

Allied Supreme Corp. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Allied Supreme Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Allied Supreme Corp. and its subsidiaries (collectively, the “Group”) as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Shih-Hsuan, Peng and Pan-Fa, Wang.

Shihhsuan Peng

Panfa Wang

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 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.

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 26)	\$ 2,937,319	28	\$ 3,227,950	31	\$ 4,065,472	37
Financial assets at amortized cost - current (Notes 7 and 26)	1,306,331	12	658,042	6	292,799	3
Notes receivable (Notes 8, 21 and 26)	372,319	4	362,104	4	352,533	3
Trade receivables (Notes 8, 21 and 26)	1,692,906	16	2,033,014	20	2,075,356	19
Other receivables (Notes 8 and 26)	8,508	-	17,400	-	15,819	-
Current tax assets (Note 4)	11,910	-	11,849	-	1,259	-
Inventories (Note 9)	1,689,274	16	1,585,456	15	1,861,823	17
Other current financial assets (Notes 14, 26 and 28)	324,646	3	313,387	3	161,185	1
Other current assets (Note 14)	<u>104,173</u>	<u>1</u>	<u>79,186</u>	<u>1</u>	<u>204,796</u>	<u>2</u>
Total current assets	<u>8,447,386</u>	<u>80</u>	<u>8,288,388</u>	<u>80</u>	<u>9,031,042</u>	<u>82</u>
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Notes 7 and 26)	92,580	1	89,920	1	-	-
Property, plant and equipment (Notes 11 and 28)	1,804,844	17	1,800,188	18	1,797,052	17
Right-of-use assets (Note 12)	86,521	1	68,398	1	56,518	1
Other intangible assets (Note 13)	10,542	-	10,550	-	9,496	-
Deferred tax assets (Note 4)	32,556	1	35,496	-	30,867	-
Net defined benefit assets (Note 4)	25,598	-	25,282	-	20,215	-
Other financial assets (Notes 14, 26 and 28)	1,281	-	2,976	-	13,966	-
Other non-current assets (Note 14)	<u>25,579</u>	<u>-</u>	<u>33,073</u>	<u>-</u>	<u>34,887</u>	<u>-</u>
Total non-current assets	<u>2,079,501</u>	<u>20</u>	<u>2,065,883</u>	<u>20</u>	<u>1,963,001</u>	<u>18</u>
TOTAL	<u>\$ 10,526,887</u>	<u>100</u>	<u>\$ 10,354,271</u>	<u>100</u>	<u>\$ 10,994,043</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 15 and 26)	\$ 150,000	1	\$ 150,000	2	\$ -	-
Trade payables (Notes 16 and 26)	581,674	6	611,537	6	517,338	5
Other payables (Notes 17 and 26)	877,797	8	440,972	4	1,447,874	13
Current tax liabilities (Note 4)	55,591	1	36,938	-	258,689	3
Provisions - current (Note 18)	21,270	-	23,939	-	12,229	-
Lease liabilities - current (Note 12)	17,173	-	6,751	-	4,310	-
Contract liabilities (Note 21)	337,036	3	430,623	4	573,240	5
Current portion of long-term borrowings (Notes 15, 26 and 28)	83,688	1	83,688	1	114,938	1
Other current liabilities (Note 17)	<u>1,757</u>	<u>-</u>	<u>2,029</u>	<u>-</u>	<u>1,693</u>	<u>-</u>
Total current liabilities	<u>2,125,986</u>	<u>20</u>	<u>1,786,477</u>	<u>17</u>	<u>2,930,311</u>	<u>27</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 15, 26 and 28)	208,913	2	229,835	2	292,601	2
Non-current tax liabilities (Note 4)	92,397	1	92,973	1	95,356	1
Lease liabilities - non-current (Note 12)	19,451	-	12,691	-	1,095	-
Other non-current liabilities (Notes 17 and 26)	<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>
Total non-current liabilities	<u>321,211</u>	<u>3</u>	<u>335,949</u>	<u>3</u>	<u>389,502</u>	<u>3</u>
Total liabilities	<u>2,447,197</u>	<u>23</u>	<u>2,122,426</u>	<u>20</u>	<u>3,319,813</u>	<u>30</u>
EQUITY (Note 20)						
Share capital						
Ordinary shares	799,760	8	799,760	8	799,760	7
Capital surplus	2,045,485	19	2,045,485	20	2,045,485	19
Retained earnings						
Legal reserve	1,092,426	10	1,092,426	10	918,118	8
Special reserve	-	-	-	-	75,379	1
Unappropriated earnings	3,952,237	38	4,230,467	41	3,718,017	34
Other equity						
Exchange differences on translating foreign operations	<u>189,782</u>	<u>2</u>	<u>63,707</u>	<u>1</u>	<u>117,471</u>	<u>1</u>
Total equity	<u>8,079,690</u>	<u>77</u>	<u>8,231,845</u>	<u>80</u>	<u>7,674,230</u>	<u>70</u>
TOTAL	<u>\$ 10,526,887</u>	<u>100</u>	<u>\$ 10,354,271</u>	<u>100</u>	<u>\$ 10,994,043</u>	<u>100</u>

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

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Note 21)	\$ 1,058,605	100	\$ 965,850	100
OPERATING COSTS (Notes 9 and 22)	<u>688,678</u>	<u>65</u>	<u>613,823</u>	<u>64</u>
GROSS PROFIT	<u>369,927</u>	<u>35</u>	<u>352,027</u>	<u>36</u>
OPERATING EXPENSES (Notes 22 and 27)				
Selling and marketing expenses	50,689	5	47,956	5
General and administrative expenses	46,204	4	45,923	5
Research and development expenses	34,757	3	24,131	2
Expected credit loss	<u>27,792</u>	<u>3</u>	<u>3,079</u>	<u>-</u>
Total operating expenses	<u>159,442</u>	<u>15</u>	<u>121,089</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>210,485</u>	<u>20</u>	<u>230,938</u>	<u>24</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	16,213	1	11,439	1
Other income	4,179	-	2,586	-
Other gains and losses	6,817	1	14,650	2
Finance costs	<u>(1,577)</u>	<u>-</u>	<u>(1,395)</u>	<u>-</u>
Total non-operating income and expenses	<u>25,632</u>	<u>2</u>	<u>27,280</u>	<u>3</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	236,117	22	258,218	27
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(34,491)</u>	<u>(3)</u>	<u>(50,440)</u>	<u>(5)</u>
NET PROFIT FOR THE PERIOD	<u>201,626</u>	<u>19</u>	<u>207,778</u>	<u>22</u>
OTHER COMPREHENSIVE INCOME (Note 20)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>126,075</u>	<u>12</u>	<u>80,811</u>	<u>8</u>
Other comprehensive income for the period, net of income tax	<u>126,075</u>	<u>12</u>	<u>80,811</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 327,701</u>	<u>31</u>	<u>\$ 288,589</u>	<u>30</u>

(Continued)

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	\$ 2.52		\$ 2.60	
Diluted	\$ 2.51		\$ 2.59	

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

(Concluded)

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

	Share Capital		Capital Surplus	Retained Earnings			Other Equity Exchange Differences on Translating Foreign Operations	Total Equity
	Ordinary Shares (In Thousands of Shares)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE ON JANUARY 1, 2025	79,976	\$ 799,760	\$ 2,045,485	\$ 918,118	\$ 75,379	\$ 4,469,951	\$ 36,660	\$ 8,345,353
Appropriation of 2024 earnings								
Cash dividends distributed by the Company	-	-	-	-	-	(959,712)	-	(959,712)
Net profit for the three months ended March 31, 2025	-	-	-	-	-	207,778	-	207,778
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	80,811	80,811
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	207,778	80,811	288,589
BALANCE ON MARCH 31, 2025	<u>79,976</u>	<u>\$ 799,760</u>	<u>\$ 2,045,485</u>	<u>\$ 918,118</u>	<u>\$ 75,379</u>	<u>\$ 3,718,017</u>	<u>\$ 117,471</u>	<u>\$ 7,674,230</u>
BALANCE ON JANUARY 1, 2026	79,976	\$ 799,760	\$ 2,045,485	\$ 1,092,426	\$ -	\$ 4,230,467	\$ 63,707	\$ 8,231,845
Appropriation of 2025 earnings								
Cash dividends distributed by the Company	-	-	-	-	-	(479,856)	-	(479,856)
Net profit for the three months ended March 31, 2026	-	-	-	-	-	201,626	-	201,626
Other comprehensive income for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	-	126,075	126,075
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	201,626	126,075	327,701
BALANCE ON MARCH 31, 2026	<u>79,976</u>	<u>\$ 799,760</u>	<u>\$ 2,045,485</u>	<u>\$ 1,092,426</u>	<u>\$ -</u>	<u>\$ 3,952,237</u>	<u>\$ 189,782</u>	<u>\$ 8,079,690</u>

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

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 236,117	\$ 258,218
Adjustments for:		
Depreciation expenses	50,809	49,035
Amortization expenses	1,896	1,758
Expected credit loss on trade receivables	27,792	3,079
Finance costs	1,577	1,395
Interest income	(16,213)	(11,439)
Loss on disposal of property, plant and equipment	2,402	14
Property, plant and equipment transferred to expense	538	209
(Reversal of) write-down of inventories	(8,579)	4,413
Unrealized net loss on foreign currency exchange	76,757	26,621
Reversal of provisions	(2,723)	(7,630)
Changes in operating assets and liabilities		
Notes receivable	(10,222)	(21,440)
Trade receivables	310,147	654,948
Other receivables	(31)	(20)
Inventories	(98,361)	(156,842)
Other current assets	(25,471)	(61,101)
Other non-current assets	(2,323)	-
Trade payables	(28,271)	33,751
Other payables	(43,003)	(46,506)
Contract liabilities	(93,587)	36,811
Other current liabilities	(272)	(18,154)
Net defined benefit assets	(316)	(301)
Cash generated from operations	378,663	746,819
Interest received	25,136	9,985
Interest paid	(1,588)	(1,499)
Income tax paid	(13,535)	(14,741)
Net cash generated from operating activities	388,676	740,564
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(650,949)	(304,932)
Payments for property, plant and equipment	(39,582)	(27,776)
Proceeds from disposal of property, plant and equipment	-	19
Increase in refundable deposits	(4,282)	(2,615)
Payments for intangible assets	(1,740)	(2,124)
Increase in other financial assets	(9,564)	-
Decrease in other financial assets	-	123,557

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ALLIED SUPREME CORP. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
Increase in prepayments for equipment	\$ -	\$ (4,792)
Decrease in prepayments for equipment	<u>12,260</u>	<u>-</u>
Net cash used in investing activities	<u>(693,857)</u>	<u>(218,663)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(20,922)	(20,572)
Repayment for principal portion of lease liabilities	<u>(4,350)</u>	<u>(2,182)</u>
Net cash used in financing activities	<u>(25,272)</u>	<u>(22,754)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>39,822</u>	<u>36,471</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(290,631)	535,618
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,227,950</u>	<u>3,529,854</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,937,319</u>	<u>\$ 4,065,472</u>

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

(Concluded)

ALLIED SUPREME CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Allied Supreme Corp. (the “Company”) was established in the Republic of China (ROC) in 1981. The Company mainly manufactures and sells surface coating treatment of various metals and non-metals, special surface treatment of various machinery and parts, as well as finished and semi-finished products such as fluorinated resin raw material round bars and flat plates.

In September 2020, the Company’s shares were listed on the Emerging Stock Board of the Taipei Exchange. In September 2021, the Company’s application for listing on the Taiwan Stock Exchange was approved by the Taiwan Stock Exchange Review Committee and submitted to the Financial Supervisory Commission for approval. As of December 2021, the Company’s shares have been officially listed on the Taiwan Stock Exchange.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 8, 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 FSC

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

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

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

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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

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

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.

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 assets 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

Principles for preparing the consolidated financial statements

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

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

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

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

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the 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 the Company.

See Note 10 and Table 4 to the consolidated financial statements for detailed information on subsidiaries (including percentages of ownership and main businesses).

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 material 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 climate change and related government policies and regulations, volatility in energy markets, US reciprocal tariffs, conflicts in the Middle East and related geopolitical developments on the economic environment on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	\$ 1,092	\$ 1,076	\$ 1,175
Checking accounts and demand deposits	1,262,121	1,658,406	1,560,557
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>1,674,106</u>	<u>1,568,468</u>	<u>2,503,740</u>
	<u>\$ 2,937,319</u>	<u>\$ 3,227,950</u>	<u>\$ 4,065,472</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, the market rate intervals of time deposits with original maturities of 3 months or less were 0.3%-3.93%, 0.3%-4.04% and 0.1%-4.45%, respectively.

7. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ 1,306,331	\$ 478,202	\$ 109,879
Negotiable certificates of deposit with maturities of more than three months	<u>-</u>	<u>179,840</u>	<u>182,920</u>
	<u>\$ 1,306,331</u>	<u>\$ 658,042</u>	<u>\$ 292,799</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, the interest rate for time deposits with an original maturity of more than 3 months was 1.00%-1.64%, 0.675%-1.64% and 1.7%-5.28%, respectively.

As of December 31, 2025 and March 31, 2025, the interest rate of negotiable certificates of deposit with maturities of more than three months were 3.25% per annum.

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities of more than 12 months	<u>\$ 92,580</u>	<u>\$ 89,920</u>	<u>\$ -</u>

As of March 31, 2026 and December 31, 2025, the interest rate of time deposits with original maturities of more than 12 months were 2.00%.

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 372,676	\$ 362,454	\$ 352,875
Less: Allowance for impairment loss	<u>(357)</u>	<u>(350)</u>	<u>(342)</u>
	<u>\$ 372,319</u>	<u>\$ 362,104</u>	<u>\$ 352,533</u>

Trade receivables

At amortized cost			
Gross carrying amount	\$ 1,736,337	\$ 2,049,806	\$ 2,089,379
Less: Allowance for impairment loss	<u>(43,431)</u>	<u>(16,792)</u>	<u>(14,023)</u>
	<u>\$ 1,692,906</u>	<u>\$ 2,033,014</u>	<u>\$ 2,075,356</u>

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Overdue receivables</u>			
Gross carrying amount	\$ 13,451	\$ 11,128	\$ 136
Less: Allowance for impairment loss	<u>(13,451)</u>	<u>(11,128)</u>	<u>(136)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other receivables</u>			
Interest receivable	\$ 7,656	\$ 16,579	\$ 14,995
Others	<u>852</u>	<u>821</u>	<u>824</u>
	<u>\$ 8,508</u>	<u>\$ 17,400</u>	<u>\$ 15,819</u>
			(Concluded)

Credit periods are typically provided in the Group's sales agreements. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit limits and scores attributed to customers are reviewed regularly.

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 reporting period 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 trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

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

The following table details the loss allowance of trade receivables and overdue receivables based on the Group's provision matrix:

March 31, 2026

	Invoice Date 1 to 180 Days	Invoice Date 181 to 270 Days	Invoice Date 271 to 360 Days	Invoice Date 361 to 450 Days	Invoice Date 450 Days or More	Total
Expected credit loss rate	0%-0.1%	0%-0.8%	0%-9%	0%-14%	0%-100%	
Gross carrying amount	\$ 1,101,424	\$ 216,090	\$ 271,686	\$ 33,434	\$ 127,154	\$ 1,749,788
Loss allowance (Lifetime ECLs)	<u>(629)</u>	<u>(1,156)</u>	<u>(14,406)</u>	<u>(1,873)</u>	<u>(38,818)</u>	<u>(56,882)</u>
Amortized cost	<u>\$ 1,100,795</u>	<u>\$ 214,934</u>	<u>\$ 257,280</u>	<u>\$ 31,561</u>	<u>\$ 88,336</u>	<u>\$ 1,692,906</u>

December 31, 2025

	Invoice Date 1 to 180 Days	Invoice Date 181 to 270 Days	Invoice Date 271 to 360 Days	Invoice Date 361 to 450 Days	Invoice Date 450 Days or More	Total
Expected credit loss rate	0%-0.1%	0%-0.8%	0%-9%	0%-14%	0%-100%	
Gross carrying amount	\$ 1,468,155	\$ 353,810	\$ 92,764	\$ 75,906	\$ 70,299	\$ 2,060,934
Loss allowance (Lifetime ECLs)	<u>(648)</u>	<u>(1,936)</u>	<u>(6,345)</u>	<u>(3,364)</u>	<u>(15,627)</u>	<u>(27,920)</u>
Amortized cost	<u>\$ 1,467,507</u>	<u>\$ 351,874</u>	<u>\$ 86,419</u>	<u>\$ 72,542</u>	<u>\$ 54,672</u>	<u>\$ 2,033,014</u>

March 31, 2025

	Invoice Date 1 to 180 Days	Invoice Date 181 to 270 Days	Invoice Date 271 to 360 Days	Invoice Date 361 to 450 Days	Invoice Date 450 Days or More	Total
Expected credit loss rate	0%-0.1%	0%-0.8%	0%-9%	0%-14%	0%-100%	
Gross carrying amount	\$ 1,589,401	\$ 273,129	\$ 121,857	\$ 19,625	\$ 85,503	\$ 2,089,515
Loss allowance (Lifetime ECLs)	<u>(786)</u>	<u>(812)</u>	<u>(9,208)</u>	<u>(2,227)</u>	<u>(1,126)</u>	<u>(14,159)</u>
Amortized cost	<u>\$ 1,588,615</u>	<u>\$ 272,317</u>	<u>\$ 112,649</u>	<u>\$ 17,398</u>	<u>\$ 84,377</u>	<u>\$ 2,075,356</u>

The movements of the loss allowance were as follows:

For the Three Months Ended March 31, 2026				
	Notes Receivable	Trade Receivables	Overdue Receivables	Total
Balance on January 1	\$ 350	\$ 16,792	\$ 11,128	\$ 28,270
Expected credit loss recognized (reversed)	(4)	25,808	1,988	27,792
Foreign exchange translation gains and losses	<u>11</u>	<u>831</u>	<u>335</u>	<u>1,177</u>
Balance on March 31	<u>\$ 357</u>	<u>\$ 43,431</u>	<u>\$ 13,451</u>	<u>\$ 57,239</u>

For the Three Months Ended March 31, 2025				
	Notes Receivable	Trade Receivables	Overdue Receivables	Total
Balance on January 1	\$ 324	\$ 10,709	\$ 136	\$ 11,169
Expected credit loss recognized	10	3,069	-	3,079
Foreign exchange translation gains and losses	<u>8</u>	<u>245</u>	<u>-</u>	<u>253</u>
Balance on March 31	<u>\$ 342</u>	<u>\$ 14,023</u>	<u>\$ 136</u>	<u>\$ 14,501</u>

Overdue receivables were classified under other assets and provided with allowance for expected credit loss.

9. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 460,553	\$ 444,451	\$ 491,446
Semi-finished goods	196,775	173,604	205,374
Work in process	304,337	327,393	354,507
Finished goods	<u>727,609</u>	<u>640,008</u>	<u>810,496</u>
	<u>\$ 1,689,274</u>	<u>\$ 1,585,456</u>	<u>\$ 1,861,823</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 are as follows:

	For the Three Months Ended March 31	
	2026	2025
Cost of inventories sold	\$ 697,257	\$ 609,410
Inventory (reversal) loss of write-downs	<u>(8,579)</u>	<u>4,413</u>
	<u>\$ 688,678</u>	<u>\$ 613,823</u>

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Percentage of Ownership		
			March 31, 2026	December 31, 2025	March 31, 2025
Allied Supreme Corp. ("ASC")	Allied Supreme (Samoa) Corp. ("ASC (Samoa)")	Investment	100.00	100.00	100.00
ASC	Aston Fluorotech Corp. ("AFTC")	Sales of special functional composite materials and products	100.00	100.00	100.00
Allied Supreme (Samoa) Corp.	Allied Supreme (China) Corp. ("ASC (China)")	Investment	100.00	100.00	100.00
Allied Supreme (China) Corp.	Allied Supreme (Jia Xing) Corp. ("ASC (Jia Xing)")	Production of special functional composite materials and products and sales of self-produced products	100.00	100.00	100.00

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction-in-progress and Equipment Ready for Inspection	Total
<u>Cost</u>						
Balance on January 1, 2025	\$ 259,857	\$ 1,245,255	\$ 1,013,922	\$ 188,090	\$ 30,095	\$ 2,737,219
Additions	-	105	3,294	1,117	23,260	27,776
Disposals	-	-	(11,495)	(380)	-	(11,875)
Transferred from advance real estate payment	-	-	-	-	91,391	91,391
Reclassifications	-	-	6,955	3,318	(10,482)	(209)
Effect of exchange rate differences	-	9,580	7,380	1,643	67	18,670
Balance on March 31, 2025	<u>\$ 259,857</u>	<u>\$ 1,254,940</u>	<u>\$ 1,020,056</u>	<u>\$ 193,788</u>	<u>\$ 134,331</u>	<u>\$ 2,862,972</u>
<u>Accumulated depreciation</u>						
Balance on January 1, 2025	\$ -	\$ 357,616	\$ 586,658	\$ 79,925	\$ -	\$ 1,024,199
Depreciation expense	-	14,461	23,684	6,876	-	45,021
Disposals	-	-	(11,467)	(375)	-	(11,842)
Effect of exchange rate differences	-	3,724	4,109	709	-	8,542
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 375,801</u>	<u>\$ 602,984</u>	<u>\$ 87,135</u>	<u>\$ -</u>	<u>\$ 1,065,920</u>
Carrying amount on March 31, 2025	<u>\$ 259,857</u>	<u>\$ 879,139</u>	<u>\$ 417,072</u>	<u>\$ 106,653</u>	<u>\$ 134,331</u>	<u>\$ 1,797,052</u>
<u>Cost</u>						
Balance on January 1, 2026	\$ 324,447	\$ 1,294,021	\$ 1,071,992	\$ 210,527	\$ 87,107	\$ 2,988,094
Additions	-	461	8,150	780	30,191	39,582
Disposals	-	-	(27,574)	(1,263)	-	(28,837)
Reclassifications	-	3,409	14,998	500	(19,445)	(538)
Effect of exchange rate differences	-	13,412	11,161	2,423	180	27,176
Balance on March 31, 2026	<u>\$ 324,447</u>	<u>\$ 1,311,303</u>	<u>\$ 1,078,727</u>	<u>\$ 212,967</u>	<u>\$ 98,033</u>	<u>\$ 3,025,477</u>
<u>Accumulated depreciation</u>						
Balance on January 1, 2026	\$ -	\$ 416,741	\$ 666,319	\$ 104,846	\$ -	\$ 1,187,906
Depreciation expense	-	14,990	24,471	6,496	-	45,957
Disposals	-	-	(25,182)	(1,253)	-	(26,435)
Effect of exchange rate differences	-	5,809	6,076	1,320	-	13,205
Balance on March 31, 2026	<u>\$ -</u>	<u>\$ 437,540</u>	<u>\$ 671,684</u>	<u>\$ 111,409</u>	<u>\$ -</u>	<u>\$ 1,220,633</u>
Carrying amount on January 1, 2026	<u>\$ 324,447</u>	<u>\$ 877,280</u>	<u>\$ 405,673</u>	<u>\$ 105,681</u>	<u>\$ 87,107</u>	<u>\$ 1,800,188</u>
Carrying amount on March 31, 2026	<u>\$ 324,447</u>	<u>\$ 873,763</u>	<u>\$ 407,043</u>	<u>\$ 101,558</u>	<u>\$ 98,033</u>	<u>\$ 1,804,844</u>

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

Buildings	30-56 years
Building accessory equipment	3-11 years
Machinery equipment	3-11 years
Other equipment	3-20 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 28 to the consolidated financial statements.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Land	\$ 82,961	\$ 65,863	\$ 53,622
Buildings	1,251	94	377
Transportation equipment	<u>2,309</u>	<u>2,441</u>	<u>2,519</u>
	<u>\$ 86,521</u>	<u>\$ 68,398</u>	<u>\$ 56,518</u>
		For the Three Months Ended March 31	
		2026	2025
Additions to right-of-use assets		<u>\$ 21,499</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets			
Land		\$ 4,457	\$ 3,733
Buildings		208	94
Transportation equipment		<u>187</u>	<u>187</u>
		<u>\$ 4,852</u>	<u>\$ 4,014</u>

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Current	<u>\$ 17,173</u>	<u>\$ 6,751</u>	<u>\$ 4,310</u>
Non-current	<u>\$ 19,451</u>	<u>\$ 12,691</u>	<u>\$ 1,095</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	1.375%	1.375%	1.00%-1.375%
Buildings	1.375%	1.25%	1.25%
Transportation equipment	1.375%-4.23%	1.375%-4.23%	1.00%-4.23%

c. Material leasing activities and terms

The Group leases land, buildings, offices, dormitories and office car with lease terms of 2 to 5 years. Prepayments for land use rights in China are recognized as right-of-use assets - land. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	\$ <u>737</u>	\$ <u>419</u>
Total cash outflow for leases	\$ <u>(5,226)</u>	\$ <u>(2,628)</u>

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

13. INTANGIBLE ASSETS

	Computer Software	Patent	Total
<u>Cost</u>			
Balance on January 1, 2025	\$ 49,361	\$ 2,000	\$ 51,361
Additions	2,124	-	2,124
Effect of foreign currency exchange differences	<u>644</u>	<u>-</u>	<u>644</u>
Balance on March 31, 2025	<u>\$ 52,129</u>	<u>\$ 2,000</u>	<u>\$ 54,129</u>
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2025	\$ 40,341	\$ 2,000	\$ 42,341
Amortization expense	1,758	-	1,758
Effect of foreign currency exchange differences	<u>534</u>	<u>-</u>	<u>534</u>
Balance on March 31, 2025	<u>\$ 42,633</u>	<u>\$ 2,000</u>	<u>\$ 44,633</u>
Carrying amount on March 31, 2025	<u>\$ 9,496</u>	<u>\$ -</u>	<u>\$ 9,496</u>
<u>Cost</u>			
Balance on January 1, 2026	\$ 57,053	\$ 2,000	\$ 59,053
Additions	1,740	-	1,740
Disposals	(4,382)	-	(4,382)
Effect of foreign currency exchange differences	<u>878</u>	<u>-</u>	<u>878</u>
Balance on March 31, 2026	<u>\$ 55,289</u>	<u>\$ 2,000</u>	<u>\$ 57,289</u>

(Continued)

	Computer Software	Patent	Total
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2026	\$ 46,503	\$ 2,000	\$ 48,503
Amortization expense	1,896	-	1,896
Disposals	(4,382)	-	(4,382)
Effect of foreign currency exchange differences	<u>730</u>	<u>-</u>	<u>730</u>
Balance on March 31, 2026	<u>\$ 44,747</u>	<u>\$ 2,000</u>	<u>\$ 46,747</u>
Carrying amount on January 1, 2026	<u>\$ 10,550</u>	<u>\$ -</u>	<u>\$ 10,550</u>
Carrying amount on March 31, 2026	<u>\$ 10,542</u>	<u>\$ -</u>	<u>\$ 10,542</u>
			(Concluded)

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

Software	1-5 years
Patent	3-5 years

14. OTHER ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Other financial assets (Note 28)			
Secured deposits (Note)	<u>\$ 324,646</u>	<u>\$ 313,387</u>	<u>\$ 161,185</u>
Other current assets			
Prepayments	\$ 100,494	\$ 75,700	\$ 198,689
Refundable deposits	457	941	3,229
Others	<u>3,222</u>	<u>2,545</u>	<u>2,878</u>
	<u>\$ 104,173</u>	<u>\$ 79,186</u>	<u>\$ 204,796</u>
<u>Non-current</u>			
Other financial assets (Note 28)			
Guarantee deposits (Note)	<u>\$ 1,281</u>	<u>\$ 2,976</u>	<u>\$ 13,966</u>
Other non-current assets			
Refundable deposits	\$ 23,613	\$ 18,847	\$ 19,091
Prepayments for equipment	1,966	14,226	15,796
Overdue receivables	13,451	11,128	136
Allowance for impairment loss - overdue receivables	<u>(13,451)</u>	<u>(11,128)</u>	<u>(136)</u>
	<u>\$ 25,579</u>	<u>\$ 33,073</u>	<u>\$ 34,887</u>

Note: The secured deposits as collateral for financing borrowings, letters of credit, and performance guarantees bore interest at rates ranging from 0.675% to 1.70%, from 0.675% to 1.70% and from 0.10% to 2.59% as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

15. BORROWINGS

Short-term Borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 150,000	\$ 150,000	\$ -

The interest rates of the bank revolving loan were 2.20% as of March 31, 2026 and December 31, 2025.

Long-term Borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Secured borrowings (Note 28)</u>			
Mega Bank (a)	\$ 206,465	\$ 216,620	\$ 247,085
Fubon Bank (b)	86,136	96,903	129,204
	292,601	313,523	376,289
<u>Unsecured borrowings</u>			
Fubon Bank (c)	-	-	31,250
Less: Current portion of long-term borrowings	(83,688)	(83,688)	(114,938)
	\$ 208,913	\$ 229,835	\$ 292,601

- As of March 31, 2026, December 31, 2025 and March 31, 2025, the weighted average effective interest rate of the bank borrowings secured by the Group's freehold land and buildings (see Note 28 to the consolidated financial statements) was 1.375% per annum.
- As of March 31, 2026, December 31, 2025 and March 31, 2025, the weighted average effective interest rate of the bank borrowings secured by the Group's owned plant and equipment (see Note 28 to the consolidated financial statements) was 1.263% per annum.
- As of March 31, 2025, the weighted average effective interest rate of the bank unsecured borrowings were 1.263% per annum.

Repayment and interest payment methods:

<u>Name</u>	<u>Period</u>	<u>Repayment and Interest Payment Methods</u>
Mega Bank (a)	2021.05-2031.05	Interest is paid monthly. Principal is payable in equal monthly amounts from the 37th month from the date of the loan.
Fubon Bank (b)	2023.03-2028.03	Interest is paid monthly. Principal is payable in equal monthly amounts from the 25th month from the date of the loan.
Fubon Bank (c)	2020.12-2025.12	Interest is paid monthly. Principal is payable in equal monthly amounts from the 25th month from the date of the loan.

16. TRADE PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Trade payables</u>			
Operating	<u>\$ 581,674</u>	<u>\$ 611,537</u>	<u>\$ 517,338</u>

17. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Other payables			
Payables for salaries	\$ 159,904	\$ 176,033	\$ 253,163
Business taxes payable	42,807	75,292	64,263
Payables for equipment	26,777	24,168	12,764
Dividends payable	479,856	-	959,712
Others	<u>168,453</u>	<u>165,479</u>	<u>157,972</u>
	<u>\$ 877,797</u>	<u>\$ 440,972</u>	<u>\$ 1,447,874</u>
Other liabilities			
Others	<u>\$ 1,757</u>	<u>\$ 2,029</u>	<u>\$ 1,693</u>
<u>Non-current</u>			
Guarantee deposits received	<u>\$ 450</u>	<u>\$ 450</u>	<u>\$ 450</u>

18. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Warranties	<u>\$ 21,270</u>	<u>\$ 23,939</u>	<u>\$ 12,229</u>
			Warranties
Balance on January 1, 2025			\$ 19,833
Reversal of unused balance			(7,630)
Effect of foreign currency exchange differences			<u>26</u>
Balance on March 31, 2025			<u>\$ 12,229</u>
Balance on January 1, 2026			\$ 23,939
Reversal of unused balance			(2,723)
Effect of foreign currency exchange differences			<u>54</u>
Balance on March 31, 2026			<u>\$ 21,270</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under the legislation on the local sale of goods. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

19. RETIREMENT BENEFIT PLANS

The pension expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2025 and 2024 and were recognized in the following line items in their respective periods:

	For the Three Months Ended March 31	
	2026	2025
An analysis of benefit by function		
General and administrative expenses	<u>\$ (35)</u>	<u>\$ 10</u>

20. EQUITY

a. Share capital

Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Shares authorized (in thousands of shares)	<u>168,000</u>	<u>168,000</u>	<u>168,000</u>
Shares authorized, par value of \$10	<u>\$ 1,680,000</u>	<u>\$ 1,680,000</u>	<u>\$ 1,680,000</u>
Shares issued and fully paid (in thousands of shares)	<u>79,976</u>	<u>79,976</u>	<u>79,976</u>
Shares issued and fully paid	<u>\$ 799,760</u>	<u>\$ 799,760</u>	<u>\$ 799,760</u>

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or <u>transferred to share capital*</u>			
Issuance of ordinary shares	\$ 2,042,900	\$ 2,042,900	\$ 2,042,900
<u>May only be used to offset deficits</u>			
Exercise of disgorgement	2,380	2,380	2,380
Expired employee share options	<u>205</u>	<u>205</u>	<u>205</u>
	<u>\$ 2,045,485</u>	<u>\$ 2,045,485</u>	<u>\$ 2,045,485</u>

* 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.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The aforementioned distribution of dividends and bonuses from the legal reserve or capital surplus shall be authorized by the board of directors in their meeting attended by at least two-thirds of all directors and resolved by more than half of the directors present and reported to the shareholders in their meeting.

The Company's dividend policy is based on the consideration of the industrial environment, investment environment, capital needs, profit situation, capital structure and future operating needs, taking into account the interests of shareholders, balancing dividends and the Company's long-term financial planning, and setting aside the distributable surplus every year. No less than 10% of dividends shall be distributed to shareholders. If the share price is less than \$0.1, dividends may not be distributed; when distributed to shareholders, dividends shall be distributed in cash or shares, of which cash dividends shall not be less than 30% of the total dividends.

For the rules on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 22-g to the consolidated financial statements.

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 Company shall set aside from or reverse to unappropriated earnings amounts of special reserve for the net amount of other equity deductions accumulated in prior periods.

The appropriations of earnings and dividends per share for 2025 and 2024 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2025	2024
Provision of legal reserve	\$ 81,916	\$ 174,308
(Reserved of) special reserve	\$ -	\$ (75,379)
Cash dividends	\$ 479,856	\$ 959,712
Dividends per share (NT\$)	\$ 6	\$ 12

The above 2025 and 2024 appropriations for cash dividends were resolved by the Company's board of directors on March 9, 2026 and March 7, 2025, respectively; the other proposed appropriations for 2024 were resolved by the shareholders in their meeting on May 29, 2025. The other proposed appropriations for 2025 will be resolved by the shareholders in their meeting to be held on June 2, 2026.

d. Other equity

Exchange differences on the translating of the financial statements of foreign operations

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 63,707	\$ 36,660
Recognized for the year:		
Exchange differences on translating the foreign operations	126,075	80,811
Balance on March 31	\$ 189,782	\$ 117,471

21. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from the sale of goods	\$ 1,031,755	\$ 893,552
Revenue from the rendering of services	<u>26,850</u>	<u>72,298</u>
	<u>\$ 1,058,605</u>	<u>\$ 965,850</u>

Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Trade receivables (Note 8)	<u>\$ 2,065,225</u>	<u>\$ 2,395,118</u>	<u>\$ 2,427,889</u>	<u>\$ 3,054,873</u>
Contract liabilities - current				
Sale of goods and rendering of services	<u>\$ 337,036</u>	<u>\$ 430,623</u>	<u>\$ 573,240</u>	<u>\$ 536,429</u>

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

	For the Three Months Ended March 31	
	2026	2025
<u>From contract liabilities at the start of the year</u>		
Sale of goods	<u>\$ 81,914</u>	<u>\$ 70,769</u>

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank deposits	<u>\$ 16,213</u>	<u>\$ 11,439</u>

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Others	<u>\$ 4,179</u>	<u>\$ 2,586</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Loss on disposal of property, plant and equipment	\$ (2,402)	\$ (14)
Net gains of foreign currency exchange	9,319	14,963
Others	<u>(100)</u>	<u>(299)</u>
	<u>\$ 6,817</u>	<u>\$ 14,650</u>

d. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	\$ 1,438	\$ 1,368
Interest on lease liabilities	<u>139</u>	<u>27</u>
	<u>\$ 1,577</u>	<u>\$ 1,395</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Property, plant and equipment	\$ 45,957	\$ 45,021
Right-of-use assets	4,852	4,014
Intangible assets	<u>1,896</u>	<u>1,758</u>
	<u>\$ 52,705</u>	<u>\$ 50,793</u>
An analysis of depreciation by function		
Operating costs	\$ 40,976	\$ 38,348
Operating expenses	<u>9,833</u>	<u>10,687</u>
	<u>\$ 50,809</u>	<u>\$ 49,035</u>
An analysis of amortization by function		
Operating cost	\$ 389	\$ 143
Operating expenses	<u>1,507</u>	<u>1,615</u>
	<u>\$ 1,896</u>	<u>\$ 1,758</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Post-employment benefits (Note 19)		
Defined contribution plans	\$ 7,937	\$ 11,208
Defined benefit plans	<u>(35)</u>	<u>10</u>
	7,902	11,218
Short-term benefits	<u>186,558</u>	<u>190,040</u>
Total employee benefits expense	<u>\$ 194,460</u>	<u>\$ 201,258</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 118,136	\$ 121,807
Operating expenses	<u>76,324</u>	<u>79,451</u>
	<u>\$ 194,460</u>	<u>\$ 201,258</u>

g. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of 5%-10% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees (including non-executive no less than 1%) and remuneration of directors for the three months ended March 31, 2026 and 2025 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	5.90%	5.86%
Remuneration of directors	1.52%	1.51%

Amount

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	<u>\$ 14,599</u>	<u>\$ 15,709</u>
Remuneration of directors	<u>\$ 3,771</u>	<u>\$ 4,058</u>

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 have been approved by the Company's board of directors on March 9, 2026 and March 7, 2025, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Compensation of employees	5.97%	6.00%
Remuneration of directors	1.54%	1.55%

Amount

	For the Year Ended December 31			
	2025		2024	
	Cash	Share	Cash	Share
Compensation of employees	\$ 60,637	\$ -	\$ 131,005	\$ -
Remuneration of directors	15,664	-	33,843	-

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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

h. Gains on foreign currency exchange

	For the Three Months Ended March 31	
	2026	2025
Foreign exchange gains	\$ 16,398	\$ 16,790
Foreign exchange losses	<u>(7,079)</u>	<u>(1,827)</u>
	<u>\$ 9,319</u>	<u>\$ 14,963</u>

23. INCOME TAXES RELATED TO CONTINUING OPERATIONS

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

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	\$ 48,347	\$ 49,875
Adjustments from previous fiscal year	(16,220)	-
Deferred tax		
In respect of the current year	<u>2,364</u>	<u>565</u>
Income tax expense recognized in profit or loss	<u>\$ 34,491</u>	<u>\$ 50,440</u>

b. Income tax assessments

The Company's income tax filings for fiscal years up to and including 2024 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31	
	2026	2025
Basic earnings per share	\$ <u>2.52</u>	\$ <u>2.60</u>
Diluted earnings per share	\$ <u>2.51</u>	\$ <u>2.59</u>

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

Net Profit for the Year

	For the Three Months Ended March 31	
	2026	2025
Net profits attributable to the owners of the Company	\$ <u>201,626</u>	\$ <u>207,778</u>

Weighted Average Number of Ordinary Shares Outstanding

	Unit: In Thousands of Shares	
	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	79,976	79,976
Effect of potentially dilutive ordinary shares:		
Compensation of employees issued in the form of shares	<u>263</u>	<u>311</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>80,239</u>	<u>80,287</u>

The Group may settle compensation of employees by cash or shares; therefore, the Group assumes that the entire amount of the compensation 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.

25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

26. FINANCIAL INSTRUMENTS

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

Except the financial instruments measured at fair value, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements which are not measured at fair value approximate their fair values.

b. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
FVTPL			
Financial assets at amortized cost (1)	\$ 6,735,890	\$ 6,704,793	\$ 6,977,130
<u>Financial liabilities</u>			
Amortized cost (2)	1,902,522	1,516,482	2,373,201

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables, financial assets at amortized cost, and other financial assets.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, trade payables, other payables, the current portion of long-term debt, long-term loans, and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity investments, trade receivables, payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and 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 (foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

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

There has been no change to the Group's exposure to market risk or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 30 to the consolidated financial statements.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar and the Chinese Yuan.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. A positive (negative) number indicates an increase (decrease) in pre-tax profit associated with the New Taiwan dollar weakening (strengthening) 5% against the relevant foreign currencies. Conversely, there would be an equal and opposite impact on pre-tax profit for a 5% strengthening (weakening) of the New Taiwan dollar against the relevant foreign currencies.

	USD Impact		RMB Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2026	2025	2026	2025
Profit or loss	<u>\$ 11,049</u>	<u>\$ 18,259</u>	<u>\$ 4,702</u>	<u>\$ 5,188</u>

Note: This was mainly attributable to the exposure on outstanding USD and RMB bank deposits and receivables which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at floating interest rates. The risk is managed by the Group based on management's knowledge and insight obtained from the financial markets to maintain an appropriate mix of fixed and floating rate borrowings.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Cash flow interest rate risk	\$ 442,601	\$ 463,523	\$ 407,539

The Group was also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings.

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would have decrease/increase by \$1,107 thousand and \$1,019 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

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. As at the end of the reporting period, the Group's maximum exposure to credit risk (without consideration of the collaterals held as security or other credit enhancements, and irrevocable maximum exposure amounts), which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determination of 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 reporting period to ensure that adequate allowance are made for irrecoverable amounts.

The Group's concentration of credit risk of 17% of total trade receivables as of March 31, 2026, was attributable to the Group's largest customer, Group A. The Group's concentration of credit risk of 24% and 23% of total trade receivables as of December 31, 2025 and March 31, 2025, respectively, were attributable to the Group's largest customer, Group B.

3) Liquidity risk

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

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

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

To the extent that interest flows are at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2026

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 1,459,921	\$ -	\$ -	\$ -	\$ 1,459,921
Variable interest rate liabilities	<u>233,688</u>	<u>83,688</u>	<u>121,860</u>	<u>3,365</u>	<u>442,601</u>
	<u>\$ 1,693,609</u>	<u>\$ 83,688</u>	<u>\$ 121,860</u>	<u>\$ 3,365</u>	<u>\$ 1,902,522</u>

December 31, 2025

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 1,052,959	\$ -	\$ -	\$ -	\$ 1,052,959
Variable interest rate liabilities	<u>233,688</u>	<u>83,688</u>	<u>132,627</u>	<u>13,520</u>	<u>463,523</u>
	<u>\$ 1,286,647</u>	<u>\$ 83,688</u>	<u>\$ 132,627</u>	<u>\$ 13,520</u>	<u>\$ 1,516,482</u>

March 31, 2025

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 1,965,662	\$ -	\$ -	\$ -	\$ 1,965,662
Variable interest rate liabilities	<u>114,938</u>	<u>83,688</u>	<u>164,928</u>	<u>43,985</u>	<u>407,539</u>
	<u>\$ 2,080,600</u>	<u>\$ 83,688</u>	<u>\$ 164,928</u>	<u>\$ 43,985</u>	<u>\$ 2,373,201</u>

The amounts of floating rate instruments for the above non-derivative financial assets and liabilities will vary due to the difference between the floating rate and the rate estimated at the balance sheet date.

b) Financing facilities

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loan facilities:			
Amount used	\$ 150,000	\$ 150,000	\$ 31,250
Letter of guarantee used	23,940	37,548	142,731
Amount unused	<u>1,216,022</u>	<u>1,323,177</u>	<u>1,139,512</u>
	<u>\$ 1,389,962</u>	<u>\$ 1,510,725</u>	<u>\$ 1,313,493</u>
Secured bank loan facilities:			
Amount used	\$ 292,601	\$ 313,523	\$ 376,289
Letter of guarantee used	-	-	113,341
Amount unused	<u>619,435</u>	<u>492,440</u>	<u>505,254</u>
	<u>\$ 912,036</u>	<u>\$ 805,963</u>	<u>\$ 994,884</u>

d. Transfers of financial assets

The Group entered into a non-recourse factoring agreement with its customers and Agricultural Bank of China, Industrial and Commercial Bank of China. Under the agreement, the Group applied for the transfer of accounts receivable through the cooperative platform of the Agricultural Bank of China and Industrial and Commercial Bank of China within the factoring facility provided by the bank, respectively. Within this facility, any losses arising from commercial disputes (such as sales returns or allowances) are borne by the Group, while losses arising from credit risk are borne by the bank. As such, the transfer of accounts receivable qualifies as a non-recourse transaction. Upon the transfer of accounts receivable, the Group receives the full amount of the transferred receivables. The transaction-related service fees and factoring financing interest are borne by the customers. Since the Group has transferred substantially all risks and rewards associated with the ownership of these accounts receivable and has no continuing involvement, the transfer meets the criteria for derecognition of financial assets.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the relevant information for the transfer of outstanding trade receivables that had not yet matured were as follows:

March 31, 2026

Counterparty	Receivables Factoring Proceeds	Written-off Amount (Received)	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Agricultural Bank of China	<u>\$ 31,079</u>	<u>\$ 31,079</u>	<u>\$ -</u>	<u>\$ 31,079</u>	2.88-3.03 (Customer to bear)

December 31, 2025

Counterparty	Receivables Factoring Proceeds	Written-off Amount (Received)	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Industrial and Commercial Bank of China	\$ 33,001	\$ 33,001	\$ -	\$ 33,001	3.10 (Customer to bear)
Agricultural Bank of China	<u>21,194</u>	<u>21,194</u>	<u>-</u>	<u>21,194</u>	2.70 (Customer to bear)
	<u>\$ 54,195</u>	<u>\$ 54,195</u>	<u>\$ -</u>	<u>\$ 54,195</u>	

March 31, 2025

Counterparty	Receivables Factoring Proceeds	Written-off Amount (Received)	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Agricultural Bank of China	\$ 23,746	\$ 23,746	\$ -	\$ 23,746	3.09 (Customer to bear)
Industrial and Commercial Bank of China	<u>33,566</u>	<u>33,566</u>	<u>-</u>	<u>33,566</u>	3.30 (Customer to bear)
	<u>\$ 57,312</u>	<u>\$ 57,312</u>	<u>\$ -</u>	<u>\$ 57,312</u>	

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group had transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face values of the transferred but unsettled bills receivable, and as of March 31, 2026, December 31, 2025 and March 31, 2025, the face values of these unsettled bills receivable were \$98,444 thousand, \$24,298 thousand and \$63,992 thousand, respectively. The unsettled bills receivable will be due in 1 to 6 months after the balance sheet date. Considering the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the three months ended March 31, 2026 and 2025, the Group did not recognize gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

27. 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 and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

Remuneration of Key Management Personnel

The amounts of the remuneration of directors and key management personnel for the three months ended March 31, 2026 and 2025 were as follows:

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ <u>16,625</u>	\$ <u>17,245</u>

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, and as guarantee deposits for usance letters of credit and quality guarantees:

	March 31, 2026	December 31, 2025	March 31, 2025	Object
Land	\$ 61,436	\$ 61,436	\$ 61,436	Bank borrowings
Real estate and construction	273,336	274,959	279,132	Bank borrowings
Machinery and other equipment	57,252	62,108	78,519	Bank borrowings
Time deposit (other financial assets - current)	324,646	313,387	161,185	Bank borrowings, borrowings of usance L/C and quality guarantees
Time deposit (other financial assets - non-current)	<u>1,281</u>	<u>2,976</u>	<u>13,966</u>	Quality guarantees
	<u>\$ 717,951</u>	<u>\$ 714,866</u>	<u>\$ 594,238</u>	

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those items which have been disclosed in other notes, the significant contingent liabilities and unrecognized contract commitments of the Group as of March 31, 2026 were as follows:

- The Group has issued guarantee notes amounting to NT\$76,459 thousand as contract performance collateral.
- Taishin Bank has issued guarantee letters amounting to NT\$23,940 thousand in respect of the Group's contract performance advances and warranty obligations.

- c. China Construction Bank (Asia) Corporation Limited issued guarantee letters amounting to RMB6,350 thousand in respect of the Group's contract performance advances and warranty obligations.
- d. In February 2026, Aston Fluorotech Corp. ("AFTC"), a subsidiary of the Group, received notification that Barnum Mechanical, Inc. ("BMI"), a subcontractor of the Arizona chemical plant project, had filed a claim with the Pinal County Superior Court of Arizona against the Company, AFTC, and the project owner. The claim relates to a dispute concerning alleged additional costs incurred by BMI in connection with the project. BMI is seeking approximately US\$2,990 thousand, together with related attorneys' fees and litigation costs. Based on the assessment of external legal counsel, the maximum potential exposure of the Group, including estimated legal expenses, is approximately US\$3,500 thousand. As of the date of approval of these consolidated financial statements, the case remains at a preliminary stage. Formal service of process has not yet been completed, and no substantive proceedings have commenced. According to the legal counsel engaged by AFTC, due to the complexity of the documentary evidence involved and the requirement for engineering experts to assess project delays and additional costs, it is currently not practicable to determine the likely outcome of the litigation or to reliably estimate the potential financial effect, if any, arising from this matter.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2026

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,452	31.995	\$ 366,407
RMB	20,317	4.629	94,047
<u>Financial liabilities</u>			
Monetary items			
USD	4,545	31.995	145,417

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,334	31.43	\$ 356,228
RMB	22,772	4.496	102,383
<u>Financial liabilities</u>			
Monetary items			
USD	4,201	31.43	132,037

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 14,365	33.205	\$ 476,990
RMB	22,690	4.573	103,761

Financial liabilities

Monetary items			
USD	3,367	33.205	111,801

For the three months ended March 31, 2026 and 2025, realized and unrealized net foreign exchange gains were \$9,319 thousand and \$14,963 thousand, respectively. The Group is mainly exposed to the USD and the RMB.

31. SEGMENT INFORMATION

Segment Revenue and Results

The following was an analysis of the Group's revenue, profits and assets from continuing operations by reportable segments:

For the Three Months Ended March 31, 2026					
	China	Taiwan	America	Adjustment and Reversal	Total
Revenue from external customers	\$ 365,726	\$ 686,905	\$ 5,974	\$ -	\$ 1,058,605
Inter-segment revenue	<u>2,409</u>	<u>126,054</u>	<u>-</u>	<u>(128,463)</u>	<u>-</u>
	<u>\$ 368,135</u>	<u>\$ 812,959</u>	<u>\$ 5,974</u>	<u>\$ (128,463)</u>	<u>\$ 1,058,605</u>
Segment profit (loss)	\$ 22,700	\$ 228,994	\$ 592	\$ (16,169)	\$ 236,117
Segment assets	<u>\$ 4,789,896</u>	<u>\$ 10,067,752</u>	<u>\$ 194,569</u>	<u>\$ (4,525,330)</u>	<u>\$ 10,526,887</u>
For the Three Months Ended March 31, 2025					
	China	Taiwan	America	Adjustment and Reversal	Total
Revenue from external customers	\$ 372,083	\$ 565,656	\$ 28,111	\$ -	\$ 965,850
Inter-segment revenue	<u>879</u>	<u>128,515</u>	<u>-</u>	<u>(129,394)</u>	<u>-</u>
	<u>\$ 372,962</u>	<u>\$ 694,171</u>	<u>\$ 28,111</u>	<u>\$ (129,394)</u>	<u>\$ 965,850</u>
Segment profit (loss)	\$ 51,211	\$ 248,490	\$ 10,169	\$ (51,652)	\$ 258,218
Segment assets	<u>\$ 4,456,639</u>	<u>\$ 10,158,683</u>	<u>\$ 426,562</u>	<u>\$ (4,047,841)</u>	<u>\$ 10,994,043</u>

The Group operates in three principal geographical areas - China, Taiwan and America.

32. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
 - 1) Financing provided to others: None.
 - 2) Endorsements/guarantees provided: Table 1 (attached).
 - 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures): None.
 - 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 (attached).
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
 - 6) Intercompany relationships and significant intercompany transactions: Table 3 (attached).
- b. Information on investees: Tables 4 and 5 (attached).
- c. Information on investments in mainland China:
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6 (attached).
 - 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 7 (attached).
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

TABLE 1

ALLIED SUPREME CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	2	The limit is 20% of the net value of the financing company based on the latest audited financial statements.	\$ 69,435 (RMB 15,000)	\$ 69,435 (RMB 15,000) (Note B)	\$ -	\$ -	0.86	Note A	Y	N	Y	

Note A: Aggregate endorsement/guarantee limit is 40% of the net value of the financing company = \$8,079,690 thousand x 40% = \$3,231,876 thousand.

Note B: The calculation of the outstanding endorsement/guarantee at the end of the period was based on the average buy/sell closing exchange rate for the three months ended March 31, 2026.

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	Third-tier subsidiary	Sale	\$ (122,867)	(15)	Note	Note	Note	Trade receivable\$ 54,836	9	

Note: The transactions are as follows:

Sale of goods

Allied Supreme (Jia Xing) Corp.: The terms of the transaction are determined based on bargaining, while the collection period is 30 days.

ALLIED SUPREME CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transactions Details			% of Total Sales or Assets (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	For the three months ended March 31, 2026						
	Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	1	Trade receivable	\$ 54,836	Note D	1
		Allied Supreme (Jia Xing) Corp.	1	Sales	122,867	Note D	12

Note A: The intercompany transactions between each company are identified and numbered as follows:

- 1. Parent company: 0.
- 2. Subsidiaries are numbered starting from 1.

Note B: The types of transactions between related parties are as follows:

- 1. From parent company to subsidiary.
- 2. From subsidiary to parent company.
- 3. Between subsidiaries.

Note C: The percentage to total assets or sales is the ratio of the ending balance to consolidated assets or the cumulative income amount to consolidated revenue.

Note D: The transactions between parent company and subsidiary.

Sale of goods

Allied Supreme (Jia Xing) Corp.: The terms of the transaction is determined based on bargaining, while the collection period is 30 days.

TABLE 4

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
Allied Supreme Corp.	Allied Supreme (Samoa) Corp. Aston Fluorotech Corp.	Samoa U.S.A.	Investment Trading of special functional composite materials and products	\$ 373,284 18,537	\$ 373,284 18,537	11,750,000 600,000	100 100	\$ 4,023,751 151,736	\$ 15,728 441	\$ 15,463 441	Subsidiary Subsidiary
Allied Supreme (Samoa) Corp.	Allied Supreme (China) Corp.	Samoa	Investment	373,284	373,284	11,750,000	100	4,025,644	14,746	-	Second-tier subsidiary

TABLE 5

ALLIED SUPREME CORP. AND SUBSIDIARIES

**INVESTEES’ TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Allied Supreme (Jia Xing) Corp.	Allied Supreme Corp.	Investments accounted for using the equity method	Purchase	\$ 122,867	40	Note	Note	Note	Trade payable \$ (54,836)	(26)	

Note: Refer to Table 2.

TABLE 6

ALLIED SUPREME CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, In Thousands of Foreign Currencies)

Investee Company	Manufacture of Special Functional Composite Materials and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026	Note
					Outflow	Inflow							
Allied Supreme (Jia Xing) Corp.	Manufacturing of special functional composite materials and products	\$ 604,005 (US\$ 20,000)	Note	\$ 373,284 (US\$ 11,750)	\$ -	\$ -	\$ 373,284 (US\$ 11,750)	\$ 15,796	100	\$ 15,531	\$ 4,021,825	\$ -	

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2026	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$373,284 (US\$11,750)	\$604,005 (US\$20,000)	\$4,847,814

Note: Parent company: Allied Supreme Corp.; subsidiary: Allied Supreme (Samoa) Corp.; second-tier subsidiary: Allied Supreme (China) Corp.; third-tier subsidiary: Allied Supreme (Jia Xing) Corp.

TABLE 7

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

Investee Company in Mainland China	Transaction Type	Amount	Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized Gain
			Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Allied Supreme (Jia Xing) Corp.	Purchases of goods	\$ 122,867	Note	Note	Note	Trade payable \$ (54,836)	(26)	\$ 16,426

Note: The payment term is 30 days, according to the specifications set by both parties.