

Leadtrend Technology Corporation and Subsidiaries

Consolidated Financial Statements and

Independent Auditors' Review Report

For the Three Months Ended March 31, 2026 and 2025

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Notice to Readers

For the convenience of readers and for information purpose only, the auditors' report and the accompanying 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 financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Leadtrend Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Leadtrend Technology Corporation and its subsidiaries as of March 31, 2026 and 2025, the related consolidated statements of comprehensive income for the three months ended March 31, 2026 and 2025, as well as the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and the related notes to the consolidated financial statements, including the 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

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

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Ya-Yun, Chang and Ming-Hui, Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2026

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2026, December 31, 2025, and March 31, 2025
(In thousands of New Taiwan Dollars)

Code	Assets	March 31, 2026		December 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%
	Current asset						
1100	Cash and cash equivalents (Note 6)	\$ 526,253	26	\$ 522,303	26	\$ 542,636	26
1110	Financial assets at fair value through profit or loss - current (Note 7)	109,276	5	105,835	5	106,591	5
1170	Notes and accounts receivable (Note 9)	311,844	15	232,609	12	241,101	12
130X	Inventories (Note 10)	608,617	30	635,437	32	666,943	32
1470	Other current assets (Note 15)	12,984	1	18,106	1	11,399	1
11XX	Total current assets	<u>1,568,974</u>	<u>77</u>	<u>1,514,290</u>	<u>76</u>	<u>1,568,670</u>	<u>76</u>
	Non-current assets						
1541	Financial assets at amortized cost- non-current (Note 8)	1,000	-	1,000	-	1,000	-
1600	Property, plant and equipment (Note 12)	430,336	21	438,770	22	458,121	22
1755	Right-of-use assets (Note 13)	17,826	1	21,137	1	31,399	2
1780	Intangible assets (Note 14)	13,566	1	6,324	1	9,187	-
1900	Other non-current assets (Note 15)	7,948	-	6,121	-	5,169	-
15XX	Total non-current assets	<u>470,676</u>	<u>23</u>	<u>473,352</u>	<u>24</u>	<u>504,876</u>	<u>24</u>
1XXX	Total assets	<u>\$ 2,039,650</u>	<u>100</u>	<u>\$ 1,987,642</u>	<u>100</u>	<u>\$ 2,073,546</u>	<u>100</u>
	Liabilities and Equity						
	Current liabilities						
2170	Accounts payable	\$ 136,776	7	\$ 101,542	5	\$ 104,429	5
2200	Remuneration payable to employees and directors (Note 22)	10,501	-	6,025	-	26,195	1
2230	Current income tax liabilities (Note 4 and 23)	9,187	-	3,207	-	9,185	-
2280	Lease liabilities - current (Note 13)	10,998	1	11,874	1	13,146	1
2320	Long-term borrowings -current portion (Note 16)	-	-	-	-	14,583	1
2399	Other current liabilities (Note 17)	55,356	3	86,771	5	56,388	3
21XX	Total current liabilities	<u>222,818</u>	<u>11</u>	<u>209,419</u>	<u>11</u>	<u>223,926</u>	<u>11</u>
	Non-current liability						
2540	Long-term borrowings (Note 16)	-	-	-	-	20,417	1
2570	Deferred tax liabilities	760	-	794	-	369	-
2580	Lease liabilities - non-current (Note 13)	6,864	-	9,344	-	18,281	1
2645	Deposits received	14,412	1	13,919	1	13,484	-
25XX	Total non-current liabilities	<u>22,036</u>	<u>1</u>	<u>24,057</u>	<u>1</u>	<u>52,551</u>	<u>2</u>
2XXX	Total liabilities	<u>244,854</u>	<u>12</u>	<u>233,476</u>	<u>12</u>	<u>276,477</u>	<u>13</u>
	Equity (Notes 19 and 20)						
	Share capital						
3110	Common stock	619,932	30	620,142	31	604,316	29
	Capital surplus						
3210	Share premium	246,555	12	246,555	12	250,212	12
3251	Donations received from shareholders	84,732	4	84,732	4	84,732	4
3273	Restricted stocks for employees	53,200	3	54,702	3	60,581	3
3280	Others	154	-	154	-	131	-
	Retained earnings						
3310	Legal reserve	229,360	11	229,360	12	218,171	11
3320	Special reserve	-	-	-	-	786	-
3350	Undistributed earnings	565,219	28	542,492	27	597,837	29
	Other equity						
3410	Exchange differences on translating the financial statements of foreign operations	24,749	1	12,415	1	18,438	1
3491	Unearned employee benefits	(29,105)	(1)	(36,386)	(2)	(38,135)	(2)
3XXX	Total equity	<u>1,794,796</u>	<u>88</u>	<u>1,754,166</u>	<u>88</u>	<u>1,797,069</u>	<u>87</u>
	Total liabilities and equity	<u>\$ 2,039,650</u>	<u>100</u>	<u>\$ 1,987,642</u>	<u>100</u>	<u>\$ 2,073,546</u>	<u>100</u>

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

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(In thousands of New Taiwan Dollars, except earnings per share)

		Three Months Ended March 31			
Code		2026		2025	
		Amount	%	Amount	%
4000	Operating revenues (Note 21)	\$ 397,055	100	\$ 344,790	100
5110	Operating costs (Notes 10, 18 and 22)	<u>263,619</u>	<u>66</u>	<u>220,663</u>	<u>64</u>
5900	Operating margin	<u>133,436</u>	<u>34</u>	<u>124,127</u>	<u>36</u>
	Operating expenses (Notes 18 and 22)				
6100	Selling expenses	15,043	4	14,401	4
6200	Administrative expenses	26,808	7	28,630	8
6300	Research and development expenses	<u>72,330</u>	<u>18</u>	<u>69,063</u>	<u>20</u>
6000	Total operating expenses	<u>114,181</u>	<u>29</u>	<u>112,094</u>	<u>32</u>
6900	Net operating income	<u>19,255</u>	<u>5</u>	<u>12,033</u>	<u>4</u>
	Non-operating income and expenses (Note 22)				
7100	Interest income	1,667	-	1,742	1
7010	Other Income	530	-	1,249	-
7020	Other gains and losses	6,593	2	4,201	1
7050	Finance costs	(<u>112</u>)	-	(<u>213</u>)	-
7000	Total non-operating income and expenses	<u>8,678</u>	<u>2</u>	<u>6,979</u>	<u>2</u>
7900	Profit before income tax	27,933	7	19,012	6
7950	Income tax expense (benefit) (Notes 4 and 23)	<u>5,206</u>	<u>1</u>	<u>3,006</u>	<u>1</u>
8200	Net profit for the period	22,727	6	16,006	5
	Other Comprehensive Income and loss				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations (Note 19)	<u>12,334</u>	<u>3</u>	<u>8,467</u>	<u>2</u>
8500	Total comprehensive Income (loss)	<u>\$ 35,061</u>	<u>9</u>	<u>\$ 24,473</u>	<u>7</u>
	Earnings per share (NTD, Note 24)				
9750	Basic earnings per share	<u>\$ 0.37</u>		<u>\$ 0.26</u>	
9850	Diluted earnings per share	<u>\$ 0.37</u>		<u>\$ 0.26</u>	

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

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In thousands of New Taiwan Dollars, unless stated otherwise)

		Share capital - common stock		Capital surplus				Retained earnings				Other equity		
Code		Shares (In thousands)	Amount	Share premium	Donations received from shareholders	Restricted stocks for employees	Others	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unearned employee benefits	Total equity
A1	Balance at January 1, 2025	60,442	\$ 604,421	\$ 250,212	\$ 84,732	\$ 61,218	\$ 131	\$ 218,171	\$ 786	\$ 581,831	\$ 800,788	\$ 9,971	(\$ 45,681)	\$ 1,765,792
D1	Net income for the three months ended March 31, 2025	-	-	-	-	-	-	-	-	16,006	16,006	-	-	16,006
D3	Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	-	-	-	-	8,467	-	8,467
D5	Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	-	-	16,006	16,006	8,467	-	24,473
N1	Cancellation of restricted stock award shares	(10)	(105)	-	-	105	-	-	-	-	-	-	-	-
N1	Compensation cost on restricted stock award shares	-	-	-	-	(742)	-	-	-	-	-	-	7,546	6,804
Z1	Balance at March 31, 2025	<u>60,432</u>	<u>\$ 604,316</u>	<u>\$ 250,212</u>	<u>\$ 84,732</u>	<u>\$ 60,581</u>	<u>\$ 131</u>	<u>\$ 218,171</u>	<u>\$ 786</u>	<u>\$ 597,837</u>	<u>\$ 816,794</u>	<u>\$ 18,438</u>	(<u>\$ 38,135</u>)	<u>\$ 1,797,069</u>
A1	Balance at January 1, 2026	62,014	\$ 620,142	\$ 246,555	\$ 84,732	\$ 54,702	\$ 154	\$ 229,360	\$ -	\$ 542,492	\$ 771,852	\$ 12,415	(\$ 36,386)	\$ 1,754,166
D1	Net income for the three months ended March 31, 2026	-	-	-	-	-	-	-	-	22,727	22,727	-	-	22,727
D3	Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	-	-	-	-	12,334	-	12,334
D5	Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	-	-	22,727	22,727	12,334	-	35,061
N1	Cancellation of restricted stock award shares	(21)	(210)	-	-	210	-	-	-	-	-	-	-	-
N1	Compensation cost on restricted stock award shares	-	-	-	-	(1,712)	-	-	-	-	-	-	7,281	5,569
Z1	Balance at March 31, 2026	<u>61,993</u>	<u>\$ 619,932</u>	<u>\$ 246,555</u>	<u>\$ 84,732</u>	<u>\$ 53,200</u>	<u>\$ 154</u>	<u>\$ 229,360</u>	<u>\$ -</u>	<u>\$ 565,219</u>	<u>\$ 794,579</u>	<u>\$ 24,749</u>	(<u>\$ 29,105</u>)	<u>\$ 1,794,796</u>

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

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(In thousands of New Taiwan Dollars)

Code		Three Months Ended March 31	
		2026	2025
	Cash flows from operating activities		
A10000	Net profit before income tax	\$ 27,933	\$ 19,012
A20010	Adjustments for:		
A20100	Depreciation expenses	18,752	17,763
A20200	Amortization expenses	2,685	1,837
A20400	Net gain on financial assets or liabilities at fair value through profit or loss	(306)	(405)
A20900	Finance costs	112	213
A21200	Interest income	(1,667)	(1,742)
A21900	Compensation cost of the restricted stocks for employees	5,569	6,804
A22500	Loss on disposal of property, plant and equipment	-	1
A23700	Write-down of inventories	3,758	4,704
A24100	Unrealized foreign exchange gain (loss)	(4,976)	(4,807)
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	(78,848)	(4,130)
A31200	Inventories	23,062	37,453
A31240	Other current assets	5,502	984
A32150	Accounts payable	34,914	(4,146)
A32180	Remuneration payable to employees and directors	4,476	3,153
A32230	Other current liabilities	(29,810)	(21,263)
A33000	Cash flow generated from operations	11,156	55,431
A33300	Interest paid	(112)	(213)
A33500	Income tax paid	740	(2,526)
AAAA	Net cash flows from operating activities	<u>11,784</u>	<u>52,692</u>
	Cash flows from investment activities		
B02700	Acquisition of property, plant and equipment	(9,040)	(10,436)
B03700	Increase in refundable deposits	(31)	(22)
B04500	Acquisition of intangible assets	(9,927)	(1,327)
B07500	Interest received	<u>1,287</u>	<u>1,463</u>
BBBB	Net cash flows used in investment activities	(17,711)	(10,322)

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Code		Three Months Ended March 31	
		2026	2025
	Cash flows from financing activities		
C03000	Increase in deposits received	\$ 493	\$ 346
C04020	Repayment of the principal portion of lease liabilities	(<u>3,447</u>)	(<u>3,354</u>)
CCCC	Net cash flows from (used in) financing activities	(<u>2,954</u>)	(<u>3,008</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>12,831</u>	<u>9,835</u>
EEEE	Net increase in cash and cash equivalents	3,950	49,197
E00100	Cash and cash equivalents at beginning of the period	<u>522,303</u>	<u>493,439</u>
E00200	Cash and cash equivalents at end of the period	<u>\$ 526,253</u>	<u>\$ 542,636</u>

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

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(In thousands of New Taiwan Dollars, unless stated otherwise)

1. History of the Company

Leadtrend Technology Corporation (hereinafter referred to as "Leadtrend") was established on September 18, 2002, as approved by the Ministry of Economic Affairs. It mainly engages in the research, development, production, manufacturing, and sales of analog integrated circuits.

Leadtrend listed its shares at the Taiwan Stock Exchange on August 14, 2009.

The consolidated financial statements are presented in Leadtrend's functional currency, the New Taiwan Dollar.

2. Approval Date and Procedures of the Financial Statements

The consolidated financial statements were approved and issued by the Board of Directors on May 7, 2026.

3. Application of New, Amended and Revised Standards and Interpretations

(1) International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretation Notices (SIC) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as "the FSC") (hereinafter referred to as "IFRSs") as applied initially.

The application of IFRSs endorsed by the FSC will not result in any significant changes in the accounting policies of Leadtrend and its subsidiaries.

(2) IFRSs issued by the IASB but not yet endorsed by the FSC.

Newly issued / amended / revised standards and interpretations	Effective date issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by the IASB
IFRS 18, "Presentation and disclosure in financial statements"	January 1, 2027(Note 2)
IFRS 19, "Subsidiaries without publicly accountability: disclosures"(including 2025 amendments)	January 1, 2027
Amendments to IAS 21, "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above newly issued / amended / revised standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that enterprises in Taiwan shall apply IFRS 18 starting from January 1, 2028. Early adoption is permitted once IFRS 18 has been endorsed by the FSC.

I. IFRS 18, "Presentation and Disclosure in Financial Statements"

IFRS 18, "Presentation and Disclosure in Financial Statements," replaces IAS 1. The main changes include:

- The Company shall assess whether it has specific main business activities such as investing in specific types of assets and providing financing to customers, based on which the income and expense items in the income statement are classified into the operating, investing, financing, income tax, and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
- Guidance to enhance the requirements for aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses, and cash flows that arise from individual transactions or other events, and shall classify and aggregate them into groups based on shared characteristics, resulting in line items in the primary financial statements that share at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.
- When engaging in public communications outside the financial statements and conveying management's perspective on a specific aspect of the Company's overall financial performance to financial statement users, the Company shall disclose management-defined performance measures in a single financial statement note, including a description of the measure, how the measure is calculated, its reconciliation with IFRS-defined subtotals or totals, and the income tax and non-controlling interests impact of the related adjustment items.

In addition, the following conforming amendments were made to IAS 7 "Statement of Cash Flows":

- When the Company prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for the reconciliation.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company determines that it has specific principal operating activities, it shall consider the nature of dividend income, interest income, and interest expense as presented in the statement of profit or loss when determining the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the foregoing cash flows shall be classified within a single category of activities in the statement of cash flows.

In addition to the above impacts, as of the date the accompanying consolidated financial statements were issued, the Company continues to evaluate the impacts of the aforementioned standards and interpretations on its financial position and financial performance. The related impacts will be disclosed when the Company completes its evaluation.

4. Summary of Material Accounting Policies

(1) Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity 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 FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs Accounting Standards endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

Fair value measurement is classified as Level 1 through Level 3 according to the observability and significance of relevant input values:

- I. Level 1 Inputs: refer to quoted prices in the active market (without adjustment) for identical assets or liabilities available at the measurement date.
- II. Level 2 Inputs: refer to the observable inputs for the assets or liabilities, either directly (i.e., as price) or indirectly (i.e., derived from price), other than quoted prices included within Level 1.
- III. Level 3 Inputs: refer to the unobservable inputs for the asset or liability.

(3) Basis of consolidation

The consolidated financial statements cover the financial statements of Leadtrend and the entities under its control (i.e. subsidiaries). The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those of the Company. In the preparation of the consolidated financial statements, all transactions between individual affiliates, account balances, and gains and losses have been eliminated on consolidation.

Please refer to Notes 11 and 30 for details on the subsidiaries, shareholding ratios and main businesses.

(4) Other material accounting policies

Except for the following, please refer to the summary of material accounting policies in the Company’s consolidated financial statements for the year ended December 31, 2025.

Income tax expense

Income tax expense is the sum of current income tax and deferred income tax. Interim period income tax is assessed on an annual basis and calculated by applying the estimated annual effective tax rate to the interim profit before tax.

5. Material Accounting Judgements, Estimates and Key Sources of Estimation Uncertainty

Please refer to the consolidated financial statements for the year ended December 31, 2025.

6. Cash and Cash Equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Foreign currency deposits	\$ 122,030	\$ 119,114	\$ 42,389
Bank checks and demand deposits	95,372	117,332	156,940
Petty cash and cash on hand			
Cash equivalents	451	457	407
Time deposits	<u>308,400</u>	<u>285,400</u>	<u>342,900</u>
	<u>\$ 526,253</u>	<u>\$ 522,303</u>	<u>\$ 542,636</u>

The interest rate ranges of cash and cash equivalents as of the balance sheet date were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Bank deposit	0.03%~2.25%	0.03%~2.25%	0.03%~3.00%

7. Financial Assets at Fair Value through Profit or Loss

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial Assets - Current</u>			
Financial assets mandatorily measured at fair value through profit or loss			
Non-derivative financial assets			
- Benefit certificates	<u>\$ 109,276</u>	<u>\$ 105,835</u>	<u>\$ 106,591</u>

8. Financial Assets at Amortized Cost

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Non-Current</u>			
Domestic Investment			
Bond Investment - P12 TSMC 2A	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

On December 20, 2024, the Company purchased corporate bonds issued by Taiwan Semiconductor Manufacturing Company Limited with a face value of \$1,000 thousand. The bonds will mature on May 3, 2028, with an effective interest rate of 1.60%.

For information on credit risk management and expected credit losses related to financial assets measured at amortized cost, please refer to Note 26.

9. Notes and Accounts Receivable

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Notes receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ 36,549	\$ 44,582	\$ 48,785
<u>Accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ 275,295	\$ 188,027	\$ 192,316

The Company's average credit period for merchandise sales is 30 to 60 days after the end of the month, and accounts receivable are interest-free. The Company utilizes publicly available financial information and historical transaction records to rate its major customers. Credit exposure and counterparty credit ratings are continuously monitored. To mitigate credit risk, the management of the Company has assigned a dedicated team responsible for credit limit determination, approval, and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Company reviews the recoverable amount of receivables at each balance sheet date to ensure that appropriate impairment losses are recognized for unrecoverable receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for impairment losses on accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which takes into account customers' historical default records, current financial positions, and industrial economic conditions. Since the Company's historical credit loss experience indicates no significant difference in loss patterns among different customer segments, the provision matrix does not further differentiate among customer groups and sets expected credit loss rates solely based on the days past due of accounts receivable.

If there is evidence showing that a counterparty faces severe financial difficulties and the Company cannot reasonably expect recovery, the Company directly writes off the relevant accounts receivable. However, recourse activities are continued, and any amounts subsequently recovered are recognized in profit or loss.

The aging analysis of accounts receivable at the end of the reporting periods is presented below:

March 31, 2026

		Past due				
	Neither past due	1~30 days	31~60 days	61~90 days	Over 90 days	Total
Expected loss rate	0%	0%	0%	0%	0%~100%	-
Gross carrying amount	\$ 274,209	\$ 1,086	\$ -	\$ -	\$ -	\$ 275,295
Allowance for losses	-	-	-	-	-	-
Amortized cost	<u>\$ 274,209</u>	<u>\$ 1,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,295</u>

December 31, 2025

	Neither past due	Past due				Total
		1~30 days	31~60 days	61~90 days	Over 90 days	
Expected loss rate	0%	0%	0%	0%	0%~100%	-
Gross carrying amount	\$ 188,027	\$ -	\$ -	\$ -	\$ -	\$ 188,027
Allowance for losses	-	-	-	-	-	-
Amortized cost	<u>\$ 188,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,027</u>

March 31, 2025

	Neither past due	Past due				Total
		1~30 days	31~60 days	61~90 days	Over 90 days	
Expected loss rate	0%	0%	0%	0%	0%~100%	-
Gross carrying amount	\$ 192,316	\$ -	\$ -	\$ -	\$ -	\$ 192,316
Allowance for losses	-	-	-	-	-	-
Amortized cost	<u>\$ 192,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,316</u>

10. Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Work in progress	\$ 420,375	\$ 429,312	\$ 404,266
Raw materials	112,793	114,201	134,359
Finished goods	<u>75,449</u>	<u>91,924</u>	<u>128,318</u>
	<u>\$ 608,617</u>	<u>\$ 635,437</u>	<u>\$ 666,943</u>

The cost of sales related to inventories for the three months ended March 31, 2026 and 2025 were \$263,619 thousand and \$220,663 thousand, respectively.

The cost of sales included losses on inventory write-downs and obsolescence of \$3,758 thousand and \$4,704 thousand for the three months ended March 31, 2026 and 2025, respectively.

11. Subsidiary

(1) Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Name of Investor	Name of Subsidiary	Nature of Activities	Shareholding			Note
			March 31, 2026	December 31, 2025	March 31, 2025	
Leadtrend	Leadtrend Technology (Shenzhen) Ltd. ("Leadtrend Shenzhen")	Design and development of computer application software and system integration; wholesale of computer software, integrated circuits, semiconductor chips, and related electronic components; manufacturing of electronic components, integrated circuit chips, computer hardware, software, and peripheral equipment.	100%	100%	100%	-

12. Property, Plant and Equipment

	March 31, 2026	December 31, 2025	March 31, 2025
Assets used by the Company	\$ 416,441	\$ 438,770	\$ 443,970
Assets subject to operating leases	<u>13,895</u>	<u>-</u>	<u>14,151</u>
	<u>\$ 430,336</u>	<u>\$ 438,770</u>	<u>\$ 458,121</u>

(1) Assets used by the Company

	Land	Buildings	R&D equipment	Office & Other equipment	Molding equipment	Leasehold Improvements	Mask	Total
<u>Cost</u>								
Balance at January 1, 2026	\$ 84,099	\$ 343,242	\$ 304,066	\$ 41,545	\$ 33,861	\$ 28,805	\$ 295,870	\$1,131,488
Transfers to assets subject to operating leases	(3,415)	(12,814)	-	-	-	-	-	(16,229)
Additions	-	-	-	1,334	-	-	4,293	5,627
Disposals	-	-	(1,065)	-	-	-	-	(1,065)
Net exchange differences	-	1,320	406	134	201	114	-	2,175
Balance at March 31, 2026	<u>\$ 80,684</u>	<u>\$ 331,748</u>	<u>\$ 303,407</u>	<u>\$ 43,013</u>	<u>\$ 34,062</u>	<u>\$ 28,919</u>	<u>\$ 300,163</u>	<u>\$1,121,996</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2026	\$ -	\$ 84,832	\$ 254,884	\$ 36,277	\$ 30,602	\$ 24,538	\$ 261,585	\$ 692,718
Transfers to assets subject to operating leases	-	(2,270)	-	-	-	-	-	(2,270)
Depreciation expense	-	2,620	5,079	643	604	544	5,777	15,267
Disposals	-	-	(1,065)	-	-	-	-	(1,065)
Net exchange differences	-	227	319	120	126	113	-	905
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 85,409</u>	<u>\$ 259,217</u>	<u>\$ 37,040</u>	<u>\$ 31,332</u>	<u>\$ 25,195</u>	<u>\$ 267,362</u>	<u>\$ 705,555</u>
Carrying amounts at March 31, 2026	<u>\$ 80,684</u>	<u>\$ 246,339</u>	<u>\$ 44,190</u>	<u>\$ 5,973</u>	<u>\$ 2,730</u>	<u>\$ 3,724</u>	<u>\$ 32,801</u>	<u>\$ 416,441</u>
Carrying amounts at December 31, 2025 and January 1, 2026	<u>\$ 84,099</u>	<u>\$ 258,410</u>	<u>\$ 49,182</u>	<u>\$ 5,268</u>	<u>\$ 3,259</u>	<u>\$ 4,267</u>	<u>\$ 34,285</u>	<u>\$ 438,770</u>
<u>Cost</u>								
Balance at January 1, 2025	\$ 84,099	\$ 342,540	\$ 292,375	\$ 39,679	\$ 33,440	\$ 28,581	\$ 275,204	\$1,095,918
Transfers to assets subject to operating leases	(3,415)	(12,814)	-	-	-	-	-	(16,229)
Additions	-	523	2,076	97	393	-	6,285	9,374
Disposals	-	-	(126)	(55)	-	-	-	(181)
Net exchange differences	-	943	277	94	143	80	-	1,537
Balance at March 31, 2025	<u>\$ 80,684</u>	<u>\$ 331,192</u>	<u>\$ 294,602</u>	<u>\$ 39,815</u>	<u>\$ 33,976</u>	<u>\$ 28,661</u>	<u>\$ 281,489</u>	<u>\$1,090,419</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2025	\$ -	\$ 73,784	\$ 234,615	\$ 33,635	\$ 28,060	\$ 22,433	\$ 241,272	\$ 633,799
Transfers to assets subject to operating leases	-	(2,014)	-	-	-	-	-	(2,014)
Depreciation expense	-	2,693	5,232	754	645	518	4,466	14,308
Disposals	-	-	(126)	(54)	-	-	-	(180)
Net exchange differences	-	126	200	83	47	80	-	536
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 74,589</u>	<u>\$ 239,921</u>	<u>\$ 34,418</u>	<u>\$ 28,752</u>	<u>\$ 23,031</u>	<u>\$ 245,738</u>	<u>\$ 646,449</u>
Carrying amounts at March 31, 2025	<u>\$ 80,684</u>	<u>\$ 256,603</u>	<u>\$ 54,681</u>	<u>\$ 5,397</u>	<u>\$ 5,224</u>	<u>\$ 5,630</u>	<u>\$ 35,751</u>	<u>\$ 443,970</u>

No impairment losses were recognized or reversed for the three months ended March 31, 2026 and 2025.

(2) Assets subject to operating leases

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2026	\$ -	\$ -	\$ -
Transfers from assets used by the Company	<u>3,415</u>	<u>12,814</u>	<u>16,229</u>
Balance at March 31, 2026	<u>\$ 3,415</u>	<u>\$ 12,814</u>	<u>\$ 16,229</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2026	\$ -	\$ -	\$ -
Transfers from assets used by the Company	-	2,270	2,270
Depreciation expense	<u>-</u>	<u>64</u>	<u>64</u>
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 2,334</u>	<u>\$ 2,334</u>

	Land	Buildings	Total
Carrying amounts at March 31, 2026	\$ 3,415	\$ 10,480	\$ 13,895
Carrying amounts at December 31, 2025 and January 1, 2026	\$ -	\$ -	\$ -
<u>Cost</u>			
Balance at January 1, 2025	\$ -	\$ -	\$ -
Transfers from assets used by the Company	3,415	12,814	16,229
Balance at March 31, 2025	\$ 3,415	\$ 12,814	\$ 16,229
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	\$ -	\$ -	\$ -
Transfers from assets used by the Company	-	2,014	2,014
Depreciation expense	-	64	64
Balance at March 31, 2025	\$ -	\$ 2,078	\$ 2,078
Carrying amounts at March 31, 2025	\$ 3,415	\$ 10,736	\$ 14,151

The Company leases parking spaces under operating lease agreements with a lease term of one year. The lease contracts contain market rental review clauses in the event that the lessee exercises its option to renew. The lessee does not have a bargain purchase option to acquire the assets at the expiry of the lease period.

Depreciation expenses are calculated on a straight-line basis for the following estimated useful lives:

	Assets used by the Company	Assets leased under operating leases
Buildings	10-50 years	50 years
R&D equipment	2-12 years	-
Office & Other equipment	3-9 years	-
Molding equipment	3 years	-
Leasehold improvements	2-6 years	-
Mask	2-4 years	-

13. Lease

(1) Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts of right-of-use assets			
Buildings	\$ 17,826	\$ 21,137	\$ 31,399
	Three months ended March 31,		
	2026	2025	
Additions to the right-of-use assets	\$ 41	\$ -	
Depreciation expense of the right-of-use assets			
Buildings	\$ 3,421	\$ 3,391	

Except for the additions and depreciation expense recognized above, the Company had no significant sublease or impairment of right-of-use assets for the three months ended March 31, 2026 and 2025.

(2) Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts of lease liabilities			
Current	<u>\$ 10,998</u>	<u>\$ 11,874</u>	<u>\$ 13,146</u>
Non-Current	<u>\$ 6,864</u>	<u>\$ 9,344</u>	<u>\$ 18,281</u>

The discount rate ranges for lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	1.96%~2.24%	1.96%~2.24%	1.96%~2.24%

(3) Major lease activities and terms

The Company leases several buildings for office use with lease terms of 3 to 5 years. Upon expiration of the lease terms, the Company has no bargain purchase option to purchase the leased buildings, and the Company is prohibited from subleasing or transferring all or any part of the leased property without the prior consent of the lessor.

(4) Other lease Information

	Three months ended March 31,	
	2026	2025
Expense relating to short-term leases	<u>\$ 15</u>	<u>\$ 171</u>
Expense relating to leases of low-value assets	<u>\$ 13</u>	<u>\$ 13</u>
Total cash outflow for leases	<u>(\$ 3,579)</u>	<u>(\$ 3,721)</u>

The Company has elected to apply the recognition exemption to office equipment that qualifies as short-term leases and leases of low-value assets; therefore, the Company does not recognize right-of-use assets and lease liabilities for these leases.

14. Intangible Assets

	Computer Software	Specialized Technology	Patents	Others	Total
<u>Cost</u>					
Balance at January 1, 2026	\$ 104,028	\$ 39,626	\$ 8,383	\$ -	\$ 152,037
Additions	9,927	-	-	-	9,927
Net exchange differences	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
Balance at March 31, 2026	<u>\$ 113,959</u>	<u>\$ 39,626</u>	<u>\$ 8,383</u>	<u>\$ -</u>	<u>\$ 161,968</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2026	\$ 102,060	\$ 37,715	\$ 5,938	\$ -	\$ 145,713
Amortization expense	1,329	1,146	210	-	2,685
Net exchange differences	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
Balance at March 31, 2026	<u>\$ 103,393</u>	<u>\$ 38,861</u>	<u>\$ 6,148</u>	<u>\$ -</u>	<u>\$ 148,402</u>

	Computer Software	Specialized Technology	Patents	Others	Total
Carrying amounts at March 31, 2026	<u>\$ 10,566</u>	<u>\$ 765</u>	<u>\$ 2,235</u>	<u>\$ -</u>	<u>\$ 13,566</u>
Carrying amounts at December 31, 2025 and January 1, 2026	<u>\$ 1,968</u>	<u>\$ 1,911</u>	<u>\$ 2,445</u>	<u>\$ -</u>	<u>\$ 6,324</u>
<u>Cost</u>					
Balance at January 1, 2025	\$ 103,851	\$ 34,688	\$ 8,383	\$ 2,922	\$ 149,844
Additions	1,327	2,567	-	-	3,894
Net exchange differences	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Balance at March 31, 2025	<u>\$ 105,180</u>	<u>\$ 37,255</u>	<u>\$ 8,383</u>	<u>\$ 2,922</u>	<u>\$ 153,740</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2025	\$ 100,108	\$ 34,584	\$ 5,100	\$ 2,922	\$ 142,714
Amortization expense	1,097	531	209	-	1,837
Net exchange differences	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Balance at March 31, 2025	<u>\$ 101,207</u>	<u>\$ 35,115</u>	<u>\$ 5,309</u>	<u>\$ 2,922</u>	<u>\$ 144,553</u>
Carrying amounts at March 31, 2025	<u>\$ 3,973</u>	<u>\$ 2,140</u>	<u>\$ 3,074</u>	<u>\$ -</u>	<u>\$ 9,187</u>

The aforementioned intangible assets with finite useful lives are amortized on a straight-line basis over the following estimated useful lives:

Computer software	3- years
Specialized technology	5 years
Patents	10 years
Other	3-5 years

An analysis of amortization expenses by function is presented below:

	Three months ended March 31,	
	2026	2025
Amortization expenses summarized by function		
Operating costs	\$ -	\$ 253
Selling expenses	9	11
Administrative expenses	603	930
Research and development expenses	<u>2,073</u>	<u>643</u>
	<u>\$ 2,685</u>	<u>\$ 1,837</u>

15. Other Assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Prepayments	\$ 2,911	\$ 4,862	\$ 2,215
Tax refund receivable	1,788	3,661	225
Suspense payments	1,275	1,573	735
Value-added tax retained	827	-	-
Accrued revenue	657	277	499
Others	<u>5,526</u>	<u>7,733</u>	<u>7,725</u>
	<u>\$ 12,984</u>	<u>\$ 18,106</u>	<u>\$ 11,399</u>

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Non-current</u>			
Prepayments for equipment	\$ 4,250	\$ 2,454	\$ 1,484
Refundable deposits	<u>3,698</u>	<u>3,667</u>	<u>3,685</u>
	<u>\$ 7,948</u>	<u>\$ 6,121</u>	<u>\$ 5,169</u>

16. Borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Unsecured borrowings</u>			
Bank borrowings	\$ -	\$ -	\$ 35,000
Less: current portion	<u>-</u>	<u>-</u>	<u>(14,583)</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,417</u>

The bank borrowings were government preferential interest loans under the "Guidelines for Project Loans to Assist SMEs in Low-Carbon and Smart Transformation, as well as Optimization of Infrastructure for Registered and Specific Factories" initiated by the Ministry of Economic Affairs. The subsidy period was one year, with maturities gradually falling due before May 2027. The interest rate was calculated as the bank rate of 2.22% minus the government subsidy rate of 1.72%, resulting in a net borrowing interest rate of 0.5%. The Company fully repaid the borrowings ahead of schedule in May 2025.

17. Other Current Liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Bonuses payable	\$ 26,846	\$ 52,052	\$ 24,358
Accrued compensated absences	6,630	6,741	5,957
Accrued insurance expenses	4,177	4,214	4,035
Payables for equipment	2,827	4,444	2,167
Accrued service fees	1,603	1,944	3,751
Other	<u>13,273</u>	<u>17,376</u>	<u>16,120</u>
	<u>\$ 55,356</u>	<u>\$ 86,771</u>	<u>\$ 56,388</u>

18. Post-employment Benefit Plans

(1) Defined contribution plan

Leadtrend adopts a defined contribution plan in accordance with the Labor Pension Act of the Republic of China. Leadtrend makes monthly contributions equal to 6% of each employee's salary to their individual pension accounts at the Bureau of Labor Insurance. Leadtrend Shenzhen, located in the People's Republic of China, contributes to the government-managed basic endowment insurance plan based on a certain percentage of employees' salaries, which are recognized as current expenses at the time of provision. In accordance with these provisions, the amounts recognized as expenses in the Company's consolidated statement of comprehensive income were \$2,837 thousand and \$2,751 thousand for the three months ended March 31, 2026 and 2025, respectively.

19. Equity

(1) Share capital

Common stock

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>61,993</u>	<u>62,014</u>	<u>60,432</u>
Shares issued	<u>\$ 619,932</u>	<u>\$ 620,142</u>	<u>\$ 604,316</u>

Each share with a par value of \$10 carries one voting right and the right to receive dividends.

Of the authorized capital, 7,800 thousand shares are reserved for the issuance of employee stock options.

On May 29, 2025, the Company's shareholders' meeting resolved to capitalize earnings by issuing 1,191 thousand shares with a par value of \$10 per share. The Board of Directors set the effective date of the capital increase on July 17, 2025. The Company completed the registration of the change on August 11, 2025.

At the annual general shareholders' meeting held on May 29, 2025, Leadtrend resolved to issue 420 thousand restricted stock shares for employees. This issuance was approved by the Financial Supervisory Commission (FSC) under Letter No. 1140350895 dated July 22, 2025. The issue price was \$10 per share, with October 16, 2025, set as the record date for the capital increase. The registration of the change was completed on November 10, 2025.

(2) Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (I)</u>			
Share premium (including exercised or lapsed employee stock options)	\$ 246,555	\$ 246,555	\$ 250,212
Donations from shareholders (II)	84,732	84,732	84,732
<u>May only be used to offset a deficit</u>			
Other	154	154	131
<u>May not be used for any purpose</u>			
Restricted stock for employees	<u>53,200</u>	<u>54,702</u>	<u>60,581</u>
	<u>\$ 384,641</u>	<u>\$ 386,143</u>	<u>\$ 395,656</u>

I. Such capital surplus may be used to offset a deficit. Additionally, when the Company has no deficit, the capital surplus may be distributed as cash dividends or transferred to share capital, limited to a certain percentage of the Company's capital surplus and only once per year.

II. Cash donations received from Delaware Asia Pacific Investment Company.

(3) Retained earnings and dividend policy

In accordance with the earnings distribution policy set forth in Leadtrend's Articles of Incorporation, if there is a net profit after tax in the current period based on the annual final accounts, it shall be distributed in the following order:

I. Offset accumulated deficits (including adjustments to undistributed earnings).

II. Set aside 10% of the remaining profit as legal reserve, unless the accumulated legal reserve reaches the total amount of Leadtrend's paid-in capital.

III. Set aside or reverse a special reserve in accordance with the law or regulations of the competent authority.

IV. The remaining balance, together with the undistributed earnings at the beginning of the period (including adjustments to undistributed earnings), shall be proposed by the Board of Directors. If dividends are to be distributed through the issuance of new shares, it shall be resolved by the shareholders at the shareholders' general meeting.

Leadtrend may distribute all or part of its dividends and bonuses, or legal reserve and capital surplus, in the form of cash, by authorizing the Board of Directors with the consent of more than two-thirds of the directors present at a meeting attended by more than half of the total number of directors, and such distribution shall be reported to the shareholders' meeting.

For the remuneration allocation policy stipulated in Leadtrend's Articles of Incorporation, please refer to Note 22(7), "Employees' Compensation and Directors' Remuneration."

The distribution of dividends by Leadtrend shall complement the earnings status of the current year, including distributable earnings, capital surplus, and other distributable sources in accordance with laws and regulations. The total distribution ratio shall not be less than 30% of the current year's net profit after tax, and the annual cash dividend shall not be less than 10% of the total cash and stock dividends distributed in the current year.

The legal reserve shall be appropriated until its balance reaches the total amount of Leadtrend's paid-in capital. The legal reserve may be used to offset deficits. When Leadtrend has no deficit, the portion of the legal reserve exceeding 25% of the total paid-in capital may be distributed in cash or capitalized.

Leadtrend's earnings distribution plans for 2025 and 2024 are as follows:

	2025	2024
Legal reserve	<u>\$ 3,059</u>	<u>\$ 11,189</u>
Special reserve	<u>\$ -</u>	<u>(\$ 786)</u>
Cash dividends	<u>\$ 18,307</u>	<u>\$ 47,623</u>
Stock dividends	<u>\$ -</u>	<u>\$ 11,906</u>
Cash dividends per share (NTD)	\$ 0.300	\$ 0.800
Stock dividends per share (NTD)	\$ -	\$ 0.200

The aforementioned cash dividends were resolved by the Board of Directors on April 15, 2026, and April 10, 2025, respectively. The appropriation of the remaining earnings for 2024 was resolved at the Annual General Meeting of Shareholders on May 29, 2025. The appropriation of the remaining earnings for 2025 is subject to the resolution of the General Meeting of Shareholders to be held on May 28, 2026.

In addition, the Company's Board of Directors resolved on April 15, 2026, and April 10, 2025, to distribute cash dividends of \$12,205 thousand (\$0.20 per share) and \$23,812 thousand (\$0.40 per share) from the capital surplus of 2025 and 2024, respectively.

(4) Other equity

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

	Three months ended March 31,	
	2026	2025
Balance at beginning of the period	<u>\$ 12,415</u>	<u>\$ 9,971</u>
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	<u>12,334</u>	<u>8,467</u>
Other comprehensive income for the period	<u>12,334</u>	<u>8,467</u>
Balance at end of the period	<u>\$ 24,749</u>	<u>\$ 18,438</u>

The exchange differences arising from translating the net assets of foreign operations from their functional currencies to the Company's presentation currency (i.e., New Taiwan Dollars) are recognized directly in other comprehensive income and accumulated in equity under exchange differences on translating the financial statements of foreign operations. The previously accumulated exchange differences shall be reclassified to profit or loss upon the disposal of the foreign operations.

II. Unearned employee benefits

The shareholders' meetings of Leadtrend held on May 29, 2025, May 28, 2024, June 13, 2023, June 9, 2022 and June 23, 2020, respectively, resolved the restricted stock for employees, please refer to Note 20 for further details.

	Three months ended March 31,	
	2026	2025
Balance at beginning of the period	(\$ 36,386)	(\$ 45,681)
Share-based payment expenses recognized	5,569	6,804
Retirement of restricted stock	<u>1,712</u>	<u>742</u>
Balance at end of the period	<u>(\$ 29,105)</u>	<u>(\$ 38,135)</u>

20. Share-based Payment

Restricted stock plans for employees

Information regarding Leadtrend's issuance of new shares with restricted stock for employees is as follows:

Date of approval by the shareholders' meeting	Number of shares expected to be issued (In thousands)	Number of shares approved by the Board of Directors (In thousands)	Grant date	Effective date of capital increase	Number of actually issued shares (In thousands)	Fair value on the grant date
2020/06/23	1,200	900 (Note1)	2020/09/11	2020/11/06	900	34.35
2020/06/23	1,200	300 (Note2)	2021/08/03	2021/08/03	300	122
2022/06/09	420	420	2022/10/07	2022/10/12	420	47.1
2023/06/13	420	420	2023/10/06	2023/10/11	420	66.5
2024/05/28	420	420	2024/10/08	2024/10/09	420	88.4
2025/05/29	420	420	2025/10/14	2025/10/16	420	48.4

Note 1: As of December 31, 2024, there were no unvested shares outstanding.

Note 2: As of December 31, 2025, there were no unvested shares outstanding.

The issuance of restricted stocks for employees in a total amount of \$12,000 thousand and was resolved at the shareholders' meeting of Leadtrend on June 23, 2020, and a total of 1,200 thousand shares were issued. The issuance regulations are summarized as follows:

Employees to whom restricted stock has been allocated shall satisfy the personal performance requirement by obtaining the result of "Satisfactory" or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting period, they will receive restricted stock at the granting ratio as scheduled below:

Vesting period	Vesting ratio
From the grant date until October 15 of the first year following the grant date.	1/6
From the grant date until April 15 of the second year following the grant date.	1/6
From the grant date until October 15 of the second year following the grant date.	1/6
From the grant date until April 15 of the third year following the grant date.	1/6
From the grant date until October 15 of the third year following the grant date.	1/6
From the grant date until April 15 of the fourth year following the grant date.	1/6

Measures taken for employees who fail to satisfy the vesting conditions:

- (1) If an employee resigns voluntarily, is dismissed, laid off, retires, dies of natural causes, takes leave without pay, or is transferred to an affiliate after the grant date and prior to the expiration of the vesting period, Leadtrend will reacquire at no consideration and retire the restricted stock shares granted for that fiscal year that remain unvested.
- (2) If an employee fails to satisfy the personal performance requirements in the latest assessment immediately prior to the vesting date, Leadtrend will reacquire at no consideration and retire the portion of restricted stock that remains unvested for that specific period.
- (3) For stock and cash dividends allocated to unvested shares prior to the expiration of the vesting period, employees are still entitled to receive such dividends at no consideration.
- (4) Prior to satisfying the vesting conditions, employees are required to fully authorize Leadtrend to act on their behalf to negotiate, sign, amend, extend, rescind, or terminate the trust contract with the stock trust institution, and to direct the delivery, utilization, and disposal of the trust property during the period the restricted stock is held in trust. If an employee violates these regulations by terminating or rescinding Leadtrend's proxy authorization, Leadtrend shall reacquire the restricted stock from the employee at no consideration and retire them.

The restricted stocks reacquired by Leadtrend at no consideration will be retired and cancelled.

The changes in the shares granted under the aforementioned restricted stock plan are summarized as follows:

	Restricted stock plan for employees 2020-2
	Unit (In thousands)
<u>Three months ended March 31, 2025</u>	
Outstanding at the beginning and end of the period	<u>33.5</u>
Weighted-average fair value on the grant date (NTD)	<u>\$ 122</u>

The issuance of restricted stock for employees in a total amount of \$ 4,200 thousand was resolved at the shareholders' meeting of Leadtrend on June 9, 2022, and a total of 420 thousand shares were issued. The issuance regulations are summarized as follows:

Employees to whom restricted stock has been allocated shall satisfy the personal performance requirement by obtaining a rating of "Satisfactory" (i.e., a performance assessment scale score ≥ 5.8) or above in the latest personal performance assessment prior to the vesting date. Employees who remain employed by Leadtrend upon expiration of any of the following vesting periods will be eligible to receive restricted stock at the vesting ratios scheduled below:

Vesting period	Vesting ratio
From the grant date until October 11 of the first year following the grant date.	1/6
From the grant date until April 11 of the second year following the grant date.	1/6
From the grant date until October 11 of the second year following the grant date.	1/6
From the grant date until April 11 of the third year following the grant date.	1/6
From the grant date until October 11 of the third year following the grant date.	1/6
From the grant date until April 11 of the fourth year following the grant date.	1/6

Measures taken for employees who fail to satisfy the vesting conditions:

- (1) If an employee resigns voluntarily, is dismissed, laid off, retires, dies of natural causes, takes leave without pay, or is transferred to an affiliate after the grant date and prior to the expiration of the vesting period, Leadtrend will reacquire at no consideration and retire the restricted stock shares granted for that fiscal year that remain unvested.
- (2) If an employee fails to meet the required personal performance in the latest assessment immediately prior to the vesting date, Leadtrend will reacquire at no consideration and retire the portion of restricted stock that remains unvested for that specific period.
- (3) Prior to the expiration of the vesting period, employees are not entitled to receive any stock dividends, cash dividends, or capital surplus allocated from the unvested shares.
- (4) Prior to satisfying the vesting conditions, employees are required to fully authorize Leadtrend to act on their behalf to negotiate, sign, amend, extend, rescind, or terminate the trust contract with the stock trust institution, and to direct the delivery, utilization, and disposal of the trust property during the period the restricted stock is held in trust. If an employee violates these regulations by terminating or rescinding Leadtrend's proxy authorization, Leadtrend shall reacquire the restricted stock from the employee at no consideration and retire them.

The restricted stock reacquired by Leadtrend at no consideration will be retired and cancelled.

The changes in the shares granted under the aforementioned restricted stock plan are summarized as follows:

	Restricted stock plan for employees 2022
	Unit (In thousands)
<u>Three months ended March 31,2026</u>	
Outstanding at the beginning of the period	52.5
Retirement of restricted stock	(<u>2.0</u>)
Outstanding at the end of the period	<u>50.5</u>
Weighted-average fair value on the grant date (NTD)	<u>\$ 47.1</u>
<u>Three months ended March 31,2025</u>	
Outstanding at the beginning of the period	171.0
Retirement of restricted stock	(<u>3.0</u>)
Outstanding at the end of the period	<u>168.0</u>
Weighted-average fair value on the grant date (NTD)	<u>\$ 47.1</u>

The issuance of restricted stock for employees in a total amount of \$ 4,200 thousand was resolved at the shareholders' meeting of Leadtrend on June 13, 2023. A total of 420 thousand shares were issued. The issuance regulations are summarized as follows:

Employees to whom restricted stock has been allocated shall satisfy the personal performance requirement by obtaining a rating of "Satisfactory" (i.e., a performance assessment scale score ≥ 5.8) or above in the latest personal performance assessment prior to the vesting date. Employees who remain employed by Leadtrend upon expiration of any of the following vesting periods will be eligible to receive restricted stock at the vesting ratios scheduled below:

Vesting period	Vesting ratio
From the grant date until October 11 of the first year following the grant date.	1/6
From the grant date until April 11 of the second year following the grant date.	1/6
From the grant date until October 11 of the second year following the grant date.	1/6
From the grant date until April 11 of the third year following the grant date.	1/6
From the grant date until October 11 of the third year following the grant date.	1/6
From the grant date until April 11 of the fourth year following the grant date.	1/6

Measures taken for employees who fail to satisfy the vesting conditions:

- (1) If an employee resigns voluntarily, is dismissed, laid off, retires, dies of natural causes, takes leave without pay, or is transferred to an affiliate after the grant date and prior to the expiration of the vesting period, Leadtrend will reacquire at no consideration and retire the restricted stock shares granted for that fiscal year that remain unvested.
- (2) If an employee fails to meet the required personal performance in the latest assessment immediately prior to the vesting date, Leadtrend will reacquire at no consideration and retire the portion of restricted stock that remains unvested for that specific period.

- (3) Prior to the expiration of the vesting period, employees are not entitled to receive any stock dividends, cash dividends, or capital surplus allocated from the unvested shares.
- (4) Prior to satisfying the vesting conditions, employees are required to fully authorize Leadtrend to act on their behalf to negotiate, sign, amend, extend, rescind, or terminate the trust contract with the stock trust institution, and to direct the delivery, utilization, and disposal of the trust property during the period the restricted stock is held in trust. If an employee violates these regulations by terminating or rescinding Leadtrend's proxy authorization, Leadtrend shall reacquire the restricted stock from the employee at no consideration and retire them.

The restricted stock reacquired by Leadtrend at no consideration will be retired and cancelled.

The changes in the shares granted under the aforementioned restricted stock plan are summarized as follows:

	Restricted stock plan for employees 2023
	<u>Unit (In thousands)</u>
<u>Three months ended March 31, 2026</u>	
Outstanding at the beginning and end of the period	<u>183.0</u>
Weighted-average fair value on the grant date (NTD)	<u>\$ 66.5</u>
<u>Three months ended March 31, 2025</u>	
Outstanding at the beginning and end of the period	<u>317.5</u>
Weighted-average fair value on the grant date (NTD)	<u>\$ 66.5</u>

The issuance of restricted stock for employees in a total amount of \$ 4,200 thousand was resolved at the shareholders' meeting of Leadtrend on May 28, 2024, and a total of 420 thousand shares were issued. The issuance regulations are summarized as follows:

Employees to whom restricted stock has been allocated shall satisfy the personal performance requirement by obtaining a rating of "Satisfactory" (i.e., a performance assessment scale score ≥ 5.8) or above in the latest personal performance assessment prior to the vesting date. Employees who remain employed by Leadtrend upon expiration of any of the following vesting periods will be eligible to receive restricted stock at the vesting ratios scheduled below:

Vesting period	Vesting ratio
From the grant date until October 11 of the first year following the grant date.	1/6
From the grant date until April 11 of the second year following the grant date.	1/6
From the grant date until October 11 of the second year following the grant date.	1/6
From the grant date until April 11 of the third year following the grant date.	1/6
From the grant date until October 11 of the third year following the grant date.	1/6
From the grant date until April 11 of the fourth year following the grant date.	1/6

Measures taken for employees who fail to satisfy the vesting conditions:

- (1) If an employee resigns voluntarily, is dismissed, laid off, retires, dies of natural causes, takes leave without pay, or is transferred to an affiliate after the grant date and prior to the expiration of the vesting period, Leadtrend will reacquire at no consideration and retire the restricted stock shares granted for that fiscal year that remain unvested.
- (2) If an employee fails to meet the required personal performance in the latest assessment immediately prior to the vesting date, Leadtrend will reacquire at no consideration and retire the portion of restricted stock that remains unvested for that specific period.
- (3) Prior to the expiration of the vesting period, employees are not entitled to receive any stock dividends, cash dividends, or capital surplus allocated from the unvested shares.
- (4) Prior to satisfying the vesting conditions, employees are required to fully authorize Leadtrend to act on their behalf to negotiate, sign, amend, extend, rescind, or terminate the trust contract with the stock trust institution, and to direct the delivery, utilization, and disposal of the trust property during the period the restricted stock is held in trust. If an employee violates these regulations by terminating or rescinding Leadtrend's proxy authorization, Leadtrend shall reacquire the restricted stock from the employee at no consideration and retire them.

The restricted stock reacquired by Leadtrend at no consideration will be retired and cancelled.

The changes in the shares granted under the aforementioned restricted stock plan are summarized as follows:

	Restricted stock plan for employees 2024
	<u>Unit (In thousands)</u>
<u>Three months ended March 31, 2026</u>	
Outstanding at the beginning and end of the period	<u>315.0</u>
Weighted-average fair value on the grant date (NTD)	<u>\$ 88.4</u>
<u>Three months ended March 31, 2025</u>	
Outstanding at the beginning of the period	414.0
Retirement of restricted stock	(<u>3.0</u>)
Outstanding at the end of the period	<u>411.0</u>
Weighted-average fair value on the grant date (NTD)	<u>\$ 88.4</u>

The issuance of restricted stock for employees in a total amount of \$ 4,200 thousand was resolved at the shareholders' meeting of Leadtrend on May 29, 2025, and a total of 420 thousand shares were issued. The issuance regulations are summarized as follows:

Employees to whom restricted stock has been allocated shall satisfy the personal performance requirement by obtaining a rating of "Satisfactory" (i.e., a performance assessment scale score ≥ 5.8) or above in the latest personal performance assessment prior to the vesting date. Employees who remain employed by Leadtrend upon expiration

of any of the following vesting periods will be eligible to receive restricted stock at the vesting ratios scheduled below:

Vesting period	Vesting ratio
From the grant date until October 11 of the first year following the grant date.	1/6
From the grant date until April 11 of the second year following the grant date.	1/6
From the grant date until October 11 of the second year following the grant date.	1/6
From the grant date until April 11 of the third year following the grant date.	1/6
From the grant date until October 11 of the third year following the grant date.	1/6
From the grant date until April 11 of the fourth year following the grant date.	1/6

Measures taken for employees who fail to satisfy the vesting conditions:

- (1) If an employee resigns voluntarily, is dismissed, laid off, retires, dies of natural causes, takes leave without pay, or is transferred to an affiliate after the grant date and prior to the expiration of the vesting period, Leadtrend will reacquire at no consideration and retire the restricted stock shares granted for that fiscal year that remain unvested.
- (2) If an employee fails to meet the required personal performance in the latest assessment immediately prior to the vesting date, Leadtrend will reacquire at no consideration and retire the portion of restricted stock that remains unvested for that specific period.
- (3) Prior to the expiration of the vesting period, employees are not entitled to receive any stock dividends, cash dividends, or capital surplus allocated from the unvested shares.
- (4) Prior to satisfying the vesting conditions, employees are required to fully authorize Leadtrend to act on their behalf to negotiate, sign, amend, extend, rescind, or terminate the trust contract with the stock trust institution, and to direct the delivery, utilization, and disposal of the trust property during the period the restricted stock is held in trust. If an employee violates these regulations by terminating or rescinding Leadtrend's proxy authorization, Leadtrend shall reacquire the restricted stock from the employee at no consideration and retire them.

The restricted stock reacquired by Leadtrend at no consideration will be retired and cancelled.

The changes in the shares granted under the aforementioned restricted stock plan are summarized as follows:

	Restricted stock plan for employees 2025
	Unit (In thousands)
<u>Three months ended March 31, 2026</u>	
Outstanding at the beginning and end of the period	<u>420.0</u>
Weighted-average fair value on the grant date (NTD)	<u>\$ 48.4</u>

For the three months ended March 31, 2026 and 2025, 2 thousand shares and 6 thousand shares of restricted stock, respectively, were reacquired by the Company due to the

resignation of employees, all of which were pending cancellation as of March 31, 2026 and 2025, respectively.

The compensation costs of restricted stock for employees recognized for the three months ended March 31, 2026 and 2025 were \$5,569 thousand and \$6,804 thousand, respectively.

21. Operating Revenue

		Three months ended March 31,	
		2026	2025
Revenue from contracts with customers			
Integrated circuits		<u>\$397,055</u>	<u>\$344,790</u>
(1) Contractual balance			
	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts receivable (Note 9)	<u>\$ 311,844</u>	<u>\$ 232,609</u>	<u>\$ 241,101</u>
(2) Disaggregated revenue from contracts with customers			
<u>Itemized by geographical areas</u>			
		Three months ended March 31,	
		2026	2025
Mainland China		\$197,537	\$165,856
Taiwan (Leadtrend's location)		194,660	178,139
USA		4,696	-
Korea		<u>162</u>	<u>795</u>
		<u>\$397,055</u>	<u>\$344,790</u>

22. Net Profit from Operations

(1) Interest income

		Three months ended March 31,	
		2026	2025
Bank deposits		\$ 1,580	\$ 1,670
Commercial paper		76	61
Deposit interest		<u>11</u>	<u>11</u>
		<u>\$ 1,667</u>	<u>\$ 1,742</u>

(2) Other Income

	Three months ended March 31,	
	2026	2025
Lease income		
Other operating leases	\$ 466	\$ 464
Other	<u>64</u>	<u>785</u>
	<u>\$ 530</u>	<u>\$ 1,249</u>

(3) Other gains and losses

	Three months ended March 31,	
	2026	2025
Net gain on foreign exchange	\$ 6,287	\$ 3,797
Net gains (losses) on financial assets		
Financial assets at fair value through profit or loss	306	405
Other	<u>-</u>	<u>(1)</u>
	<u>\$ 6,593</u>	<u>\$ 4,201</u>

(4) Financial costs

	Three months ended March 31,	
	2026	2025
Interest on lease liabilities	\$ 112	\$ 183
Interest on bank borrowings	<u>-</u>	<u>30</u>
	<u>\$ 112</u>	<u>\$ 213</u>

(5) Depreciation and amortization

	Three months ended March 31,	
	2026	2025
Depreciation expense by function:		
Operating costs	\$ 4,471	\$ 4,404
Operating expenses	<u>14,281</u>	<u>13,359</u>
	<u>\$ 18,752</u>	<u>\$ 17,763</u>
Amortization expense by function:		
Operating costs	\$ -	\$ 253
Operating expenses	<u>2,685</u>	<u>1,584</u>
	<u>\$ 2,685</u>	<u>\$ 1,837</u>

(6) Employee benefit expenses

	Three months ended March 31,	
	2026	2025
Post-employment benefit(Note 18)		
Defined contribution plan	\$ 2,837	\$ 2,751
Share-based payments (Note 20)		
Equity-settled	5,569	6,804
Other employee benefits	<u>87,202</u>	<u>80,008</u>
Total employee benefit expenses	<u>\$ 95,608</u>	<u>\$ 89,563</u>
Summary by function		
Operating costs	\$ 14,934	\$ 13,647
Operating Expenses	<u>80,674</u>	<u>75,916</u>
	<u>\$ 95,608</u>	<u>\$ 89,563</u>

(7) Employees' compensation and directors' remuneration

In accordance with Leadtrend's Articles of Incorporation, Leadtrend allocates employees' compensation and directors' remuneration from the income before income tax of the current period before deducting employees' compensation and directors' remuneration, at rates no less than 5% and no more than 2%, respectively. Pursuant to the amendments to the Securities and Exchange Act in August 2024, the shareholders of Leadtrend resolved the amendments to the Articles of Incorporation at their 2025 regular meeting. The amended Articles explicitly stipulate that Leadtrend shall allocate employees' compensation and directors' remuneration from the current pre-tax profit before deduction of such compensations, at rates no less than 10% for employees and no more than 2% for directors. Additionally, no less than 40% of the aforementioned employees' compensation shall be distributed to junior employees.

For the three months ended March 31, 2026, and 2025, employees' compensation and directors' remuneration were accrued as follows:

Accrual rate

	Three months ended March 31,	
	2026	2025
Employees' compensation	13%	14%
Directors' remuneration	1%	1%

Amount

	Three months ended March 31,	
	2026	2025
Employees' compensation	<u>\$ 4,091</u>	<u>\$ 2,882</u>
Directors' remuneration	<u>\$ 385</u>	<u>\$ 271</u>

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences will be treated as a change in accounting estimate and adjusted in the following fiscal year.

The employees' compensation and directors' remuneration for the years ended December 31, 2025 and 2024 were resolved by the Company's Board of Directors on March 5, 2026, and February 20, 2025, respectively, as follows:

Amount

	2025		2024	
	Cash	Share	Cash	Share
Employees' compensation	\$ 5,507	\$ -	\$ 21,147	\$ -
Directors' remuneration	518	-	1,895	-

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

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

(8) Gains and losses on foreign currency exchange

	Three months ended March 31,	
	2026	2025
Foreign currency exchange gains	\$ 6,628	\$ 4,542
Foreign currency exchange losses	(341)	(745)
Net gain	<u>\$ 6,287</u>	<u>\$ 3,797</u>

23. Income Tax

(1) Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	Three months ended March 31,	
	2026	2025
Current income tax		
Incurred in the current period	\$ 5,987	\$ 2,972
Adjustments for prior years	(747)	-
	5,240	2,972
Deferred income tax		
Incurred in the current period	(34)	34
Income tax expense recognized in profit or loss	<u>\$ 5,206</u>	<u>\$ 3,006</u>

(2) Income tax assessment

Leadtrend's income tax returns through 2023 have been assessed and approved by the tax authorities.

24. Earnings Per Share

	Unit: NTD per share	
	Three months ended March 31,	
	2026	2025
Basic earnings per share (NTD)	<u>\$ 0.37</u>	<u>\$ 0.26</u>
Diluted earnings per share (NTD)	<u>\$ 0.37</u>	<u>\$ 0.26</u>

In calculating earnings per share, the impact of the allotment of shares without compensation (stock dividends) has been retroactively adjusted, and the record date of the capital increase was set as July 17, 2025. Due to this retroactive adjustment, the changes in basic and diluted earnings per share for the three months ended March 31, 2025 are as follows:

	Unit: NTD per share	
	Before retroactive adjustment	After retroactive adjustment
	Three months ended March 31, 2025	Three months ended March 31, 2025
Basic earnings per share (NTD)	<u>\$ 0.27</u>	<u>\$ 0.26</u>
Diluted earnings per share (NTD)	<u>\$ 0.27</u>	<u>\$ 0.26</u>

The net profit and weighted average number of common stocks used to calculate earnings per share are as follows:

Net profit for the period

	Three months ended March 31,	
	2026	2025
Net profit used to calculate basic and diluted earnings per share	<u>\$ 22,727</u>	<u>\$ 16,006</u>

Number of shares

	Unit: In thousands of shares	
	Three months ended March 31,	
	2026	2025
Weighted average number of common stocks used to calculate basic earnings per share	61,023	60,683
Effect of dilutive potential common stocks:		
Restricted stocks for employees	245	296
Employees' compensation	<u>171</u>	<u>233</u>
Weighted average number of common stocks used to calculate diluted earnings per share	<u>61,439</u>	<u>61,212</u>

If Leadtrend has the option to settle the compensation paid to employees in stock or cash, Leadtrend assumes that the entire amount of the compensation will be settled in stock, and the resulting potential shares are included in the weighted average number of shares

outstanding used in the computation of diluted earnings per share, provided that the effect is dilutive. Such dilutive effect of the potential shares continues to be included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

25. Capital Risk Management

The Company manages its capital to ensure that it is able to maximize shareholders' returns as a going concern. There has been no significant change in the Company's overall strategy.

The capital structure of the Company consists of share capital, capital surplus, retained earnings and other equity.

The Company is not subject to other external capital requirements.

26. Financial Instruments

(1) Fair value information—Financial instruments not measured at fair value.

Except as detailed in the following table, the management of the Company believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

March 31, 2026

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets measured at amortized cost					
-Domestic corporate bonds					
	\$ 1,000	\$ -	\$ 1,001	\$ -	\$ 1,001

December 31, 2025

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets measured at amortized cost					
-Domestic corporate bonds	\$ 1,000	\$ -	\$ 1,001	\$ -	\$ 1,001

March 31, 2025

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets					
measured at					
amortized cost					
-Domestic corporate					
bonds	\$ 1,000	\$ -	\$ 994	\$ -	\$ 994

The above Level 2 fair value measurement is based on quoted prices obtained from the Taipei Exchange.

- (2) Fair value information - Financial instruments measured at fair value on a recurring basis.

I. Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Beneficiary certificates	<u>\$ 109,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,276</u>

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Beneficiary certificates	<u>\$ 105,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,835</u>

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Beneficiary certificates	<u>\$ 106,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$106,591</u>

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

(3) Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial Assets</u>			
Financial assets at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	\$ 109,276	\$ 105,835	\$ 106,591
Financial assets at amortized costs			
Cash and cash equivalents	526,253	522,303	542,636
Notes and accounts receivable	311,844	232,609	241,101
Financial assets measured at amortized cost- non-current	1,000	1,000	1,000
Refundable deposits	3,698	3,667	3,685
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Accounts payable	136,776	101,542	104,429
Long-term borrowings			
(including current portion)	-	-	35,000
Deposits received	14,412	13,919	13,484

(4) Financial risk management objectives and policies

The Company's principal financial instruments include notes and accounts receivable, refundable deposits, accounts payable, borrowings, and lease liabilities. The Company's financial risk management objective is to manage the exchange rate risk, interest rate risk, credit risk, and liquidity risk relevant to its operating activities. To mitigate related financial risks, the Company is committed to identifying, evaluating, and avoiding market uncertainties to minimize the potential adverse impacts of market changes on the Company's financial performance.

The Company's significant financial activities are reviewed by the Board of Directors in accordance with applicable regulations and internal control systems. During the implementation of financial plans, the Company must strictly comply with applicable financial operating procedures for overall financial risk management and the segregation of powers and responsibilities.

I. Market Risk

The primary financial risks arising from the Company's operating activities are foreign currency exchange rate risk (see Section (1) below) and interest rate risk (see Section (2) below).

There has been no change to the Company's exposure to market risks from financial instruments or the manner in which these risks are managed and measured.

(I) Exchange rate risk

A portion of the Company's cash inflows and outflows are denominated in foreign currencies, which provides a natural hedging effect. The Company's management of foreign currency exchange rate risk aims at hedging rather than profit-making.

The management strategy for foreign currency exchange rate risk is established to regularly review the net positions of various currency assets and liabilities, and to conduct risk management on such net positions.

The carrying amounts of the Company's non-functional currency-denominated monetary assets and monetary liabilities at the balance sheet dates (including non-functional currency-denominated monetary items that have been eliminated in the consolidated financial statements) are presented in Note 29.

Furthermore, as net investments in foreign operations are held for strategic purposes, they are not hedged by the Company.

Sensitivity analysis

The Company is mainly exposed to the effects of fluctuations in USD and CNY exchange rates.

The following table details the Company's sensitivity analysis when the functional currency of each individual entity increases or decreases by 5% against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and adjusts their translation at the end of the period for a 5% change in exchange rates. The scope of the sensitivity analysis includes cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables. A positive number in the table below indicates an increase in profit before income tax when the functional currency of each individual entity depreciates by 5% against the relevant foreign currency. If the functional currency of each individual entity appreciates by 5% against each relevant foreign currency, the impact on profit before income tax would be a negative amount of the same value.

	Impact of USD		Impact of CNY	
	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Profit before income tax	\$ 3,954	\$ 3,076	\$ 6,521	\$ 3,257

The impact primarily arises from the USD and CNY-denominated receivables and payables that remained outstanding at the balance sheet dates and were not hedged under cash flow hedges by the Company.

The Company's sensitivity to USD and CNY exchange rates increased during the current period, primarily due to an increase in net monetary asset balances denominated in USD and CNY at the end of the period.

(II) Interest rate risk

Interest rate exposures arise as entities under the Company hold assets and liabilities at both fixed and floating rates.

The carrying amounts of financial assets and financial liabilities of the Company exposed to interest rate risk at the balance sheet dates are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
— Financial assets	\$ 308,400	\$ 285,400	\$ 342,900
— Financial liabilities	17,862	21,218	66,427
Cash flow interest rate risk			
— Financial assets	217,402	236,446	199,329

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of non-derivative instruments at the balance sheet date. For floating rate assets, the analysis assumes that the amount of assets outstanding on the balance sheet date is outstanding during the reporting period.

If the interest rate increases/decreases by 0.1%, all other variables held constant, the Company's profit before income tax for the three months ended March 31, 2026 and 2025 will increase/decrease by \$54 thousand and \$50 thousand respectively, which was mainly attributable to the Company's exposure to interest rate risk on its variable-rate net assets.

II. Credit risk

Credit risk refers to the risk of financial loss to the Company caused by the counterparty's default on contractual obligations. As of the balance sheet date, the Company's maximum exposure to credit risk which could cause a financial loss due to the counterparty's failure to discharge an obligation is primarily attributable to the carrying amounts of the financial assets recognized in the consolidated balance sheet.

To reduce credit risk, the management of the Company has delegated a team responsible for the determination of credit lines, credit approval, and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Company reviews the recoverable amounts of receivables on an individual basis at the balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

Accounts receivable cover a large number of customers, dispersed in different industries and geographical regions. The Company continuously evaluates the financial position of its customers.

The Company's credit risk is primarily concentrated in its top five customers, with total accounts receivable from these customers accounting for 73%, 65%, and 68% as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively.

III. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining an adequate level of cash and cash equivalents to finance its operations and mitigate the impact of cash flow fluctuations.

(I) Liquidity of non-derivative financial liabilities

The following table details the Company's remaining contractual maturity analysis for its non-derivative financial liabilities. This analysis is based on the undiscounted cash flows of financial liabilities, including both interest and principal payments, calculated as of the earliest date on which the Company can be required to make repayment.

March 31, 2026

	On demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Accounts payable	<u>\$ 79,465</u>	<u>\$ 57,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,776</u>
Lease liabilities	<u>\$ 822</u>	<u>\$ 2,261</u>	<u>\$ 8,116</u>	<u>\$ 6,923</u>	<u>\$ 18,122</u>
Other current liabilities	<u>\$ 7,622</u>	<u>\$ 5,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,428</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>
Lease liabilities	<u>\$ 11,199</u>	<u>\$ 6,923</u>	<u>\$ -</u>

December 31, 2025

	On demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Accounts payable	<u>\$ 53,689</u>	<u>\$ 47,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,542</u>
Lease liabilities	<u>\$ 816</u>	<u>\$ 2,226</u>	<u>\$ 9,135</u>	<u>\$ 9,414</u>	<u>\$ 21,591</u>
Other current liabilities	<u>\$ 9,617</u>	<u>\$ 9,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,008</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>
Lease liabilities	<u>\$ 12,177</u>	<u>\$ 9,414</u>	<u>\$ -</u>

March 31, 2025

	On demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Accounts payable	<u>\$ 53,886</u>	<u>\$ 50,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,429</u>
Lease liabilities	<u>\$ 816</u>	<u>\$ 2,231</u>	<u>\$ 10,617</u>	<u>\$ 18,579</u>	<u>\$ 32,243</u>
Fixed rate instruments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,583</u>	<u>\$ 20,417</u>	<u>\$ 35,000</u>
Other current liabilities	<u>\$ 9,587</u>	<u>\$ 4,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,858</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Within 1 year	1 to 5 years	Over 5 years
Lease liabilities	<u>\$ 13,664</u>	<u>\$ 18,579</u>	<u>\$ -</u>
Fixed interest rate instruments	<u>14,583</u>	<u>20,417</u>	<u>-</u>
	<u>\$ 28,247</u>	<u>\$ 38,996</u>	<u>\$ -</u>

27. Transactions with Related Parties

- (1) Balances and transactions between Leadtrend and its subsidiaries (which are related parties of Leadtrend) have been eliminated on consolidation and are not disclosed in this note. The Company had no transactions with other related parties.
- (2) Compensation of key management personnel

	Three Months Ended March 31	
	2026	2025
Short-term employee benefits	<u>\$ 5,649</u>	<u>\$ 6,280</u>
Post-employment benefits	<u>103</u>	<u>130</u>
Share-based payment	<u>752</u>	<u>1,234</u>
	<u>\$ 6,504</u>	<u>\$ 7,644</u>

The compensation of directors and key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

28. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The significant commitments of the Company as of the balance sheet date are as follows:

- (1) Significant commitments

In March 2018, Leadtrend signed a patented technology transfer agreement with a certain company, under which the transfer consideration is payable in three phases. The total contractual amount for the first and second phases was US\$ 600 thousand, and the third-phase consideration will be paid based on a profit-sharing arrangement of the patented derivative products for three years from the product launch date, with a minimum payment of US\$ 300 thousand.

29. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is summarized in terms of foreign currencies other than the Company's individual functional currency. The exchange rate disclosed refers to the exchange rate at which such foreign currencies are converted to functional currency. Foreign currency assets and liabilities with significant impact are listed below:

Unit: foreign currencies and carrying amounts in thousands

March 31, 2026

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 5,098	31.995 (USD : NTD)	\$ 163,105
USD	2	6.919 (USD : CNY)	70
CNY	29,138	4.629 (CNY : NTD)	134,878
			<u>\$ 298,053</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 2,628	31.995 (USD : NTD)	\$ 84,097
CNY	964	4.629 (CNY : NTD)	4,464
			<u>\$ 88,561</u>

December 31, 2025

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 5,126	31.430 (USD : NTD)	\$ 161,123
USD	2	7.0288 (USD : CNY)	69
CNY	19,890	4.496 (CNY : NTD)	89,427
			<u>\$ 250,619</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,615	31.430 (USD : NTD)	\$ 50,757
CNY	213	4.496 (CNY : NTD)	959
			<u>\$ 51,716</u>

March 31, 2025

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 3,378	33.205 (USD : NTD)	\$ 112,165
USD	2	7.261 (USD : CNY)	72
CNY	14,243	4.573 (CNY : NTD)	65,134
			<u>\$ 177,371</u>

Financial liabilities

Monetary items

USD	1,528	33.205 (USD : NTD)	<u>\$ 50,724</u>
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The total of realized and unrealized net foreign exchange gains for the three month ended March 31, 2026 and 2025 were \$6,287 thousand and \$3,797 thousand, respectively. Due to the variety of functional currencies of the group entities, it is not feasible to disclose foreign exchange gains or losses based on each foreign currency with significant impact.

30. Matters Disclosed in Notes

(1) Major transactions and (2) Information on investees: At the time of preparation of these consolidated financial statements, all significant intercompany transactions and balances between the parent company and its subsidiaries have been eliminated on consolidation.

I. Loans to others: None.

II. Endorsements and guarantees provided to others: None.

III. Marketable securities held at the end of the period:

Holding company name	Type of marketable securities	Name of marketable securities	Relationship with the Issuer	Financial statement account	March 31, 2026				Remark
					Number of shares or Unit	Carrying amount	Percentage of Ownership	Fair Value	
Leadtrend Technology (Shenzhen) Ltd.	Fund	Fund B on Mainland China Resources YuanDa Cash Connect Money Market	—	Financial assets at fair value through profit or loss - current	-	\$54,958	-	\$54,958	Note 1
		ICBC Financial Management Corporation Tianlibao Net Value Financial Products	—	Financial assets at fair value through profit or loss - current	-	54,318	-	54,318	Note 1

Note 1: The amounts were calculated based on the net asset value as of March 31, 2026.

Note 2: As of March 31, 2026, none of the marketable securities listed above had been provided as collateral, pledged for loans, or subject to other restrictions on use under agreements.

Note 3: The marketable securities listed in this table were determined by the Company based on the principle of materiality.

IV. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Purchaser /seller	Counterparty	Relation	Transaction				Transaction terms different from those for general transactions, and reasons		Notes and accounts receivable (payable)		Remarks
			Purchaser /seller	Amount	Percentage of Total Purchases / Sales	Credit term	Unit price	Credit period	Balance	Percentage of the total notes and accounts receivable (payable)	
Leadtrend	Leadtrend Technology (Shenzhen) Ltd.	Parent company and subsidiary	Sale	\$ 138,706	39	Net 60 days, end of the month	Note	Approximately the same	\$ 90,698	37	—

Note: The sales prices charged by Leadtrend to related parties were determined on an arm's length basis.

V. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

VI. Others: Intercompany relationships and significant transactions between the parent company and its subsidiaries:

Three Months Ended March 31, 2026

No.	Company name	Counterparty	Relationship (Note 2)	Transaction information				Trading condition	Percentage of consolidated total operating revenues or total assets
				Item	Amount				
0	Leadtrend Technology Corporation	Leadtrend Technology (Shenzhen) Ltd.	1	Sales revenue	\$ 138,706	Note 3			35%
0	Leadtrend Technology Corporation	Leadtrend Technology (Shenzhen) Ltd.	1	Accounts receivable - related parties	90,698	Note 3			4%

Note 1: The parent company is represented by "0". Subsidiaries are numbered sequentially starting from "1".

Note 2: The number "1" represents transactions from the parent company to the subsidiary.

Note 3: The prices of sales transactions with the subsidiary are not comparable to those with third parties since no comparable targets exist. The collection period for the subsidiary is comparable to that for ordinary customers.

Note 4: The significant transactions listed in this table were disclosed by the Company based on the principle of materiality.

VII. Information on investees: None.

(3) Information on investments in Mainland China:

- I. The name of the investee company in Mainland China, main businesses, paid-in capital, investment method, accumulated inflows and outflows of investments, percentage of ownership, investment gain or loss, ending carrying amount of investment, investment gain remitted back, and the limit of investment in Mainland China are as follows:

Unit: In thousands of NTD; in thousands of USD

Investee company name	Main business	Paid-in capital	Investment method	Accumulated remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan / remitted back during the period		Accumulated remittance from Taiwan at the end of the period	Investee company's profit (loss) during the period	Percentage of shares held by the Company through direct or indirect investment	Investment gain (loss) recognized during the period (Note 2)	Ending book value of investment (Note 2)	Investment gain remitted back to Taiwan at the end of the period
					Remitted to Mainland China	Remitted back to Taiwan						
Leadtrend Technology (Shenzhen) Ltd.	Computer software design service, computer system integration service, wholesale of integrated circuits and related electronic products, and agent import and export business activities	\$316,751 (USD9,900)	Note 1	\$225,565 (USD7,050)	\$ -	\$ -	\$225,565 (USD7,050)	\$ 33 (USD 1)	100%	\$ 33 (USD 1)	\$348,854 (USD10,903)	\$ -

Accumulated remittance from Taiwan to Mainland China at the end of the period	Investment amount approved by the investment commission, MOEA	Maximum limit of investment provided by the investment commission, MOEA (60% of net worth)
\$225,565 (USD7,050)	\$316,751 (USD 9,900)	\$1,076,877

Note 1: The investment method was a direct investment in the Mainland China company.

Note 2: The investment gain (loss) and carrying amount were calculated based on the financial statements of the same accounting period reviewed by CPAs.

Note 3: The foreign currency amounts indicated in this table were translated into NTD at the exchange rates announced on the financial reporting date.

Note 4: As of March 31, 2026, Leadtrend had an investment amount of US\$9,900 thousand approved by the Investment Commission of the Ministry of Economic Affairs, and had actually remitted US\$7,050 thousand. The remaining uninvested amount has lapsed.

II. Information on major transactions with invested companies in Mainland China directly or indirectly through a third-party, and related prices, terms of payment, unrealized gains and losses and any other information which may be helpful to understand the impact of investment in Mainland China on financial statements: Please refer to section (1) VI. Others.

31. Segment Information

The Company's chief operating decision maker focuses on and uses product-specific information to allocate resources and evaluate segment performance. Since each product has similar economic characteristics and is marketed through a centralized marketing approach, the Company aggregates them into a single operating segment for reporting purposes. Additionally, the segment information provided to the chief operating decision maker for review is measured on the same basis as the consolidated financial statements. Consequently, for the segment's revenue and operating results reported for the three month ended March 31, 2026 and 2025, please refer to the consolidated statements of comprehensive income for those periods. For the segment's assets reported as of March 31, 2026, December 31, 2025, and March 31, 2025, please refer to the consolidated balance sheets as of those dates, respectively.