 12,240,805	100	\$ 10,241,553	100	\$ 7,990,662	100

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

(With Deloitte & Touche review report dated July 31, 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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Note 20)	\$ 1,375,702	100	\$ 1,110,260	100	\$ 2,392,252	100	\$ 2,054,428	100
COST OF SALES (Note 10)	<u>979,005</u>	<u>71</u>	<u>848,214</u>	<u>76</u>	<u>1,707,324</u>	<u>71</u>	<u>1,581,445</u>	<u>77</u>
GROSS PROFIT	<u>396,697</u>	<u>29</u>	<u>262,046</u>	<u>24</u>	<u>684,928</u>	<u>29</u>	<u>472,983</u>	<u>23</u>
OPERATING EXPENSES								
Selling and marketing expenses	38,728	3	32,459	3	68,766	3	62,484	3
General and administrative expenses	37,310	3	31,564	3	70,430	3	58,254	3
Research and development expenses	<u>14,363</u>	<u>1</u>	<u>14,070</u>	<u>1</u>	<u>32,640</u>	<u>1</u>	<u>28,623</u>	<u>1</u>
Total operating expenses	<u>90,401</u>	<u>7</u>	<u>78,093</u>	<u>7</u>	<u>171,836</u>	<u>7</u>	<u>149,361</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>306,296</u>	<u>22</u>	<u>183,953</u>	<u>17</u>	<u>513,092</u>	<u>22</u>	<u>323,622</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	19,305	1	16,336	1	35,359	1	31,494	2
Dividend income	23,131	2	23,683	2	23,341	1	23,840	1
Other income	3,649	-	3,642	-	7,874	-	6,996	-
Gain on disposal of property, plant and equipment	30	-	12	-	58	-	12	-
Gain on disposal of investments	-	-	5,557	1	-	-	5,557	-
Gain on lease modification	-	-	9,486	1	-	-	9,488	-
Foreign exchange gain	-	-	-	-	27,605	1	-	-
Gain on valuation of financial assets at FVTPL	22,750	2	-	-	30,100	1	-	-
Share of profit of associates accounted for using the equity method (Note 13)	12,534	1	-	-	11,573	1	-	-
Interest expense	(448)	-	(312)	-	(612)	-	(1,096)	-
Miscellaneous expenses	(3,010)	-	(188)	-	(6,033)	-	(2,028)	-
Foreign exchange loss	(244)	-	(151,341)	(14)	-	-	(133,133)	(7)
Loss on valuation of financial assets at FVTPL	-	-	(2,690)	-	-	-	(6,465)	-
Impairment loss	-	-	(9,486)	(1)	-	-	(9,486)	-
Share of loss of associates accounted for using the equity method (Note 13)	<u>-</u>	<u>-</u>	<u>(23,603)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>(40,549)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>77,697</u>	<u>6</u>	<u>(128,904)</u>	<u>(12)</u>	<u>129,265</u>	<u>5</u>	<u>(115,370)</u>	<u>(6)</u>
PROFIT BEFORE INCOME TAX	383,993	28	55,049	5	642,357	27	208,252	10
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(77,658)</u>	<u>(6)</u>	<u>(15,303)</u>	<u>(1)</u>	<u>(131,509)</u>	<u>(5)</u>	<u>(48,026)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>306,335</u>	<u>22</u>	<u>39,746</u>	<u>4</u>	<u>510,848</u>	<u>22</u>	<u>160,226</u>	<u>8</u>

(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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized valuation gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 1,129,387	82	\$ 32,744	3	\$ 802,354	33	\$ (21,801)	(1)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	96,383	7	62	-	93,939	4	(2,284)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	6,013	1	(142,534)	(13)	39,233	2	(111,095)	(5)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	2,323	-	(11,478)	(1)	4,842	-	(10,580)	(1)
Other comprehensive income (loss) for the period	1,234,106	90	(121,206)	(11)	940,368	39	(145,760)	(7)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 1,540,441</u>	<u>112</u>	<u>\$ (81,460)</u>	<u>(7)</u>	<u>\$ 1,451,216</u>	<u>61</u>	<u>\$ 14,466</u>	<u>1</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 1.79</u>		<u>\$ 0.23</u>		<u>\$ 2.98</u>		<u>\$ 0.94</u>	
Diluted	<u>\$ 1.79</u>		<u>\$ 0.23</u>		<u>\$ 2.98</u>		<u>\$ 0.93</u>	

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

(With Deloitte & Touche review report dated July 31, 2026)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

							Other Equity (Note 19)		Treasury Shares	Total Equity
	Share Capital		Capital Surplus	Retained 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			
	Number of Shares (In Thousands)	Share Capital		Legal Reserve	Special Reserve			Unappropriated Earnings		
BALANCE ON 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
Appropriation of 2024 earnings (Note 19)										
Legal reserve	-	-	-	52,413	-	(52,413)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(240,800)	-	-	-	(240,800)
Net profit for the six months ended June 30, 2025	-	-	-	-	-	160,226	-	-	-	160,226
Other comprehensive loss for the six months ended June 30, 2025	-	-	-	-	-	-	(121,675)	(24,085)	-	(145,760)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	160,226	(121,675)	(24,085)	-	14,466
BALANCE ON JUNE 30, 2025	172,000	\$ 1,720,000	\$ 497,255	\$ 785,055	\$ 55,421	\$ 3,318,606	\$ (112,092)	\$ 364,504	\$ (54,371)	\$ 6,574,378
BALANCE ON 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
Appropriation of 2025 earnings (Note 19)										
Legal reserve	-	-	-	55,506	-	(55,506)	-	-	-	-
Cash dividends distributed by the Company	-	-	(171,200)	-	-	(136,960)	-	-	-	(308,160)
Cancellation of treasury shares	(800)	(8,000)	(30,769)	-	-	(15,602)	-	-	54,371	-
Net profit for the six months ended June 30, 2026	-	-	-	-	-	510,848	-	-	-	510,848
Other comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	-	44,075	896,293	-	940,368
Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	510,848	44,075	896,293	-	1,451,216
BALANCE ON JUNE 30, 2026	171,200	\$ 1,712,000	\$ 295,286	\$ 840,561	\$ 55,421	\$ 4,016,217	\$ 30,631	\$ 3,197,954	\$ -	\$ 10,148,070

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

(With Deloitte & Touche review report dated July 31, 2026)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 642,357	\$ 208,252
Adjustments for:		
Depreciation expense	145,948	192,501
Amortization expense	2,393	2,934
Net (gain) loss on valuation of financial assets at FVTPL	(30,100)	6,465
Interest expense	612	1,096
Interest income	(35,359)	(31,494)
Dividend income	(23,341)	(23,840)
Share of (gain) loss of associates accounted for using the equity method	(11,573)	40,549
Gain on disposal of property, plant and equipment	(58)	(12)
Gain on disposal of investments	-	(5,557)
Impairment loss of non-financial assets	9,102	21,999
Gain on lease modification	-	(9,488)
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	-	49,017
(Increase) decrease in notes receivable from unrelated parties	(5,906)	6,371
Increase in trade receivables from unrelated parties	(243,260)	(3,700)
Decrease (increase) in trade receivables from related parties	74,634	(89,531)
Decrease in other receivables from unrelated parties	6,056	4,929
Increase in other receivables from related parties	(10,546)	(3,523)
Increase in inventories	(365,743)	(46,104)
Increase in other current assets	(12,779)	(918)
Increase in other non-current assets	(435)	-
Increase in trade payables to unrelated parties	132,142	43,927
Increase in trade payables to related parties	144,420	67,669
Increase (decrease) in other payables to unrelated parties	35,609	(9,272)
Increase in other payables to related parties	19,181	3,900
Increase (decrease) in other current liabilities	22,075	(223)
Decrease in net defined benefit liabilities	(1,862)	(1,376)
Cash generated from operations	493,567	424,571
Interest received	38,142	39,769
Interest paid	(533)	(1,187)
Dividends received	210	-
Income tax paid	(122,179)	(63,583)
Net cash generated from operating activities	409,207	399,570

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PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (16,574)
Purchase of financial assets at amortized cost	(155,914)	-
Disposal of financial assets at amortized cost	-	106,430
Purchase of investments accounted for using the equity methods	(11,436)	-
Payments for property, plant and equipment	(193,281)	(53,932)
Proceeds from disposal of property, plant and equipment	58	50
Increase in refundable deposits	(373)	-
Decrease in refundable deposits	-	411
Acquisition of intangible assets	<u>(510)</u>	<u>(400)</u>
Net cash (used in) generated from investing activities	<u>(361,456)</u>	<u>35,985</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	150,000	-
Repayments of short-term borrowings	(20,000)	-
Repayments of long-term borrowings	-	(67,917)
Proceeds from guaranteed deposits received	7,760	-
Refund of guaranteed deposits received	-	(1,379)
Repayments of the principal portion of lease liabilities	<u>(15,654)</u>	<u>(14,583)</u>
Net cash generated from (used in) financing activities	<u>122,106</u>	<u>(83,879)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>17,185</u>	<u>(65,940)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	187,042	285,736
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>947,246</u>	<u>398,844</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,134,288</u>	<u>\$ 684,580</u>

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

(With Deloitte & Touche review report dated July 31, 2026)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

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 June 30, 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 July 31, 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 endorsed by the FSC for application starting from 2027

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of 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

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 354	\$ 286	\$ 290
Checking accounts and demand deposits	349,624	264,617	272,281
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	540,088	460,557	306,775
Repurchase agreements collateralized by bonds	<u>244,222</u>	<u>221,786</u>	<u>105,234</u>
	<u>\$ 1,134,288</u>	<u>\$ 947,246</u>	<u>\$ 684,580</u>

The market rate intervals of cash equivalents were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits with original maturities of 3 months or less	0.65%-1.62%	0.65%-1.65%	0.9%-1.6%
Repurchase agreements collateralized by bonds	1.4%-1.45%	1.4%	1.4%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets mandatorily classified as at <u>FVTPL - current</u>			
Non-derivative financial assets			
Domestic listed shares	<u>\$ 84,350</u>	<u>\$ 54,250</u>	<u>\$ 37,100</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 161,889	\$ 142,909	\$ 128,572
Current portion of bonds (b)	<u>158,957</u>	<u>6,211</u>	<u>-</u>
	<u>\$ 320,846</u>	<u>\$ 149,120</u>	<u>\$ 128,572</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year (a)	\$ -	\$ -	\$ 83,469
Bonds (b)	<u>1,060,843</u>	<u>1,076,655</u>	<u>1,022,351</u>
	<u>\$ 1,060,843</u>	<u>\$ 1,076,655</u>	<u>\$ 1,105,820</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits with original maturities of more than 3 months	1.55%-3.1%	1.55%-3.1%	1.25%-1.675%
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:

June 30, 2026

Current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
June 2022	US\$ 5,000,000	3.3%-3.875%	3.7563%-3.8992%

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
April to June 2026	US\$ 4,500,000	2.967%-4.7%	3.817%-4.718%
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%
	NT\$ 200,000,000	3.7%	3.7%
September to November 2023	US\$ 9,156,000	4.902%-6.75%	5.0868%-5.5403%

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%
	NT\$ 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%

June 30, 2025

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%
	NT\$ 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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Notes receivable from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 31,609	\$ 25,703	\$ 18,935
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,609</u>	<u>\$ 25,703</u>	<u>\$ 18,935</u>
<u>Trade receivables from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 951,380	\$ 708,072	\$ 710,220
Less: Allowance for impairment loss	<u>(23,731)</u>	<u>(23,683)</u>	<u>(23,750)</u>
	<u>\$ 927,649</u>	<u>\$ 684,389</u>	<u>\$ 686,470</u>

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:

June 30, 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	\$ 980,612	\$ 1,345	\$ 1,032	\$ -	\$ -	\$ -	\$ 982,989
Loss allowance (Lifetime ECLs)	<u>(23,561)</u>	<u>(67)</u>	<u>(103)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,731)</u>
Amortized cost	<u>\$ 957,051</u>	<u>\$ 1,278</u>	<u>\$ 929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 959,258</u>

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)	<u>(22,964)</u>	<u>-</u>	<u>(410)</u>	<u>(309)</u>	<u>-</u>	<u>-</u>	<u>(23,683)</u>
Amortized cost	<u>\$ 705,166</u>	<u>\$ -</u>	<u>\$ 3,690</u>	<u>\$ 1,236</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 710,092</u>

June 30, 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	\$ 720,616	\$ 4,681	\$ -	\$ 3,858	\$ -	\$ -	\$ 729,155
Loss allowance (Lifetime ECLs)	<u>(22,744)</u>	<u>(234)</u>	<u>-</u>	<u>(772)</u>	<u>-</u>	<u>-</u>	<u>(23,750)</u>
Amortized cost	<u>\$ 697,872</u>	<u>\$ 4,447</u>	<u>\$ -</u>	<u>\$ 3,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 705,405</u>

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

	For the Six Months Ended June 30	
	2026	2025
Balance on January 1	\$ 23,683	\$ 23,882
Add: Foreign exchange differences	<u>48</u>	<u>(132)</u>
Balance on June 30	<u>\$ 23,731</u>	<u>\$ 23,750</u>

10. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	\$ 380,713	\$ 255,756	\$ 216,998
Semi-finished goods	110,378	119,225	112,932
Work in progress	176,230	156,779	152,161
Raw materials	414,546	204,290	180,803
Inventory in transit	<u>27,475</u>	<u>16,651</u>	<u>12,944</u>
	<u>\$ 1,109,342</u>	<u>\$ 752,701</u>	<u>\$ 675,838</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Cost of inventories sold	\$ 976,304	\$ 837,019	\$ 1,698,222	\$ 1,568,932
Inventory write-downs	<u>2,701</u>	<u>11,195</u>	<u>9,102</u>	<u>12,513</u>
	<u>\$ 979,005</u>	<u>\$ 848,214</u>	<u>\$ 1,707,324</u>	<u>\$ 1,581,445</u>

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			June 30, 2026	December 31, 2025	June 30, 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 six months ended June 30, 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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Domestic investments - listed shares	\$ 3,403,087	\$ 3,078,761	\$ 1,410,698
Domestic investments - unlisted shares	<u>1,014,668</u>	<u>536,640</u>	<u>286,129</u>
	<u>\$ 4,417,755</u>	<u>\$ 3,615,401</u>	<u>\$ 1,696,827</u>

Investments in Equity Instruments at FVTOCI

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Domestic investments - listed shares			
Walton Advanced Engineering Inc.	\$ 1,828,760	\$ 1,825,569	\$ 429,264
Walsin Lihwa Corporation	441,264	377,209	256,218
HannStar Board Corporation	465,688	481,332	320,714
Fubon Financial Holding Co., Ltd.			
Preferred Shares C	25,850	26,700	26,500
Hotai Finance Co., Ltd.			
Preferred Shares B	94,400	99,500	95,000
O-Bank Co., Ltd.			
Preferred Shares B	59,250	59,250	59,750
TXC Corporation	487,875	209,201	223,252
Domestic investments - unlisted shares			
Chin-Xin Investment Co., Ltd.	588,886	263,445	105,813
Theaceae Conservation Corporation	<u>425,782</u>	<u>273,195</u>	<u>180,316</u>
	<u>\$ 4,417,755</u>	<u>\$ 3,615,401</u>	<u>\$ 1,696,827</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Chongqing Shuohong Investment Co., Ltd.	\$ 492,497	\$ 486,005	\$ 465,078
Chongqing Xincheng Electronics Co., Ltd.	39,580	38,997	36,520
GHPW Enterprise Corporation (HK) Limited	63,112	61,605	57,874
Tsai Yi Corporation	224,623	113,671	87,348
Joyin Co., Ltd.	359,046	353,886	351,546
Hannstar Board New Energy Co., Ltd.	1,813	1,923	2,100
PSA Japan Investment G.K.	150,830	144,159	132,728
PSA Group Technologies Inc.	<u>11,144</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,342,645</u>	<u>\$ 1,200,246</u>	<u>\$ 1,133,194</u>

Share of (loss) profit of associates for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 was summarized as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Chongqing Shuohong Investment Co., Ltd.	\$ (7,440)	\$ (6,247)	\$ (14,354)	\$ (12,448)
Chongqing Xincheng Electronics Co., Ltd.	(410)	(77)	(1,093)	(55)
GHPW Enterprise Corporation (HK) Limited	(586)	(281)	(1,106)	(566)
Tsai Yi Corporation	15,438	501	17,304	(1,984)
Joyin Co., Ltd.	(510)	(14,976)	766	(17,547)
Hannstar Board New Energy Co., Ltd.	(42)	(101)	(110)	(155)
PSA Japan Investment G.K.	6,127	(2,422)	10,209	(7,794)
PSA Group Technologies Inc.	<u>(43)</u>	<u>-</u>	<u>(43)</u>	<u>-</u>
	<u>\$ 12,534</u>	<u>\$ (23,603)</u>	<u>\$ 11,573</u>	<u>\$ (40,549)</u>

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

	June 30, 2026	December 31, 2025	June 30, 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%
PSA Group Technologies Inc.	12.5%	-	-

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., PSA Japan Investment G.K., and PSA Group Technologies Inc. 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.

The share of profit or loss and other comprehensive income of the investments in associates accounted for using the equity method for the six months ended June 30, 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
<u>Cost</u>							
Balance on January 1, 2025	\$ 451,115	\$ 1,119,463	\$ 2,850,848	\$ 52,700	\$ 229,584	\$ 114,536	\$ 4,818,246
Additions	-	-	1,265	-	24	23,216	24,505
Disposals	-	-	(350)	(39)	(50)	-	(439)
Effects of foreign currency exchange differences	-	(14,201)	(10,794)	(48)	(2,111)	-	(27,154)
Reclassifications	-	6,276	1,379	-	660	(2,304)	6,011
Balance on June 30, 2025	<u>\$ 451,115</u>	<u>\$ 1,111,538</u>	<u>\$ 2,842,348</u>	<u>\$ 52,613</u>	<u>\$ 228,107</u>	<u>\$ 135,448</u>	<u>\$ 4,821,169</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2025	\$ -	\$ 910,327	\$ 2,201,298	\$ 40,341	\$ 208,737	\$ -	\$ 3,360,703
Depreciation expenses	-	35,478	135,021	2,527	4,955	-	177,981
Disposals	-	-	(313)	(39)	(50)	-	(402)
Impairment loss	-	9,486	-	-	-	-	9,486
Effects of foreign currency exchange differences	-	(13,582)	(10,783)	(49)	(2,099)	-	(26,513)
Reclassifications	-	6,011	-	-	869	-	6,880
Balance on June 30, 2025	<u>\$ -</u>	<u>\$ 947,720</u>	<u>\$ 2,325,223</u>	<u>\$ 42,780</u>	<u>\$ 212,412</u>	<u>\$ -</u>	<u>\$ 3,528,135</u>
Carrying amount on June 30, 2025	<u>\$ 451,115</u>	<u>\$ 163,818</u>	<u>\$ 517,125</u>	<u>\$ 9,833</u>	<u>\$ 15,695</u>	<u>\$ 135,448</u>	<u>\$ 1,293,034</u>
<u>Cost</u>							
Balance on January 1, 2026	\$ 451,115	\$ 1,070,723	\$ 2,697,614	\$ 51,992	\$ 205,175	\$ 231,665	\$ 4,708,284
Additions	-	-	-	-	-	252,181	252,181
Disposals	-	-	(2,148)	-	(15)	-	(2,163)
Effects of foreign currency exchange differences	-	6,354	-	-	111	-	6,465
Reclassifications	-	(24,770)	44,013	95	904	(45,686)	(25,444)
Balance on June 30, 2026	<u>\$ 451,115</u>	<u>\$ 1,052,307</u>	<u>\$ 2,739,479</u>	<u>\$ 52,087</u>	<u>\$ 206,175</u>	<u>\$ 438,160</u>	<u>\$ 4,939,323</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2026	\$ -	\$ 938,306	\$ 2,291,709	\$ 44,602	\$ 192,098	\$ -	\$ 3,466,715
Depreciation expenses	-	30,061	94,910	2,125	3,436	-	130,532
Disposals	-	-	(2,148)	-	(15)	-	(2,163)
Effects of foreign currency exchange differences	-	6,235	-	-	106	-	6,341
Reclassifications	-	(25,444)	-	-	469	-	(24,975)
Balance on June 30, 2026	<u>\$ -</u>	<u>\$ 949,158</u>	<u>\$ 2,384,471</u>	<u>\$ 46,727</u>	<u>\$ 196,094</u>	<u>\$ -</u>	<u>\$ 3,576,450</u>
Carrying amount on June 30, 2026	<u>\$ 451,115</u>	<u>\$ 103,149</u>	<u>\$ 355,008</u>	<u>\$ 5,360</u>	<u>\$ 10,081</u>	<u>\$ 438,160</u>	<u>\$ 1,362,873</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amount</u>			
Land	\$ 44,220	\$ 55,652	\$ 66,854
Buildings	9,849	9,904	13,547
Transportation equipment	<u>693</u>	<u>524</u>	<u>334</u>
	<u>\$ 54,762</u>	<u>\$ 66,080</u>	<u>\$ 80,735</u>
	For the Three Months Ended June 30		For the Six Months Ended June 30
	2026	2025	2026
			2025
Additions of right-of-use assets			
Land	\$ -	\$ -	\$ -
Buildings	3,690	-	3,690
Transportation equipment	<u>380</u>	<u>-</u>	<u>380</u>
	<u>\$ 4,070</u>	<u>\$ -</u>	<u>\$ 4,070</u>
Disposals of right-of-use assets			
Land	\$ -	\$ 24,643	\$ -
Transportation equipment	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 24,643</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets			
Land	\$ 5,880	\$ 5,673	\$ 11,759
Buildings	1,838	1,735	3,573
Transportation equipment	<u>32</u>	<u>52</u>	<u>84</u>
	<u>\$ 7,750</u>	<u>\$ 7,460</u>	<u>\$ 15,416</u>
			<u>\$ 14,520</u>

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

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amount</u>			
Current	\$ 31,555	\$ 30,987	\$ 30,926
Non-current	\$ 16,305	\$ 28,457	\$ 43,781

The discount rates of lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	1%	1%	1%
Buildings	1%	1%	1%
Transportation equipment	1%	1%	1%

c. Other lease information

	For the Six Months Ended June 30	
	2026	2025
Expenses relating to short-term leases	\$ 4,842	\$ 2,643
Total cash outflow for leases	\$ (20,496)	\$ (17,226)

16. BORROWINGS

Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured borrowings			
Line of credit borrowings	\$ 150,000	\$ 20,000	\$ -
Interest rate	2%	1.8%	-

17. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Payables for accrued expense	\$ 425,008	\$ 386,360	\$ 343,540
Payables for purchases of equipment	76,255	17,355	8,765
Payables for annual leave (Note 18)	3,147	3,316	3,195

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Payables for remuneration of directors and employee bonuses	\$ 22,306	\$ 25,097	\$ 8,263
Payables for dividends	<u>308,660</u>	<u>500</u>	<u>241,300</u>
	<u>\$ 835,376</u>	<u>\$ 432,628</u>	<u>\$ 605,063</u> (Concluded)

18. PROVISIONS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Employee benefits (presented in other payables)	<u>\$ 3,147</u>	<u>\$ 3,316</u>	<u>\$ 3,195</u>

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

19. EQUITY

a. Share capital

Common shares

	June 30, 2026	December 31, 2025	June 30, 2025
Authorized shares (in thousands of shares)	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>
Authorized capital	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>
Issued and paid shares (in thousands of shares)	<u>171,200</u>	<u>172,000</u>	<u>172,000</u>
Issued capital	<u>\$ 1,712,000</u>	<u>\$ 1,720,000</u>	<u>\$ 1,720,000</u>

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

On April 29, 2026, the Company's Board of Directors resolved to set April 30, 2026, as the capital reduction record date for cancellation of 800,000 treasury shares. After the capital reduction, the paid-in capital amounted to \$1,712,000 thousand.

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 were cancelled. Based on 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 was NT\$1,609,280 thousand. Following the approval and effectiveness of this cash capital reduction by the competent authority on July 17, 2026, the base date for the capital reduction has been set as July 31, 2026.

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Issuance of common shares	\$ 229,121	\$ 402,192	\$ 402,192
Conversion of bonds	55,226	55,484	55,484
Treasury share transactions	249	28,889	28,889
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of associates accounted for using the equity method	<u>10,690</u>	<u>10,690</u>	<u>10,690</u>
	<u>\$ 295,286</u>	<u>\$ 497,255</u>	<u>\$ 497,255</u>

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 the years ended December 31, 2025 and 2024 which were approved in the shareholders' meetings on June 11, 2026 and 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 Company's shareholders also resolved in the shareholders' meeting on June 11, 2026 to issue cash dividends of \$171,200 thousand, from the capital surplus.

d. Other equity items

The movements of other equity items were as follows:

	For the Six Months Ended June 30, 2026		
	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain on Financial Assets at FVTOCI	Total
Balance on January 1	\$ (13,444)	\$ 2,301,661	\$ 2,288,217
Exchange differences on the translation of the net assets of foreign operations	39,233	-	39,233
Unrealized valuation gain on investments in equity instruments at FVTOCI	-	802,354	802,354
Share from associates accounted for using the equity method	<u>4,842</u>	<u>93,939</u>	<u>98,781</u>
Balance on June 30	<u>\$ 30,631</u>	<u>\$ 3,197,954</u>	<u>\$ 3,228,585</u>

	For the Six Months Ended June 30, 2025		
	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI	Total
Balance on January 1	\$ 9,583	\$ 388,589	\$ 398,172
Exchange differences on the translation of the net assets of foreign operations	(111,095)	-	(111,095)
Unrealized valuation loss on investments in equity instruments at FVTOCI	-	(21,801)	(21,801)
Share from associates accounted for using the equity method	<u>(10,580)</u>	<u>(2,284)</u>	<u>(12,864)</u>
Balance on June 30	<u>\$ (112,092)</u>	<u>\$ 364,504</u>	<u>\$ 252,412</u>

e. Treasury shares

- 1) Movements of the treasury shares for the six months ended June 30, 2026 and 2025 were as follows:

Unit: In Thousands of Shares

For the Six Months Ended June 30, 2026				
Purpose of Buy-back	Number of Shares on January 1, 2026	Increase During the Period	Decrease During the Period	Number of Shares on June 30, 2026
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>800</u>	<u>-</u>

For the Six Months Ended June 30, 2025				
Purpose of Buy-back	Number of Shares on January 1, 2025	Increase During the Period	Decrease During the Period	Number of Shares on June 30, 2025
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>

- 2) As of June 30, 2025, the amount of the Company's treasury shares was \$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 cancellation of shares and the registration of the change in capital have been completed.
- 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 six months ended June 30, 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Asia	\$ 1,244,577	\$ 995,025	\$ 2,163,020	\$ 1,846,694
America	70,732	65,008	125,321	125,957
Europe	60,314	50,227	103,818	81,777
Others	<u>79</u>	<u>-</u>	<u>93</u>	<u>-</u>
	<u>\$ 1,375,702</u>	<u>\$ 1,110,260</u>	<u>\$ 2,392,252</u>	<u>\$ 2,054,428</u>

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 June 30					
	2026			2025		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 117,998	\$ 52,696	\$ 170,694	\$ 102,606	\$ 40,258	\$ 142,864
Labor/health insurance	11,472	3,135	14,607	10,805	3,010	13,815
Pension	3,697	980	4,677	3,465	1,092	4,557
Other employee benefits	9,251	1,760	11,011	7,220	1,502	8,722
Depreciation	67,999	3,138	71,137	90,989	3,846	94,835
Amortization	715	492	1,207	885	501	1,386

	For the Six Months Ended June 30					
	2026			2025		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 228,999	\$ 95,410	\$ 324,409	\$ 194,891	\$ 75,467	\$ 270,358
Labor/health insurance	22,733	6,321	29,054	21,955	6,124	28,079
Pension	7,533	2,004	9,537	7,077	2,244	9,321
Other employee benefits	16,320	3,329	19,649	15,073	3,375	18,448
Depreciation	139,500	6,448	145,948	184,717	7,784	192,501
Amortization	1,430	963	2,393	1,846	1,088	2,934

The number of employees of the Group as of June 30, 2026 and 2025 was 759 and 740, 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 June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>Accrual rate</u>				
Compensation of employees	2.5%	2.5%	2.5%	2.5%
Remuneration of directors	1%	1%	1%	1%
<u>Amount</u>				
Compensation of employees	\$ 9,399	\$ 1,826	\$ 15,931	\$ 5,908
Remuneration of directors	\$ 3,757	\$ 728	\$ 6,374	\$ 2,355

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	17,927	-	16,530	-
Remuneration of directors				
Amounts approved in the board of directors' meeting	7,171	-	6,621	-
Actual amounts paid	7,171	-	6,621	-

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. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
In respect of the current year	\$ 60,027	\$ 3,823	\$ 113,878	\$ 36,851
Income tax on				
unappropriated earnings	18,130	11,546	18,130	11,546
In respect of the prior year	<u>(499)</u>	<u>(66)</u>	<u>(499)</u>	<u>(371)</u>
Income tax expense recognized in profit or loss	<u>\$ 77,658</u>	<u>\$ 15,303</u>	<u>\$ 131,509</u>	<u>\$ 48,026</u>

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 six months ended June 30, 2026 and 2025 are as follows:

	For the Six Months Ended June 30, 2026		
	Amount (In Thousands)		Earnings Per Share (In Dollars)
	After Income Tax	Number of Shares	After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 510,848	171,200,000	<u>\$ 2.98</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>132,942</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 510,848</u>	<u>171,332,942</u>	<u>\$ 2.98</u>

For the Three Months Ended June 30, 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	\$ 306,335	171,200,000	\$ <u>1.79</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>51,308</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	\$ <u>306,335</u>	<u>171,251,308</u>	\$ <u>1.79</u>
For the Six Months Ended June 30, 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	\$ 160,226	171,200,000	\$ <u>0.94</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>283,435</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	\$ <u>160,226</u>	<u>171,483,435</u>	\$ <u>0.93</u>
For the Three Months Ended June 30, 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	\$ 39,746	171,200,000	\$ <u>0.23</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>158,601</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	\$ <u>39,746</u>	<u>171,358,601</u>	\$ <u>0.23</u>

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

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

June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 84,350	\$ -	\$ -	\$ 84,350
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 3,403,087	\$ -	\$ -	\$ 3,403,087
Domestic unlisted shares	-	-	1,014,668	1,014,668
	\$ 3,403,087	\$ -	\$ 1,014,668	\$ 4,417,755

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				
Investments 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

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 37,100	\$ -	\$ -	\$ 37,100
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 1,410,698	\$ -	\$ -	\$ 1,410,698
Domestic unlisted shares	-	-	286,129	286,129
	\$ 1,410,698	\$ -	\$ 286,129	\$ 1,696,827

There were no transfers between Levels 1 and 2 for the six months ended June 30, 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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 84,350	\$ 54,250	\$ 37,100
Financial assets at amortized cost (Note 1)	3,747,053	3,202,771	3,002,177
Financial assets at FVTOCI			
Equity instruments	4,417,755	3,615,401	1,696,827

Financial liabilities

Amortized cost (Note 2)	1,749,864	913,613	1,109,992
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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), 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 28.

	USD Impact		RMB Impact		JPY Impact	
	For the Six Months Ended June 30		For the Six Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025	2026	2025
Profit or loss	\$ 46,808	\$ 40,388	\$ 15,008	\$ 13,994	\$ -	\$ -
Equity	1,893	1,736	15,962	15,048	4,525	3,982

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial liabilities	\$ 47,860	\$ 59,444	\$ 74,707
Cash flow interest rate risk			
Financial assets	946,199	825,252	624,050
Financial liabilities	150,000	20,000	-

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 six months ended June 30, 2026 and 2025 would have resulted in cash outflows by \$3,981 thousand and \$3,120 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:

June 30, 2026

	Less than 1 Year	2-3 Years	3+ Years	Total
Non-derivative financing liabilities				
Non-interest bearing	\$ 1,599,864	\$ -	\$ -	\$ 1,599,864
Variable interest rate liabilities	150,000	-	-	150,000
Lease liabilities	<u>31,555</u>	<u>14,040</u>	<u>2,265</u>	<u>47,860</u>
	<u>\$ 1,781,419</u>	<u>\$ 14,040</u>	<u>\$ 2,265</u>	<u>\$ 1,797,724</u>

December 31, 2025

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

June 30, 2025

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financing liabilities</u>				
Non-interest bearing	\$ 1,109,992	\$ -	\$ -	\$ 1,109,992
Lease liabilities	<u>30,926</u>	<u>40,370</u>	<u>3,411</u>	<u>74,707</u>
	<u>\$ 1,140,918</u>	<u>\$ 40,370</u>	<u>\$ 3,411</u>	<u>\$ 1,184,699</u>

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.

<u>Related Party Name</u>	<u>Related Party Category</u>
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

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Tsai Yi Corporation	Associate
Joyin Co., Ltd.	Associate
Dongguan Joyin Electronics Co., Ltd	Associate
Hannstar Board New Energy Co., Ltd.	Associate
PSA Group Technologies Inc.	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
Theaceae Conservation Corporation	Other related party
Silitech Technology Corporation	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
	(Concluded)

Transactions

Transactions between the Group and other related parties for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 are disclosed as follows:

<u>Related Party Category/Name</u>	<u>Sales of Goods</u>			
	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Parent company	\$ 221,989	\$ 257,459	\$ 448,379	\$ 452,158
Sister companies				
Dongguan Walsin Technology				
Electronics Co., Ltd.	24,231	64,330	42,528	115,906
Others	<u>15,343</u>	<u>17,712</u>	<u>30,035</u>	<u>37,147</u>
	<u>39,574</u>	<u>82,042</u>	<u>72,563</u>	<u>153,053</u>
Other related parties	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
	<u>\$ 261,563</u>	<u>\$ 339,501</u>	<u>\$ 520,942</u>	<u>\$ 605,216</u>
<u>Related Party Category/Name</u>	<u>Purchases of Goods</u>			
	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Parent company	\$ 114,499	\$ 80,578	\$ 191,450	\$ 150,633
Sister companies				
Dongguan Walsin Technology				
Electronics Co., Ltd.	157,968	122,321	229,699	212,306
Others	<u>8,875</u>	<u>17,776</u>	<u>17,840</u>	<u>27,660</u>
	<u>166,843</u>	<u>140,097</u>	<u>247,539</u>	<u>239,966</u>
Associates	<u>15,663</u>	<u>17,317</u>	<u>27,419</u>	<u>25,992</u>
	<u>\$ 297,005</u>	<u>\$ 237,992</u>	<u>\$ 466,408</u>	<u>\$ 416,591</u>

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 (payables) receivables, 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.

Related Party Category/Name	Acquisition of Assets			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2026	2025	2026	2025
Parent company	\$ 2,131	\$ -	\$ 2,131	\$ -
Other related party				
Falcon Automation Equipment Corporation	<u>-</u>	<u>-</u>	<u>26,640</u>	<u>-</u>
	<u>\$ 2,131</u>	<u>\$ -</u>	<u>\$ 28,771</u>	<u>\$ -</u>
Related Party Category	Disposals of Assets			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2026	2025	2026	2025
Associates	<u>\$ 30</u>	<u>\$ 50</u>	<u>\$ 30</u>	<u>\$ 50</u>

Lease arrangements as lessee

Item	Related Party Category	June 30, 2026	December 31,		
			2025	June 30, 2025	
Lease liabilities	Parent company	\$ 6,368	\$ 9,733	\$ 13,064	
	Other related parties	<u>5,274</u>	<u>6,087</u>	<u>6,897</u>	
		<u>\$ 11,642</u>	<u>\$ 15,820</u>	<u>\$ 19,961</u>	
Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Interest expense	Parent company	\$ 17	\$ 34	\$ 39	\$ 72
	Other related parties	<u>14</u>	<u>17</u>	<u>28</u>	<u>36</u>
		<u>\$ 31</u>	<u>\$ 51</u>	<u>\$ 67</u>	<u>\$ 108</u>
Rental expense	Sister companies	\$ 64	\$ 59	\$ 127	\$ 122

Lease arrangements as lessor

Lease income was summarized as follows:

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Parent company	\$ 762	\$ 743	\$ 1,524	\$ 1,485
Sister companies	-	21	-	43
Associates	14	13	27	26
Other related parties	<u>669</u>	<u>651</u>	<u>1,339</u>	<u>1,301</u>
	<u>\$ 1,445</u>	<u>\$ 1,428</u>	<u>\$ 2,890</u>	<u>\$ 2,855</u>

For the six months ended June 30, 2026 and 2025, the remaining balances were as follows:

Related Party Category/Name	Trade Receivables			Trade Payables		
	June 30, 2026	December 31, 2025	June 30, 2025	June 30, 2026	December 31, 2025	June 30, 2025
Parent company	\$ 151,977	\$ 239,039	\$ 226,897	\$ -	\$ -	\$ -
Sister companies						
Dongguan Walsin Technology Electronics Co., Ltd.	24,406	10,292	68,550	182,957	41,971	138,205
INPAQ Technology (Suzhou) Co., Ltd.	24,387	27,935	22,175	-	-	5
Others	<u>2,437</u>	<u>536</u>	<u>2,421</u>	<u>11,870</u>	<u>12,211</u>	<u>22,168</u>
	<u>51,230</u>	<u>38,763</u>	<u>93,146</u>	<u>194,827</u>	<u>54,182</u>	<u>160,378</u>
Associates	-	-	-	19,839	16,064	19,887
Other related parties	-	39	3	-	-	-
	<u>\$ 203,207</u>	<u>\$ 277,841</u>	<u>\$ 320,046</u>	<u>\$ 214,666</u>	<u>\$ 70,246</u>	<u>\$ 180,265</u>

Related Party Category	Other Receivables			Other Payables		
	June 30, 2026	December 31, 2025	June 30, 2025	June 30, 2026	December 31, 2025	June 30, 2025
Parent company	\$ 8,607	\$ 2,726	\$ -	\$ -	\$ -	\$ 77
Sister companies	-	108	692	540	467	533
Associates	2,010	1,216	2,083	9	9	44
Other related parties	<u>6,097</u>	<u>535</u>	<u>5,965</u>	<u>31,989</u>	<u>12,881</u>	<u>16,161</u>
	<u>\$ 16,714</u>	<u>\$ 4,585</u>	<u>\$ 8,740</u>	<u>\$ 32,538</u>	<u>\$ 13,357</u>	<u>\$ 16,815</u>

Other receivables are the uncollected amounts from the Group's lease income, dividend income, selling of raw materials, spare parts and equipment, 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 June 30, 2026, December 31, 2025 and June 30, 2025.

Remuneration of key management personnel

Remuneration of the board of directors and other key management personnel for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 4,804	\$ 2,268	\$ 24,600	\$ 20,897
Post-employment benefits	<u>54</u>	<u>54</u>	<u>108</u>	<u>108</u>
	<u>\$ 4,858</u>	<u>\$ 2,322</u>	<u>\$ 24,708</u>	<u>\$ 21,005</u>

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of property, plant and equipment	<u>\$ 1,426,896</u>	<u>\$ 633,802</u>	<u>\$ 78,301</u>

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.

In response to future operational development needs, the board of directors of the Company resolved on July 31, 2026, to increase the capital expenditure budget for the expansion of plant and equipment by approximately \$1,590,000 thousand.

b. Contingencies

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group had no open and unused letters of credit.

28. 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:

	June 30, 2026			December 31, 2025			June 30, 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)
<u>Financial assets</u>									
Monetary items									
USD	\$ 54,534	31.837	\$ 1,736,199	\$ 46,449	31.438	\$ 1,460,264	\$ 48,210	29.902	\$ 1,441,575
RMB	157,193	4.6925	737,628	140,871	4.4965	633,426	148,750	4.1733	620,778
Non-monetary items									
Investments accounted for using the equity method									
USD	1,982	31.837	63,112	1,960	31.438	61,605	1,935	29.902	57,874
RMB	113,389	4.6925	532,077	116,758	4.4965	525,002	120,192	4.1733	501,598
JPY	768,756	0.1962	150,830	717,566	0.2009	144,159	639,037	0.2077	132,728
<u>Financial liabilities</u>									
Monetary items									
USD	5,526	31.837	175,931	3,478	31.438	109,341	3,187	29.902	95,298
RMB	50,580	4.6925	237,347	16,238	4.4965	73,014	36,974	4.1733	154,304

For the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, foreign exchange (losses) gains were \$(244) thousand, \$(151,341) thousand, \$27,605 thousand and \$(133,133) thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions.

29. 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):
- The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - The amount of property transactions and the amount of the resultant gains or losses.
 - The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - 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.

30. 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 six months ended June 30, 2026 and 2025 as restated:

	For the Six Months Ended June 30, 2026			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 2,060,799	\$ 1,283,085	\$ (951,632)	\$ 2,392,252
Cost of sales	(1,440,275)	(1,221,202)	954,153	(1,707,324)
Unrealized gain on inter-affiliate accounts	<u>(3,479)</u>	<u>-</u>	<u>3,479</u>	<u>-</u>
Gross profit	617,045	61,883	6,000	684,928
Operating expenses	<u>(150,664)</u>	<u>(15,172)</u>	<u>(6,000)</u>	<u>(171,836)</u>
Profit from operations	466,381	46,711	-	513,092
Non-operating income and expenses	<u>163,662</u>	<u>7,774</u>	<u>(42,171)</u>	<u>129,265</u>
Profit before income tax	<u>\$ 630,043</u>	<u>\$ 54,485</u>	<u>\$ (42,171)</u>	<u>\$ 642,357</u>

For the Six Months Ended June 30, 2025

	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 1,780,940	\$ 1,041,187	\$ (767,699)	\$ 2,054,428
Cost of sales	(1,339,783)	(997,745)	756,083	(1,581,445)
Unrealized gain on inter-affiliate accounts	<u>(16,550)</u>	<u>-</u>	<u>16,550</u>	<u>-</u>
Gross profit	424,607	43,442	4,934	472,983
Operating expenses	<u>(129,051)</u>	<u>(15,390)</u>	<u>(4,920)</u>	<u>(149,361)</u>
Profit from operations	295,556	28,052	14	323,622
Non-operating income and expenses	<u>(92,945)</u>	<u>(4,888)</u>	<u>(17,537)</u>	<u>(115,370)</u>
Profit before income tax	<u>\$ 202,611</u>	<u>\$ 23,164</u>	<u>\$ (17,523)</u>	<u>\$ 208,252</u>

b. Segment assets and liabilities

June 30, 2026

	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 876,088	\$ 258,200	\$ -	\$ 1,134,288
Notes and trade receivables	1,000,549	706,844	(544,928)	1,162,465
Inventories	1,061,749	91,376	(43,783)	1,109,342
Other current assets	<u>239,387</u>	<u>304,976</u>	<u>-</u>	<u>544,363</u>
Total current assets	<u>3,177,773</u>	<u>1,361,396</u>	<u>(588,711)</u>	<u>3,950,458</u>
Financial assets at FVTOCI - non-current	4,417,755	-	-	4,417,755
Investments accounted for using the equity method	2,147,658	746,019	(1,551,032)	1,342,645
Financial assets at amortized cost	912,322	148,521	-	1,060,843
Property, plant and equipment	1,361,557	1,316	-	1,362,873
Other non-current assets	<u>98,437</u>	<u>7,794</u>	<u>-</u>	<u>106,231</u>
Total assets	<u>\$ 12,115,502</u>	<u>\$ 2,265,046</u>	<u>\$ (2,139,743)</u>	<u>\$ 12,240,805</u>

	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	<u>176,062</u>	<u>127,278</u>	<u>(3)</u>	<u>303,337</u>
Total current assets	<u>2,438,324</u>	<u>1,009,338</u>	<u>(456,445)</u>	<u>2,991,217</u>
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	<u>108,749</u>	<u>7,716</u>	<u>-</u>	<u>116,465</u>
Total assets	<u>\$ 10,137,634</u>	<u>\$ 2,055,020</u>	<u>\$ (1,951,101)</u>	<u>\$ 10,241,553</u>

	June 30, 2025			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 515,823	\$ 168,757	\$ -	\$ 684,580
Notes and trade receivables	853,542	557,694	(385,785)	1,025,451
Inventories	639,156	78,355	(41,673)	675,838
Other current assets	<u>129,497</u>	<u>113,447</u>	<u>(283)</u>	<u>242,661</u>
Total current assets	<u>2,138,018</u>	<u>918,253</u>	<u>(427,741)</u>	<u>2,628,530</u>
Financial assets at FVTOCI - non-current	1,696,827	-	-	1,696,827
Investments accounted for using the equity method	1,844,575	692,199	(1,403,580)	1,133,194
Financial assets at amortized cost	735,843	369,977	-	1,105,820
Property, plant and equipment	1,285,203	7,831	-	1,293,034
Other non-current assets	<u>125,178</u>	<u>8,079</u>	<u>-</u>	<u>133,257</u>
Total assets	<u>\$ 7,825,644</u>	<u>\$ 1,996,339</u>	<u>\$ (1,831,321)</u>	<u>\$ 7,990,662</u>

	June 30, 2026			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,664,023	\$ 774,215	\$ (544,928)	\$ 1,893,310
Guarantee deposits received	7,496	31,467	-	38,963
Deferred income tax liabilities	140,873	-	-	140,873
Other non-current liabilities	<u>19,589</u>	<u>-</u>	<u>-</u>	<u>19,589</u>
Total liabilities	<u>\$ 1,831,981</u>	<u>\$ 805,682</u>	<u>\$ (544,928)</u>	<u>\$ 2,092,735</u>

	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	<u>33,603</u>	<u>-</u>	<u>-</u>	<u>33,603</u>
Total liabilities	<u>\$ 1,125,477</u>	<u>\$ 527,202</u>	<u>\$ (416,140)</u>	<u>\$ 1,236,539</u>

	June 30, 2025			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,002,103	\$ 546,450	\$ (386,068)	\$ 1,162,485
Guarantee deposits received	7,486	11,409	-	18,895
Deferred income tax liabilities	188,407	-	-	188,407
Other non-current liabilities	<u>46,497</u>	<u>-</u>	<u>-</u>	<u>46,497</u>
Total liabilities	<u>\$ 1,244,493</u>	<u>\$ 557,859</u>	<u>\$ (386,068)</u>	<u>\$ 1,416,284</u>

All intercompany transactions had been eliminated upon consolidation.

TABLE 1

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

JUNE 30, 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	June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Prosperity Dielectrics Co., Ltd.	<u>Listed shares</u>							
	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	\$ 1,828,760	6.16	\$ 1,828,760	
	Walsin Lihwa Corporation	The chairman of the securities issuer is the second degree of kinship of the Company	"	11,861,940	441,264	0.27	441,264	
	HannStar Board Corporation	The chairman of the securities issuer is the same as the Company's	"	5,214,865	465,688	1.07	465,688	
	Fubon Financial Holding Co., Ltd.	None	"	500,000	25,850	-	25,850	
	Preference Shares C							
	Hotai Finance Co., Ltd.	"	"	1,000,000	94,400	0.14	94,400	
	Preferred Shares B							
	TXC Corporation	"	"	2,602,000	487,875	0.76	487,875	
	O-Bank Co., Ltd.	"	"	5,000,000	59,250	0.16	59,250	
	Preferred Shares B							
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	Financial assets at FVTPL - current	35,000	84,350	-	84,350	
	<u>Shares</u>							
	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	588,886	0.72	588,886	
	Theaceae Conservation Corporation	"	"	18,000,000	425,782	10	425,782	
	<u>Bonds</u>							
	ANZ New Zealand International Ltd.	None	Financial assets at amortized cost - non-current	-	63,519	-	64,846	
	Sumitomo Mitsui Trust Bank, Limited	"	"	-	31,874	-	32,480	
	Norinchukin Bank	"	"	-	31,947	-	32,174	
	Credit Agricole S.A.	"	"	-	31,814	-	32,306	
	NBN Co Limited	"	"	-	64,342	-	65,277	
	Burlington Northern Santa Fe, LLC	"	"	-	33,145	-	33,638	
	Bristol-Myers Squibb Company	"	"	-	32,618	-	33,381	
	Macquarie Group Limited.	"	"	-	50,588	-	51,255	
	Banco Santander, S.A.	"	"	-	64,191	-	64,906	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 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	-	\$ 200,647	
	The Second Issue of 2024 for US-dollar-denominated unsecured cumulative subordinated corporate Bonds of Cathay Life Insurance Co., Ltd	"	"	-	79,593	-	80,378	
	Hyundai Capital America	"	"	-	63,961	-	64,806	
	Volkswagen Group America Finance, LLC	"	"	-	33,209	-	33,602	
	Korea Expressway Corporation	"	"	-	6,473	-	6,436	
Frontier Components Co., Limited	<u>Bonds</u>							
	TSMC Arizona Corp.	None	Financial assets at amortized cost - current	-	95,490	-	95,077	
	Amazon.com, Inc.	"	"	-	63,467	-	63,242	
	Westpac New Zealand Ltd.	"	Financial assets at amortized cost - non-current	-	4,930	-	4,997	
	Berkshire Hathaway Energy Company	"	"	-	70,326	-	70,794	
	Equinor ASA	"	"	-	73,265	-	73,473	
Prosperity Investments (Singapore) Co., Limited	<u>Bonds</u>							
	Honda Motor Co, Ltd.	None	Financial assets at amortized cost - non-current	-	125,048	-	123,191	

(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 SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade 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	\$ (497,686)	(24)	No significant difference with third parties	-	-	Trade receivables \$ 279,708	28	
	Walsin Technology Corporation	Parent company	Sales	(448,379)	(22)	"	-	-	Trade receivables 151,997	15	
	Walsin Technology Corporation	Parent company	Purchases	191,450	17	"	-	-	Trade payables -	-	
Frontier Components Co., Limited	Prosperity Dielectrics Co., Ltd.	Parent company	Purchases	497,686	99	"	-	-	Trade payables (279,708)	(90)	
	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Sales	(453,947)	(87)	"	-	-	Trade receivables 237,457	80	
Dongguan Frontier Electronics Co., Ltd.	Dongguan Walsin Technology Electronics Co., Ltd.	Sister company	Purchases	193,503	27	"	-	-	Trade payables (152,515)	(36)	
	Frontier Components Co., Limited	Parent company	Purchases	453,947	63	"	-	-	Trade payables (237,457)	(55)	

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 SIX MONTHS ENDED JUNE 30, 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 Walsin Technology Corporation	Indirectly owned second-tier subsidiary Parent company	Trade receivables \$ 279,708	4.06	\$ -	-	\$ 113,223	\$ -
			Trade receivables 151,977	4.59	-	-	-	-
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Trade receivables 237,457	4.19	-	-	82,954	-

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(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 Trade receivables	\$ 497,686 279,708	No significant difference with third parties "	21 2
1	Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Subsidiary to subsidiary	Sales Trade receivables	453,947 237,457	" "	19 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 June 30, 2026. For profit or loss items, cumulative amounts are shown as a percentage of consolidated total operating revenue for the six months ended June 30, 2026.

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

TABLE 5

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 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	\$ 1,422,828	\$ 41,321	\$ 41,321	
	Tsai Yi Corporation	Taiwan	Investment holding	51,928	51,928	4,934,995	3.36	224,623	514,914	17,304	
	Hannstar Board New Energy Co., Ltd.	Taiwan	Solar power generation	2,500	2,500	250,000	5	1,813	(2,208)	(110)	
	Joyin Co., Ltd.	Taiwan	Manufacturing of electronic components	426,701	426,701	23,715,360	30.4	359,046	11,029	766	
	Prosperity Investments (Singapore) Co., Limited	Singapore	Investment company	127,920	-	4,000,000	100	128,203	849	849	
	PSA Group Technologies Inc.	Canada	Saling of electronic components	11,436	-	500,000	12.5	11,144	(341)	(43)	
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Republic of Mauritius	Investment holding	387,932	387,932	12,009,000	100	551,612	(20,060)	(20,060)	
	Frontier Components Co., Limited	Hong Kong	International trade	286,565 (Note 2)	286,565 (Note 2)	70,036,752	100	844,919	62,388	62,388	
	Prosperity International Development (HK) Co., Ltd.	Hong Kong	Investment holding	76,441 (Note 2)	76,441 (Note 2)	2,401,000	100	63,138	(1,106)	(1,106)	
Prosperity International Development (HK) Co., Ltd.	GHPW Enterprise Corporation (HK) Limited	Hong Kong	Investment holding	76,409 (Note 2)	76,409 (Note 2)	2,400,000	10	63,112	(11,059)	(1,106)	
Frontier Components Co., Limited	PSA Japan Investment G.K.	Japan	Investment company	128,021 (Note 2)	128,021 (Note 2)	-	9	150,830	113,438	10,209	

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

Note 2: The closing exchange rate as of June 30, 2026 was used to convert the foreign currencies into New Taiwan dollars. The closing exchange rate as of June 30, 2026 were US\$ to NT\$= 1:31.837, JPY to NT\$= 1:0.1962 and CAD to NT\$=1:22.3716.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA OF PROSPERITY DIELECTRICS CO., LTD.
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2026	Net (Loss) Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2026 (Note 3)	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of ceramic components	\$ 382,044 (US\$ 12,000,000)	Note 1	\$ 382,044 (US\$ 12,000,000)	\$ -	\$ -	\$ 382,044 (US\$ 12,000,000)	\$ (20,066)	100	\$ (20,066)	\$ 551,307	\$ 239,415 (US\$ 7,520,035)
Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	194,206 (US\$ 6,100,000)	Note 1	194,206 (US\$ 6,100,000)	-	-	194,206 (US\$ 6,100,000)	20,696	100	20,696	282,299	324,907 (US\$ 10,205,339)
Chongqing Shuohong Investment Co., Ltd.	Investment management, investment consultation services	2,487,025 (RMB 530,000,000) (Note 4)	Note 1	-	-	-	-	(70,252)	20.43	(14,354)	492,497	-
Chongqing Xincheng Electronic Co., Ltd.	Selling of electronic components, real estate investment and leasing	253,967 (RMB 54,122,000) (Note 5)	Note 1	-	-	-	-	(8,383)	13.04	(1,093)	39,580	-
GHPW Enterprise Corporation (Chongqing) Limited	Business consultations, business management, consultation services and property management	764,088 (US\$ 24,000,000)	Note 1	76,409 (US\$ 2,400,000)	-	-	76,409 (US\$ 2,400,000)	(10,976)	10	(1,098)	63,090	-

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 June 30, 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 six months ended June 30, 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 June 30, 2026	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 503,522 (US\$ 15,815,626.66)	\$ 638,635 (US\$ 20,059,533.72)	(Note 2)

Note 1: The average exchange rates as of June 30, 2026 are as follows:

US\$ to NT\$= 1:31.837
RMB to NT\$= 1:4.6925

The average exchange rates for the six months ended June 30, 2026 are as follows:

US\$ to NT\$= 1:31.614
RMB to NT\$= 1:4.5844

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.

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.