GCS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2026 AND 2025

For the convenience of readers and for information purpose only, the auditors' 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To GCS Holdings, Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of GCS Holdings, Inc. and subsidiaries (the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of our review

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

Basis for Qualified Opinion

As explained in Note 6(6), the financial statements of investments accounted for under the equity method were not reviewed by independent auditors. The balance of investments accounted for using the equity amounted to NT$254,747 thousand and NT$675,082 thousand, respectively, constituting 5% and 19% of the consolidated total assets as of March 31, 2026 and 2025 and share of comprehensive income (loss) of associates and joint ventures accounted for using the equity method amounted to NT$36,559 thousand and NT($111,983) thousand, respectively, constituting 9% and 313% of the consolidated total comprehensive income (loss) for the three-month periods then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of equity method investees been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Bai, Shu-Chien　　　　　　　　　　　　Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

May 5, 2026

GCS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,808,772	37	$ 1,210,366	31	$ 645,772	18
1170	Accounts receivable, net	6(2)	301,864	6	249,667	7	399,397	11
1180	Accounts receivable - related parties	6(2) and 7	50,221	1	28,601	1	35,189	1
1200	Other receivables	6(27)	219,911	4	24,421	1	5,360	-
1210	Other receivables - related parties	7	52,858	1	61,981	2	-	-
1220	Current income tax assets		-	-	3,998	-	167	-
130X	Inventories	6(3)	480,091	10	457,874	12	339,787	10
1410	Prepayments	7	75,946	2	94,209	2	60,811	2
1460	Non-current assets or disposal groups classified as held for sale, net	6(10)	32,016	1	51,612	1	-	-
1470	Other current assets	6(4) and 8	366,915	8	95,890	2	38,732	1
11XX	**Total current assets**		3,388,594	70	2,278,619	59	1,525,215	43
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6(5)	80,157	2	1,430	-	1,511	-
1550	Investments accounted for using equity method	6(6)	254,747	5	527,585	14	675,082	19
1600	Property, plant and equipment	6(7) and 8	778,433	16	754,465	19	1,090,612	31
1755	Right-of-use assets	6(8)	18,747	-	-	-	4,131	-
1780	Intangible assets		6,817	-	5,181	-	7,069	-
1840	Deferred income tax assets		179,870	4	216,010	6	199,766	6
1990	Other non-current assets	6(9) and 8	152,789	3	62,535	2	54,965	1
15XX	**Total non-current assets**		1,471,560	30	1,567,206	41	2,033,136	57
1XXX	**Total assets**		$ 4,860,154	100	$ 3,845,825	100	$ 3,558,351	100

(Continued)

GCS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(11)	$ 85,790	2	$ 76,574	2	$ 20,000	1
2130	Current contract liabilities	6(20)	44,880	1	26,239	1	8,822	-
2170	Accounts payable		12,581	-	27,522	1	47,046	1
2180	Accounts payable - related parties	7	-	-	-	-	897	-
2200	Other payables	6(12)	142,550	3	180,570	5	108,407	3
2220	Other payables - related parties	7	6,486	-	20,227	-	6,650	-
2230	Current income tax liabilities		4,953	-	-	-	12,027	1
2280	Current lease liabilities		1,725	-	-	-	3,213	-
2320	Long-term borrowings, current portion	6(13)	6,912	-	6,648	-	6,643	-
2399	Other current liabilities		8,714	-	3,210	-	1,428	-
21XX	**Total current liabilities**		314,591	6	340,990	9	215,133	6
	Non-current liabilities							
2540	Long-term borrowings	6(13)	151,297	3	150,361	4	164,134	5
2570	Deferred income tax liabilities		113,319	2	110,076	3	119,305	3
2580	Non-current lease liabilities		17,078	1	-	-	-	-
25XX	**Total non-current liabilities**		281,694	6	260,437	7	283,439	8
2XXX	**Total liabilities**		596,285	12	601,427	16	498,572	14
	Equity							
	Share capital	6(16)						
3110	Common stock		1,209,432	25	1,138,592	30	1,135,792	32
	Capital surplus	6(17)						
3200	Capital surplus		2,915,704	60	2,013,005	52	2,073,239	59
	Retained earnings	6(18)						
3350	Unappropriated retained earnings (accumulated deficit)		213,559	4	17,469	-	(315,974)	(9)
	Other equity interest	6(19)						
3400	Other equity interest		(74,826)	(1)	75,332	2	166,722	4
3XXX	**Total equity**		4,263,869	88	3,244,398	84	3,059,779	86
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the reporting period	11						
3X2X	**Total liabilities and equity**		$ 4,860,154	100	$ 3,845,825	100	$ 3,558,351	100

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

GCS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS(LOSSES) PER SHARE)

			Three months ended March 31			
			2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	$ 714,680	100	$ 473,170	100
5000	Cost of operating revenue	6(3)(23)(24) and 7	(324,933)	(45)	(301,483)	(64)
5900	Net operating margin		389,747	55	171,687	36
	Operating expenses	6(23)(24)				
6100	Selling and marketing expenses		(14,401)	(2)	(13,289)	(3)
6200	General and administrative expenses		(105,839)	(15)	(64,316)	(13)
6300	Research and development expenses		(89,404)	(12)	(58,663)	(12)
6450	Net impairment income on financial assets	12(2)	2,036	-	1,588	-
6000	Total operating expenses		(207,608)	(29)	(134,680)	(28)
6900	Operating income		182,139	26	37,007	8
	Non-operating income and expenses					
7100	Interest income		10,534	1	5,772	1
7010	Other income		48	-	-	-
7020	Other gains and losses	6(6)(21)	138,690	19	(1,940)	-
7050	Finance costs	6(22)	(3,661)	-	(2,880)	(1)
7060	Share of net loss of associates and joint ventures accounted for using equity method	6(6)	(81,927)	(11)	(116,924)	(25)
7000	Total non-operating income and expenses		63,684	9	(115,972)	(25)
7900	**Profit (loss) before income tax**		245,823	35	(78,965)	(17)
7950	Income tax expense	6(25)	(49,733)	(7)	(23)	-
8200	**Net income (loss) for the period**		$ 196,090	28	($ 78,988)	(17)
	Other comprehensive income					
	Other comprehensive income components that will not be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(19)	$ 75,468	11	$ 38,714	8
	Components of other comprehensive income that will be reclassified to profit or loss					
8370	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method- financial statements translation differences of foreign operations	6(19)	117,930	16	4,548	1
8300	**Total other comprehensive income, net**		$ 193,398	27	$ 43,262	9
8500	**Total comprehensive income (loss) for the period**		$ 389,488	55	($ 35,726)	(8)
	Income (loss) attributable to:					
8610	Owners of the parent		$ 196,090	28	($ 78,988)	(17)
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 389,488	55	($ 35,726)	(8)
	Earnings (losses) per share	6(26)				
9750	Basic earnings (losses) per share (in dollars)		$ 1.67		($ 0.70)	
9850	Diluted earnings (losses) per share (in dollars)		$ 1.65		($ 0.70)	

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

GCS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity Attributable to Owners of The Parent			Other Equity Interest		
	Notes	Common Stock	Capital Surplus	Unappropriated Retained Earnings (Accumulated Deficit)	Financial Statements Translation Differences Of Foreign Operations	Unearned Compensation Costs	Total Equity
Three-month period ended March 31, 2025							
Balance at January 1, 2025		$ 1,123,383	$ 1,958,874	($ 236,986)	$ 178,261	($ 2,136)	$ 3,021,396
Consolidated net loss for the period		-	-	(78,988)	-	-	(78,988)
Other comprehensive income for the period	6(19)	-	-	-	43,262	-	43,262
Total comprehensive income (loss) for the period		-	-	(78,988)	43,262	-	(35,726)
Compensation costs of share-based payments	6(15)(17)(19)	-	966	-	-	5,040	6,006
Issuance of restricted stocks to employees	6(15)(16)(17)(19)	4,260	53,445	-	-	(57,705)	-
Exercise of employee stock options	6(15)(16)(17)	8,149	35,787	-	-	-	43,936
Retirement of employee stock options	6(15)(17)	-	(251)	-	-	-	(251)
Recognized changes in equity of associates	6(6)(17)	-	24,418	-	-	-	24,418
Balance at March 31, 2025		$ 1,135,792	$ 2,073,239	($ 315,974)	$ 221,523	($ 54,801)	$ 3,059,779
Three-month period ended March 31, 2026							
Balance at January 1, 2026		$ 1,138,592	$ 2,013,005	$ 17,469	$ 97,824	($ 22,492)	$ 3,244,398
Consolidated net profit for the period		-	-	196,090	-	-	196,090
Other comprehensive income for the period	6(19)	-	-	-	193,398	-	193,398
Total comprehensive income for the period		-	-	196,090	193,398	-	389,488
Issuance of shares		60,000	726,000	-	-	-	786,000
Compensation costs of share-based payments	6(15)(17)(19)	-	1,476	-	-	26,944	28,420
Issuance of restricted stocks to employees	6(15)(16)(17)(19)	10,000	360,500	-	-	(370,500)	-
Exercise of employee stock options	6(15)(16)(17)	840	4,619	-	-	-	5,459
Recognized changes in equity of associates	6(6)(17)	-	41,256	-	-	-	41,256
Disposal of investments accounted for using equity method	6(6)(17)	-	(231,152)	-	-	-	(231,152)
Balance at March 31, 2026		$ 1,209,432	$ 2,915,704	$ 213,559	$ 291,222	($ 366,048)	$ 4,263,869

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

GCS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Three-month periods ended March 31 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		$ 245,823	($ 78,965)
Adjustments			
Adjustments to reconcile profit (loss)			
Net impairment income on financial assets	12(2)	(2,036)	(1,588)
Depreciation	6(7)(8)(23)	31,588	33,937
Amortization	6(23)	770	588
Compensation cost of share-based payment	6(15)(24)	28,420	5,755
Interest income		(10,534)	(5,772)
Interest expense	6(22)	3,661	2,880
Share of net loss of associate and joint ventures accounted for using equity method	6(6)	81,927	116,924
(Gain) loss on disposal of investments accounted for using equity method	6(6)(21)	(163,760)	1,932
Gain on disposal of property, plant and equipment	6(21)	(1,984)	-
Impairment loss on non-current assets held for sale	6(10)(21)	9,585	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(45,081)	(92,386)
Accounts receivable- related parties		(20,857)	354
Other receivables		12,145	(1,017)
Inventories		(13,752)	(28,412)
Prepayments		19,708	(66,875)
Changes in operating liabilities			
Contract liabilities		17,954	698
Accounts payable		(15,262)	7,466
Accounts payable- related parties		-	533
Other payables		(8,148)	(10,398)
Other payables- related parties		(13,945)	2,233
Other current liabilities		5,387	1,152
Cash inflow (outflow) generated from operations		161,609	(110,961)
Interest received		10,534	5,745
Interest paid		(3,661)	(2,880)
Income tax refunded		25	-
Net cash flows from (used in) operating activities		168,507	(108,096)

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GCS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Three-month periods ended March 31 2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(27)	($ 113,901)	($ 1,880)
Proceeds from disposal of property, plant and equipment		2,288	-
Proceeds from disposal of assets classified as held for sale	6(27)	20,838	-
Acquisition of intangible assets		(2,295)	(846)
Increase in refundable deposits		-	(300)
Decrease (increase) in other current assets		(266,214)	133,489
Non-current prepayments for investments	6(9)	(49,000)	-
Proceeds from disposal of subsidiary	6(27)	5,931	-
Net cash flows (used in) from investing activities		(402,353)	130,463
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(28)	28,190	20,000
Repayments of short-term borrowings	6(28)	(20,000)	(20,000)
Repayments of long-term borrowings	6(28)	(1,629)	(1,679)
Repayments of lease liabilities	6(28)	(425)	(2,702)
Proceeds from issuing shares	6(16)	786,000	-
Exercise of employee share options		5,459	43,936
Net cash flows from financing activities		797,595	39,555
Effect of changes in exchange rates		34,657	7,334
Net increase in cash and cash equivalents		598,406	69,256
Cash and cash equivalents at beginning of period	6(1)	1,210,366	576,516
Cash and cash equivalents at end of period	6(1)	$ 1,808,772	$ 645,772

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

GCS HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(REVIEWED, NOT AUDITED)

1. HISTORY AND ORGANIZATION

GCS Holdings Inc. (the "Company") was incorporated in the Cayman Islands on November 30, 2010, as a holding company for the purpose of registering its shares with the Taipei Exchange. The Company was approved by the Financial Supervisory Commission to be listed on the Taipei Exchange. The Company's common shares have been traded on the Taipei Exchange since September 15, 2014.

The Company and subsidiaries (collectively referred herein as the "Group") are engaged in the manufacturing of compound semiconductor wafers and foundry related services as well as licensing of intellectual property. The Group is also engaged in the research, development, manufacture and sales of advanced optoelectronics technology products.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on May 5, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC that has not yet adopted the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statement for the year ended December 31, 2025 except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

A. Except for the 'Financial assets at fair value through other comprehensive income', the consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and can affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive loss is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) March 31, 2026	Ownership (%) December 31, 2025	Ownership (%) March 31, 2025	Note
The Company	Global Communication Semiconductors, LLC	1. Manufacturing of compound semiconductor wafers and foundry related services as well as granting royalty rights for intellectual property 2. Manufacturing and selling of advanced optoelectronics technology products	100	100	100	-
The Company	GCS Device Technologies, Co., Ltd.	Product design and research development services	100	100	100	-
Global Communication Semiconductors, LLC	D-Tech Optoelectronics, Inc.	Developing, manufacturing and selling of photodiodes and avalanche photodiodes for telecommunication systems and data communication networks	-	-	100	(Note)
D-Tech Optoelectronics, Inc.	D-Tech Optoelectronics (Taiwan) Corporation	Manufacturing, retailing and wholesaling of telecommunications devices, and manufacturing and wholesaling of electronic components	-	-	100	(Note)

Note : The Group sold all the shares in D-Tech Optoelectronic, Inc. on May 2, 2025. Cash flow information relating to the subsidiaries sold is provided in Note 6(27).

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Investments accounted for using equity method / associates and joint ventures

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognizes the Group’s share of change in equity of the associate in ‘capital surplus’ in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for under the equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. The Group accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

I . At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes during the period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and revolving funds	$ 103	$ 103	$ 103
Checking accounts and demand deposits	961,559	391,460	361,899
Time deposits	545,635	818,803	283,770
Cash equivalents- Money Market Fund	301,475	-	-
	$ 1,808,772	$ 1,210,366	$ 645,772

A. The Group transacts with a variety of financial institutions with high credit quality to disperse credit risk and expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$ 311,349	$ 261,007	$ 415,217
Accounts receivable-related party	50,221	28,601	35,189
	361,570	289,608	450,406
Less: Loss allowance	(9,485)	(11,340)	(15,820)
	$ 352,085	$ 278,268	$ 434,586

A. As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable were all from contracts with customers. And as of January 1, 2025, the balance of receivables from contracts with customers was $335,755.

B. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(3) Inventories

	March 31, 2026		
	Cost	Allowance	Book value
Raw materials	$ 191,776	($ 22,877)	$ 168,899
Work in progress	339,238	(34,692)	304,546
Finished goods	17,436	(10,790)	6,646
	$ 548,450	($ 68,359)	$ 480,091

	December 31, 2025		
	Cost	Allowance	Book value
Raw materials	$ 198,883	($ 18,176)	$ 180,707
Work in progress	289,028	(35,997)	253,031
Finished goods	34,065	(9,929)	24,136
	$ 521,976	($ 64,102)	$ 457,874

	March 31, 2025		
	Cost	Allowance	Book value
Raw materials	$ 182,080	($ 29,233)	$ 152,847
Work in progress	284,545	(126,401)	158,144
Finished goods	42,018	(13,222)	28,796
	$ 508,643	($ 168,856)	$ 339,787

Expenses and costs incurred as cost of operating revenue for the three-month periods ended March 31, 2026 and 2025 were as follows:

	Three-month periods ended March 31,	
	2026	2025
Cost of goods sold	$ 338,279	$ 295,886
Loss on decline in market price	3,058	17,121
Revenue from sale of scraps	(16,404)	(11,524)
	$ 324,933	$ 301,483

(4) Other current assets

Item	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits	$ 366,915	$ 95,890	$ 38,732

A. Please refer to Note 8 for the information of the contracts secured by time deposits.

B. Please refer to Note 12(2) for the information of the time deposit credit risk.

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

Items	March 31, 2026	December 31, 2025	March 31, 2025
Non-current items:			
Equity instruments			
Unlisted, OTC, Emerging stocks	$ 80,157	$ 1,430	$ 1,511
Valuation adjustment	-	-	-
	$ 80,157	$ 1,430	$ 1,511

A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(6) Investments accounted for using the equity method

A. The Group's movements and details of investments accounted for using the equity method are as follows:

	2026	2025
At January 1	$ 527,585	$ 755,769
Disposal of investments accounted for using the equity method	(82,063)	-
Share of net loss of investments accounted for using the equity method	(81,927)	(116,924)
Changes in capital surplus	41,256	24,418
Loss on disposal of investments transferred from other comprehensive income due to not recognized by shareholding percentage	(1,520)	(1,932)
Transferred to financial assets at fair value through other comprehensive income (loss)	(161,209)	-
Net exchange difference	12,625	13,751
At March 31	$ 254,747	$ 675,082

	March 31, 2026	December 31, 2025	March 31, 2025
Joint ventures:			
Changzhou Chemsemi Co., Ltd. ("Chemsemi")	$ -	$ 303,771	$ 484,981
Shanghai Galasemi Co., Ltd. ("Shanghai Galasemi")	254,747	223,814	190,101
	$ 254,747	$ 527,585	$ 675,082

B. The basic information of the associate and joint ventures that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio March 31, 2026	Shareholding ratio March 31, 2025	Shareholding ratio March 31, 2025	Nature of relationship	Methods of measurement
Chemsemi	China	-	19.56%	20.51%	Joint venture	Equity method
Shanghai Galasemi	China	48.00%	48.00%	48.00%	Joint venture	Equity method

C. The summarized financial information of the associate and joint ventures that is material to the Group is as follows:

Balance sheet

	Chemsemi December 31, 2025	Chemsemi March 31, 2025
Current assets	$ 875,601	$ 1,314,187
Non-current assets	7,361,892	8,088,087
Current liabilities	(1,701,309)	(1,810,892)
Non-current liabilities	(4,993,084)	(5,236,870)
Total net assets	$ 1,543,100	$ 2,354,512

	Shanghai Galasemi March 31, 2026	Shanghai Galasemi December 31, 2025	Shanghai Galasemi March 31, 2025
Current assets	$ 665,002	$ 581,025	$ 403,030
Non-current assets	285,657	271,146	179,173
Current liabilities	(382,663)	(350,675)	(126,436)
Non-current liabilities	(23,398)	(22,482)	(41,169)
Total net assets	$ 544,598	$ 479,014	$ 414,598

	Chemsemi Three-month periods ended March 31, 2026	Chemsemi Three-month periods ended March 31, 2025
Net loss/ total comprehensive loss	($ 524,981)	($ 641,068)

	Shanghai Galasemi Three-month periods ended March 31, 2026	Shanghai Galasemi Three-month periods ended March 31, 2025
Net income/ total comprehensive income	$ 49,901	$ 31,404

D. The Group did not participate in Chemsemi's 2025 increase of common stocks for cash from February 2025 to December 2025, resulting in a change in the shareholding ratio of Chemsemi by the Group from 20.69% to 19.56%.

E. The Group did not participate in Chemsemi's 2026 increase of common stocks for cash in March 2026, resulting in a change in the shareholding ratio of Chemsemi by the Group from 19.56% to 19.30%.

F. On March 31, 2026, the Group disposed of a portion of its equity interest in Changzhou Chemsemi Co., Ltd. ("Chemsemi") for a disposal consideration of USD 6,667 thousand (NTD 210,867 thousand), recognising a gain on disposal of investment of USD 5,360 thousand (NTD 169,527 thousand) (shown as other gains and losses). After the disposal, the Group's shareholding ratio in Chemsemi decreased to 12.83%. Due to the reduction in the Group's shareholding ratio and the fact that the Group no longer serves as a director of Chemsemi, the Group comprehensively assessed that the Group lost significant influence over Chemsemi from that date. Consequently, the carrying amount of the investment previously accounted for using the equity method was remeasured at its fair value and reclassified as financial assets at fair value through other comprehensive income. The resulting difference was recognised as a loss on disposal of investment amounting to USD 136 thousand (NTD 4,247 thousand) (shown as other gains and losses).

(7) Property, plant and equipment

	Land	Buildings	Machinery equipment	Computer and communication equipment	Research equipment	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
At January 1, 2026									
Cost	$ 144,735	$ 96,490	$ 1,623,059	$ 5,360	$ 162,231	$ 2,892	$ 242,007	$ 60,930	$ 2,337,704
Accumulated depreciation and impairment	-	(28,717)	(1,191,308)	(5,312)	(118,819)	(2,453)	(236,630)	-	(1,583,239)
	$ 144,735	$ 67,773	$ 431,751	$ 48	$ 43,412	$ 439	$ 5,377	$ 60,930	$ 754,465
2026									
Opening net book amount	$ 144,735	$ 67,773	$ 431,751	$ 48	$ 43,412	$ 439	$ 5,377	$ 60,930	$ 754,465
Additions	-	-	5,794	-	-	-	-	35,784	41,578
Transfers	-	-	56,218	-	-	-	-	(56,218)	-
Disposals	-	-	-	-	-	-	-	(304)	(304)
Depreciation charges	-	(694)	(26,821)	(22)	(2,975)	(16)	(579)	-	(31,107)
Net exchange differences	2,625	1,221	8,241	-	753	8	90	863	13,801
Closing net book amount	$ 147,360	$ 68,300	$ 475,183	$ 26	$ 41,190	$ 431	$ 4,888	$ 41,055	$ 778,433
At March 31, 2026									
Cost	$ 147,360	$ 98,240	$ 1,715,221	$ 5,181	$ 144,156	$ 2,939	$ 246,386	$ 41,055	$ 2,400,538
Accumulated depreciation and impairment	-	(29,940)	(1,240,038)	(5,155)	(102,966)	(2,508)	(241,498)	-	(1,622,105)
	$ 147,360	$ 68,300	$ 475,183	$ 26	$ 41,190	$ 431	$ 4,888	$ 41,055	$ 778,433

	Land	Buildings	Machinery equipment	Computer and communication equipment	Research equipment	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
At January 1, 2025									
Cost	$ 150,998	$ 100,665	$ 1,768,888	$ 6,222	$ 162,196	$ 10,178	$ 327,300	$ 375,581	$ 2,902,028
Accumulated depreciation and impairment	-	(27,084)	(1,345,189)	(5,981)	(113,700)	(10,122)	(300,499)	-	(1,802,575)
	$ 150,998	$ 73,581	$ 423,699	$ 241	$ 48,496	$ 56	$ 26,801	$ 375,581	$ 1,099,453
2025									
Opening net book amount	$ 150,998	$ 73,581	$ 423,699	$ 241	$ 48,496	$ 56	$ 26,801	$ 375,581	$ 1,099,453
Additions	-	-	331	-	666	-	-	7,783	8,780
Transfers	-	-	3,545	-	412	-	-	(3,957)	-
Depreciation charges	-	(721)	(25,335)	(55)	(3,511)	(6)	(1,854)	-	(31,482)
Net exchange differences	1,934	936	5,218	3	597	-	325	4,848	13,861
Closing net book amount	$ 152,932	$ 73,796	$ 407,458	$ 189	$ 46,660	$ 50	$ 25,272	$ 384,255	$ 1,090,612
At March 31, 2025									
Cost	$ 152,932	$ 101,955	$ 1,792,306	$ 6,238	$ 165,314	$ 10,304	$ 331,485	$ 384,255	$ 2,944,789
Accumulated depreciation and impairment	-	(28,159)	(1,384,848)	(6,049)	(118,654)	(10,254)	(306,213)	-	(1,854,177)
	$ 152,932	$ 73,796	$ 407,458	$ 189	$ 46,660	$ 50	$ 25,272	$ 384,255	$ 1,090,612

A. Amount of borrowing costs capitalized as part of property, plant and equipment for the three-month periods ended March 31, 2026 and 2025: None.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements—lessee

A. The Group leases various assets including plants. Rental contracts are made for periods of 3 ~5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants. Short-term leases with a lease term of 12 months or less comprise of office premises and parking spaces. Low-value assets comprise of office equipment.

B. The carrying amount of right-of-use assets and the depreciation charges are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
	Carrying amount	Carrying amount	Carrying amount
Buildings	$ 18,747	$ -	$ 4,131

	Three-month periods ended March 31,	
	2026	2025
	Depreciation charge	Depreciation charge
Buildings	$ 481	$ 2,455

C. For the three-month periods ended March 31, 2026 and 2025, the additions to right-of-use assets were $19,228 and $0, respectively.

D. The information on income and expense accounts relating to lease agreements is as follows:

	Three-month periods ended March 31,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 119	$ 44
Expense on short-term lease agreements	761	625
Expense on leases of low-value assets	6	6

E. For the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflow for leases amounted to $1,311 and $3,377, respectively.

(9) Non-current assets

Item	March 31, 2026	December 31, 2025	March 31, 2025
Non-current prepayments for investments (Note 1)	$ 49,000	$ -	$ -
Prepayments to suppliers	48,000	47,145	49,815
Prepayments for equipment	45,703	13,128	2,854
Prepayments for construction	7,800	-	-
Refundable deposits (Note 2)	2,286	2,262	2,296
	$ 152,789	$ 62,535	$ 54,965

Note 1: In March 2026, the Group participated in the cash capital increase of WellyWave Semiconductors Inc.. As of March 31, 2026, since WellyWave Semiconductors Inc. had not yet completed the capital increase procedures, the investment amount of $49,000 was temporarily classified as prepayments for long-term investments (shown as other non-current assets).

Note 2: Please refer to Note 8 for the information of the contracts secured by refundable deposits.

(10) Non-current assets held for sale

A. In May 2025, the Group's management approved the disposal of a batch of machinery and equipment that the Group did not plan to use. The sale transaction was expected to be completed within one year. Therefore, the Group transferred the related machinery and equipment to disposal assets held for sale amounting to $246,403. In response to the requirements of production and research and development, the Group's management approved to reclassify assets held for sale amounting to $75,610 to machinery and equipment in December 2025.

Information of disposal assets held for sale is as follows:

	Three-month period ended March 31, 2026
Beginning balance	$ 51,612
Disposals for the period	(10,709)
Impairment for the period	(9,585)
Effect of foreign exchange	698
Ending balance	$ 32,016

B. Impairment loss of $9,585 was recognized in other gains and losses as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell. Information relating to fair value is provided in Note 12(3).

C. For the three-month period ended March 31, 2025：None.

(11) Short-term borrowings

Type of borrowings	March 31, 2026	December 31, 2025	March 31, 2025	Collateral
Bank borrowings				
Secured borrowings	$ 85,790	$ 76,574	$ 20,000	Time deposit (Note)
Interest rate range	2.45%~5.80%	2.53%~5.80%	2.56%	

Note: Please refer to Note 8 for the information of the Group's assets pledged to secured borrowings.

(12) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Accrued salaries and bonuses	$ 29,686	$ 64,670	$ 27,865
Accrued unused compensated absences	30,899	28,189	29,546
Payables for equipment	23,330	55,278	6,933
Payables for employees' compensation and directors'remuneration	19,382	1,007	-
Accrued outsourcing manufacturing services charges	10,989	7,278	8,389
Other accrued expenses	28,264	24,148	35,674
	$ 142,550	$ 180,570	$ 108,407

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2026	December 31, 2025
Secured borrowings (Note 1)	(Note 2)	6.50%	Land and buildings (Note 3)	$ 158,209	$ 157,009
Less: Current portion				(6,912)	(6,648)
				$ 151,297	$ 150,361

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2025
Secured borrowings (Note 1)	(Note 2)	6.50%	Land and buildings (Note 3)	$ 170,777
Less: Current portion				(6,643)
				$ 164,134

Note 1: According to the secured loan contract, the Group was required to comply with certain financial covenants by maintaining certain financial ratios during the contract period. As of March 31, 2026, the Group had not violated any of the required financial covenants.

Note 2: The maturity date of the borrowing contract is on August 6, 2031; interest and principal are repayable monthly.

Note 3: Please refer to Note 8 for the information of the Group's assets pledged for secured borrowings.

(14) Pension plan

A. The Group's US subsidiary has established a 401(K) pension plan (the "Plan") covering substantially all employees who have been formally employed for three months. The Plan provides voluntary salary reduction contributions by eligible participants in accordance with Section 401(K) of the Internal Revenue Code (IRC), as well as matching contributions below 4% of employees' salaries from the US subsidiary to its employees' individual pension accounts.

B. The Group's Taiwan subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company's Taiwan subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

C. The pension costs under the above pension plans of the Group for the three-month periods ended March 31, 2026 and 2025 amounted to $6,809 and $6,624, respectively.

(15) Share-based payment-employee compensation plan

A. Through March 31, 2026, December 31, 2025 and March 31, 2025, the Group's share-based payment transactions are set forth below:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting condition
Employee stock options	February 2015	652,200 shares	10 years	(Note 1)
Employee stock options	August 2016	895,000 shares	10 years	(Note 1)
Employee stock options	November 2016	34,000 shares	10 years	(Note 1)
Employee stock options	February 2017	15,000 shares	10 years	(Note 1)
Employee stock options	August 2017	215,000 shares	10 years	(Note 1)
Employee stock options	January 2018	13,000 shares	10 years	(Note 1)
Employee stock options	February 2018	355,000 shares	10 years	(Note 1)
Employee stock options	August 2018	27,000 shares	10 years	(Note 1)
Employee stock options	March 2019	578,000 shares	10 years	(Note 1)
Employee stock options	August 2019	40,000 shares	10 years	(Note 1)
Employee stock options	March 2020	250,000 shares	10 years	(Note 1)
Employee stock options	August 2020	3,000 shares	10 years	(Note 1)
Employee stock options	November 2020	6,000 shares	10 years	(Note 1)
Employee stock options	March 2021	820,000 shares	10 years	(Note 1)
Employee stock options	February 2022	454,000 shares	10 years	(Note 1)
Employee stock options	August 2022	23,000 shares	10 years	(Note 1)
Employee stock options	November 2022	36,000 shares	10 years	(Note 1)
Employee stock options	February 2023	40,000 shares	10 years	(Note 1)
Employee stock options	May 2023	75,000 shares	10 years	(Note 1)
Employee stock options	July 2023	18,000 shares	10 years	(Note 1)
Employee stock options	February 2024	3,000 shares	10 years	(Note 1)
Restricted stocks to employees (Note 3)	February 2023	483,000 shares	2 years	(Note 2)
Restricted stocks to employees (Note 3)	February 2024	551,690 shares	2 years	(Note 2)
Restricted stocks to employees (Note 3)	February 2025	426,000 shares	2 years	(Note 2)
Restricted stocks to employees (Note 3)	May 2025	22,000 shares	2 years	(Note 2)
Restricted stocks to employees (Note 3)	March 2026	1,000,000 shares	2 years	(Note 2)
Cash capital increase reserved for employee preemption (Note 4)	December 2025	6,000,000 shares	Not applicable	Vested immediately

Note 1: Some employee stock options shall be vested and become exercisable up to 50% of the shares after fulfilling two years of service, and in accordance with the agreement, the remaining 50% of such options will be vested ratably in equal installments as of the last day of each of the succeeding 24 months.

Note 2: Some restricted stocks to employees shall be vested up to 50% of the shares after one year of service, and the remaining 50% of such shares to be vested after fulfilling two years of service.

Note 3: The restricted stocks to employees are restricted from transferring within vesting period, but are allowed for voting rights and rights to receive dividends. The Company will recover restricted stocks at no consideration and cancel registration if employees resign or die not due to occupational hazards. However, employees do not need to return dividends already received.

Note 4: On May 7, 2025, the Company's Board of Directors resolved to increase its capital by issuing 6,000 thousand ordinary shares, and 10% of the ordinary shares were reserved for employee subscription. The capital increase was approved by the regulator on November 26, 2025, and the share subscription from the capital increase was set effective on December 28, 2025.

B. Details of the employee stock options are set forth below:

表格貼圖失敗，請執行「單一同步表格」

	Three-month period ended March 31, 2025		
	No. of options	Currency	Weighted average exercise price
			(in dollars)
Options outstanding at beginning of the period	2,684,431	NTD	$ 54.89
Options exercised	(814,889)	NTD	53.83
Options forfeited	(87,834)	NTD	41.26
Options outstanding at end of the period	1,781,708	NTD	56.05
Options exercisable at end of the period	1,623,073	NTD	57.79

C. The weighted-average stock price of stock options at exercise dates for the three-month periods ended March 31, 2026 and 2025 were $248.61 and $116.87 (in dollars), respectively.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, the range of exercise prices of stock options outstanding are as follows:

		March 31, 2026		
Grant date	Expiry date	No. of Shares	Currency	Stock options exercise price
				(in dollars)
August 2016	August 2026	255,000	NTD	$ 61.91
November 2016	November 2026	8,000	NTD	60.63
February 2017	February 2027	15,000	NTD	53.81
February 2018	February 2028	170,000	NTD	78.70
August 2018	August 2028	8,000	NTD	60.23
March 2019	March 2029	275,000	NTD	57.47
March 2020	March 2030	85,000	NTD	43.25
August 2020	August 2030	3,000	NTD	51.84
November 2020	November 2030	3,000	NTD	46.41
March 2021	March 2031	290,499	NTD	48.09
February 2022	February 2032	193,667	NTD	45.32
August 2022	August 2032	11,333	NTD	39.35
November 2022	November 2032	16,333	NTD	34.61
February 2023	February 2033	24,500	NTD	38.16
July 2023	July 2033	3,000	NTD	33.77
February 2024	February 2034	3,000	NTD	29.97
		1,364,332		

		December 31, 2025		
Grant date	Expiry date	No. of Shares	Currency	Stock options exercise price
				(in dollars)
August 2016	August 2026	265,000	NTD	$ 61.91
November 2016	November 2026	8,000	NTD	60.63
February 2017	February 2027	15,000	NTD	53.81
February 2018	February 2028	215,000	NTD	78.70
August 2018	August 2028	8,000	NTD	60.23
March 2019	March 2029	275,000	NTD	57.47
March 2020	March 2030	85,000	NTD	43.25
August 2020	August 2030	3,000	NTD	51.84
November 2020	November 2030	3,000	NTD	46.41
March 2021	March 2031	291,999	NTD	48.09
February 2022	February 2032	218,251	NTD	45.32
August 2022	August 2032	11,333	NTD	39.35
November 2022	November 2032	19,250	NTD	34.61
February 2023	February 2033	24,500	NTD	38.16
July 2023	July 2033	3,000	NTD	33.77
February 2024	February 2034	3,000	NTD	29.97
		1,448,333		

		March 31, 2025		
Grant date	Expiry date	No. of Shares	Currency	Stock options exercise price
				(in dollars)
August 2016	August 2026	335,000	NTD	$ 62.70
November 2016	November 2026	8,000	NTD	61.40
February 2017	February 2027	15,000	NTD	54.50
February 2018	February 2028	265,000	NTD	79.70
August 2018	August 2028	8,000	NTD	61.00
March 2019	March 2029	325,000	NTD	58.20
March 2020	March 2030	115,000	NTD	43.80
August 2020	August 2030	3,000	NTD	52.50
November 2020	November 2030	3,000	NTD	47.00
March 2021	March 2031	319,666	NTD	48.70
February 2022	February 2032	242,209	NTD	45.90
August 2022	August 2032	11,333	NTD	39.85
November 2022	November 2032	23,000	NTD	35.05
February 2023	February 2033	27,500	NTD	38.65
May 2023	May 2033	75,000	NTD	33.20
July 2023	July 2033	3,000	NTD	34.20
February 2024	February 2034	3,000	NTD	30.35
		1,781,708		

E. Details of the restricted stocks to employees are set forth below:

Employee restricted stocks	Three-month periods ended March 31, 2026	2025
	No. of shares	No. of shares
Outstanding at beginning of the period	693,985	766,690
Granted (Notes 1 and 2)	1,000,000	426,000
Vested	(461,985)	(489,345)
Retired (cancelled)	-	(8,500)
Outstanding at end of the period	1,232,000	694,845

Note 1: For the restricted stocks granted with the compensation cost accounted for using the fair value method, the fair values on the grant date are calculated based on the closing price on the grant date.

Note 2: The fair value of restricted stocks granted in March 2026, May 2025, February 2025 and February 2024 was $370.50 (in dollars), $86.80 (in dollars), $135 (in dollars) and $30.35 (in dollars), respectively.

F. For the stock options granted with the compensation cost accounted for using the fair value method, their fair value on the grant date is estimated using the Black-Scholes option-pricing model. The parameters used in the estimation of the fair value are as follows:

Type of arrangement	Grant date	Currency	Fair value	Exercise price	Expected price volatility	Expected option period	Expected dividend yield rate	Risk-free interest rate	Weighted average fair value
			(in dollars)	(in dollars)		(years)			(in dollars)
Cash capital increase reserved for employee preemption	December 2025	NTD	182.50	131.00	Not applicable	Vested immediately	Not applicable	Not applicable	51.50

G. Expenses incurred on share-based payment transactions are shown below:

	Three-month periods ended March 31, 2026	2025
Equity-settled	$ 28,420	$ 5,755

(16) Common stock

A. As of March 31, 2026, the Company's paid-in capital was $1,209,432, consisting of 120,943,309 shares with a par value of $10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit: Numbers of shares

	2026	2025
Outstanding ordinary shares at January 1	113,859,308	112,338,362
Exercise of employee stock options	84,001	814,889
Issuance of restricted stocks to employees	1,000,000	426,000
Issuance of shares	6,000,000	-
Restricted stocks retrieved from employees and to be cancelled	-	(8,500)
Outstanding ordinary shares at March 31	120,943,309	113,570,751
Restricted stocks retrieved from employees and to be cancelled	-	8,500
Issued ordinary shares at March 31	120,943,309	113,579,251

B. On May 20, 2022, the shareholders adopted a resolution to reserve 1,000,000 shares for the purpose of granting employee restricted stocks with par value of $10 (in dollars) per shares, with the effective date filed with the regulator. The subscription price is $0 (in dollar) per share. The employee restricted stocks issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares. On February 20, 2023, the Board of Directors resolved to grant 483,000 employee restricted stocks. As of March 31, 2026, the Company had retrieved 25,000 employee restricted stocks in total due to the employees' resignation, and the retrieved shares have been retired.

C. On June 6, 2023, the shareholders adopted a resolution to reserve 1,000,000 shares for the purpose of granting employee restricted stocks with par value of $10 (in dollars) per shares, with the effective date filed with the regulator. The subscription price is $0 (in dollar) per share. The employee restricted stocks issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares. On February 20, 2024, February 18, 2025 and May 7, 2025, the Board of Directors resolved to grant 551,690, 426,000 and 22,000 employee restricted stocks, respectively. As of March 31, 2026, the Company had retrieved 36,860 employee restricted stocks in total due to the employees' resignation, and the retrieved shares have been retired.

D. On May 7, 2025, the Company's Board of Directors resolved to increase its capital by issuing 6,000 thousand ordinary shares with a par value of NT$10 (in dollars) per share, and the issuance price was NT$131 (in dollars) per share. The capital increase was approved by the regulator on November 26, 2025. All proceeds from shares issued had been collected, and the shares were listed on the Taipei Exchange on January 23, 2026.

E. On June 5, 2025, the shareholders adopted a resolution to reserve 1,500,000 shares for the purpose of granting employee restricted stocks with par value of $10 (in dollars) per shares, with the effective date filed with the regulator. The subscription price is $0 (in dollar) per share. The employee restricted stocks issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares. On March 3, 2026, the Board of Directors resolved to grant 1,000,000 employee restricted stocks.

F. The Company's GDRs began trading on the Luxembourg Stock Exchange on January 21, 2019. The actual number of units of GDRs for this offering was 1,600 thousand and each GDR represents five of the Company's ordinary shares, which in the aggregate representing 8,000 thousand ordinary shares. As of March 31, 2026, there were no outstanding GDRs.

The terms of GDR are as follows:

(a)Voting rights

The voting right of GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(b)Dividends, stocks warrant and other rights

GDR holders and common shareholders are all entitled to receive dividends, stock warrants and other rights.

(17) Capital surplus

Capital surplus can be used to cover accumulated deficit or distributed as dividend as proposed by the Board of Directors and resolved by the shareholders.

	2026					
	Share premium	Employee stock options	Employee restricted stocks	Recognized changes in equity of associates	Others	Total
At January 1	$ 1,653,697	$ 66,500	$ 54,771	$ 189,896	$ 48,141	$ 2,013,005
Issuance of shares	726,000	-	-	-	-	726,000
Compensation costs of share-based payment	-	1,476	-	-	-	1,476
Issuance of restricted stocks to employees	-	-	360,500	-	-	360,500
Retirement of restricted stocks to employees	24,754	-	(24,754)	-	-	-
Exercise of employee stock options	7,696	(3,077)	-	-	-	4,619
Recognized changes in equity of associates	-	-	-	41,256	-	41,256
Disposal of investments accounted for using equity method	-	-	-	(77,975)	-	(77,975)
Transferred to financial assets at fair value through other comprehensive income (loss)	-	-	-	(153,177)	-	(153,177)
At March 31	$ 2,412,147	$ 64,899	$ 390,517	$ -	$ 48,141	$ 2,915,704

	2025					
	Share premium	Employee stock options	Employee restricted stocks	Recognized changes in equity of associates	Others	Total
At January 1	$ 1,801,420	$ 54,860	$ 19,608	$ 37,223	$ 45,763	$ 1,958,874
Compensation costs of share-based payment	-	966	-	-	-	966
Issuance of restricted stocks to employees	-	-	53,445	-	-	53,445
Restricted stocks to employees vested	18,713	-	(18,713)	-	-	-
Exercise of employee stock options	57,477	(21,690)	-	-	-	35,787
Retirement of employee stock options	-	(2,629)	-	-	2,378	(251)
Recognized changes in equity of associates	-	-	-	24,418	-	24,418
At March 31	$ 1,877,610	$ 31,507	$ 54,340	$ 61,641	$ 48,141	$ 2,073,239

(18) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset losses incurred in previous years and then a special reserve as required by the applicable securities authority under the applicable public company rules in Taiwan. After combining accumulated undistributed earnings in the previous years and setting aside a certain amount of remaining profits of such financial year as a reserve or reserves for development purposes as the Board of Directors may from time to time deem appropriate, subject to the compliance with the Cayman Islands Companies Law, the Company shall distribute no less than 10% of the remaining profit as dividends to the shareholders. The distribution of earnings by way of cash dividends should be approved by the Company's Board of Directors and reported to the Company's shareholders in its meeting.

B. The Company's dividend policy is as follows: As the Company operates in a capital intensive industry and in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's operation scale, cash flow demand and future expansion plans, and cash dividends shall account for at least 10% of the total dividends distributed.

C. On June 5, 2025, after considering the Company's future operating development, the shareholders' meeting resolved the 2024 deficit compensation proposal to use capital surplus of $236,986 to compensate the deficits.

D. Considering the Company's future operating development, the Company's Board of Directors resolved not to distribute dividends from the appropriations of 2025 earnings on March 3, 2026. Information about the appropriations of earnings resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(19) Other equity interest

	2026			
	Currency translation differences	Share of other comprehensive income (loss) of associate and joint ventures accounted for using equity method, financial statements translation differences of foreign operations	Unearned employee compensation	Total
At January 1	$ 241,961	($ 144,137)	($ 22,492)	$ 75,332
Currency translation differences				
-Group	75,468	(556)	-	74,912
-Associates	-	6,534	-	6,534
-Associates- transfer to net loss from disposal of investments	-	111,952	-	111,952
Compensation costs of share-based payment	-	-	26,944	26,944
Issuance of restricted stocks to employees	-	-	(370,500)	(370,500)
At March 31	$ 317,429	($ 26,207)	($ 366,048)	($ 74,826)

	2025			
	Currency translation differences	Share of other comprehensive income (loss) of associate and joint ventures accounted for using equity method, financial statements translation differences of foreign operations	Unearned employee compensation	Total
At January 1	$ 367,395	($ 189,134)	($ 2,136)	$ 176,125
Currency translation differences				
-Group	38,714	(393)	-	38,321
-Associates	-	3,009	-	3,009
-Associates- transfer to net loss from disposal of investments	-	1,932	-	1,932
Compensation costs of share-based payment	-	-	5,040	5,040
Issuance of restricted stocks to employees	-	-	(57,705)	(57,705)
At March 31	$ 406,109	($ 184,586)	($ 54,801)	$ 166,722

(20) Operating revenue

	Three-month periods ended March 31, 2026	2025
Revenue from contracts with customers	$ 714,680	$ 473,170

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions:

	Three-month period ended March 31, 2026		
	Sales revenue	Royalty revenue	Total
China	$ 524,767	$ 29,555	$ 554,322
United States	72,717	-	72,717
Taiwan	6,467	292	6,759
Others	80,882	-	80,882
	$ 684,833	$ 29,847	$ 714,680

	Three-month period ended March 31, 2025		
	Sales revenue	Royalty revenue	Total
China	$ 323,293	$ 16,774	$ 340,067
United States	109,238	-	109,238
Taiwan	9,246	121	9,367
Others	14,498	-	14,498
	$ 456,275	$ 16,895	$ 473,170

B. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract liabilities – advance sales receipts	$ 44,880	$ 26,239	$ 8,822	$ 8,014

Revenue recognized that was included in the contract liability balance at the beginning of the year:

	Three-month periods ended March 31, 2026	2025
Contract liabilities – advance sales receipts	$ 12,415	$ 4,376

(21) Other gains and losses

	Three-month periods ended March 31, 2026	2025
Gain on disposal of property, plant and equipment	$ 1,984	$ -
Impairment loss on non-current assets held for sale	(9,585)	-
Gain (loss) on disposal of investments	163,760	(1,932)
Net currency exchange losses	(17,469)	(8)
	$ 138,690	($ 1,940)

(22) Finance costs

	Three-month periods ended March 31, 2026	Three-month periods ended March 31, 2025
Interest expense	$ 3,542	$ 2,836
Leased liabilities - Interest expense	119	44
	$ 3,661	$ 2,880

(23) Expenses by nature

	Three-month periods ended March 31, 2026	Three-month periods ended March 31, 2025
Employee benefit expense	$ 244,400	$ 200,315
Depreciation charges on property, plant and equipment and right-of-use assets	$ 31,588	$ 33,937
Amortization charges on intangible assets	$ 770	$ 588

(24) Employee benefit expense

	Three-month periods ended March 31, 2026	Three-month periods ended March 31, 2025
Wages and salaries	$ 191,585	$ 173,746
Share-based payment	28,420	5,755
Insurance expenses	16,323	13,647
Pension costs	6,809	6,624
Other personnel expenses	1,263	543
	$ 244,400	$ 200,315

A. According to the Articles of Incorporation of the Company, when distributing earnings, an amount equal to the ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be higher than 15% and lower than 5% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the three-month periods ended March 31, 2026, employees' compensation was accrued at $13,125; while directors' remuneration was accrued at $5,250. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 5% and 2% of distributable profit of current year for the year ended December 31, 2025. For the three-month period ended March 31, 2025, the Company did not accrue employees' compensation and directors' remuneration, due to net loss before tax.

C. Information about employees' compensation and directors' remuneration of the Company as proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense

Components of income tax expense:

	Three-month periods ended March 31, 2026	2025
Current tax:		
Current tax on profits for the period	$ 10,375	$ 14,813
Prior year income tax overestimation	(25)	-
Total current tax	10,350	14,813
Deferred tax:		
Origination and reversal of temporary differences	39,383	(14,790)
Total deferred tax	39,383	(14,790)
Income tax expense	$ 49,733	$ 23

F. Through March 31, 2026, the assessment of income tax returns of the Taiwan subsidiaries are as follows:

Name of subsidiary	Assessment of income tax returns
Global Device Technologies, Co., Ltd.	Assessed and approved up to 2023

(26) Earnings (losses) per share

Details of ordinary stocks, earnings (losses) per share are as follows:

	Three-month period ended March 31, 2026		
	Amount after tax	Weighted average outstanding stocks (in thousand of shares)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 196,090	117,676	$ 1.67
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 196,090	117,676	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	35	
Employee stock options	-	1,137	
Employee restricted stocks	-	293	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 196,090	119,141	$ 1.65

	Three-month period ended March 31, 2025		
	Amount after tax	Weighted average outstanding stocks (in thousand of shares)	Losses per share (in dollars)
Basic losses per share			
Losses attributable to ordinary shareholders of the parent (Note)	($ 78,988)	112,239	($ 0.70)

Note: The employee stock options and employee restricted stocks have anti-dilutive effect for the three-month period ended March 31, 2025, as a result, would not be considered while calculating the diluted EPS.

(27) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Three-month periods ended March 31,	
	2026	2025
Acquisition of property, plant and equipment (including transfer)	$ 41,578	$ 8,780
Add: Ending balance of prepayments for equipment (Note)	45,703	2,296
Add: Ending balance of prepayments for construction (Note)	7,800	-
Less: Beginning balance of prepayments for equipment (Note)	(13,128)	(2,267)
Less: Ending balance of payables for equipment	(23,330)	(6,933)
Add: Beginning balance of payables for equipment	55,278	4
Cash paid	$ 113,901	$ 1,880

Note: Shown as “Other non-current assets”.

B. Investing activities with partial cash receivable:

	Three-month periods ended March 31, 2026	Three-month periods ended March 31, 2025
Sale of non-current assets held for sale	$ 10,709	$ -
Add: Ending balance of receipts in advance for equipment (Note 1)	1,831	-
Add: Beginning balance of receivables from disposal of equipment (Note 2)	61,981	-
Less: Beginning balance of receipts in advance for equipment (Note 1)	(1,798)	-
Less: Ending balance of receivables from disposal of equipment (Note 2)	(52,858)	-
Add: Effect of foreign exchange	973	-
Cash received	$ 20,838	$ -

Note 1: Shown as “Other current liabilities”.

Note 2: Shown as “Other receivables - related parties”.

	Three-month periods ended March 31, 2026	Three-month periods ended March 31, 2025
Disposal of investments accounted for using equity method	$ 210,867	$ -
Less: Ending balance of receivable for investment (Note)	(213,334)	-
Add: Effect of foreign exchange	2,467	-
Cash received	$ -	$ -

Note：Shown as “Other receivables”.

C. The Group sold all the shares in D-Tech Optoelectronic, Inc. on May 2, 2025 and therefore lost control over the subsidiary. The details of the consideration received from the transaction and assets and liabilities relating to the subsidiary are as follows:

(a) Analysis of the consideration received and assets and liabilities relating to the subsidiary

	May 2, 2025
Consideration received	
Cash and cash equivalents	$ 28,766
Carrying amount of the assets and liabilities of the subsidiary	
Cash and cash equivalents	11,436
Accounts receivable - related parties, net	2,974
Other receivables	71
Inventories	8,222
Prepayments	262
Property, plant and equipment	18,176
Right-of-use assets	3,170
Deferred income tax assets	3,205
Other non-current assets, others	900
Other payables	(1,663)
Current lease liabilities	(2,205)
Deferred income tax liabilities	(21,892)
Total net assets	$ 22,656

(b) Net cash inflows from disposal of subsidiaries

	March 31, 2026
Add: Opening balance of other receivables	$ 7,795
Less: Ending balance of other receivables	(2,000)
Add: Effect of foreign exchange	136
	$ 5,931

(28) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Liabilities from financing activities
At January 1, 2026	$ 76,574	$ -	$ 157,009	$ 233,583
Changes in cash flow from financing activities	8,190	(425)	(1,629)	6,136
Interest expense	-	119	-	119
Interest paid	-	(119)	-	(119)
Changes in other non-cash items	-	19,228	-	19,228
Net exchange differences	1,026	-	2,829	3,855
At March 31, 2026	$ 85,790	$ 18,803	$ 158,209	$ 262,802

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Liabilities from financing activities
At January 1, 2025	$ 20,000	$ 5,865	$ 170,291	$ 196,156
Changes in cash flow from financing activities	-	(2,702)	(1,679)	(4,381)
Interest expense	-	44	-	44
Interest paid	-	(44)	-	(44)
Net exchange differences	-	50	2,165	2,215
At March 31, 2025	$ 20,000	$ 3,213	$ 170,777	$ 193,990

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Changzhou Chemsemi Co., Ltd. (“Chemsemi”)	The investee company accounted for using the equity method by the Company (Note)
Shanghai Galasemi Co., Ltd. (“Shanghai Galasemi”)	The investee company accounted for using the equity method by the Company
Changzhou Galasemi Co., Ltd. (“Changzhou Galasemi”)	The subsidiary wholly owned by the investee company accounted for using the equity method by the Company
Unikorn Semiconductor Corporation (“Unikorn”)	Other related party

Note：The Group lost significant influence over Chemsemi in March 2026. Consequently, Chemsemi ceased to be a related party of the Group from that date; please refer to Note 6(6) for details.

(2) Significant related party transactions and balances

A. Operating revenue:

	Three-month periods ended March 31, 2026	Three-month periods ended March 31, 2025
Sales of goods:		
Changzhou Galasemi	$ 4,270	$ 3,574
Royalty revenue:		
Shanghai Galasemi	$ 29,555	$ 16,774

B. Purchases:

	Three-month periods ended March 31, 2026	Three-month periods ended March 31, 2025
Purchases of goods:		
Unikorn	$ -	$ 888

C. Receivables from related parties:

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable:			
Shanghai Galasemi	45,901	$ 28,601	32,878
Changzhou Galasemi	4,320	-	2,311
Other receivables:			
Changzhou Galasemi	52,858	61,981	-
	$ 103,079	$ 90,582	$ 35,189

Accounts receivable arise mainly from sale transactions and royalty income. Other receivables arise mainly from sales of machinery equipment.

D. Payables to related parties:

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable:			
Unikorn	$ -	$ -	$ 897
Other payables:			
Unikorn	-	-	21
Changzhou Galasemi	6,486	20,227	6,629
	$ 6,486	$ 20,227	$ 7,547

Other payables mainly pertain to processing fees.

E. Prepayments:

	March 31, 2026	December 31, 2025	March 31, 2025
Unikorn	$ -	$ -	$ 10,000

The prepayment is derived from the transaction of acquiring machinery and equipment.

F. Property transactions:

Disposal of assets:

		Three-month periods ended March 31, 2026	
	Shown as	Disposal proceeds	Gain (loss) on disposal
Unikorn	Non-current assets held for sale	$ 195	$ -
Unikorn	Property, plant and equipment	1,975	1,975
		$ 2,170	$ 1,975

For the three-month period ended March 31, 2025：None.

G. Other transactions:

Transaction company	Item	Transaction amounts Three-month periods ended March 31, 2026	2025
Unikorn	Other expenses	$ 2,179	$ -
Unikorn	Outsourcing manufacturing services charges	-	205
Changzhou Galasemi	Outsourcing manufacturing services charges	19,163	9,820
		$ 21,342	$ 10,025

(3) Key management compensation

	Three-month periods ended March 31, 2026	2025
Short-term employee benefits	$ 35,731	$ 33,456
Post-employment benefits	1,430	1,376
Share-based payment	6,459	1,357
	$ 43,620	$ 36,189

8. PLEDGED ASSETS

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's assets pledged as collateral were as follows:

	Book value			
Assets	March 31, 2026	December 31, 2025	March 31, 2025	Purpose
Land	$ 147,360	$ 144,735	$ 152,932	Long-term borrowings (Note)
Buildings	68,300	67,773	73,796	Long-term borrowings (Note)
Time deposits (Shown as "Other current assets")	148,653	93,229	38,732	Short-term borrowings
Time deposits (Shown as "Other current assets")	2,300	2,300	-	Guarantee for lease contract of plant
Refundable deposits (Shown as "Other non-current assets")	2,286	2,262	2,854	Deposits for office rental and waste water treatment

Note: Including current portion.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$ 147,570	$ 43,861	$ 218

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

To support overseas procurement, acquisition or expansion of plants, purchase of machinery and equipment, overseas equity investments, repayment of foreign currency borrowings, enrichment of working capital, and to meet other needs for future long-term development, the Board of Directors resolved on April 9, 2026, to increase its capital by issuing common shares up to a maximum limit of 10,000 thousand shares in order to participate in the issuance of Global Depositary Receipts. This proposal is subject to approval at the shareholders' meeting to be held on June 3, 2026.

12. OTHERS

(1) Capital management

In order to safeguard the Group's ability to adapt to the changes in the industry and to accelerate the new product development, the Group's objective when managing capital is to maintain sufficient financial resources to support the operating capital, capital expenditures, research and development activities, repayment of debts and dividend paid to shareholders, etc.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets measured at fair value through other comprehensive income			
Designation of equity instrument	$ 80,157	$ 1,430	$ 1,511
Financial assets at amortized cost			
Cash and cash equivalents	1,808,772	1,210,366	645,772
Accounts receivable (including related parties)	352,085	278,268	434,586
Other receivables (including related parties)	272,769	86,402	5,360
Refundable deposits	2,286	2,262	2,854
Time deposits (over three-month period) (Shown as "Other current and non-current assets")	366,915	95,890	38,732
	$ 2,882,984	$ 1,674,618	$ 1,128,815

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities			
Financial liabilities at amortized cost			
Short-term borrowings	$ 85,790	$ 76,574	$ 20,000
Accounts payable (including related parties)	12,581	27,522	47,943
Other payables (including related parties)	149,036	200,797	115,057
Long-term borrowings (including current portion)	158,209	157,009	170,777
	$ 405,616	$ 461,902	$ 353,777
Lease liabilities (including current and non-current portion)	$ 18,803	$ -	$ 3,213

B. Financial risk management policies

(a)The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk.

(b)Risk management is carried out by the Group's finance team under policies approved by the Board of Directors. The Group's finance team identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a)Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and NTD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Group' s businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: USD; other certain subsidiaries' functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2026		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
NTD:USD	$ 16,135	0.031	$ 16,135
RMB:USD	3,592	0.145	16,657
Non-monetary items			
RMB:USD	54,930	0.145	254,747

	December 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
NTD:USD	$ 10,038	0.032	$ 10,038
RMB:USD	2,270	0.143	10,207
Non-monetary items			
RMB:USD	117,334	0.143	527,585

	March 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
NTD:USD	$ 38,888	0.030	$ 38,888
RMB:USD	802	0.138	3,668
Non-monetary items			
RMB:USD	147,579	0.138	675,082

iii. The total exchange loss, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2026 and 2025, amounted to $17,469 and $8, respectively.

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Three-month period ended March 31, 2026		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
NTD:USD	1%	$ 161	$ -
RMB:USD	1%	167	-
Non-monetary items			
RMB:USD	1%	-	2,547

	Three-month period ended March 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
NTD:USD	1%	$ 389	$ -
RMB:USD	1%	37	-
Non-monetary items			
RMB:USD	1%	-	6,751

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, other components of equity would have increased/decreased by $6,332 and $119, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term borrowings. Borrowings issued at floating rates expose the Group to fair value interest rate risk. For the three-month periods ended March 31, 2026 and 2025, the Group's borrowings at variable rates were denominated in NTD. If the market interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax, for the three-month periods ended March 31, 2026 and 2025 would have increased/decreased by $56 and $40, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the credit risk of financial assets at amortized cost.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "BBB+" are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

iii. The Group does not hold any collateral as security for accounts receivable. As of March 31, 2026, December 31, 2025 and March 31, 2025, with no collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the Group's accounts receivable were $361,570, $289,608, and $450,406, respectively.

iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

v. The Group adopts the assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payment were past due over 30 days, based on the terms, there would be a significant increase in credit risk on that instrument since initial recognition.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

a. It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

b. The disappearance of an active market for that financial asset because of financial difficulties.

vii. The Group wrote off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. Estimation of expected credit loss for accounts receivable:

a. The Group classifies customers' accounts receivable in accordance with credit risk on trade. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss.

b. The Group used the forecastability of external research report to adjust historical and timely information for a specific period to assess the default possibility of accounts receivable. As of March 31, 2026, December 31, 2025 and March 31, 2025, the loss rate methodology is as follows:

Accounts receivable	Not past due	Less than 90 days past due	Less than 180 days and more than 90 days past due	More than 180 days past due	Total
At March 31, 2026					
Expected loss rate	0.21%	1.91%	0.00%	100%	
Total book value	$ 343,656	$ 8,429	$ -	$ 9,485	$ 361,570
Loss allowance	$ -	$ -	$ -	$ 9,485	$ 9,485

Accounts receivable	Not past due	Less than 90 days past due	Less than 180 days and more than 90 days past due	More than 180 days past due	Total
At December 31, 2025					
Expected loss rate	0.21%	3.08%	0.00%	100%	
Total book value	$ 247,373	$ 30,895	$ -	$ 11,340	$ 289,608
Loss allowance	$ -	$ -	$ -	$ 11,340	$ 11,340

Accounts receivable	Not past due	Less than 90 days past due	Less than 180 days and more than 90 days past due	More than 180 days past due	Total
At March 31, 2025					
Expected loss rate	0.24%	3.93%	8.07%	100%	
Total book value	$ 427,780	$ 6,806	$ -	$ 15,820	$ 450,406
Loss allowance	$ -	$ -	$ -	$ 15,820	$ 15,820

c. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable was as follows:

	2026	2025
	Accounts receivable	Accounts receivable
At January 1	$ 11,340	$ 17,203
Reversal of impairment loss	(2,036)	(1,588)
Effect of foreign exchange	181	205
At March 31	$ 9,485	$ 15,820

viiii.The Group used the forecastability of external research report to adjust historical and timely information for a specific period to assess the default possibility of other receivables (including related parties). As of March 31, 2026, December 31, 2025 and March 31, 2025, the loss rate methodology is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
	Not past due	Not past due	Not past due
Expected loss rate	0% -100%	0% -100%	0% -100%
Total book value	$ 272,769	$ 86,402	$ 5,360
Loss allowance	$ -	$ -	$ -

(c) Liquidity risk

i. Cash flow forecasting is performed by the operating entities of the Group and aggregated by the Group's finance team. The Group's finance team monitors rolling forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are managed for investment appropriately. The instruments chosen would be with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Floating rate:			
Expiring within one year	$ 47,810	$ 56,000	$ 6,000

Note: The facilities expiring within one year are annual facilities subject to renegotiation before various due dates.

iv. The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year		Over 1 year	
Non-derivative financial liabilities:				
March 31, 2026				
Short-term borrowings	$	86,390	$	-
Accounts payable		12,581		-
Other payables (including related parties)		149,036		-
Lease liabilities		2,175		19,033
Long-term borrowings (including current portion)		17,078		190,889

	Less than 1 year		Over 1 year	
Non-derivative financial liabilities:				
December 31, 2025				
Short-term borrowings	$	77,941	$	-
Accounts payable		27,522		-
Other payables (including related parties)		200,797		-
Long-term borrowings (including current portion)		16,774		191,683

	Less than 1 year		Over 1 year	
Non-derivative financial liabilities:				
March 31, 2025				
Short-term borrowings	$	20,128	$	-
Accounts payable (including related parties)		47,943		-
Other payables (including related parties)		115,057		-
Lease liabilities		4,158		-
Long-term borrowings (including current portion)		17,724		215,831

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts measured at amortized cost approximate the fair values of the Group's financial instruments, including cash and cash equivalents, accounts receivable, other receivables, refundable deposits, time deposits (over three-month period), short-term borrowings, contract liabilities, accounts payable, other payables, lease liabilities, and long-term borrowings (including current portion).

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 80,157	$ 80,157
Non-recurring fair value measurements				
Non-current assets held for sale (Note)	-	32,016	-	32,016
	$ -	$ 32,016	$ 80,157	$ 112,173

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 1,430	$ 1,430
Non-recurring fair value measurements				
Non-current assets held for sale (Note)	-	51,612	-	51,612
	$ -	$ 51,612	$ 1,430	$ 53,042

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 1,511	$ 1,511

Note: Under IFRS 5, assets held for sale must be measured at fair value less costs to sell when the fair value less the cost to sell is lower than the carrying amount.

D. The following chart is the movement of Level 3 for the the three-month periods ended March 31, 2026 and 2025:

	2026	2025
	Equity instrument	Equity instrument
At January 1	$ 1,430	$ 1,492
Reclassification from investments accounted for using the equity method	76,963	-
Effect of exchange rate changes	1,764	19
At March 31	$ 80,157	$ 1,511

E. For the three-month periods ended March 31, 2026 and 2025, there was no transfer into or out from Level 3.

F. The Group's accounting segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted Company Shares	$ 1,456	Market comparable companies	Discount for lack of marketability	60%	The higher the discount for lack of marketability, the lower the fair value
Unlisted Company Shares	78,701	Income approach	Discount for lack of marketability and discount for minority interest	20% 23.6%	The higher the discount for lack of marketability, the lower the fair value; the higher the discount for minority interest, the lower the fair value

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted Company Shares	$ 1,430	Market comparable companies	Discount for lack of marketability	60%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted Company Shares	$ 1,511	Market comparable companies	Discount for lack of marketability	60%	The higher the discount for lack of marketability, the lower the fair value

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

(a) Loans to others: None.

(b) Provision of endorsements and guarantees to others: Please refer to table 1.

(c) Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

(d) Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

(e) Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

(f) Significant inter-company transactions: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in mainland China): Please refer to table 4.

(3) Information on investments in mainland China

(a) Information on investments in mainland China: Please refer to table 5.

(b)Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

The Company and its subsidiaries operate business only in a single industry. The Chief Operating Decision-Maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Company and its subsidiaries have only one reportable operating segment.

(2) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Three-month periods ended March 31,	
	2026	2025
Revenue from external customers	$ 714,680	$ 473,170
Inter-segment revenue	-	-
Total segment revenue	$ 714,680	$ 473,170
Segment income (loss) (Note)	$ 245,823	($ 78,965)

Note: Exclusive of income tax.

	March 31, 2026	March 31, 2025
Segment assets	$ 4,600,127	$ 3,357,074
Segment liabilities	$ 596,285	$ 498,572

(3) Reconciliation for segment income (loss)

The Company and its subsidiaries engage in a single industry. The Chief Operating Decision-Maker assesses performance and allocates resources of the whole group. The Company is regarded as a single operating segment. Therefore, there is no inter-segment revenue. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. The amount provided to the Chief Operating Decision-Maker with respect to total assets is measured in a manner consistent with that in the balance sheet.

GCS HOLDINGS, INC. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Three-month period ended March 31, 2026

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount for the three-month period ended March 31, 2026	Outstanding endorsement/ guarantee amount at March 31, 2026	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in mainland China	Footnote
0	GCS Holdings, Inc.	GCS Device Technologies, Co., Ltd.	2	$ 1,705,548	$ 32,000	$ 32,000	$ 20,000	$ 32,000	5.44%	$ 1,705,548	Y	N	N	
0	GCS Holdings, Inc.	GCS Device Technologies, Co., Ltd.	2	1,705,548	200,000	200,000	8,190	52,768	5.44%	1,705,548	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1)The Company is '0'.
(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:
(1)Having with which it does business.
(2)The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3)The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed company.
(4)The endorsed/guaranteed parent company owns directly or indirectly more than jointly 90% voting shares of the endorser/guarantor company.
(5)Mutual guarantee of the trade or co-contractor as required by the construction contract.
(6)Due to joint venture, mutual shareholder provides endorsements/guarantees to the endorsed/guaranteed company in ratio to its ownership.
(7)Companies in the same industry provide among themselves joint and several security for a performance guarantee of sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the Company's "Procedures for Endorsement and Guarantee", the total amount of endorsement/guarantee provided by the Company is limited to 40% of the Company's net worth, and the total amount of the guarantee provided by the Company to any individual entity is limited to 10% of the Company's net worth. The total amount of the guarantee provided by the Company to any subsidiary whose voting shares are 100% owned, directly or indirectly, by the Company shall not exceed 40% of the Company's net worth.
The aggregate total amount of endorsement/guarantee provided by the Company and its subsidiaries shall not exceed 50% of the Company's net worth.

GCS HOLDINGS, INC.

Holding of significant marketable securities during the reporting period

March 31, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2026				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
GCS Holdings, Inc.	Changzhou Chemsemi Co., Ltd.	None.	Financial assets at fair value through other comprehensive income - non-current	-	$ 78,701	12.83%	$ 78,701	Note 1
Global Communication Semiconductors, LLC	ElectroPhotonic-IC Inc.	None.	Financial assets at fair value through other comprehensive income - non-current	41,617	$ 1,456	0.31%	$ 1,456	

Note 1: It is a limited company.

GCS HOLDINGS, INC. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

Three-month period ended March 31, 2026

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
2	GCS Device Technologies, Co., Ltd.	Global Communication Semiconductors, LLC	3	Service revenue	$ 12,480	Note 5	1.75%
2	GCS Device Technologies, Co., Ltd.	Global Communication Semiconductors, LLC	3	Accounts receivable-related parties	3,112	Note 5	0.06%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1)Parent company is '0'.
(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction;
(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Disclosure over 1 million transaction details in this table.

Note 5: It was transacted based on the agreed transaction price and terms, and the credit terms is 30 days after monthly billings.

Note 6:The Group sold all the shares in D-Tech Optoelectronic, Inc. on May 2, 2025 and therefore lost control over the subsidiary.

GCS HOLDINGS, INC. AND SUBSIDIARIES

Information on investees (not including investees in mainland China)

Three-month period ended March 31, 2026

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Note 1、2)	Location	Main business activities	Initial investment amount: Balance as of March 31, 2026	Initial investment amount: Balance as of December 31, 2025	Shares held as of March 31, 2026: Number of shares	Shares held as of March 31, 2026: Ownership (%)	Shares held as of March 31, 2026: Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2026 (Note 2(2))	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2026 (Note 2(3))	Footnote
GCS Holdings, Inc.	Global Communication Semiconductors, LLC	Los Angeles, USA	1. Manufacturing of compound semiconductor wafers and foundry related services as well as granting royalty rights for intellectual property 2. Manufacturing and selling of advanced optoelectronics technology products	$ 1,026,550	$ 1,026,550	-	100%	$ 2,512,702	$ 144,384	$ 144,384	Subsidiary
GCS Holdings, Inc.	GCS Device Technologies, Co., Ltd.	Taiwan	Product design and research development services	12,000	12,000	1,200,000	100%	31,470	1,179	1,179	Subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at March 31, 2026' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2)The 'Net profit (loss) of the investee for the three-month period ended March 31, 2026' column should fill in amount of net profit (loss) of the investee for this period.

(3)The 'Investment income (loss) recognized by the Company for the three-month period ended March 31, 2026' column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

GCS HOLDINGS, INC.AND SUBSIDIARIES

Information on investments in mainland China

Three-month period ended March 31, 2026

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to mainland China as of January 1, 2026	Amount remitted from Taiwan to mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2026: Remitted to mainland China	Amount remitted from Taiwan to mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2026: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to mainland China as of March 31, 2026	Net (loss) income of investee for the three-month period ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment (loss) income recognized by the Company for the three-month period ended March 31, 2026	Book value of investments in mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
Changzhou Chemsemi Co., Ltd.	Manufacturing and selling of semiconductor discrete devices, integrated circuit chips and related products; Designing and services of integrated circuit chips; Manufacturing and selling of optoelectronic device.	$ 2,876,103	2	-	-	-	-	($ 524,981)	0.00%	($ 105,447)	$ -	-	Note 2(2)C、Note 4、Note5
Shanghai Galasemi Co., Ltd.	Technical services and development services in the field of optoelectronic technology , and selling of semiconductor discrete devices	294,516	2	-	-	-	-	49,901	48.00%	23,520	254,747	-	Note 2(2)C、Note 4

Company name	Accumulated amount of remittance from Taiwan to mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in mainland China imposed by the Investment Commission of MOEA
Changzhou Chemsemi Co., Ltd.	$ -	$ -	$ -
Shanghai Galasemi Co., Ltd.	-	-	-

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1)Directly invest in a company in mainland China.

(2) Through investing in an existing company in the third area (GCS Holdings, Inc.), which then invested in the investee in mainland China.

(3) Others

Note 2: In the ‘Investment income (loss) recognized by the Company for the three-month period ended March 31, 2026’ column:

(1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements that are reviewed and attested by R.O.C. parent company’s CPA.

C.The financial statements prepared by the investee.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The Company was incorporated in Cayman Islands and continously transferred the investments from the Company's U.S. bank account to Changzhou Chemsemi Co., Ltd. and Shanghai Galasemi Co., Ltd.

Note 5: On March 31, 2026, the Group disposed of a portion of its equity interest in Changzhou Chemsemi Co., Ltd. for a disposal consideration of USD 6,667 thousand (NTD 210,867 thousand), the Group’s shareholding ratio in Chemsemi decreased to 12.83%. Due to the fact that the Group no longer serves as a director of Chemsemi, the Group comprehensively assessed that the Group lost significant influence over Chemsemi from that date. Consequently, the carrying amount of the investment previously accounted for using the equity method was remeasured at its fair value and reclassified as financial assets at fair value through other comprehensive income.