Stock Code:9912

ASSOCIATED INDUSTRIES CHINA, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

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

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Associated Industries China, Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Associated Industries China, Inc. and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, 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 the 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 conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $18,668 thousand and $25,540 thousand, constituting 2.29% and 3.04% of consolidated total assets; and the total liabilities amounting to $17,763 thousand and $20,291 thousand, constituting 4.08% and 5.01% of consolidated total liabilities as of March 31, 2026 and 2025, respectively, and the total comprehensive income (loss) amounting to $(327) thousand and $(2,359) thousand, constituting 2.50% and 12.81% of the absolute value of consolidated total comprehensive income (loss) in the three months ended March 31, 2026 and 2025, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, 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 in the three months ended March 31, 2026 and 2025, as well as its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chien, Szu-Chuan and Liu, Chen-Hsing.

KPMG

Taipei, Taiwan (Republic of China)
May 6, 2026

Notes to Readers

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2026, December 31, and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 117,439	14	93,241	11	87,843	10
1110	Current financial assets at fair value through profit or loss (note 6(b))	20	-	-	-	-	-
1170	Notes and accounts receivable, net (note 6(c))	48,898	6	72,005	9	46,738	5
1200	Other receivables	405	-	442	-	1,108	-
1300	Inventories, net (note 6(d))	194,603	24	210,068	26	260,368	31
1410	Prepayments	24,759	3	21,956	3	30,057	3
1470	Other current assets	6,877	1	9,742	1	6,698	1
		393,001	48	407,454	50	432,812	50
	Non-current assets:						
1600	Property, plant and equipment (notes 6(f) and 8)	119,948	15	120,824	15	122,021	15
1755	Right-of-use assets (note 6(g))	33,763	4	24,238	3	22,261	3
1760	Investment property, net (notes 6(h) and 8)	236,000	29	235,000	29	233,000	28
1780	Intangible assets (note 6(i))	21,884	3	18,232	2	23,165	3
1900	Other non-current assets (note 8)	11,959	1	11,451	1	6,937	1
		423,554	52	409,745	50	407,384	50
	Total assets	**$ 816,555**	**100**	**817,199**	**100**	**840,196**	**100**

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(j))	$ 311,095	38	310,452	38	292,561	35
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	-	-	-	-	814	-
2130	Current contract liabilities (note 6(s))	5,368	1	4,472	1	5,213	1
2170	Notes and accounts payable	38,747	5	29,279	4	35,165	4
2200	Other payables	34,413	4	38,804	4	35,975	4
2250	Current provisions (note 6(k))	3,341	-	3,451	-	3,862	-
2280	Current lease liabilities (note 6(l))	11,546	2	9,058	1	7,803	1
2300	Other current liabilities	3,574	-	4,881	1	4,861	1
		408,084	50	400,397	49	386,254	46
	Non-current liabilities:						
2570	Deferred tax liabilities (note 6(n))	2,579	-	2,538	-	1,932	-
2580	Non-current lease liabilities(note 6(l))	24,123	3	16,938	2	15,820	2
2600	Other non-current liabilities	906	-	906	-	906	-
		27,608	3	20,382	2	18,658	2
	Total liabilities	435,692	53	420,779	51	404,912	48
	Equity: (notes 6(p) and (q))						
	Equity attributable to owners of parent:						
3110	Common stock	541,706	66	541,706	66	546,566	65
3200	Capital surplus	34,022	4	34,055	4	33,552	4
	Retained earnings:						
3310	Legal reserve	52,704	7	52,704	7	52,704	6
3320	Special reserve	79,510	10	79,510	10	79,510	10
3350	Accumulated deficits	(246,517)	(30)	(232,154)	(28)	(195,123)	(23)
		(114,303)	(13)	(99,940)	(11)	(62,909)	(7)
3400	Other equity interest	(92,268)	(11)	(88,179)	(11)	(93,019)	(11)
	Total equity attributable to owners of parent:	369,157	46	387,642	48	424,190	51
3600	Non-controlling interests (note 6(e))	11,706	1	8,778	1	11,094	1
	Total equity	380,863	47	396,420	49	435,284	52
	Total liabilities and equity	**$ 816,555**	**100**	**817,199**	**100**	**840,196**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000	**Operating revenues, net (note 6(s)):**				
4110	Sales revenue	$ 111,719	99	114,634	99
4310	Rental income (note 6(m))	1,389	1	1,389	1
		113,108	100	116,023	100
5000	**Operating costs (notes 6(d), 6(m), 6(n) and 12)**	62,959	56	68,025	59
5950	**Gross profit from operations**	50,149	44	47,998	41
	Operating expenses (notes 6(l), 6(n), 6(q) and 12):				
6100	Selling expenses	33,663	30	40,883	35
6200	Administrative expenses	19,039	17	22,600	20
6300	Research and development expenses	9,231	8	13,092	11
6450	Expected credit loss (reversal gain) (note 6(c))	(169)	-	(10)	-
		61,764	55	76,565	66
	Net operating loss	(11,615)	(11)	(28,567)	(25)
	Non-operating income and expenses:				
7100	Interest income	60	-	44	-
7190	Other income	104	-	-	-
7230	Foreign exchange gains, net (note 6(t))	950	1	2,098	2
7235	Gains (losses) on financial assets at fair value through profit or loss (note 6(b))	20	-	(1,401)	(1)
7255	Gains on fair value adjustment, investment property (note 6(h))	1,000	1	-	-
7510	Interest expense (note 6(k))	(2,445)	(2)	(2,030)	(2)
7590	Other losses	-	-	(78)	-
		(311)	-	(1,367)	(1)
7900	**Loss before tax**	(11,926)	(11)	(29,934)	(26)
7950	**Less: Income tax expenses (benefits) (note 6(o))**	595	-	21	-
	Net loss	(12,521)	(11)	(29,955)	(26)
8300	**Other comprehensive income:**				
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	(546)	-	11,541	10
8300	**Other comprehensive income, net**	(546)	-	11,541	10
8500	**Total comprehensive income (loss)**	**$ (13,067)**	**(11)**	**(18,414)**	**(16)**
	Total net income, attributable to:				
8610	Owners of parent	$ (10,227)	(9)	(26,830)	(23)
8620	Non-controlling interests (note 6(e))	(2,294)	(2)	(3,125)	(3)
		$ (12,521)	**(11)**	**(29,955)**	**(26)**
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	$ (10,773)	(9)	(15,289)	(13)
8720	Non-controlling interests (note 6(e))	(2,294)	(2)	(3,125)	(3)
		$ (13,067)	**(11)**	**(18,414)**	**(16)**
	Earnings per share (note (r))				
9750	**Basic earnings (losses) per share (NT dollars)**	**$**	**(0.19)**		**(0.50)**
9850	**Diluted earnings (losses) per share (NT dollars)**	**$**	**(0.19)**		**(0.50)**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Other equity interest						
	Common stock	Capital surplus	Legal reserve	Special reserve	Accumulated deficits	Exchange differences on translation of foreign financial statements	Unrealized losses from financial assets measured at fair value through other comprehensive income	Unearned employee benefits	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2025	$ 546,566	34,370	52,704	79,510	(167,120)	(69,036)	(33,710)	(2,365)	(105,111)	440,919	10,477	451,396
Loss for the three months ended March 31, 2025	-	-	-	-	(26,830)	-	-	-	-	(26,830)	(3,125)	(29,955)
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	11,541	-	-	11,541	11,541	-	11,541
Total comprehensive loss for the three months ended March 31, 2025	-	-	-	-	(26,830)	11,541	-	-	11,541	(15,289)	(3,125)	(18,414)
Other changes in capital surplus:												
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(1,074)	-	-	(1,173)	-	-	-	-	(2,247)	2,247	-
Share-based payment transactions	-	-	-	-	-	-	-	551	551	551	-	551
Changes in equity in subsidiaries	-	256	-	-	-	-	-	-	-	256	91	347
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,404	1,404
Balance at March 31, 2025	**$ 546,566**	**33,552**	**52,704**	**79,510**	**(195,123)**	**(57,495)**	**(33,710)**	**(1,814)**	**(93,019)**	**424,190**	**11,094**	**435,284**
Balance at January 1, 2026	$ 541,706	34,055	52,704	79,510	(232,154)	(53,524)	(33,710)	(945)	(88,179)	387,642	8,778	396,420
Loss for the three months ended March 31, 2026	-	-	-	-	(10,227)	-	-	-	-	(10,227)	(2,294)	(12,521)
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	(546)	-	-	(546)	(546)	-	(546)
Total comprehensive loss for the three months ended March 31, 2026	-	-	-	-	(10,227)	(546)	-	-	(546)	(10,773)	(2,294)	(13,067)
Other changes in capital surplus:												
Disposal of subsidiaries or investments Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(243)	-	-	(4,136)	-	-	-	-	(4,379)	4,379	-
Share-based payment transactions	-	-	-	-	-	-	-	(3,543)	(3,543)	(3,543)	-	(3,543)
Changes in equity in subsidiaries	-	210	-	-	-	-	-	-	-	210	(50)	160
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	893	893
Balance at March 31, 2026	**$ 541,706**	**34,022**	**52,704**	**79,510**	**(246,517)**	**(54,070)**	**(33,710)**	**(4,488)**	**(92,268)**	**369,157**	**11,706**	**380,863**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2026	2025
Cash flows from (used in) operating activities:		
Loss before tax	$ (11,926)	(29,934)
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	4,053	3,230
Amortization expense	1,612	2,221
Expected reversal gain	(169)	(10)
(Gain) losses on financial assets or liabilities at fair value through loss or profit, net	(20)	1,401
Interest expense	2,445	2,030
Interest income	(60)	(44)
Share based payment transaction costs	(3,383)	898
Gain on fair value adjustment of investment property	(1,000)	-
Total adjustments to reconcile loss	3,478	9,726
Changes in operating assets and liabilities:		
Increase in current financial liabilities at fair value through profit or loss	-	(617)
Decrease (increase) in notes and accounts receivable	23,276	(646)
Decrease (increase) in other receivables	36	(385)
Decrease in inventories	15,465	6,786
Increase in prepayments	(2,329)	(1,704)
Increase in other current assets	(2,348)	(1,003)
(Increase) decrease in other assets	(648)	63
Increase in contract liabilities	896	657
Increase (decrease) in notes and accounts payable	9,468	(13,502)
(Decrease) increase in other payables	(4,958)	1,466
(Decrease) increase in provisions	(117)	277
Decrease in other current liabilities	(1,306)	(1,549)
Total changes in operating assets and liabilities	37,435	(10,157)
Total adjustments	40,913	(431)
Cash outflows generated from operations	28,987	(30,365)
Interest received	60	44
Interest paid	(2,417)	(2,006)
Income taxes paid (refund)	(490)	93
Net cash flows used in operating activities	26,140	(32,234)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(185)	(831)
Decrease (Increase) in refundable deposits	140	(229)
Acquisition of intangible assets	(51)	(90)
Net cash flows used in investing activities	(96)	(1,150)
Cash flows (used in) from financing activities:		
Increase in short-term borrowings	643	33,750
Payment of lease liabilities	(2,808)	(2,008)
Change in non-controlling interests	893	1,404
Net cash flows from financing activities	(1,272)	33,146
Effect of exchange rate changes on cash and cash equivalents	(574)	11,504
Net increase (decrease) in cash and cash equivalents	24,198	11,266
Cash and cash equivalents at beginning of period	93,241	76,577
Cash and cash equivalents at end of period	**$ 117,439**	**87,843**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Associated Industries China, Inc. (the "Company") was incorporated in May 18, 1978 as a company limited by shares, and registered under the Ministry of Economic Affairs, in the Republic of China. The major business activities of the Company and its subsidiaries (together referred to as the "Group") are (1) research, development and sale of LCD monitors, and related components, (2)sale of medical equipment, (3)real estate rental business and (4)research and development, manufacture and sale of medical equipment and health care products.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on May 6, 2026.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(b) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘ operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’ s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations and IAS 34 " Interim Financial Reporting" which are endorsed and issued into effect by FSC. The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements:

			Shareholding			
Name of investor	**Name of subsidiary**	**Principal activity**	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**	**Note**
The Company	AG Neovo International Ltd. (AG Neovo International)	Investment	100 %	100 %	100 %	Note 1
The Company	AG Neovo Technology B.V. (AG Neovo B.V.)	Sale of LCD monitors	100 %	100 %	100 %	
The Company	AG Neovo Investment Co., Ltd. (AG Neovo Investment)	Investment	100 %	100 %	100 %	Note 1

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Taiwan Biophotonic Co. (tBPC)	Research and development, manufacture and sale of medical equipment and health care products	76.46 %	75.43 %	73.92 %	Note 2
AG Neovo Investment	AG Neovo Technology (Shanghai) Co., Ltd. (AG Neovo Shanghai)	Sale of LCD monitors	100 %	100 %	100 %	Note 1
AG Neovo International	AG Neovo Technology Corp. (AG Neovo USA)	Sale of LCD monitors and medical equipment	100 %	100 %	100 %	Note 1

Note 1 :A non-significant subsidiary, wherein its financial statements have not been reviewed.

Note 2 :In February and May 2025, the Company increased its capital in tBPC by cash of $14,173 and $21,827, respectively, and obtained a total of 90,000 thousand shares. In January 2026, increased its capital in tBPC by cash of $20,367 thousand, and obtained a total of 40,734 thousand shares.The Company's shareholding ratio was 76.46% as of March 31, 2026.

(i) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Employee benefits

(i) Defined contribution plans

Obligations for contributions to the defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting" .

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 " Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

The uncertainties in the following assumptions and estimates with significant risks of causing the carrying amount of assets and liabilities to be adjusted significantly in the next fiscal year are as follows:

- Fair value of investment properties

  The subsequent measurement of the investment property of the Group is evaluated by the discounted cash flow analysis method under the income approach, and Level 3 inputs are used in the fair value valuation technique.

Please refer to note 6(h) for relevant information on the assumptions adopted to measure the fair value.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2025 consolidated financial statements. Please refer to note 6 of the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Petty cash, checking accounts and demand deposits	$ 98,539	86,341	78,943
Time deposits	18,900	6,900	8,900
	$ 117,439	**93,241**	**87,843**

Please refer to note 6(u) for the exchange rate risk, the interest rate risk and the sensitivity analysis of the financial assets and liabilities of the Group.

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(b) Financial assets and liabilities at fair value through profit or loss-current

	March 31, 2026	December 31, 2025	March 31, 2025
Mandatorily measured at fair value through profit or loss financial assets			
Derivative instruments not used for hedging			
Forward exchange contracts	$ **20**	**-**	**-**
Mandatorily measured at fair value through profit or loss financial liabilities			
Derivative instruments not used for hedging			
Forward exchange contracts	$ **-**	**-**	**814**

The Group holds derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to, arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily designated at fair value through profit or loss:

	March 31, 2026		
	Contract amount (in thousands)	**Currency**	**Maturity date**
Financial assets:			
Forward exchange sold	EUR **300**	EUR to USD	2026.04.27~2026.05.18

	March 31, 2025		
	Contract amount (in thousands)	**Currency**	**Maturity date**
Financial liabilities :			
Forward exchange sold	EUR **1,048**	EUR to USD	2025.04.07~2025.05.27

The Group did not hold any outstanding forward foreign exchange contracts as of December 31, 2025.

(c) Notes and accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable from operating activities	$ 135	50	471
Accounts receivable-measured at amortized cost	48,798	72,159	46,343
	48,933	72,209	46,814
Less: Loss allowance	(35)	(204)	(76)
	$ **48,898**	**72,005**	**46,738**

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ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance was determined as follows:

	March 31, 2026		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 40,192	0%	-
Less than 30 days past due	6,440	0.17%	11
31 to 90 days past due	2,287	0.87%	20
91 to 180 days past due	14	28.57%	4
	$ 48,933		**35**

	December 31, 2025		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 50,378	0%	-
Less than 30 days past due	16,891	0.52%	87
31 to 90 days past due	4,940	2.37%	117
	$ 72,209		**204**

	March 31, 2025		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 36,270	0%	-
Less than 30 days past due	8,256	0.28%	23
31 to 90 days past due	2,288	2.32%	53
	$ 46,814		**76**

The movements in the allowance for notes and accounts receivable were as follows:

	For the three months ended March 31,	
	2026	**2025**
Balance at January 1	$ 204	86
Impairment reversal gain	(169)	(10)
Balance at March 31	**$ 35**	**76**

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any of the aforementioned notes and accounts receivable as collaterals for its loans.

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(d) Inventories

		March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$	472	765	216
Work in progress		129	954	1,269
Raw materials		592	563	622
Merchandise inventories		193,410	207,786	258,261
	$	**194,603**	**210,068**	**260,368**

The details of cost of sales in the three months ended March 31, 2026 and 2025, were as follows:

		For the three months ended March 31,	
		2026	2025
Cost of goods sold and expenses	$	63,066	69,382
Inventory valuation and recovery gain		(212)	(1,462)
	$	**62,854**	**67,920**

For the three months ended March 31, 2026 and 2025, the Group reversed its allowance for inventory valuation loss and obsolescence due to sale of obsolete stock amounting to $212 and $1,462,respectively.

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any inventories as collaterals for its loans.

(e) Subsidiaries with Significant Non-controlling Interests

In February and May 2025, the Company increased its investment in tBPC by $14,173 and $21,827 in cash, respectively, and obtained a total of 90,000 thousand shares. As of December 31, 2025, the Company’s shareholding ratio was 75.43% .

Due to the aforementioned transactions for the year ended December 31, 2025, it resulted in a decrease in capital surplus by $1,074 and retained earnings by $1,173, respectively, based on the difference between carrying amount and investment.

In January 2026, the Company increased its investment in tBPC by $20,367 in cash, and obtained a total of 40,734 thousand shares. As of March 31, 2026, the Company’ s shareholding ratio was 76.46% .

Due to the aforementioned transactions for the year ended March 31, 2026, it resulted in a decrease in capital surplus by $243 and retained earnings by $4,136, respectively, based on the difference between carrying amount and investment.

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The material non-controlling interests of subsidiaries were as follows:

		Percentage of non-controlling interests		
Subsidiaries	**Main operation place**	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
Taiwan Biophotonic Co. (tBPC)	Taiwan	23.54 %	24.57 %	26.08 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

(i) tBPC collective financial information

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Current assets	$ 29,324	17,475	21,446
Non-current assets	35,175	24,495	29,598
Current liabilities	(6,878)	(5,949)	(8,491)
Non-current liabilities	(9,606)	(15)	(15)
Net assets	**$ 48,015**	**36,006**	**42,538**
Non-controlling interests	**$ 11,706**	**8,778**	**11,094**

	For the three months ended March 31,	
	2026	**2025**
Sales revenue	**$ 2,804**	**463**
Net loss (as same as total comprehensive loss)	**$ (9,411)**	**(11,808)**
Loss, attributable to non-controlling interests	**$ (2,294)**	**(3,125)**
Total comprehensive loss, attributable to non-controlling interests	**$ (2,294)**	**(3,125)**

	For the three months ended March 31,	
	2026	**2025**
Net cash flows used in operating activities	$ (5,746)	(13,498)
Net cash flows used in investing activities	(12,733)	(724)
Net cash flows from financing activities	30,851	15,578
Net decrease in cash and cash equivalents	**$ 12,372**	**1,356**

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(f) Property, plant and equipment

The movements of cost and depreciation of the property, plant and equipment of the Group for the years ended March 31, 2026 and 2025, were as follows:

		Land	Buildings and building improvement	Machinery equipment	Other equipment	Transportation equipment	Equipment to be accepted	Total
Cost:								
Balance on January 1, 2026	$	95,104	29,484	5,119	28,276	1,825	6,479	166,287
Additions		-	-	162	23	-	-	185
Disposals		-	-	-	(30)	-	-	(30)
Effect of movements in exchange rates		-	-	40	(22)	33	-	51
Balance on March 31, 2026	**$**	**95,104**	**29,484**	**5,321**	**28,247**	**1,858**	**6,479**	**166,493**
Balance on January 1, 2025	$	95,104	29,484	5,095	27,069	536	6,479	163,767
Additions		-	-	33	798	-	-	831
Transferred in (out)		-	-	30	-	-	-	30
Effect of movements in exchange rates		-	-	29	290	7	-	326
Balance on March 31, 2025	**$**	**95,104**	**29,484**	**5,187**	**28,157**	**543**	**6,479**	**164,954**
Depreciation:								
Balance on January 1, 2026	$	-	11,347	4,256	24,060	61	5,739	45,463
Depreciation		-	148	89	763	92	-	1,092
Disposals		-	-	-	(30)	-	-	(30)
Effect of movements in exchange rates		-	-	41	(23)	2	-	20
Balance on March 31, 2026	**$**	**-**	**11,495**	**4,386**	**24,770**	**155**	**5,739**	**46,545**
Balance on January 1, 2025	$	-	10,757	3,993	20,664	417	5,739	41,570
Depreciation		-	148	88	779	45	-	1,060
Effect of movements in exchange rates		-	-	30	267	6	-	303
Balance on March 31, 2025	**$**	**-**	**10,905**	**4,111**	**21,710**	**468**	**5,739**	**42,933**
Book value:								
Balance on January 1, 2026	**$**	**95,104**	**18,137**	**863**	**4,216**	**1,764**	**740**	**120,824**
Balance on March 31, 2026	**$**	**95,104**	**17,989**	**935**	**3,477**	**1,703**	**740**	**119,948**
Balance on January 1, 2025	**$**	**95,104**	**18,727**	**1,102**	**6,405**	**119**	**740**	**122,197**
Balance on March 31, 2025	**$**	**95,104**	**18,579**	**1,076**	**6,447**	**75**	**740**	**122,021**

As of March 31, 2026, December 31 and March 31, 2025, the property, plant and equipment has been pledged as collateral for short-term borrowings and credits. Please refer to note 8.

(g) Right-of-use assets

The Group leases many assets including buildings and transportation. The movements of cost and depreciation of those assets were as below:

		Buildings	Transportation	Total
Cost:				
Balance on January 1, 2026	$	61,225	31,220	92,445
Additions		12,547	-	12,547
Effect of movements in foreign exchange rates		91	(148)	(57)
` Balance on March 31, 2026	**$**	**73,863**	**31,072**	**104,935**

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		Buildings	Transportation	Total
Balance on January 1, 2025	$	58,398	20,312	78,710
Effect of movements in foreign exchange rates		1,981	1,065	3,046
Balance on March 31, 2025	$	**60,379**	**21,377**	**81,756**
Depreciation:				
Balance on January 1, 2026	$	47,188	21,019	68,207
Depreciation		1,992	969	2,961
Effect of movements in foreign exchange rates		107	(103)	4
Balance on March 31, 2026	$	**49,287**	**21,885**	**71,172**
Balance on January 1, 2025	$	39,948	15,252	55,200
Depreciation		1,932	238	2,170
Reclassification		(1,774)	1,774	-
Effect of movements in foreign exchange rates		1,254	871	2,125
Balance on March 31, 2025	$	**41,360**	**18,135**	**59,495**
Carrying amounts:				
Balance on January 1, 2026	$	**14,037**	**10,201**	**24,238**
Balance on March 31, 2026	$	**24,576**	**9,187**	**33,763**
Balance on January 1, 2025	$	**18,450**	**5,060**	**23,510**
Balance on March 31, 2025	$	**19,019**	**3,242**	**22,261**

(h) Investment property

The investment property include the buildings and underground parking lots the Group rents to the lessee under operating leases. The initial period of the leased investment property is 3 years. At the end of a lease term, the Group will negotiate the subsequent lease terms with the lessee.

The changes in the Group's investment property were as follows:

		Land	Buildings and construction	Total
Book value:				
Balance on January 1, 2026	$	**176,034**	**58,966**	**235,000**
Balance on March 31, 2026	$	**177,392**	**58,608**	**236,000**
Balance on January 1, 2025	$	**172,245**	**60,755**	**233,000**
Balance on March 31, 2025	$	**172,245**	**60,755**	**233,000**

There were no significant additions, disposals, or significant changes in fair value of the investment property for the years ended March 31, 2026 and 2025.

For the years ended March 31, 2026 and 2025, the gains recognized from changes in fair value, attributable to fair value adjustments of investment properties, amounted to $1,000 and $0, respectively.

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Level 3 inputs were used in the valuation technique for the subsequent measurement of the fair value of the investment property of the Group. There was no transfers in or out of the Level 3 fair value hierarchy in the period.

The subsequent measurement of the investment property of the Group was evaluated by the discounted cash flow analysis method under the income approach, and the relevant important contract terms and valuation information were as follows:

(i) 5F-2 and underground parking lot, No. 3-1, Yuanqu St, Nangang District, Taipei City

Property	Important contract terms
Important contract terms	1.Rent：$475/month (Including value-added business tax 5%) $485/month (Including value-added business tax 5%) 2.Lease term：3 years (From January 1, 2024 to December 31, 2026)
Current status	For rent
Discount rate	March 31, 2026: 3.820% December 31, 2025: 3.820% March 31,2025:3.920%
External or in-house appraisal	External appraisal
Appraisal company	Home Ban Appraisers Joint Firm
Name of appraiser	March 31, 2026: Ching-Tang,Li, Ming-Fu,Zheng December 31, 2025: Ching-Tang,Li, Ming-Fu,Zheng March 31,2025:Ching-Tang,Li, Fang-Mei,Fu
Date of appraisal	March 31, 2026, December 31 and March 31, 2025
Fair value of external appraisal	March 31, 2026: $236,000 December 31, 2025:$235,000 March 31,2025:$233,000

The valuation of the fair value of the investment property and the changes in cash inflows and outflows in the future periods were determined based on the above-mentioned lease agreements, and the relevant information was as follows:

1) Actual rent and the annual rental growth rate

Regarding the rental growth rate, according to the lease contract assessment, the annual growth rate is 2.11%.

From January 1, 2024 to December 31, 2024, the monthly rent is $475, including 5% value-added business tax. From January 1, 2025 to December 31, 2026, the monthly rent will be $485, including 5% value-added business tax.

2) Estimation of discount rate

The discount rate is determined by the risk premium method, which uses certain interest rates as the basis for estimation, and taking into account the individual characteristics of the investment property, the above-mentioned certain interest rates, shall not be lower than the floating interest rate on a 2-year time deposit of a small amount, as posted by the Chunghwa Post Co., Ltd., plus 0.75 percentage points. It also takes into account of the differences in individual characteristics of the individual properties and is determined based on factors such as the liquidity, risk, value-added, and the ease of management. Therefore, the discount rates on March 31, 2026, December 31 and March 31, 2025, were calculated to be 3.820%, 3.820% and 3.920%, respectively.

3) Estimation of ending disposal value

The ending disposal value is obtained by direct capitalization of the income method, which is calculated by dividing the net income (NOI) in the eleventh year by the ending income capitalization rate, taking into account the rental capitalization rate of commercial properties, and deducting the expense rate and the vacancy rate. The capitalization rate of the ending income from the individual properties as of March 31, 2026, December 31 and March 31, 2025 to be 1.90%. The ending property disposal prices as of March 31,2026, December 31 and March 31, 2025 were $290,494, $290,494 and $290,424, respectively.

4) The abovementioned fair value valuation techniques and significant unobservable inputs are explained in the following table:

Fair value valuation technique	Significant unobservable input	Interrelationships between significant unobservable inputs and fair value measurements
The discounted cash flow analysis (DCF) using the income approach is adopted to evaluate the contractual rent provided by the Group. Discounted cash flow analysis using the income approach: It refers to the method of estimating the price of the appraised property by summing up the net income of each period and the ending value of the future discounted cash flows after discounting at an appropriate discount rate. The method is applicable to the valuation of properties for investment purposes.	·Risk-adjusted discount rate on March 31, 2026：3.820% December 31, 2025：3.820% March 31, 2025: 3.920%	The estimated fair value would increase (or decrease) if: ·The risk-adjusted discount rate decreases (increases).

(ii) As of March 31, 2026, December 31 and March 31 2025, the pledged on the Group's investment property as collateral, please refer to note 8 .

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(i) Intangible assets

The cost and amortization of intangible assets of the Group were as follows:

	Patent	Computer software and others	Total
Cost:			
Balance on January 1, 2026	$ 38,257	20,232	58,489
Addition	-	51	51
Disposals	-	5,213	5,213
Balance on March 31, 2026	**$ 38,257**	**25,496**	**63,753**
Balance on January 1, 2025	$ 38,142	19,642	57,784
Addition	-	90	90
Balance on March 31, 2025	**$ 38,142**	**19,732**	**57,874**
Amortization and impairment loss:			
Balance on January 1, 2026	$ 23,209	17,048	40,257
Amortization	1,198	414	1,612
Balance on March 31, 2026	**$ 24,407**	**17,462**	**41,869**
Balance on January 1, 2025	$ 17,069	15,419	32,488
Amortization	1,823	398	2,221
Balance on March 31, 2025	**$ 18,892**	**15,817**	**34,709**
Book value:			
Balance on January 1, 2026	**$ 15,048**	**3,184**	**18,232**
Balance on March 31, 2026	**$ 13,850**	**8,034**	**21,884**
Balance on January 1, 2025	**$ 21,073**	**4,223**	**25,296**
Balance on March 31, 2025	**$ 19,250**	**3,915**	**23,165**

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide intangible assets as collaterals for its bank loans.

(j) Short-term borrowings

The details of short-term borrowings were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	$ 70,095	80,952	72,061
Secured bank loans	241,000	229,500	220,500
	$ 311,095	**310,452**	**292,561**
Unused credit lines for short-term borrowings	**$ 186,905**	**190,548**	**179,067**
Range of interest rates	**2.185%~5.103%**	**2.185%~5.24%**	**2.185%~5.88%**

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Please refer to note 6(u) for the interest risk, foreign currency exchange rate risk, and liquidity risk information of the Group.

The Group provided property, plant and equipment and the investment property as collaterals for its bank loans. Please refer to note 8.

(k) Provisions — warranties

There were no significant changes in provisions for the three months ended March 31, 2026 and 2025. Please refer to note 6(j) of the 2025 annual consolidated financial statements for the related information.

Provisions related to sale of products are assessed based on historical information.

(l) Lease liabilities

The details of lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 11,546	9,058	7,803
Non-current	$ 24,123	16,938	15,820

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2026	2025
Interest on lease liabilities	$ 393	309
Variable lease payments not included in the measurement of lease liabilities	$ 1,597	1,734
Expenses relating to short-term leases	$ 513	1,212

The amounts recognized in the consolidated statements of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2026	2025
Total cash outflow from leases	$ 5,311	5,263

(i) Real estate lease

The Group leases buildings for its office space. The leases of office space typically run for three to seven years.

(ii) Other leases

The Group leases vehicle, with lease terms of two to five years.

The Group also leases office equipment with contract terms of less than one year. These leases are short-term leases or low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(h) sets out information about the operating leases of the investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Less than one year	$ 4,157	5,543	5,543
One to two years	-	-	4,157
Total undiscounted lease payments	**$ 4,157**	**5,543**	**9,700**

For the three months ended March 31, 2026 and 2025, the rental income recognized in operating revenue amounted to both $1,389; the direct costs incurred in rental, which were recognized as operating costs, amounted to both $105.

(n) Employee benefits

The Company and tBPC allocated no less than 6% of each employee's monthly wages to the labor pension personal account at Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company and tBPC allocated a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

Overseas subsidiaries recognized the pension expenses and made the periodical payments under the defined contribution method by local laws.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended March 31,	
	2026	**2025**
Operating cost	$ 11	9
Selling expenses	767	631
Administrative expenses	637	592
Research and development expenses	284	368
Total	**$ 1,699**	**1,600**

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(o) Income taxes

(i) Income tax expenses

The details of income tax expenses were as follows:

	For the three months ended March 31,	
	2026	2025
Tax expenses (benefits)	$ 595	21

(ii) The Company's income tax returns for the years through 2024 have been examined by the tax authorities.

(p) Capital and other equities

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2026 and 2025. For the related information, please refer to note 6(o) to the consolidated financial statements for the year ended December 31, 2025.

(i) Ordinary shares

As of March 31, 2026, December 31 and March 31, 2025, the Company's authorized common stocks were consisting of 200,000 thousand shares with a par value of $10 New Taiwan dollars per share amounted $2,000,000 of which 54,171 thousand shares, 54,171 thousand shares and 54,657 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliations of shares outstanding in the three months ended March 31, 2026 and 2025 were as follows:

Unit: in thousand shares

	Common stocks	
	For the three months ended March 31,	
	2026	2025
Balance on March 31	54,171	54,657

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(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital	$ 20,106	20,106	20,106
Treasury share transactions	6,628	6,628	6,628
Restricted employee shares	-	-	(140)
Employee stock options-expired	5,343	5,343	5,343
Donation from shareholders	1,615	1,615	1,615
Changes in equity in subsidiaries	330	363	-
	$ 34,022	34,055	33,552

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and the others are supposed to be set aside or reversed as the special reserve in accordance with laws and regulations. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company adopts the residual dividend policy. In consideration of the expansion of operations and the need of cash flows in the future, when the Company plans to distribute its dividends, the distributable amounts cannot be less than 50% of the cumulative distributable surplus. Moreover, at least 10% of the dividends should be distributed in cash.

On March 11, 2026, the Company's Board of Directors resolved to offset accumulated deficits using special reserve of $79,510 thousand and legal reserve of $52,704 thousand. The aforementioned deficit offset is subject to approval by the shareholders' meeting.

Based on the resolutions made during the annual stockholder's meeting held on June 18, 2025 , there are no earnings could be distributed in 2024, no dividends are planned to be distributed, the related information can be accessed through the Market observation Post System website.

(q) Share-based payment

(i) Restricted employee shares

Except as described below, there were no significant changes in share-based payment arrangements of the Group for the three-month periods ended March 31, 2026 and 2025. Refer to Note 16 to the Group's consolidated financial statements for the year ended 2025 for related information.

The information of the Company's restricted stock was as follows:

Unit: in thousand shares

	For the three months ended March 31,	
	2026	**2025**
Outstanding units on March 31	**756**	**1,242**

As of March 31, 2026 and 2025, the unearned employee compensation balances were $4,488 and $1,814, respectively.

The expenses reversed by the Group for employee restricted shares were ($3,543) and $551 for the years ended March 31, 2026 and 2025, respectively.

(ii) Employee stock options

A resolution was approved during the Board meeting of tBPC, a subsidiary of the Group, held on October 26, 2023, to issue the employee stock options of 20,000 thousand shares for subscription to qualified employees of its own, as well as its controlled or subordinate companies, with the base date set on January 24, 2024, as follows:

Except as described below, there were no material changes in the Group for the three months ended March 31, 2026 and 2025. For related information, please refer to Note 6(q) to the 2025 consolidated financial statements.

The issuance status and related information of employee stock warrants are as follows:

	For the three months ended March 31,			
	2026		**2025**	
	Number of options (in thousands)	**Weighted-average exercise price (NT dollars)**	**Shares (in thousands)**	**Weighted-average exercise price (NT dollars)**
Outstanding shares on January 1	13,858	$ 0.001	20,000	0.001
invalided shares due to employee resignation	-	0.001	(591.00)	0.001
Exercised during the year	(1,980)	0.001	(1,138)	0.001
Outstanding shares on March 31	**11,878**	0.001	**18,271**	0.001

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tBPC recognized the compensation cost for its employee stock options of $160 and $347 in the three months ended March 31, 2026 and 2025, respectively.

(r) Earnings (losses) per share

The Group's basic earnings (losses) per share was computed as follows:

	For the three months ended March 31,	
	2026	**2025**
Basic earnings (losses) per share		
Belong to parent company net loss	$ (10,227)	(26,830)
Weighted-average number of outstanding shares (in thousands)	53,415	53,415
Basic losses per share (dollars)	$ (0.19)	(0.50)
Diluted earnings (losses) per share		
Belong to parent company net loss	$ (10,227)	(26,830)
Weighted-average number of outstanding common shares (After adjusting for dilutive potential common share impact)	53,415	53,415
Diluted losses per share (dollars)	$ (0.19)	(0.50)

For the three months ended March 31, 2026 and 2025, the employee restricted shares had an anti-dilutive effect; hence, no diluted losses per share was required to be computed.

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31,	
	2026	**2025**
Primary geographical markets:		
Germany	$ 29,562	39,212
Denmark	14,154	5,766
USA	9,395	19,414
Others	59,997	51,631
	$ 113,108	116,023
Major products / services lines:		
LED monitors	$ 104,430	110,635
Medical equipment	-	200
Other accessories	7,289	3,799
Rental income	1,389	1,389
	$ 113,108	116,023

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(ii) Contract balances

1) For details on notes and accounts receivable and allowance for impairment, please refer to note 6(c).

2) Contract liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities (Receipt in advance)	$ 5,368	4,472	5,213

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

The amount of revenue recognized in the three months ended March 31, 2026 and 2025, that included in the contract liability balance at the beginning of the periods were $1,106 and $0, respectively.

(t) Employees' compensation and directors' remuneration

On June 18, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Article of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% of the remainder shall be allocated as directors' remuneration, and not less than 10% (in shares or in cash) as employee remuneration, including a minimum of 20% to those base-level employees. The distribution shall also include those employees of the Company's subsidiaries who meet certain requirements.

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% of the remainder shall be allocated as directors' remuneration, and a minimum of 10% (in shares or in cash) as employee remuneration, including those employees of the Company's subsidiaries who meet certain requirements.

Due to loss before tax in the three months ended March 31, 2026 and 2025, no employees' compensation and directors' remuneration was recognized.

(u) Financial instruments

Except for the contention mentioned below, there were no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(t) to the consolidated financial statements for the year ended December 31, 2025.

(i) Credit risk

For credit risk exposure of note and accounts receivables, please refer to note 6(c).

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Other financial assets at amortized cost includes cash and cash equivalents, other receivables, and guaranteed deposits, are considered to have low risk, and thus, the impairment provision recognized during the period is limited to 12-month expected losses.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Within a year	Over 1 year
March 31, 2026				
Non-derivative financial liabilities:				
Short-term borrowings	$ 311,095	(312,614)	(312,614)	-
Notes and accounts payable	38,747	(38,747)	(38,747)	-
Lease liabilities (including current and non-current)	35,669	(38,169)	(12,791)	(25,378)
Other payables	34,413	(34,413)	(34,413)	-
Guaranteed deposits	906	(906)	-	(906)
	$ 420,830	**(424,849)**	**(398,565)**	**(26,284)**
December 31, 2025				
Non-derivative financial liabilities:				
Short-term borrowings	$ 310,452	(312,160)	(312,160)	-
Notes and accounts payable	29,279	(29,279)	(29,279)	-
Lease liabilities (including current and non-current)	25,996	(27,912)	(10,085)	(17,827)
Other payables	38,804	(38,804)	(38,804)	-
Guarantee deposits	906	(906)	-	(906)
	$ 405,437	**(409,061)**	**(390,328)**	**(18,733)**
March 31, 2025				
Non-derivative financial liabilities:				
Short-term borrowings	$ 292,561	(294,095)	(294,095)	-
Notes and accounts payable	35,165	(35,165)	(35,165)	-
Lease liabilities (including current and non-current)	23,623	(25,810)	(8,832)	(16,978)
Other payables	35,975	(35,975)	(35,975)	-
Guaranteed deposits	906	(906)	-	(906)
Forward exchange contracts	814			-
Outflow		(1,431)	(1,431)	-
Inflow		617	617	-
	$ 389,044	**(392,765)**	**(374,881)**	**(17,884)**

The Group does not expect the cash flows included in the maturity analysis, to occur significantly earlier or at significantly different amounts.

(Continued)

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The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group' s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

The loans and borrowings from the bank forms an important source of liquidity for the Group. As of March 31, 2026, December 31 and March 31, 2025 the unused short-term bank facilities were $186,905, $190,548, and $179,067 ,respectively.

Apart from the aforementioned unused bank facilities, the Group is proactively engaging with financial institutions to seek increases in facilities and to establish new facilities, in order to ensure sufficient funding for future operational requirements.

(iii) Market risk

1) Currency risk (expressed in thousands for foreign currencies)

The Group's financial assets and liabilities exposed to significant foreign currency risk were as follows:

Expressed in Thousands of New Taiwan Dollars

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
Financial assets									
Monetary items									
USD	$ 489	USD/NTD =31.995	15,646	714	USD/NTD =31.430	22,441	556	USD/NTD =33.205	18,462
Financial liabilities									
Monetary items									
USD	860	USD/NTD =31.995	27,516	701	USD/NTD =31.430	22,032	980	USD/NTD =33.205	32,541

2) Sensitivity analysis

The Group' s exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, short-term borrowings, notes and accounts payable, and other payables that are denominated in foreign currency.

A weakening (strengthening) 5% of each foreign currency against the functional currency, under other conditions remain the same, profit before tax in the three months ended March 31, 2026 and 2025 would have been affected as follows:

	March 31, 2026	**March 31, 2025**
USD (against NTD)		
Appreciate 5%	$ 594	704
Depreciate 5%	(594)	(704)

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The analysis is performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

As the Group deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount for disclosure. For the three months ended March 31, 2026 and 2025, the foreign exchange gains (losses), including realized and unrealized ones, amounted to $950 and $2,098, respectively.

(iv) Interest rate analysis

Please refer to liquidity risk for the details of financial assets and liabilities exposed to interest rate risk.

		Carrying amount		
		March 31, 2026	**December 31, 2025**	**March 31, 2025**
Variable rate instruments:				
Financial assets	$	87,147	77,158	59,467
Financial liabilities		(311,095)	(310,452)	(292,561)

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents management of the Group’s assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the net loss before tax would have increased or decreased by $140 and $146 in the three months ended March 31, 2026 and 2025, respectively, which would mainly result from the bank savings, time deposits and short-term borrowings with variable interest rates at the reporting date.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging and of financial assets at fair value through other comprehensive income are measured on a recurring basis.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the assets or liabilities that are not based on observable market data.

The carrying amount and fair value of the Group’ s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and lease liabilities, disclosure of fair value information is not required:

	March 31, 2026				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
Derivative financial assets	$ 20	-	20	-	20
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 117,439	-	-	-	-
Notes and accounts receivable	48,898	-	-	-	-
Other receivables	405	-	-	-	-
Restricted deposits (recognized as other non-current assets)	8,035	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,404	-	-	-	-
	177,181				
	$ 177,201				
Financial liabilities measured at amortized cost:					
Short-term borrowing	$ 311,095	-	-	-	-
Notes and accounts payable	38,747	-	-	-	-
Lease liabilities (current and non-current)	35,669	-	-	-	-
Other payables	34,413	-	-	-	-
Guaranteed deposits	906	-	-	-	-
	420,830				
	$ 420,830				

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	December 31, 2025				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 93,241	-	-	-	-
Notes and accounts receivable	72,005	-	-	-	-
Other receivables	442	-	-	-	-
Restricted deposits (recognized as other non-current assets)	8,031	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,548	-	-	-	-
	176,267				
	$ **176,267**				
Financial liabilities measured at amortized cost:					
Short-term borrowing	310,452	-	-	-	-
Notes and accounts payable	29,279				
Lease liabilities (current and non-current)	25,996	-	-	-	-
Other payables	38,804				
Guaranteed deposits	906				
	405,437				
	$ **405,437**				

	March 31, 2025				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 87,843	-	-	-	-
Notes and accounts receivable	46,738	-	-	-	-
Other receivables	1,108	-	-	-	-
Restricted deposits (recognized as other non-current assets)	3,526	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,748	-	-	-	-
	141,963				
	$ **141,963**				

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	March 31, 2025				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss:					
Derivative financial liabilities	$ 814	-	814	-	814
Financial liabilities measured at amortized cost:					
Short-term borrowing	$ 292,561	-	-	-	-
Notes and accounts payable	35,165	-	-	-	-
Lease liabilities (current and non-current)	23,623	-	-	-	-
Other payables	35,975	-	-	-	-
Guaranteed deposits	906	-	-	-	-
	388,230				
	$ 389,044				

2) Fair value valuation technique for financial instruments not measured at fair value

The book value of financial assets and liabilities at amortized cost in the consolidated report is approximately its fair value.

3) Fair value valuation technique for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument will use the public quoted price from active market as the fair value if it has the public quoted price from active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by using a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments

Measurement of fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants such as the discounted cash flow or option pricing models. Fair value of forward currency exchange is usually determined by using the forward currency rate.

4) There was no transfer among fair value hierarchies in the three months ended March 31, 2026 and 2025.

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(v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(u) of the 2025 annual consolidated financial statements.

(w) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to note 6(v) of the 2025 annual consolidated financial statements for other related information.

(x) Investing and financing activities not affecting current cash flow

(i) The Group’s investing and financing activity which did not affect the current cash flow in the three months ended March 31, 2026 and 2025 were as follows: The acquisition of right-of-use assets by lease, please refer to note 6(g).

(ii) Reconciliations of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2026	**Cash flows**	**Additions**	**Effect of movements in exchange rates**	**March 31, 2026**
Short-term borrowings	$ 310,452	643	-	-	311,095
Deposits received	906	-	-	-	906
Lease liabilities	25,996	(2,808)	12,547	(66)	35,669
Total liabilities from financing activities	**$ 337,354**	**(2,165)**	**12,547**	**(66)**	**347,670**

			Non-cash changes		
	January 1, 2025	**Cash flows**	**Additions**	**Effect of movements in exchange rates**	**March 31, 2025**
Short-term borrowings	$ 258,811	33,750	-	-	292,561
Deposits received	906	-	-	-	906
Lease liabilities	24,659	(2,008)	-	972	23,623
Total liabilities from financing activities	**$ 284,376**	**31,742**	**-**	**972**	**317,090**

(7) Related-party transactions:

(a) Names and relationship with related parties

Due to the absence of any transaction with related parties during the periods covered in the consolidated financial statements, the name and relationships of related parties have not been disclosed.

(b) Significant transactions with related parties: None.

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(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Short-term employee benefits	$ 5,439	5,219
Post-employment benefits	226	198
	$ 5,665	**5,417**

(8) Assets pledged as security:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment -Land and buildings	Guarantee for short-term loans and credit line	$ 113,093	113,241	113,683
Investment property	〃	236,000	235,000	233,000
Restricted deposits (recognized as other non-current assets)	Warranty guarantee, right-of-use asset and tariff	8,035	8,031	3,526
		$ 357,128	**356,272**	**350,209**

(9) Commitments and contingencies:

As of March 31, 2026, December 31 and March 31, 2025, the unused balances of the Group's letters of credit amounted to $0, $0 and $7,372, respectively.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

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(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

	For the three months ended March 31,					
By function	2026			2025		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	177	28,022	28,199	183	34,157	34,340
Labor and health insurance	22	4,340	4,362	23	4,269	4,292
Pension	11	1,688	1,699	9	1,591	1,600
Others	4	952	956	4	945	949
Depreciation	796	3,257	4,053	779	2,451	3,230
Amortization	-	1,612	1,612	484	1,737	2,221

(b) Financial and Operational Improvement Plan:

As of March 31, 2026, the Group continued to incur operating losses, with accumulated losses amounting to $246,517. The current ratio was approximately 96%, and the debt ratio was approximately 53%. To improve the Group's financial structure and operational performance, the following measures have been planned and for implementation:

(i) Based on operational needs, utilize the unused portions of approved bank credit lines, and apply for additional credit lines from financial institutions as necessary to meet working capital requirements.

(ii) Accelerate product launches and market expansion to increase sources of operating revenue.

(iii) Transform existing markets and business models, deepen cooperation with regional strategic partners, and obtain long-term supplier certifications from North American customers, thereby capturing emerging business opportunities in new markets.

(iv) Strengthen inventory control and credit policies to reduce obsolete inventory and shorten inventory turnover days, thereby enhancing capital utilization efficiency.

(v) In November 2025, the Board of Directors resolved to authorize the Chairperson to consider the appropriate timing to dispose of non-essential financial or business assets in order to maintain the Group's financial flexibility.

(vi) Plan to offset accumulated deficits with earnings reserves.

The Group continues to implement the above improvement measures and enhance monitoring of related indicators to maintain financial stability.

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(c) Seasonality of operations

The Group's operations were not significantly affected by seasonality or cyclicality factors.

(13) Other disclosures:

(a) Information on significant transactions

The followings are the information on significant transactions required by the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” of the Group in the three months ended March 31, 2026:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars and foreign currencies)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Amount of property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount of guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	AG Neovo B.V	100% owned subsidiary	387,642	150,000	150,000	646	-	38.70 %	387,642	Yes	No	No
0	The Company	AG Neovo USA	100% owned subsidiary	387,642	40,000	40,000	8,095	-	10.32 %	387,642	Yes	No	No

Note：According to the Company’s Procedures for Endorsement and Guarantee, the total amount of endorsements and guarantees, which the Company or the Group is permitted to provide, shall not exceed 100% of the Company’s net worth.

(iii) Material securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures):None

(In Thousands of New Taiwan Dollars and shares (units)

(iv) Related-party purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

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(vi) Significant transactions and business relationship between the Company and its subsidiaries:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	2026 Intercompany transactions			
				Accounts	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	The Company	AG Neovo B.V	1	Operating revenues	56,653	The price is marked up based on the cost; and the payment terms depends on the capital demand.	50.09 %
0	The Company	AG Neovo B.V	1	Receipt in advance	97,215	The price is marked up based on the cost; and the payment terms depends on the capital demand.	11.91 %
0	The Company	AG Neovo USA	1	Operating revenues	1,850	The price is marked up based on the cost; and the payment terms depends on the capital demand.	1.64 %
0	The Company	AG Neovo USA	1	Receipt in advance	26,760	The price is marked up based on the cost; and the payment terms depends on the capital demand.	3.28 %

Note 1: The numbers filled in as follows:
1.0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:
1 represents the transactions from the parent company to its subsidiaries.
2 represents the transactions between the subsidiaries and the parent company.
3 represents the transactions between subsidiaries.

(b) Information on investees:

The following is the information on investees in the three months ended March 31, 2026 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/ foreign currencies and shares in thousand units)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending Balance as of March 31, 2026			Net income (loss) of the Investee (Note2)	Investment income (loss) recognized by the investor (Note2)	Remark
				March 31, 2026 (Note 1)	December 31, 2025 (Note 1)	Shares	Percentage of ownership	Carrying amount (Note 1)			
The Company	AG Neovo International	British Virgin Islands	Investment	343,957	343,957	0.8	100 %	26,263	(868)	(868)	Note 3
The Company	AG Neovo B.V	Netherlands	Sales of LCD monitors	187,013	187,013	4.8	100 %	216,675	(1,312)	(1,312)	〃
The Company	AG Neovo Investment	British Virgin Islands	Investment	24,521	24,521	0.8	100 %	6,590	(574)	(574)	〃
The Company	Taiwan Biophotonic Corporation	Taiwan	Research and development, manufacture and sale of medical equipment and health care products	244,251	223,884	534,231	76.46 %	36,309	(9,411)	(7,117)	〃
AG Neovo International	AG Neovo USA	U.S.A.	Sales of LCD monitors and medical equipment	95,985 (US$3,000)	95,985 (US$3,000)	702	100 %	21,075 (US$659)	(325) (US$(10))	Recognized by AG Neovo International	〃

Note 1: The amounts in New Taiwan Dollars were translated at the exchange rates of USD31.995 at reporting date.
Note 2: The amounts in New Taiwan Dollars were translated at the exchange rates of USD31.6505 based on the average exchange rate at reporting date.
Note 3: The left transactions have been eliminated in the preparation of the consolidated financial statements.

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(c) Information on investment in mainland China:

(i) The related information on investees in Mainland China:

(In Thousands of New Taiwan Dollars/foreign currencies and shares in thousand units)

Name of investee	Main businesses and products	Total amount of paid-in capital (Note 2)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2026 (Note 2)	Investment		Accumulated outflow of investment from Taiwan as of March 31, 2026 (Note 2)	Net income (loss) of the investee company (Note 3)	Percentage of ownership	Investment income (loss) recognized (Notes 3)	Carrying amount as of March 31, 2026 (Note 2)	Accumulated remittance of earnings as of March 31, 2026
					Outflow	Inflow						
AG Neovo (Shanghai)	Sales of LCD monitors	25,596 (US$800)	Note 1	25,596 (US$800)	-	-	25,596 (US$800)	(574) (US$(18))	100%	(574) (US$(18))	6,590 (US$206)	-

(ii) Upper limit on investment in Mainland China:

(In Thousands of New Taiwan Dollars and foreign currencies)

Accumulated investment in Mainland China as of March 31, 2026 (Notes 3 and 5)	Investment amounts authorized by Investment Commission, MOEA (Notes 3 and 5)	Upper limit on investment
138,730 (US$4,336)	138,730 (US$4,336)	221,494

Note 1 : Indirect investment in Mainland China through companies registered in the third region.
Note 2 : The basis for recognizing investment gains and losses is based on the self-reported financial statements of the company.
Note 3 : The amounts in New Taiwan Dollars were translated at the exchange rates of USD31.995 at reporting date.
Note 4 : The amounts in New Taiwan Dollars were translated at the exchange rates of USD31.6505 based on the average exchange rate at reporting date.
Note 5 : Including the withdrawn amount of investment from the Shanghai CIMC Baowell Industries Co., Ltd.

(iii) Significant transactions: None.

(14) Segment information:

The Group's operating segment information were as follows:

	For the three months ended March 31, 2026					
	Europe	America	Taiwan	Others	Adjustment & Elimination	Total
Revenue						
Revenue from external customers	$ 92,716	9,562	10,656	174	-	113,108
Revenue from segments	196	-	58,503	-	(58,699)	-
Total revenue	**$ 92,912**	**9,562**	**69,159**	**174**	**(58,699)**	**113,108**
Reportable segment profit (loss)	**$ (757)**	**(867)**	**(19,023)**	**(1,150)**	**9,871**	**(11,926)**
Reportable segment assets						**$ 816,555**
Reportable segment liabilities						**$ 435,692**

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	For the three months ended March 31, 2025					
	Europe	America	Taiwan	Others	Adjustment & Elimination	Total
Revenue						
Revenue from external customers	$ 89,001	20,836	5,752	434	-	116,023
Revenue from segments	54	3	73,098	-	(73,155)	-
Total revenue	**$ 89,055**	**20,839**	**78,850**	**434**	**(73,155)**	**116,023**
Reportable segment profit (loss)	**$ (5,323)**	**(2,544)**	**(28,064)**	**(11,115)**	**17,112**	**(29,934)**
Reportable segment assets						**$ 840,196**
Reportable segment liabilities						**$ 404,912**