

E Ink Holdings Inc. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
E Ink Holdings Inc.

Introduction

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

Scope of Review

Except as explained in the following paragraph, 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.

Basis for Qualified Conclusion

As disclosed in Notes 13 and 14 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements for the same reporting periods were not reviewed. As of March 31, 2026 and 2025, the combined total assets of these non-significant subsidiaries were NT\$4,038,135 thousand and NT\$1,953,850 thousand, respectively, representing 3.7% and 2.1%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$243,483 thousand and NT\$131,641 thousand, respectively, both representing 0.6% and 0.3%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2026 and 2025, the amounts of combined comprehensive income or loss of these non-significant subsidiaries were NT\$(6,200) thousand and NT\$12,833 thousand, respectively, representing (0.3%) and 0.4%, respectively, of the consolidated total comprehensive income or loss. As of March 31, 2026 and 2025, the carrying amounts of the above-mentioned investments accounted for using the equity method were NT\$401,594 thousand and NT\$357,576 thousand, respectively; for the three months ended March 31, 2026 and 2025, the amounts of combined comprehensive income or loss of investments accounted for using the equity method were NT\$8,529 thousand and NT\$4,669 thousand, respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph and the related information of these non-significant subsidiaries as disclosed in Note 35 to the consolidated financial statements been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months then ended 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 You-Cheng Hsin and Ya-Ling Wong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 12, 2026

Notice to Readers

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

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	\$ 20,141,935	18	\$ 18,811,235	18	\$ 15,086,548	16
Financial assets at fair value through profit or loss (Note 7)	1,514,625	1	962,881	1	1,008,078	1
Financial assets at fair value through other comprehensive income (Notes 8 and 11)	280,479	-	-	-	1,358,595	1
Financial assets at amortized cost (Notes 9, 11 and 32)	2,778,435	3	3,506,023	3	7,230,525	8
Contract assets (Note 22)	18,209	-	-	-	31,611	-
Accounts receivable (Notes 10, 22 and 31)	5,472,010	5	5,368,405	5	4,277,043	5
Other receivables (Note 31)	207,690	-	198,099	-	329,678	-
Inventories (Note 12)	4,630,284	4	3,877,695	4	3,951,673	4
Prepayments (Note 31)	472,724	1	443,048	-	563,473	1
Other current assets	46,471	-	21,935	-	30,310	-
Total current assets	<u>35,562,862</u>	<u>32</u>	<u>33,189,321</u>	<u>31</u>	<u>33,867,534</u>	<u>36</u>
NON-CURRENT ASSETS (Note 4)						
Financial assets at fair value through profit or loss (Note 7)	5,284,199	5	4,994,030	5	3,940,675	4
Financial assets at fair value through other comprehensive income (Notes 8 and 11)	41,486,067	38	41,901,289	39	32,186,297	34
Financial assets at amortized cost (Notes 9, 11 and 32)	3,962	-	69,859	-	424,836	1
Investments accounted for using the equity method (Note 14)	401,594	-	190,205	-	357,576	-
Property, plant and equipment (Notes 15, 28 and 31)	13,977,431	13	14,087,399	13	11,364,468	12
Right-of-use assets (Notes 16 and 31)	1,241,565	1	1,271,087	1	941,022	1
Goodwill (Note 17)	7,993,173	7	7,887,211	7	7,653,586	8
Other intangible assets (Note 17)	530,825	1	516,735	1	405,335	1
Deferred tax assets	3,082,047	3	2,794,977	3	2,335,183	3
Other non-current assets (Note 31)	133,982	-	343,054	-	122,459	-
Total non-current assets	<u>74,134,845</u>	<u>68</u>	<u>74,055,846</u>	<u>69</u>	<u>59,731,437</u>	<u>64</u>
TOTAL	<u>\$ 109,697,707</u>	<u>100</u>	<u>\$ 107,245,167</u>	<u>100</u>	<u>\$ 93,598,971</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Short-term borrowings (Note 18)	\$ 5,543,033	5	\$ 3,973,052	4	\$ 5,756,681	6
Short-term bills payable (Note 18)	2,499,655	2	3,931,104	4	921,478	1
Financial liabilities at fair value through profit or loss (Note 7)	557,953	-	242,922	-	345,367	-
Contract liabilities (Note 22)	110,028	-	216,251	-	232,372	-
Notes and accounts payable (Note 31)	3,408,026	3	3,747,134	4	3,210,636	3
Other payables (Notes 19, 28 and 31)	10,611,131	10	4,443,517	4	8,636,556	9
Current tax liabilities	3,255,589	3	2,612,842	2	2,984,540	3
Long-term borrowings - current portion (Note 18)	75,000	-	100,000	-	441,998	1
Other current liabilities (Notes 16 and 31)	560,243	1	640,580	1	415,361	1
Total current liabilities	<u>26,620,658</u>	<u>24</u>	<u>19,907,402</u>	<u>19</u>	<u>22,944,989</u>	<u>24</u>
NON-CURRENT LIABILITIES (Note 4)						
Contract liabilities (Note 22)	3,020	-	4,000	-	-	-
Long-term borrowings (Note 18)	13,712,164	13	13,359,452	12	11,952,616	13
Deferred tax liabilities	2,475,065	2	2,808,851	3	1,974,415	2
Lease liabilities (Notes 16 and 31)	1,166,733	1	1,194,438	1	916,250	1
Net defined benefit liabilities	38,301	-	38,818	-	31,789	-
Other non-current liabilities (Note 31)	18,432	-	21,729	-	18,375	-
Total non-current liabilities	<u>17,413,715</u>	<u>16</u>	<u>17,427,288</u>	<u>16</u>	<u>14,893,445</u>	<u>16</u>
Total liabilities	<u>44,034,373</u>	<u>40</u>	<u>37,334,690</u>	<u>35</u>	<u>37,838,434</u>	<u>40</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 21 and 26)						
Share capital	11,523,704	11	11,508,832	11	11,482,193	12
Advance receipts for share capital	128,928	-	96,613	-	110,992	-
Capital surplus	11,863,364	11	11,660,031	11	11,111,477	12
Retained earnings	25,643,055	23	29,500,750	27	21,191,889	23
Other equity	15,268,316	14	15,944,184	15	11,168,026	12
Total equity attributable to owners of the Company	<u>64,427,367</u>	<u>59</u>	<u>68,710,410</u>	<u>64</u>	<u>55,064,577</u>	<u>59</u>
NON-CONTROLLING INTERESTS (Note 21)	<u>1,235,967</u>	<u>1</u>	<u>1,200,067</u>	<u>1</u>	<u>695,960</u>	<u>1</u>
Total equity	<u>65,663,334</u>	<u>60</u>	<u>69,910,477</u>	<u>65</u>	<u>55,760,537</u>	<u>60</u>
TOTAL	<u>\$ 109,697,707</u>	<u>100</u>	<u>\$ 107,245,167</u>	<u>100</u>	<u>\$ 93,598,971</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 12, 2026)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 31)	\$ 8,633,490	100	\$ 8,059,437	100
OPERATING COSTS (Notes 12, 23 and 31)	<u>3,483,234</u>	<u>41</u>	<u>3,851,753</u>	<u>48</u>
GROSS PROFIT	<u>5,150,256</u>	<u>59</u>	<u>4,207,684</u>	<u>52</u>
OPERATING EXPENSES (Notes 23 and 31)				
Selling and marketing expenses	277,068	3	247,986	3
General and administrative expenses	855,788	10	761,438	9
Research and development expenses	<u>1,203,585</u>	<u>14</u>	<u>1,050,988</u>	<u>13</u>
Total operating expenses	<u>2,336,441</u>	<u>27</u>	<u>2,060,412</u>	<u>25</u>
INCOME FROM OPERATIONS	<u>2,813,815</u>	<u>32</u>	<u>2,147,272</u>	<u>27</u>
NON-OPERATING INCOME AND EXPENSES				
Share of gain of associates and joint ventures (Note 14)	1,848	-	2,181	-
Interest income (Notes 23 and 31)	279,810	3	343,767	4
Royalty income (Notes 4 and 22)	81,108	1	83,259	1
Dividend income	61,448	1	31,305	-
Other income (Notes 23 and 31)	41,022	-	29,960	-
Net gain on foreign currency exchange (Note 34)	428,673	5	215,136	3
Net (loss) gain on fair value change of financial assets and liabilities at fair value through profit or loss	(252,918)	(3)	62,450	1
Interest expenses (Notes 15 and 31)	(99,085)	(1)	(94,535)	(1)
Other expenses	(16,103)	-	(14,661)	-
Net loss on disposal of investments	<u>-</u>	<u>-</u>	<u>(7,510)</u>	<u>-</u>
Total non-operating income and expenses	<u>525,803</u>	<u>6</u>	<u>651,352</u>	<u>8</u>
INCOME BEFORE INCOME TAX	3,339,618	38	2,798,624	35
INCOME TAX EXPENSE (Notes 4 and 24)	<u>544,420</u>	<u>6</u>	<u>601,665</u>	<u>8</u>
NET INCOME FOR THE PERIOD	<u>2,795,198</u>	<u>32</u>	<u>2,196,959</u>	<u>27</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (940,006)	(11)	\$ 993,717	13
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 24)	<u>320,709</u>	<u>4</u>	<u>(150,740)</u>	<u>(2)</u>
	<u>(619,297)</u>	<u>(7)</u>	<u>842,977</u>	<u>11</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	202,519	2	539,065	6
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	(116,167)	(1)	64,127	1
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (Note 14)	6,681	-	2,488	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 24)	<u>10,497</u>	<u>-</u>	<u>(8,468)</u>	<u>-</u>
	<u>103,530</u>	<u>1</u>	<u>597,212</u>	<u>7</u>
Other comprehensive income for the period, net of income tax	<u>(515,767)</u>	<u>(6)</u>	<u>1,440,189</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 2,279,431</u>	<u>26</u>	<u>\$ 3,637,148</u>	<u>45</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,784,715	32	\$ 2,196,599	27
Non-controlling interests	<u>10,483</u>	<u>-</u>	<u>360</u>	<u>-</u>
	<u>\$ 2,795,198</u>	<u>32</u>	<u>\$ 2,196,959</u>	<u>27</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,265,422	26	\$ 3,630,529	45
Non-controlling interests	<u>14,009</u>	<u>-</u>	<u>6,619</u>	<u>-</u>
	<u>\$ 2,279,431</u>	<u>26</u>	<u>\$ 3,637,148</u>	<u>45</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 2.41</u>		<u>\$ 1.91</u>	
Diluted	<u>\$ 2.40</u>		<u>\$ 1.90</u>	

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

(With Deloitte & Touche review report dated May 12, 2026)

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital		Advance Receipts for Share Capital	Capital Surplus	Retained Earnings				Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI			
	Shares (In Thousands)	Amount			Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE ON JANUARY 1, 2025	1,145,916	\$ 11,459,163	\$ 152,064	\$ 10,970,780	\$ 4,819,818	\$ 70,678	\$ 19,845,891	\$ 24,736,387	\$ (412,930)	\$ 10,147,026	\$ 57,052,490	\$ 689,341	\$ 57,741,831
Appropriation of 2024 earnings													
Cash dividends	-	-	-	-	-	-	(5,741,097)	(5,741,097)	-	-	(5,741,097)	-	(5,741,097)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	158	-	-	-	-	-	-	158	-	158
Net income for the three months ended March 31, 2025	-	-	-	-	-	-	2,196,599	2,196,599	-	-	2,196,599	360	2,196,959
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	-	-	532,709	901,221	1,433,930	6,259	1,440,189
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	2,196,599	2,196,599	532,709	901,221	3,630,529	6,619	3,637,148
Share-based payments	-	-	-	11,505	-	-	-	-	-	-	11,505	-	11,505
Exercise of employee share options	2,303	23,030	(41,072)	129,034	-	-	-	-	-	-	110,992	-	110,992
BALANCE ON MARCH 31, 2025	<u>1,148,219</u>	<u>\$ 11,482,193</u>	<u>\$ 110,992</u>	<u>\$ 11,111,477</u>	<u>\$ 4,819,818</u>	<u>\$ 70,678</u>	<u>\$ 16,301,393</u>	<u>\$ 21,191,889</u>	<u>\$ 119,779</u>	<u>\$ 11,048,247</u>	<u>\$ 55,064,577</u>	<u>\$ 695,960</u>	<u>\$ 55,760,537</u>
BALANCE ON JANUARY 1, 2026	1,150,883	\$ 11,508,832	\$ 96,613	\$ 11,660,031	\$ 5,737,870	\$ 70,678	\$ 23,692,202	\$ 29,500,750	\$ (1,412,999)	\$ 17,357,183	\$ 68,710,410	\$ 1,200,067	\$ 69,910,477
Appropriation of 2025 earnings													
Cash dividends	-	-	-	-	-	-	(6,798,985)	(6,798,985)	-	-	(6,798,985)	-	(6,798,985)
Changes in percentage of ownership interests in subsidiaries	-	-	-	265	-	-	-	-	-	-	265	(265)	-
Net income for the three months ended March 31, 2026	-	-	-	-	-	-	2,784,715	2,784,715	-	-	2,784,715	10,483	2,795,198
Other comprehensive income for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	-	-	-	240,419	(759,712)	(519,293)	3,526	(515,767)
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	2,784,715	2,784,715	240,419	(759,712)	2,265,422	14,009	2,279,431
Share-based payments	-	-	-	121,327	-	-	-	-	-	-	121,327	1,014	122,341
Exercise of employee share options	1,487	14,872	32,315	81,741	-	-	-	-	-	-	128,928	-	128,928
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	156,575	156,575	-	(156,575)	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	21,142	21,142
BALANCE ON MARCH 31, 2026	<u>1,152,370</u>	<u>\$ 11,523,704</u>	<u>\$ 128,928</u>	<u>\$ 11,863,364</u>	<u>\$ 5,737,870</u>	<u>\$ 70,678</u>	<u>\$ 19,834,507</u>	<u>\$ 25,643,055</u>	<u>\$ (1,172,580)</u>	<u>\$ 16,440,896</u>	<u>\$ 64,427,367</u>	<u>\$ 1,235,967</u>	<u>\$ 65,663,334</u>

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

(With Deloitte & Touche review report dated May 12, 2026)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,339,618	\$ 2,798,624
Adjustments for		
Depreciation expenses	513,351	375,413
Amortization expenses	29,688	24,566
Expected credit reversal	(1,126)	(157)
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	252,918	(62,450)
Interest expenses	99,085	94,535
Interest income	(279,810)	(343,767)
Dividend income	(61,448)	(31,305)
Compensation costs of share-based payments	122,341	11,505
Share of gain of associates and joint ventures accounted for using the equity method	(1,848)	(2,181)
Net loss on disposal of property, plant and equipment	708	-
Net loss on disposal of intangible assets	45	90
Net loss on disposal of investments	-	7,510
Write-down of inventories	228,700	7,065
Net unrealized gain on foreign currency exchange	(173,417)	(38,774)
Other revenue	-	(370)
Changes in operating assets and liabilities		
Contract assets	(18,002)	(26,338)
Accounts receivable	(106,535)	476,554
Other receivables	(21,888)	184,046
Inventories	(850,531)	(383,379)
Prepayments	(15,023)	73,978
Other current assets	(26,699)	(565)
Financial liabilities held for trading	(59,031)	(144,358)
Contract liabilities	(107,383)	(282,218)
Notes and accounts payable	62,386	(210,432)
Other payables	(490,979)	(603,464)
Other current liabilities	(85,057)	(47,448)
Net defined benefit liabilities	1,078	1,960
Cash generated from operations	2,351,141	1,878,640
Income tax paid	(145,180)	(215,222)
Net cash generated from operating activities	<u>2,205,961</u>	<u>1,663,418</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,432,437)	(818,655)
Proceeds from sale of financial assets at fair value through other comprehensive income	386,094	57,878

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E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
Acquisition of financial assets at amortized cost	\$ (769,136)	\$ (1,179,496)
Proceeds from disposal of financial assets at amortized cost	1,637,345	1,375,978
Acquisition of financial assets at fair value through profit or loss	(898,690)	(167,388)
Proceeds from sale of financial assets at fair value through profit or loss	43,584	1,865,369
Acquisition of property, plant and equipment	(791,140)	(661,339)
Proceeds from disposal of property, plant and equipment	16,449	111
Acquisition of other intangible assets	(8,051)	(5,593)
Decrease in other non-current assets	3,884	4,128
Interest received	321,617	354,892
Dividends received	<u>27,892</u>	<u>21,438</u>
Net cash (used in) generated from investing activities	<u>(1,462,589)</u>	<u>847,323</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	1,570,000	(1,513,532)
Decrease in short-term bills payable	(1,431,449)	(3,377,080)
Increase in long-term borrowings	327,712	4,173,224
Repayment of the principal portion of lease liabilities	(29,665)	(20,437)
(Decrease) increase in other non-current liabilities	(3,597)	1,215
Proceeds from treasury shares transferred to employees	128,928	110,992
Interest paid	<u>(95,391)</u>	<u>(91,416)</u>
Net cash generated from (used in) financing activities	<u>466,538</u>	<u>(717,034)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>120,790</u>	<u>86,672</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,330,700	1,880,379
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>18,811,235</u>	<u>13,206,169</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 20,141,935</u>	<u>\$ 15,086,548</u>

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

(With Deloitte & Touche review report dated May 12, 2026)

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

E Ink Holdings Inc. (the “Company”) was incorporated in June 1992 in the Hsinchu Science Park. The Company’s shares have been listed on the Taipei Exchange (TPEX) Mainboard since March 30, 2004. The Company mainly researches, develops, manufactures and sells electronic paper display panels.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The Group’s consolidated financial statements were approved by the Company’s board of directors on May 8, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Refer to Note 13 and Tables 7 and 8 for detailed information on subsidiaries (including the percentages of ownership and main business).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

For the summary of material accounting judgments and key sources of estimation uncertainty, 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
Cash on hand	\$ 2,161	\$ 2,067	\$ 1,491
Checking accounts and demand deposits	9,153,362	8,031,327	7,319,421
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	7,257,530	8,190,090	4,367,484
Repurchase agreements collateralized by notes	<u>3,728,882</u>	<u>2,587,751</u>	<u>3,398,152</u>
	<u>\$ 20,141,935</u>	<u>\$ 18,811,235</u>	<u>\$ 15,086,548</u>

The market rate intervals of demand deposits, time deposits and repurchase agreements collateralized by notes at the end of the reporting periods were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Demand deposits	0.005-3.75%	0.005-3.70%	0.002%-4.55%
Time deposits	0.30-4.20%	0.30-4.50%	1.55%-5.45%
Repurchase agreements collateralized by notes	1.43-3.85%	1.43-4.10%	1.45%-4.60%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Perpetual bonds	\$ 952,254	\$ 945,467	\$ 1,008,078
Mutual funds	28,890	-	-
Hybrid financial assets			
Structured products	533,481	-	-
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>-</u>	<u>17,414</u>	<u>-</u>
	<u>\$ 1,514,625</u>	<u>\$ 962,881</u>	<u>\$ 1,008,078</u>

Financial assets - non-current

Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 1,655,471	\$ 1,581,793	\$ 1,588,138
Foreign investment - listed stocks	1,651,255	1,465,570	1,443,087
Perpetual bonds	1,295,061	1,337,769	224,832
Foreign investment - unlisted stocks	306,687	217,046	243,378
Straight corporate bonds	289,532	292,536	307,586
Hybrid financial assets			
Convertible preferred shares	<u>86,193</u>	<u>99,316</u>	<u>133,654</u>
	<u>\$ 5,284,199</u>	<u>\$ 4,994,030</u>	<u>\$ 3,940,675</u>

Financial liabilities - current

Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 557,953</u>	<u>\$ 242,922</u>	<u>\$ 345,367</u>

At the end of the reporting period, the outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2026</u>			
Sell	USD/KRW	2026.04-2027.01	USD125,000/KRW178,098,450
Sell	USD/TWD	2026.04-2026.12	USD279,000/TWD8,643,853
<u>December 31, 2025</u>			
Sell	USD/KRW	2026.01-2026.11	USD105,000/KRW146,869,250
Sell	USD/TWD	2026.03-2026.10	USD180,000/TWD5,498,457
<u>March 31, 2025</u>			
Sell	USD/KRW	2025.04-2025.09	USD75,000/KRW101,984,000
Sell	USD/TWD	2025.04-2025.09	USD99,000/TWD3,084,307

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Investments in debt instruments at FVTOCI	<u>\$ 280,479</u>	<u>\$ -</u>	<u>\$ 1,358,595</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI	\$ 37,127,497	\$ 37,204,011	\$ 27,119,341
Investments in debt instruments at FVTOCI	<u>4,358,570</u>	<u>4,697,278</u>	<u>5,066,956</u>
	<u>\$ 41,486,067</u>	<u>\$ 41,901,289</u>	<u>\$ 32,186,297</u>
a. Investments in equity instruments at FVTOCI			
	March 31, 2026	December 31, 2025	March 31, 2025
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 23,707,500	\$ 21,844,509	\$ 14,832,909
Unlisted shares	<u>48,592</u>	<u>49,854</u>	<u>52,425</u>
	<u>23,756,092</u>	<u>21,894,363</u>	<u>14,885,334</u>
Foreign investments			
Listed shares	12,492,896	14,462,243	11,350,902
Unlisted shares	<u>878,509</u>	<u>847,405</u>	<u>883,105</u>
	<u>13,371,405</u>	<u>15,309,648</u>	<u>12,234,007</u>
	<u>\$ 37,127,497</u>	<u>\$ 37,204,011</u>	<u>\$ 27,119,341</u>

The Group holds the above investments in equity instruments for long-term strategic purposes and expects to gain profit through long-term investments. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments at FVTOCI

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Foreign investments			
Straight corporate bonds	\$ 280,479	\$ -	\$ 1,358,595
Coupon rates	4.30%	-	5.75%-7.34%
Effective interest rates	2.00-2.58%	-	5.70%-8.49%
<u>Non-current</u>			
Foreign investments			
Straight corporate bonds	\$ 4,358,570	\$ 4,697,278	\$ 5,066,956
Coupon rates	3.10-8.11%	3.10-8.11%	3.10%-8.11%
Effective interest rates	2.00-7.82%	2.00-7.82%	2.00%-7.82%

Refer to Note 11 for information relating to the credit risk management and impairment assessment of investments in debt instruments at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 2,358,808	\$ 3,136,654	\$ 7,032,210
Pledged time deposits (b)	39,964	39,915	38,184
Foreign straight corporate bonds (c)	379,663	329,454	160,131
	<u>\$ 2,778,435</u>	<u>\$ 3,506,023</u>	<u>\$ 7,230,525</u>
<u>Non-current</u>			
Pledged time deposits (b)	\$ 3,962	\$ 3,902	\$ 13,062
Foreign straight corporate bonds (c)	-	65,957	411,774
	<u>\$ 3,962</u>	<u>\$ 69,859</u>	<u>\$ 424,836</u>

- a. The market rate intervals for time deposits with original maturities of more than 3 months were 1.23%-4.01%, 1.29%-4.50% and 1.65%-6.00% per annum, as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.
- b. The market rate intervals for time deposits pledged as security were 0.67%-1.69% per annum as of March 31, 2026, December 31, 2025 and March 31, 2025. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.
- c. The Group bought 10-year foreign corporate bonds in March 2022 with a coupon rate and an effective rate were 4.10%-4.90% for all on March 31, 2026, December 31, 2025 and March 31, 2025.
- d. Refer to Note 11 for information relating to the credit risk and impairment assessment of investments in financial assets at amortized cost.

10. ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	\$ 4,828,877	\$ 4,506,691	\$ 4,221,692
Less: Loss allowance	<u>(12,595)</u>	<u>(12,957)</u>	<u>(12,824)</u>
	<u>4,816,282</u>	<u>4,493,734</u>	<u>4,208,868</u>
Accounts receivable from related parties (Note 31)	675,582	894,175	88,780
Less: Loss allowance	<u>(19,854)</u>	<u>(19,504)</u>	<u>(20,605)</u>
	<u>655,728</u>	<u>874,671</u>	<u>68,175</u>
	<u>\$ 5,472,010</u>	<u>\$ 5,368,405</u>	<u>\$ 4,277,043</u>

The Group recognizes impairment loss when there is actual credit loss from an individual client. In addition, the Group recognizes impairment loss based on the rate of expected credit loss by reference to past default experience of the debtor, an analysis of the debtor's current financial position, general economic conditions of the industry in which the debtor operates and past due status.

The following table details the loss allowance for accounts receivables:

March 31, 2026

	Not Past Due	Past Due in 1-90 Days	Past Due Over 90 Days	Total
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	\$ 5,301,370	\$ 170,640	\$ 32,449	\$ 5,504,459
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>(32,449)</u>	<u>(32,449)</u>
Amortized cost	<u>\$ 5,301,370</u>	<u>\$ 170,640</u>	<u>\$ -</u>	<u>\$ 5,472,010</u>

December 31, 2025

	Not Past Due	Past Due in 1-90 Days	Past Due Over 90 Days	Total
Expected credit loss rate	0%	0%	85%	
Gross carrying amount	\$ 5,348,445	\$ 14,083	\$ 38,338	\$ 5,401,866
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>(32,461)</u>	<u>(32,461)</u>
Amortized cost	<u>\$ 5,348,445</u>	<u>\$ 14,083</u>	<u>\$ 5,877</u>	<u>\$ 5,368,405</u>

March 31, 2025

	Not Past Due	Past Due in 1-90 Days	Past Due Over 90 Days	Total
Expected credit loss rate	0%	0.3%	99%	
Gross carrying amount	\$ 3,973,047	\$ 304,633	\$ 32,792	\$ 4,310,472
Less: Loss allowance	<u>-</u>	<u>(947)</u>	<u>(32,482)</u>	<u>(33,429)</u>
Amortized cost	<u>\$ 3,973,047</u>	<u>\$ 303,686</u>	<u>\$ 310</u>	<u>\$ 4,277,043</u>

The movements of the loss allowance were as follows:

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 32,461	\$ 32,072
Effects of foreign currency exchange differences	<u>(12)</u>	<u>1,357</u>
Balance on March 31	<u>\$ 32,449</u>	<u>\$ 33,429</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, the amount of individual client exceed 10% of the account balance were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Customer B	\$ 1,427,083	\$ 1,631,009	\$ 1,582,103
Customer I	623,356	555,043	494,669
Customer A	562,028	677,907	797,954
Customer J	490,756	168,019	102,510

11. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments of the Group in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

March 31, 2026

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 4,755,543	\$ 2,782,927
Less: Allowance for impairment loss	<u>(4,718)</u>	<u>(530)</u>
Amortized cost	4,750,825	<u>\$ 2,782,397</u>
Adjustment to fair value	<u>(111,776)</u>	
	<u>\$ 4,639,049</u>	

December 31, 2025

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 4,699,587	\$ 3,576,547
Less: Allowance for impairment loss	<u>(5,709)</u>	<u>(665)</u>
Amortized cost	4,693,878	<u>\$ 3,575,882</u>
Adjustment to fair value	<u>3,400</u>	
	<u>\$ 4,697,278</u>	

March 31, 2025

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 6,518,443	\$ 7,656,291
Less: Allowance for impairment loss	<u>(6,229)</u>	<u>(930)</u>
Amortized cost	6,512,214	<u>\$ 7,655,361</u>
Adjustment to fair value	<u>(86,663)</u>	
	<u>\$ 6,425,551</u>	

The Group only invests in debt instruments that meet or exceed the investment-grade standard and have low credit risk for impairment assessment, as provided by independent rating agencies. The Group continuously monitors external rating information to supervise changes in the credit risk of the invested debt instruments. Additionally, the Group reviews other information, such as the bond yield curve and significant news about the debtor, to evaluate whether there has been a significant increase in credit risk since the initial recognition of the debt instrument investment. This evaluation is critical to ensuring the Group's investments remain viable and profitable.

The Group considers historical default rates associated with each rating provided by external rating agencies, the current financial condition of debtors, and the future outlook of the industry when measuring the expected credit loss for debt instrument investments over the next 12 months or the expected credit loss over the investment's remaining period.

The Group's current credit risk grading mechanism is as follows:

Credit Rating	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and sufficient capability to meet contractual cash flows.	12-month ECLs

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were as follows:

March 31, 2026

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.04-0.13%	<u>\$ 4,755,543</u>	<u>\$ 2,782,927</u>

December 31, 2025

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.05%-0.26%	<u>\$ 4,699,587</u>	<u>\$ 3,576,547</u>

March 31, 2025

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.05%-0.26%	<u>\$ 6,518,443</u>	<u>\$ 7,656,291</u>

a. The movements of the allowance for impairment loss of investments in debt instruments at FVTOCI were as follows:

	Credit Rating
	Performing
	(12-month ECLs)
Balance on January 1, 2026	\$ 5,709
Change in exchange rates or others	<u>(991)</u>
Balance on March 31, 2026	<u>\$ 4,718</u>
Balance on January 1, 2025	\$ 6,340
New financial assets purchased (Note 1)	271
Derecognition (Note 2)	(64)
Change in exchange rates or others	<u>(318)</u>
Balance on March 31, 2025	<u>\$ 6,229</u>

Note 1: For the three months ended March 31, 2025, the Group's investment in foreign corporate bonds at FVTOCI increased by \$265,437 thousand, and correspondingly the loss allowance for investments rated as performing increased by \$271 thousand.

Note 2: For the three months ended March 31, 2025, the Group's investment in foreign corporate bonds at FVTOCI of \$57,878 thousand was sold, with a consequential reduction in the loss allowance for investments rated as performing of \$64 thousand.

- b. The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	<u>Credit Rating</u> <u>Performing</u> <u>(12-month</u> <u>ECLs)</u>
Balance on January 1, 2026	\$ 665
Change in exchange rates or others	<u>(135)</u>
Balance on March 31, 2026	<u>\$ 530</u>
Balance on January 1, 2025	\$ 976
Change in exchange rates or others	<u>(46)</u>
Balance on March 31, 2025	<u>\$ 930</u>

12. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	\$ 612,917	\$ 592,132	\$ 799,848
Semi-finished goods	2,007,970	1,937,508	1,617,017
Work in progress	507,875	169,860	474,605
Raw materials	<u>1,501,522</u>	<u>1,178,195</u>	<u>1,060,203</u>
	<u>\$ 4,630,284</u>	<u>\$ 3,877,695</u>	<u>\$ 3,951,673</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 included a write-down of inventories of \$228,700 thousand and \$7,065 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark	
			March 31, 2026	December 31, 2025	March 31, 2025		
E Ink Holdings Inc.	E Ink Technology B.V. YuanHan Materials Inc.	Investment	100.00	100.00	100.00		
		Manufacture and sale of chemical materials and optical films	100.00	100.00	100.00		
	New Field e-Paper Co., Ltd. Dream Universe Ltd. Prime View Communications Ltd.	Investment	100.00	100.00	100.00		
		Trading	100.00	100.00	100.00		
		Trading	100.00	100.00	100.00		
	Linfiny Corporation	Linfiny Corporation	Research, development and sale of electronic paper products	23.00	23.00	23.00	
			Development of electronic paper products	100.00	100.00	100.00	
E Ink Japan Inc.	Integrated Solutions Technology, Inc.	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	25.85	25.82	-	b.	
		Research, development and sale of electronic paper products	77.00	77.00	77.00		
YuanHan Materials Inc.	Linfiny Corporation	Research, development and sale of electronic paper products	8.87	8.86	-	b.	
Integrated Solutions Technology, Inc.	Integrated Solutions Technology (Shenzhen) Co., Ltd.	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	100.00	100.00	100.00		
		Technical support and after-sales services.	100.00	100.00	100.00	b.	
E Ink Technology B.V.	PVI International Corp. Ruby Lustre Ltd.	Trading	100.00	100.00	100.00		
		Investment	100.00	100.00	100.00		
PVI International Corp.	E Ink Netherlands B.V. Transyork Technology Yangzhou Ltd.	Investment	55.61	55.61	55.61		
		Assembly and sale of display panels	100.00	100.00	100.00		
Ruby Lustre Ltd.	Transcend Optronics (Yangzhou) Co., Ltd.	Research, assembly and sale of display panels	-	-	100.00	a.	
E Ink Netherlands B.V.	Rich Optronics (Yangzhou) Co., Ltd. Hydis Technologies Co., Ltd.	Assembly and sale of display panels	94.73	94.73	94.73		
		Patent licensing and investment in financial instruments	100.00	100.00	100.00		
Transcend Optronics (Yangzhou) Co., Ltd.	E Ink Corporation Transyork Technology Yangzhou Ltd.	Research, development and manufacture of electronic inks	44.39	44.39	44.39		
		Assembly and sale of display panels	44.39	44.39	44.39		

- a. The Group resolved to liquidate its subsidiary Rich Optronics (Yangzhou) Co., Ltd. in November 2024. and the liquidation process was completed in August 2025.
- b. After the re-election of directors in the shareholders' meeting of Integrated Solutions Technology, Inc. on June 19, 2025, the Group has taken three seats on the board of directors and the Group representative was elected as chairman. The Group evaluates that it has substantial control over it. Therefore, it has been included in the Group's consolidated financial statements starting from June 2025.

Subsidiaries included in the consolidated financial statements for the three months ended March 31, 2026 and 2025, were calculated based on the financial statements that have been reviewed, except for Linfiny Corporation, Linfiny Japan Inc, E Ink Japan Inc., Dream Universe Limited and Ruby Lustre Ltd., and for Integrated Solutions Technology, Inc. and Integrated Solutions Technology (Shenzhen) Co., Ltd. for the three months ended March 31, 2026, which calculated based on the financial statements that have not been reviewed.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2026	December 31, 2025	March 31, 2025
Associates and joint ventures that are not individually material			
Investments in associates	\$ 201,449	\$ 16	\$ 181,392
Investments in joint ventures	<u>200,145</u>	<u>190,190</u>	<u>176,184</u>
	<u>\$ 401,594</u>	<u>\$ 190,205</u>	<u>\$ 357,576</u>

Refer to Tables 7 and 8 for the nature of activities, principal place of business and country of incorporation of the associates.

Aggregate Information of Associates and Joint Ventures That Are Not Individually Material

	For the Three Months Ended March 31	
	2026	2025
The Group's share of:		
Net gain for the period	\$ 1,848	\$ 2,181
Other comprehensive gain	<u>6,681</u>	<u>2,488</u>
Total comprehensive income	<u>\$ 8,529</u>	<u>\$ 4,669</u>

As detailed in Note 13, in June 2025, the Group reclassified Integrated Solutions Technology, Inc. from investments accounted for using the equity method to a subsidiary due to the acquisition of substantial control. The previously held equity interest was deemed disposed of and remeasured at its fair value on the date control was obtained, resulting in a recognized gain on disposal of investment amounting to \$662,409 thousand. Furthermore, the amount previously recognized in other comprehensive income, along with the net change in equity of associates recorded under capital surplus - equity method, totaling \$1,471 thousand, was entirely reclassified to gain on disposal of investment.

In December 2025, the Group and AUO Display Plus (a wholly owned subsidiary of AUO Corporation) jointly established NXEPD Corporation. The Group subscribed for 20,286 thousand privately placed ordinary shares of NXEPD Corporation at a cash consideration of NT\$202,860 thousand, representing a 49% equity interest, and thereby obtained significant influence over the investee. The registration of incorporation of NXEPD Corporation was completed in January 2026. Pursuant to the relevant laws and regulations, the aforementioned ordinary shares are subject to a transfer restriction for a period of three years.

The share of profit or loss and other comprehensive income (loss) of associates and joint ventures that are not individually material were based on unreviewed financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>						
Balance on January 1, 2025	\$ 530,858	\$ 7,560,633	\$ 9,198,069	\$ 3,848,866	\$ 3,729,150	\$ 24,867,576
Additions	-	-	26,113	15,545	418,703	460,361
Disposals	-	-	(84)	(968)	-	(1,052)
Reclassifications and adjustments	-	210,916	285,241	54,336	(553,434)	(2,941)
Effects of foreign currency exchange differences	<u>6,800</u>	<u>66,858</u>	<u>50,813</u>	<u>22,626</u>	<u>26,218</u>	<u>173,315</u>
Balance on March 31, 2025	<u>\$ 537,658</u>	<u>\$ 7,838,407</u>	<u>\$ 9,560,152</u>	<u>\$ 3,940,405</u>	<u>\$ 3,620,637</u>	<u>\$ 25,497,259</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2025	\$ -	\$ 3,785,617	\$ 6,864,071	\$ 3,041,383	\$ -	\$ 13,691,071
Depreciation expenses	-	89,930	190,962	71,284	-	352,176
Disposals	-	-	(84)	(857)	-	(941)
Effects of foreign currency exchange differences	<u>-</u>	<u>37,102</u>	<u>34,295</u>	<u>19,088</u>	<u>-</u>	<u>90,485</u>
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 3,912,649</u>	<u>\$ 7,089,244</u>	<u>\$ 3,130,898</u>	<u>\$ -</u>	<u>\$ 14,132,791</u>

(Continued)

	Land	Buildings	Machinery	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Carrying amount at December 31, 2024 and January 1, 2025	\$ <u>530,858</u>	\$ <u>3,775,016</u>	\$ <u>2,333,998</u>	\$ <u>807,483</u>	\$ <u>3,729,150</u>	\$ <u>11,176,505</u>
Carrying amount on March 31, 2025	\$ <u>537,658</u>	\$ <u>3,925,758</u>	\$ <u>2,470,908</u>	\$ <u>809,507</u>	\$ <u>3,620,637</u>	\$ <u>11,364,468</u>
Cost						
Balance on January 1, 2026	\$ 1,855,255	\$ 9,202,182	\$ 10,750,863	\$ 4,182,052	\$ 3,154,947	\$ 29,145,299
Additions	-	6,097	27,200	72,594	90,665	196,556
Disposals	-	-	(16,486)	(32,121)	-	(48,607)
Reclassifications and adjustments	-	82,735	104,532	142,446	(330,148)	(435)
Effects of foreign currency exchange differences	9,149	170,437	123,737	49,694	31,125	384,142
Balance on March 31, 2026	\$ <u>1,864,404</u>	\$ <u>9,461,451</u>	\$ <u>10,989,846</u>	\$ <u>4,414,665</u>	\$ <u>2,946,589</u>	\$ <u>29,676,955</u>
Accumulated depreciation and impairment						
Balance on January 1, 2026	\$ -	\$ 4,087,334	\$ 7,648,634	\$ 3,321,932	\$ -	\$ 15,057,900
Depreciation expenses	-	116,928	246,657	114,202	-	477,787
Disposals	-	-	(531)	(30,919)	-	(31,450)
Effects of foreign currency exchange differences	-	74,296	78,548	42,443	-	195,287
Balance on March 31, 2026	\$ <u>-</u>	\$ <u>4,278,558</u>	\$ <u>7,973,308</u>	\$ <u>3,447,658</u>	\$ <u>-</u>	\$ <u>15,699,524</u>
Carrying amount at December 31, 2025 and January 1, 2026	\$ <u>1,855,255</u>	\$ <u>5,114,848</u>	\$ <u>3,102,229</u>	\$ <u>860,120</u>	\$ <u>3,154,947</u>	\$ <u>14,087,399</u>
Carrying amount on March 31, 2026	\$ <u>1,864,404</u>	\$ <u>5,182,893</u>	\$ <u>3,016,538</u>	\$ <u>967,007</u>	\$ <u>2,946,589</u>	\$ <u>13,977,431</u>

(Concluded)

Information about capitalized interest were as follows:

	For the Three Months Ended	
	2026	2025
Capitalized interest	\$ <u>10,449</u>	\$ <u>8,474</u>
Capitalization rate intervals	1.77%-1.92%	1.95%-1.97%

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

Buildings	
Main buildings	20-56 years
Clean rooms and plumbing construction	25-30 years
Employee dormitories	20 years
Others	2-20 years
Machinery	2-11 years
Other equipment	2-26 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Land	\$ 1,022,075	\$ 1,039,384	\$ 754,566
Buildings	219,255	231,467	185,424
Other equipment	<u>235</u>	<u>236</u>	<u>1,032</u>
	<u>\$ 1,241,565</u>	<u>\$ 1,271,087</u>	<u>\$ 941,022</u>
		For the Three Months Ended March 31	
		2026	2025
Additions to right-of-use assets		<u>\$ 4,524</u>	<u>\$ 3,248</u>
Depreciation charge for right-of-use assets			
Land		\$ 21,576	\$ 11,012
Buildings		13,730	11,720
Other equipment		<u>258</u>	<u>505</u>
		<u>\$ 35,564</u>	<u>\$ 23,237</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Current (included in other current liabilities)	<u>\$ 122,000</u>	<u>\$ 118,734</u>	<u>\$ 82,926</u>
Non-current	<u>\$ 1,166,733</u>	<u>\$ 1,194,438</u>	<u>\$ 916,250</u>

Discount rate intervals for lease liabilities are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	1.56%-4.37%	1.56%-4.37%	0.58%-4.92%
Buildings	1.51%-5.10%	1.51%-5.10%	1.50%-5.10%
Other equipment	1.50%-3.87%	1.50%	1.50%-2.50%

c. Material lease-in activities and terms

The Group leased certain land in the Hsinchu Science Park from the Hsinchu Science Park Bureau of the Ministry of Science and Technology for factory use, with a lease term of 18.5 years. The rental amount is calculated on the basis of the mutual agreement. The lessor may adjust the rent at any time on the basis of changes in announced land values and related laws and regulations. At the end of the lease terms, the Group has renewal options if the Group does not violate the lease agreements during the rental period.

The Group also leased certain land and buildings as its plants and offices, with a lease term of 2 to 20 years. Among them, some land lease agreements include annual adjustments of lease payments based on the percentage increase in announced land values or Consumer Price Index, with the right of preemption to purchase upon lease expiration. The lease contracts for land and buildings in the United States contain extension options and rights of preemption to purchase, which provide more operational flexibility for the Group. These terms are not reflected in measuring lease liabilities if the options are not reasonably certain to be exercised.

The Group is prohibited from subleasing or transferring all or any portion of the underlying assets, changing their use, or using them illegally.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	<u>\$ 4,099</u>	<u>\$ 7,034</u>
Expenses relating to low-value asset leases	<u>\$ 959</u>	<u>\$ 91</u>
Total cash outflow for leases	<u>\$ 44,523</u>	<u>\$ 34,327</u>

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

17. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Patents	Others	Total
Balance on January 1, 2025	\$ 7,566,421	\$ 373,330	\$ 45,243	\$ 7,984,994
Additions	-	2,285	3,308	5,593
Disposals	-	(90)	-	(90)
Amortization expenses	-	(18,264)	(6,302)	(24,566)
Reclassifications	-	-	2,343	2,343
Effects of foreign currency exchange differences	<u>87,165</u>	<u>3,197</u>	<u>285</u>	<u>90,647</u>
Balance on March 31, 2025	<u>\$ 7,653,586</u>	<u>\$ 360,458</u>	<u>\$ 44,877</u>	<u>\$ 8,058,921</u>

(Continued)

	Goodwill	Patents	Others	Total
Balance on January 1, 2026	\$ 7,887,211	\$ 301,016	\$ 215,719	\$ 8,403,946
Additions	-	5,244	2,807	8,051
Acquisitions through business combinations (Note 27)	(11,296)	-	32,438	21,142
Disposals	-	(45)	-	(45)
Amortization expenses	-	(17,664)	(12,024)	(29,688)
Reclassifications	-	-	270	270
Effects of foreign currency exchange differences	<u>117,258</u>	<u>2,920</u>	<u>144</u>	<u>120,322</u>
Balance on March 31, 2026	<u>\$ 7,993,173</u>	<u>\$ 291,471</u>	<u>\$ 239,354</u>	<u>\$ 8,523,998</u>

(Concluded)

The Group recognized goodwill in acquiring the patented technologies of electronic ink and electronic paper, which are mainly used in researching and manufacturing consumer electronics and Internet of Things applications. The carrying amount of goodwill was allocated to the cash-generating units of these two products, and the recoverable amount of each cash-generating unit was determined based on a value in use calculation. The recoverable amount was determined by management based on financial budgets covering a 5-year period and discount rates per annum for the years ended December 31, 2025 and 2024, respectively. The cash flows beyond that 5-year period have been extrapolated using a steady annual growth rate. Other key assumptions included budgeted revenue and budgeted gross profit. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of market development.

Discount rates per annum were as follows:

	For the Year Ended December 31	
	2025	2024
Consumer electronics	12.57%	13.48%
Internet of things applications	14.33%	14.04%

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

Patents	6-20 years
Others	1-14.5 years

18. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured borrowings	<u>\$ 5,543,033</u>	<u>\$ 3,973,052</u>	<u>\$ 5,756,681</u>
Interest rate intervals	1.78%-2.05%	1.78%-2.05%	1.90%-2.51%

b. Short-term bills payable

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper	\$ 2,502,000	\$ 3,932,000	\$ 922,000
Less: Discounts on bills payable	<u>(2,345)</u>	<u>(896)</u>	<u>(522)</u>
	<u>\$ 2,499,655</u>	<u>\$ 3,931,104</u>	<u>\$ 921,478</u>
Interest rate intervals	1.59%-1.89%	1.55%-1.96%	1.61%-1.89%

c. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Syndicated loans	\$ 9,693,164	\$ 9,440,452	\$ 8,988,616
Unsecured borrowings	4,094,000	4,019,000	3,405,998
Less: Listed as current portion	<u>(75,000)</u>	<u>(100,000)</u>	<u>(441,998)</u>
	<u>\$ 13,712,164</u>	<u>\$ 13,359,452</u>	<u>\$ 11,952,616</u>
Interest rate intervals	1.53%-2.09%	1.55%-2.09%	1.43%-2.09%

Long-term unsecured borrowings will expire in October 2030, and interests are repaid on a monthly basis.

To enrich medium-term working capital, the Group entered into a Green Loan Agreement with a syndicate of two banks led by Crédit Agricole Bank and Investment Bank on September 11, 2024, with a total credit facility of \$3,000,000 thousand. The loan term is within 3 years from the first drawdown date (September 2024). Additionally, the Group entered into a syndicated loan agreement with a syndicate seventeen banks led by Mega International Commercial Bank Co., Ltd. on November 8, 2024, with a total credit facility of \$12,000,000 thousand. The loan term is within 5 year from the first drawdown date.

The Group promises that during the credit period, its semi-annual reviewed current ratio shall not be less than 100%, debt ratio shall not exceed 200%, interest coverage ratio shall not be less than 5 times, and tangible net worth shall not be less than \$15,000,000 thousand. The Group should meet certain financial ratios based on audited consolidated annual financial statements and reviewed consolidated financial statements for the six months.

19. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Payables for dividends	\$ 6,798,985	\$ -	\$ 5,741,097
Payables for salaries or bonuses	2,294,080	2,885,569	1,921,741
Payables for construction and equipment	377,712	614,726	234,524
Payable for investments	65,616	-	-
Payables for professional service fees	52,730	51,557	70,487
Payables for labors and health insurances	50,060	11,976	43,480
Payables for utilities	35,124	46,519	19,261
Payables for pensions	14,681	20,769	33,144
Others	<u>922,143</u>	<u>812,401</u>	<u>572,822</u>
	<u>\$ 10,611,131</u>	<u>\$ 4,443,517</u>	<u>\$ 8,636,556</u>

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and its subsidiary, YuanHan Materials Inc., adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, each entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of China.

b. Defined benefit plans

The defined benefit plan adopted, by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The defined benefit plan adopted by Hydis Technologies Co., Ltd. in accordance with the law is operated by the government of South Korea.

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$1,276 thousand and \$2,303 thousand for the three months ended March 31, 2026 and 2025, respectively, which were calculated using the actuarially determined pension cost rate as of December 31, 2025 and 2024, respectively.

21. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Amount of shares authorized	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>1,152,370</u>	<u>1,150,883</u>	<u>1,148,219</u>
Amount of shares issued	<u>\$ 11,523,704</u>	<u>\$ 11,508,832</u>	<u>\$ 11,482,193</u>

For the three months ended March 31, 2026 and December 31, 2025, the Company's employees exercised their rights under the ESOP to purchase 1,487 thousand and 4,967 thousand of the Company's ordinary shares, respectively. The changes of registration were completed before March 31, 2026 and December 31, 2025, respectively.

For the three months ended March 31, 2026, and for the periods ended December 31, 2025, September 30, 2025, June 30, 2025 and March 31, 2025, the Group's employees exercised their rights under the ESOP to purchase 1,990 thousand, 1,487 thousand, 407 thousand, 582 thousand and 1,675 thousand of the Group's ordinary shares, generating total proceeds of \$128,928 thousand, \$96,613 thousand, \$28,011 thousand, \$38,253 thousand and \$110,992 thousand, respectively. They are recorded as advance receipts for shares. The effective dates for this transaction are set for May 18, 2026, March 18, 2026, November 17, 2025, August 18, 2025 and May 12, 2025, respectively.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Issuance of shares	\$ 10,395,835	\$ 10,289,155	\$ 10,092,336
Conversion of bonds	525,200	525,200	525,200
Treasury share transactions	260,084	260,084	260,084
Expired employee share options	57,477	57,477	57,477
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	365	-	-
Changes in percentage of ownership interests in associates (3)	9,092	8,653	10,512
Unclaimed dividends extinguished by prescription	178	178	129
<u>May not be used for any purpose</u>			
Employee share options	<u>615,133</u>	<u>519,284</u>	<u>165,739</u>
	<u>\$ 11,863,364</u>	<u>\$ 11,660,031</u>	<u>\$ 11,111,477</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
 - 2) Such capital surplus arises from the effects of changes in ownership interest in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.
 - 3) Such capital surplus arises from the effects of changes in ownership interest in associates resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of associates accounted for using the equity method.
- c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's amended Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with at least 50% of any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to Note 23.

The Company's Articles of Incorporation also stipulate a dividends policy that allows previous accumulated undistributed earnings to be distributed. The distribution of dividends to shareholders is allowed to be in cash or by the issuance of shares. In principle, cash dividends should be at least 10% of the total dividends distributed.

The shareholders of the Company held their regular meeting on June 18, 2019 and in that meeting, resolved the amendments to the Company's Articles of Incorporation. The amendments explicitly stipulate that the board of directors are authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholder's meeting.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficits and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 issued by the FSC (Rule No. 1090150022 issued by the FSC was adopted in appropriations of earnings since 2021) and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

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

	For the Year Ended December 31	
	2025	2024
Legal reserve	<u>\$ 1,050,546</u>	<u>\$ 918,052</u>
Cash dividends	<u>\$ 6,798,985</u>	<u>\$ 5,741,097</u>
Dividends per share (NT\$)	<u>\$ 5.9</u>	<u>\$ 5</u>

The above appropriation for cash dividends had been resolved by the Company's board of directors on March 6, 2026 and February 21, 2025, respectively; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 27, 2026. The appropriations of earnings for 2024 were approved in the shareholders' meeting on May 28, 2025.

d. Special reserve

	For the Three Months Ended March 31	
	2026	2025
Balance at the beginning and the end of the period	<u>\$ 70,678</u>	<u>\$ 70,678</u>

If a special reserve of \$70,678 thousand appropriated on the first-time adoption of IFRSs relates to the exchange differences on translating the financial statements of foreign operations, the special reserve will be reversed proportionately on the Company's disposal of the foreign operations; on the Company's loss of significant influence; however, the entire special reserve will be reversed. An additional special reserve should be appropriated for the amount equal to the difference between the net debit balance of the reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and may thereafter be distributed.

e. Other equity items

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

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ (1,412,999)	\$ (412,930)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	233,738	530,221
Share of associates and joint ventures accounted for using the equity method	<u>6,681</u>	<u>2,488</u>
Balance on March 31	<u>\$ (1,172,580)</u>	<u>\$ 119,779</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 17,357,183	\$ 10,147,026
Recognized during the period		
Unrealized (loss) gain		
Equity instruments	(656,120)	846,915
Debt instruments	(102,636)	61,919
Net remeasurement of loss allowance	(956)	(103)

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Reclassification adjustments		
Disposal of investments in debt instruments	\$ -	\$ (7,510)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(156,575)</u>	<u>-</u>
Balance on March 31	<u>\$ 16,440,896</u>	<u>\$ 11,048,247</u> (Concluded)

f. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 1,200,067	\$ 689,341
Share of profit for the period	10,483	360
Other comprehensive income (loss) during the period		
Unrealized gain (loss) on financial assets at FVTOCI		
Equity instruments	36,823	(3,938)
Debt instruments	(2,043)	1,362
Net remeasurement of loss allowance	(35)	(9)
Exchange differences on translating the financial statements of foreign operations	(31,219)	8,844
Non-controlling interests arising from acquisition of subsidiaries	21,142	-
Changes in ownership interests in subsidiaries	(265)	-
Share-based payment	<u>1,014</u>	<u>-</u>
Balance on March 31	<u>\$ 1,235,967</u>	<u>\$ 695,960</u>

22. REVENUE

a. Revenue from contracts with customers

	For the Three Months Ended March 31	
Type of Revenue	2026	2025
Revenue from sale of goods		
Internet of things applications	\$ 5,243,092	\$ 3,405,665
Consumer electronics	<u>3,390,398</u>	<u>4,653,772</u>
	<u>\$ 8,633,490</u>	<u>\$ 8,059,437</u>
Royalty income	<u>\$ 81,108</u>	<u>\$ 83,259</u>

b. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Accounts receivable (Note 10)	\$ <u>5,472,010</u>	\$ <u>5,368,405</u>	\$ <u>4,277,043</u>	\$ <u>4,757,678</u>
Contract assets - current				
Royalty	\$ <u>18,209</u>	\$ <u>-</u>	\$ <u>31,611</u>	\$ <u>5,056</u>
Contract liabilities - current				
Sale of goods	\$ 110,028	\$ 153,357	\$ 231,628	\$ 453,943
Royalty	<u>-</u>	<u>62,894</u>	<u>744</u>	<u>59,958</u>
	<u>\$ 110,028</u>	<u>\$ 216,251</u>	<u>\$ 232,372</u>	<u>\$ 513,901</u>
Contract liabilities - non-current				
Sale of goods	\$ <u>3,020</u>	\$ <u>4,000</u>	\$ <u>-</u>	\$ <u>-</u>

23. NET INCOME

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank deposits	\$ 146,635	\$ 134,390
Financial assets at FVTOCI	59,391	80,617
Financial assets at FVTPL	51,552	31,399
Financial assets at amortized cost	22,011	97,203
Others	<u>221</u>	<u>158</u>
	<u>\$ 279,810</u>	<u>\$ 343,767</u>

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Government grants	\$ 32,038	\$ 22,279
Rental income	1,967	1,556
Others	<u>7,017</u>	<u>6,125</u>
	<u>\$ 41,022</u>	<u>\$ 29,960</u>

c. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Property, plant and equipment	\$ 477,787	\$ 352,176
Right-of-use assets	35,564	23,237
Other intangible assets	<u>29,688</u>	<u>24,566</u>
	<u>\$ 543,039</u>	<u>\$ 399,979</u>
 An analysis of depreciation by function		
Operating costs	\$ 266,335	\$ 218,570
Operating expenses	<u>247,016</u>	<u>156,843</u>
	<u>\$ 513,351</u>	<u>\$ 375,413</u>
 An analysis of amortization by function		
Operating costs	\$ 2,602	\$ 1,732
Operating expenses	<u>27,086</u>	<u>22,834</u>
	<u>\$ 29,688</u>	<u>\$ 24,566</u>

d. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Post-employment benefits (Note 20)		
Defined contribution plans	\$ 56,455	\$ 37,040
Defined benefit plans	<u>1,276</u>	<u>2,303</u>
	57,731	39,343
Share-based payments		
Equity-settled	122,341	11,505
Other employee benefits	<u>1,527,383</u>	<u>1,722,752</u>
Total employee benefits expense	<u>\$ 1,707,455</u>	<u>\$ 1,773,600</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 507,055	\$ 517,910
Operating expenses	<u>1,200,400</u>	<u>1,255,690</u>
	<u>\$ 1,707,455</u>	<u>\$ 1,773,600</u>

e. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrues employees' compensation at the rates of at least 1% as well as remuneration of directors at the rates of no higher than 1%, respectively, of net income before income tax, employees' compensation and remuneration of directors, net of accumulated deficit, if any. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of 0.1% of the annual compensation of employees as compensation distributions for non-executive

employees. The estimated employees' compensation (including non-executive employees) and remuneration of directors for the three months ended March 31, 2026 and 2025, were as follows:

	For the Three Months Ended March 31	
	2026	2025
Employees' compensation	<u>\$ 37,205</u>	<u>\$ 26,550</u>
Remuneration of directors	<u>\$ 10,000</u>	<u>\$ 10,000</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

The employees' compensation and remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on March 6, 2026 and February 21, 2025, respectively, were as follows:

	For the Year Ended December 31	
	2025	2024
Employees' compensation	<u>\$ 129,000</u>	<u>\$ 103,000</u>
Remuneration of directors	<u>\$ 40,000</u>	<u>\$ 40,000</u>

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

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

24. INCOME TAXES

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

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current period	\$ 964,077	\$ 915,714
Adjustments for the prior years	<u>(192,836)</u>	<u>29,663</u>
	<u>771,241</u>	<u>945,377</u>
Deferred tax		
In respect of the current period	<u>(226,821)</u>	<u>(343,712)</u>
Income tax expense recognized in profit or loss	<u>\$ 544,420</u>	<u>\$ 601,665</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
In respect of the current period		
Fair value changes of financial assets at FVTOCI		
Equity instruments	\$ (320,709)	\$ 150,740
Debt instruments	<u>(10,497)</u>	<u>8,468</u>
	<u>\$ (331,206)</u>	<u>\$ 159,208</u>

c. Income tax assessments

Income tax assessments of the Group were as follows:

Company	Latest Assessment Year
The Company	2022
YuanHan Materials Inc.	2024
New Field e-Paper Co., Ltd.	2024
Linfiny Corporation	2023
Integrated Solutions Technology, Inc.	2023

25. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2026	2025
Basic earnings per share (NT\$)	<u>\$ 2.41</u>	<u>\$ 1.91</u>
Diluted earnings per share (NT\$)	<u>\$ 2.40</u>	<u>\$ 1.90</u>

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

Net Income for the Period

	For the Three Months Ended March 31	
	2026	2025
Net income for the period attributable to owners of the Company	<u>\$ 2,784,715</u>	<u>\$ 2,196,599</u>

Number of Shares

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares (in thousands) used in the computation of basic earnings per share	1,153,333	1,148,649
Effect of potentially dilutive ordinary shares (in thousands)		
Employees' compensation	825	304
Share-based payment arrangements	<u>3,794</u>	<u>8,223</u>
Weighted average number of ordinary shares (in thousands) used in the computation of diluted earnings per share	<u>1,157,952</u>	<u>1,157,176</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share options plan of the Company

To attract and retain the professional talents needed by the Company, improve the employees' cohesion and sense of belonging to the Company, and jointly create the interests of the Company and shareholders, the board of directors of the Company resolved to issue 20,000, 10,000 and 10,000 units of employee share options, the total is 40,000 units in May 2023, May 2021 and December 2020, respectively. Each option entitles the holder to subscribe to 1,000 ordinary shares. The eligible participants in share options are the full-time employees of the Company and subsidiaries. The duration of the share options is 6 years that will expire on March 31, 2031, October 3, 2027 and August 10, 2027, respectively.

Information about employee share options issued was as follows:

Share Options Grant Period	Percentage Exercisable (%) (Cumulative)
Over 2 years	40
Over 3 years	70
Over 4 years	100

	For the Three Months Ended March 31			
	2026		2025	
Employee Share Options	Unit	Weighted Average Exercise Price (NT\$)	Unit	Weighted Average Exercise Price (NT\$)
Balance on January 1	26,518	\$63.71-\$262.5	11,240	\$65.15-\$72.9
Options exercised	(1,990)		(1,675)	
Options forfeited	<u>(180)</u>		<u>(24)</u>	
Balance on March 31	<u>24,348</u>		<u>9,541</u>	

The Company uses the Black-Scholes-Merton option evaluation model, the inputs to the models were as follows:

	April 2025	October 2021	August 2021
Grant date share price (NT\$)	\$201	\$69	\$77.20
Exercise price (NT\$)	\$201	\$69	\$77.20
Expected volatility	42.80%-45.23%	40.28%-42.73%	40.50%-43.77%
Expected life	1.24-3.25 years	2-4 years	2-4 years
Expected dividend yield	-	3.77%	3.77%
Risk-free interest rate	1.230%-1.270%	0.760%-0.765%	0.760%-0.765%
Weighted-average fair value of options granted (NT\$)	\$41.20-\$64.81	\$13.2-\$17.2	\$14.7-\$19.8

The Company has an exercise price adjustment formula for the changes in ordinary shares, and the exercise price of the stock warrants granted were adjusted from \$72.9 to \$71.29, \$65.15 to \$63.71 and from \$268.5 to \$262.5, effective from July 30, 2025, which serves as the ex-dividend date.

In January 2026, the Company modified the terms of the employee stock option plan issued in April 2025 by reducing the exercise price from NT\$268.5 per share to NT\$201 per share, which was the market price on the modification date. The Company measured the fair values of the stock options immediately before and after the modification based on the aforementioned inputs.

Compensation costs recognized were \$120,788 thousand and \$11,505 thousand, respectively, for the three months ended March 31, 2026 and 2025.

b. Employee share option plan of a subsidiary acquired in the current year

The restricted new shares of Integrated Solutions Technology Inc. as of March 31, 2026 are presented as follows:

Date of Approval by the Shareholders' Meeting	June 19, 2025	June 6, 2023
Number of shares issued (thousand shares)	Not exceeding 1,000 shares	Not exceeding 1,000 shares
Issuance amount	Without consideration	Without consideration
FSC approval effective date	August 12, 2025	July 13, 2023
Issuance period	2 years	2 years

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

- 1) Employees who have not met the vesting conditions cannot sell, pledge, transfer, donate, ask the Corporation to buy them back or in any other way dispose of these shares except in the case of inheritance.
- 2) The rights to attend shareholders' meetings, make proposals, speak, vote, and other shareholder rights shall be exercised by the custodian institution in accordance with the trust agreement.
- 3) In addition to the restrictions arising from the trust arrangement described above, employees who are granted restricted shares under this plan shall not be entitled to participate in stock or cash dividends, capital surplus distributions, or subscription rights for cash capital increases prior to the fulfillment of the vesting conditions. For matters not specified herein, such shares shall carry the same rights and obligations as the Company's issued common shares.

If an employee fails to meet the vesting conditions, Integrated Solutions Technology Inc. will recall and cancel the restricted shares without any reimbursement.

Integrated Solutions Technology Inc. recognized compensation cost of \$1,553 thousand for the three months ended March 31, 2026.

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Integrated Solutions Technology, Inc.	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	June 19, 2025	34.82	\$ <u> -</u>

b. Assets acquired and liabilities assumed at the date of acquisition

	Integrated Solutions Technology, Inc.
Current assets	
Cash and cash equivalents	\$ 261,777
Financial assets at amortized cost	182,500
Trade and other receivables	68,810
Inventories	88,596
Other current assets	6,744
	(Continued)

**Integrated
Solutions
Technology,
Inc.**

Non-current assets	
Property, plant and equipment	\$ 46,279
Other intangible assets	214,535
Right-of-use assets	3,237
Other non-current assets	26,568
Current liabilities	
Trade and other payables	(148,912)
Other current liabilities	(21,881)
Non-current liabilities	
Other non-current liabilities	<u>(8,505)</u>
	<u>\$ 719,748</u>

c. Goodwill recognized on acquisitions

**Integrated
Solutions
Technology,
Inc.**

Consideration transferred	\$ -
Plus: Non-controlling interests (65.18% in Integrated Solutions Technology, Inc.)	469,107
Plus: Fair value of the previously held equity interest on the acquisition date	841,346
Less: Fair value of identifiable net assets acquired	<u>(719,748)</u>
Goodwill recognized on acquisitions	<u>\$ 590,705</u>

The total amount of acquired goodwill is not tax-deductible.

d. Net cash inflow from acquisition of subsidiaries

**Integrated
Solutions
Technology,
Inc.**

Consideration paid in cash	\$ -
Less: Balance of cash and cash equivalents acquired	<u>(261,777)</u>
	<u>\$ (261,777)</u>

28. NON-CASH TRANSACTIONS

For the three months ended March 31, 2026 and 2025, the Group entered into the following non-cash investing activities:

	For the Three Months Ended March 31	
	2026	2025
Acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 196,556	\$ 460,361
Decrease in payables for construction and equipment	190,683	200,978
Decrease in payables for land to related parties	<u>403,901</u>	<u>-</u>
Net cash paid	<u>\$ 791,140</u>	<u>\$ 661,339</u>

29. CAPITAL MANAGEMENT

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

The Group's risk management committee reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on the committee's recommendations, the Group expects to balance its capital structure through the payment of dividends, the issue of new shares and private ordinary shares or the payment of old debt.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative financial assets				
Mutual funds	\$ 584,251	\$ -	\$ 1,100,110	\$ 1,684,361
Perpetual bonds	-	2,247,315	-	2,247,315
Straight corporate bonds	-	289,532	-	289,532
Foreign listed stocks	1,651,255	-	-	1,651,255
Foreign unlisted stocks	-	-	306,687	306,687
Hybrid financial assets				
Convertible preferred shares	-	-	86,193	86,193
Structured products	<u>-</u>	<u>533,481</u>	<u>-</u>	<u>533,481</u>
	<u>\$ 2,235,506</u>	<u>\$ 3,070,328</u>	<u>\$ 1,492,990</u>	<u>\$ 6,798,824</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 36,200,396	\$ -	\$ -	\$ 36,200,396
Domestic and overseas unlisted shares	-	-	927,101	927,101
Investment in debt instruments				
Overseas straight corporate bonds	-	4,639,049	-	4,639,049
	<u>\$ 36,200,396</u>	<u>\$ 4,639,049</u>	<u>\$ 927,101</u>	<u>\$ 41,766,546</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities				
Foreign exchange forward contracts	\$ -	\$ 557,953	\$ -	\$ 557,953
				(Concluded)

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
Foreign exchange forward contracts	\$ -	\$ 17,414	\$ -	\$ 17,414
Non-derivative financial assets				
Mutual funds	559,032	-	1,022,761	1,581,793
Perpetual bonds	-	2,283,236	-	2,283,236
Straight corporate bonds	-	292,536	-	292,536
Foreign listed stocks	1,465,570	-	-	1,465,570
Foreign unlisted stocks	-	-	217,046	217,046
Hybrid financial assets				
Convertible preferred shares	-	-	99,316	99,316
	<u>\$ 2,024,602</u>	<u>\$ 2,593,186</u>	<u>\$ 1,339,123</u>	<u>\$ 5,956,911</u>
				(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 36,306,752	\$ -	\$ -	\$ 36,306,752
Domestic unlisted shares	-	-	897,259	897,259
Investment in debt instruments				
Overseas straight corporate bonds	-	4,697,278	-	4,697,278
	<u>\$ 36,306,752</u>	<u>\$ 4,697,278</u>	<u>\$ 897,259</u>	<u>\$ 41,901,289</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 242,922</u>	<u>\$ -</u>	<u>\$ 242,922</u> (Concluded)

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative financial assets				
Mutual funds	\$ 594,944	\$ -	\$ 993,194	\$ 1,588,138
Perpetual bonds	-	1,232,910	-	1,232,910
Straight corporate bonds	-	307,586	-	307,586
Foreign listed stocks	1,443,087	-	-	1,443,087
Foreign unlisted stocks	-	-	243,378	243,378
Hybrid financial assets				
Convertible preferred shares	-	-	133,654	133,654
	<u>\$ 2,038,031</u>	<u>\$ 1,540,496</u>	<u>\$ 1,370,226</u>	<u>\$ 4,948,753</u> (Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 26,183,811	\$ -	\$ -	\$ 26,183,811
Domestic and overseas unlisted shares	-	-	935,530	935,530
Investment in debt instruments				
Overseas straight corporate bonds	-	6,425,551	-	6,425,551
	<u>\$ 26,183,811</u>	<u>\$ 6,425,551</u>	<u>\$ 935,530</u>	<u>\$ 33,544,892</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities				
Foreign exchange forward contracts	\$ -	\$ 345,367	\$ -	\$ 345,367
				(Concluded)

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

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 2,236,382	\$ 2,682,279
Recognized in profit or loss	67,789	4,612
Recognized in other comprehensive income (loss) (recognized in unrealized gain (loss) on financial assets at FVTOCI)	16,407	523,130
Purchased	46,809	-
Transfer out (Note)	-	(921,235)
Exchange differences on translating the financial statements of foreign operations	<u>52,704</u>	<u>16,970</u>
Balance on March 31	<u>\$ 2,420,091</u>	<u>\$ 2,305,756</u>

Note: The overseas unlisted shares owned by the Group have been trading on the public market since March 2025 and have been transferred from Level 3 to Level 1 fair value measurement.

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Derivatives - foreign exchange forward contracts were evaluated by the discounted cash flow method. Future cash flows are estimated based on observable forward exchange rates and contracted exchange rates at the end of the reporting period, discounted at a rate that reflects the credit risk of each counterparty.

Derivatives - structured products were determined by quoted market prices provided by the third party.

Non-derivatives - the fair value of perpetual bonds and straight corporate bonds was determined by quoted market prices provided by the third party.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

a) Domestic unlisted equity investments are assessed using the asset approach, based on the net assets of the investee company as reported in its most recent financial statements, overseas unlisted shares were evaluated by the market approach, referring to the market share prices and situations of companies with similar conditions or the prices of previous equity transactions. Unobservable input used by the Group was discount for lack of marketability, which was 10%-20%, 10%-20% and 13%-20% as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. If the discount for lack of marketability increased by 1% while all other variables were held constant, the fair value would have decreased by \$6,042 thousand, \$4,789 thousand and \$5,296 thousand, respectively. As of March 31, 2026 and December 31, 2025, the unobservable inputs used by the Group were the valuation multiples of comparable companies at 0.71%. If the valuation multiple of comparable companies increases by 1%, while other inputs remain unchanged, the fair value would decrease by NT\$11,419 thousand and NT\$11,683 thousand, respectively.

b) The fair value of convertible preferred shares was determined using the Binomial Option Pricing Model and Black-Scholes Model. The significant unobservable input used is share price volatility. The share price volatility used was 36.95%-57.17%, 40.87%-55.09% and 37.70%-55.57% as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

c) The foreign private funds held by the Group were valued using the asset-based approach and were based on the net asset value measured at fair value.

b. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
FVTPL	\$ 6,798,824	\$ 5,956,911	\$ 4,948,753
Amortized cost (Note 1)	28,604,032	27,953,621	27,348,630
FVTOCI			
Equity instruments	37,127,497	37,204,011	27,119,341
Debt instruments	4,639,049	4,697,278	6,425,551
<u>Financial liabilities</u>			
FVTPL	557,953	242,922	345,367
Amortized cost (Note 2)	35,849,009	29,554,259	30,919,965

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, accounts receivable and other receivables.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes and accounts payable, other payables and long-term borrowings (include current portion).

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, notes and accounts payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to foreign currency risk, interest rate risk and other price risk.

There have been no changes to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company and its several subsidiaries had foreign-currency-denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy by utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting periods are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar (USD).

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (NTD) and renminbi (RMB) against USD. The sensitivity analysis included only outstanding foreign-currency-denominated monetary items and adjusts their translation at the end of the reporting periods for a 1% change in foreign currency rates. For a 1% strengthening of NTD and RMB against USD, pre-tax income would increase (decrease) as follows:

	NTD to USD		RMB to USD	
	For the Three Months March 31	For the Three Months March 31	For the Three Months March 31	For the Three Months March 31
	2026	2025	2026	2025
Profit or loss	<u>\$ (144,210)</u>	<u>\$ (40,049)</u>	<u>\$ (5,496)</u>	<u>\$ (58,767)</u>

b) Interest rate risk

The carrying amount of the Group's financial assets, financial liabilities and lease liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	<u>\$ 13,768,809</u>	<u>\$ 14,353,723</u>	<u>\$ 15,420,997</u>
Financial liabilities	<u>\$ 21,829,852</u>	<u>\$ 21,363,608</u>	<u>\$ 19,072,773</u>
Lease liabilities	<u>\$ 1,288,733</u>	<u>\$ 1,313,172</u>	<u>\$ 999,176</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 9,153,362</u>	<u>\$ 8,031,327</u>	<u>\$ 7,319,421</u>

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting periods. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represented management's assessment of the reasonably possible change in interest rates. The effective interest rates of floating rate financial assets and financial liabilities will change when the market rates change, which will result in fluctuations in future cash flows.

If interest rates had been 50 basis points higher, the Group's pre-tax cash inflows for the three months ended March 31, 2026 and 2025 would increase by \$11,442 thousand and \$9,149 thousand, respectively, which was attributable to the Group's floating rate on its financial assets, and if interest rates had been 50 basis points lower, there would be an equal and opposite impact on pre-tax cash flows.

c) Other price risk

The Group was exposed to instrument price risk and equity price risk through its investments in mutual funds, equity securities and debt instruments. Equity investments are held for strategic rather than for trading purposes, and the Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to price risks of mutual funds, debt instruments and equity securities at the end of the reporting periods.

If prices of mutual funds, debt instruments and equity securities had been 5% higher/lower, the income before income tax for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$339,941 thousand and \$247,438 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income or loss before income tax for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$2,088,327 thousand and \$1,677,245 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

Changes in the Group's sensitivity to price risk are mainly resulting from the increased/decreased investment in equity securities and debt investments.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting periods, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties, evaluated potential customers through an internal credit rating system and set the credit limit of customers to grasp the credit status of the counterparties and effectively control the credit exposure.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's unutilized bank borrowing facilities were \$27,226,475 thousand, \$28,632,909 thousand and \$31,008,158 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay, including principal and estimated interest. Therefore, bank borrowings with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

March 31, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 16,101	\$ 23,728	\$ 119,622	\$ 497,706	\$ 903,711
Fixed interest rate liabilities	<u>5,281,925</u>	<u>2,809,462</u>	<u>133,809</u>	<u>13,871,641</u>	<u>-</u>
	<u>\$ 5,298,026</u>	<u>\$ 2,833,190</u>	<u>\$ 253,431</u>	<u>\$ 14,369,347</u>	<u>\$ 903,711</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 159,451</u>	<u>\$ 497,706</u>	<u>\$ 494,833</u>	<u>\$ 115,177</u>	<u>\$ 115,177</u>	<u>\$ 178,524</u>

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 13,077	\$ 26,128	\$ 116,768	\$ 501,883	\$ 928,706
Fixed interest rate liabilities	<u>6,265,361</u>	<u>1,710,924</u>	<u>313,460</u>	<u>14,027,139</u>	<u>-</u>
	<u>\$ 6,278,438</u>	<u>\$ 1,737,052</u>	<u>\$ 430,228</u>	<u>\$ 14,529,022</u>	<u>\$ 928,706</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 155,973</u>	<u>\$ 501,883</u>	<u>\$ 514,069</u>	<u>\$ 115,177</u>	<u>\$ 115,177</u>	<u>\$ 184,283</u>

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 9,226	\$ 18,270	\$ 80,591	\$ 330,133	\$ 813,698
Fixed interest rate liabilities	<u>6,633,380</u>	<u>87,822</u>	<u>494,952</u>	<u>11,665,697</u>	<u>434,257</u>
	<u>\$ 6,642,606</u>	<u>\$ 106,092</u>	<u>\$ 575,543</u>	<u>\$ 11,995,830</u>	<u>\$ 1,247,955</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 108,087</u>	<u>\$ 330,133</u>	<u>\$ 212,412</u>	<u>\$ 225,938</u>	<u>\$ 173,789</u>	<u>\$ 201,559</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
NTX Electronics Yangzhou Co., Ltd.	Associate
Yuen Foong Yu Biotech Co., Ltd.	Associate
Integrated Solutions Technology, Inc.	Associate (became a subsidiary since June 2025)
NXEPD Corporation	Associate
Plastic Logic HK Limited	Associate
PL Germany GmbH	Associate

(Continued)

Related Party Name	Related Party Category
YFY Inc.	Investor with significant influence over the Group
Arizon RFID Technology Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Japan Co., Ltd.	Subsidiary of investor with significant influence over the Group
Yuen Foong Shop Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Paper Enterprise (Nanjing) Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Packaging Inc.	Subsidiary of investor with significant influence over the Group
Yuen Foong Yu Consumer Products Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Corporate Advisory & Services Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Development Co., Ltd.	Subsidiary of investor with significant influence over the Group
Chung Hwa Pulp Corporation	Subsidiary of investor with significant influence over the Group
Sustainable Carbohydrate Innovation Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Jupiter US, Inc.	Subsidiary of investor with significant influence over the Group
YFY Global Investment B.V.	Subsidiary of investor with significant influence over the Group
Jupiter Prestige Group North America Inc.	Subsidiary of investor with significant influence over the Group
Syntax Communication (H.K.) Limited	Subsidiary of investor with significant influence over the Group
China Color Printing Co., Ltd.	Subsidiary of investor with significant influence over the Group
Arizon RFID Technology (Hong Kong) Co., Ltd., Taiwan Branch	Subsidiary of investor with significant influence over the Group
Ensilience Co., Ltd.	Subsidiary of investor with significant influence over the Group
Yuen Foong Yu Biotech (Kunshan) Co., Ltd.	Substantive related party
Yuen Foong Paper Co., Ltd.	Substantive related party
SinoPac Securities Corp.	Substantive related party
SinoPac Financial Holdings Company Limited	Substantive related party
Hsin Yi Enterprise Co., Ltd.	Substantive related party
TGKW Management Limited	Substantive related party
Shen's Art Printing Co., Ltd.	Substantive related party
Hsin Fan Precision Electronics (Yangzhou) Co., Ltd.	Substantive related party
SinoPac Asset Management (Asia) Ltd.	Substantive related party
AUO Display Plus Corporation	Substantive related party
AUO Corporation	Substantive related party
Darwin Precisions Corporation	Substantive related party
Adlink Technology Inc.	Substantive related party
AUO (Xiamen) Co., Ltd.	Substantive related party

(Concluded)

b. Sales of goods

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Associate	\$ 475,077	\$ 78,248
Substantive related party	<u>7,912</u>	<u>-</u>
	<u>\$ 482,989</u>	<u>\$ 78,248</u>

The sales price and collection terms are based on the agreements with the related parties.

c. Purchases of goods

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Substantive related party	\$ 26,087	\$ 37
Associate	9,522	231,968
Subsidiary of investor with significant influence over the Group	<u>4,594</u>	<u>4,355</u>
	<u>\$ 40,203</u>	<u>\$ 236,360</u>

The purchase price and payment terms are based on the agreements with the related parties.

d. Manufacturing costs

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Substantive related party	\$ 8,006	\$ 8,108
Subsidiary of investor with significant influence over the Group	1,630	1,917
Associate	<u>-</u>	<u>8</u>
	<u>\$ 9,636</u>	<u>\$ 10,033</u>

e. Operating expenses

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Subsidiary of investor with significant influence over the Group	\$ 18,245	\$ 5,010
Substantive related party	8,419	4,782
Associate	<u>849</u>	<u>551</u>
	<u>\$ 27,513</u>	<u>\$ 10,343</u>

f. Non-operating income - other income

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Associate	\$ 2,435	\$ 279
Substantive related party	55	-
Others	<u>-</u>	<u>13</u>
	<u>\$ 2,490</u>	<u>\$ 292</u>

g. Non-operating income - interest income

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Subsidiary of investor with significant influence over the Group	\$ 131	\$ 25
Substantive related party	<u>14</u>	<u>-</u>
	<u>\$ 145</u>	<u>\$ 25</u>

h. Receivables from related parties

Line Items	Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	Associate	\$ 672,306	\$ 894,175	\$ 80,927
	Less: Loss allowance	<u>(19,854)</u>	<u>(19,504)</u>	<u>(20,605)</u>
		652,452	874,671	60,322
	Substantive related party	3,276	-	-
	Subsidiary of investor with significant influence over the Group	<u>-</u>	<u>-</u>	<u>7,853</u>
	<u>\$ 655,728</u>	<u>\$ 874,671</u>	<u>\$ 68,175</u>	
Other receivables	Associate	\$ 13,784	\$ 11,001	\$ 11,622
	Less: Loss allowance	(9,769)	(9,769)	(9,769)
	Effects of exchange rate changes	<u>(1,429)</u>	<u>(1,232)</u>	<u>(1,853)</u>
		<u>\$ 2,586</u>	<u>\$ -</u>	<u>\$ -</u>

The outstanding accounts receivables from related parties were unsecured.

i. Payables to related parties

Line Items	Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Trade payables	Substantive related party	\$ 23,221	\$ 5,042	\$ 11,069
	Associate	21,487	47,993	47,005
	Subsidiary of investor with significant influence over the Group	<u>14,468</u>	<u>420,849</u>	<u>16,007</u>
		<u>\$ 59,176</u>	<u>\$ 473,884</u>	<u>\$ 74,081</u>
Other payables	Substantive related party	\$ 10,930	\$ -	\$ -
	Subsidiary of investor with significant influence over the Group	1,546	-	-
	Associate	<u>441</u>	<u>-</u>	<u>-</u>
		<u>\$ 12,917</u>	<u>\$ -</u>	<u>\$ -</u>

The outstanding accounts payables to related parties were unsecured.

j. Prepayments and refundable deposits (recognized in other non-current assets)

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Substantive related party			
Yuen Foong Yu Biotech (Kunshan) Co., Ltd.	\$ 52,216	\$ 50,439	\$ 52,179
Others	3,174	-	4,153
Subsidiary of investor with significant influence over the Group	16,880	16,772	6,079
Associate	<u>28</u>	<u>21</u>	<u>9</u>
	<u>\$ 72,298</u>	<u>\$ 67,232</u>	<u>\$ 62,420</u>

k. Construction in progress and prepayments for equipment (included in property, plant and equipment)

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Subsidiary of investor with significant influence over the Group	\$ 97,904	\$ 116,943	\$ 100,302
Associate	<u>285</u>	<u>285</u>	<u>-</u>
	<u>\$ 98,189</u>	<u>\$ 117,228</u>	<u>\$ 100,302</u>

l. Lease arrangements

The Group (1) leased land from a subsidiary of investor with significant influence over the Group in August 2022. The lease term was 20 years, however, in light of long-term operational development and business requirements, the land lease agreement was terminated in advance in November 2025. In addition, the Group leased land and buildings from the aforementioned party in November 2025 for a term of 10 years; (2) The Group leased offices from a subsidiary of investor with significant influence over the Group and renewed the contract after the expiration in August 2024. The lease term is 3 years. (3) In November 2022, the Group leased land from a related party in substance for a lease term of five years. In January 2026, the lease payments under the land lease agreement were adjusted in accordance with the increase in the announced land value, resulting in a corresponding increase in right-of-use assets of NT\$4,268 thousand. The related amounts were as follows:

Related Party Category	For the Three Months Ended March 31		
	2026	2025	
<u>Acquisition of right-of-use assets</u>			
Substantive related party	\$ 4,268	\$ -	
Line Item	March 31, 2026	December 31, 2025	March 31, 2025
Right-of-use assets	\$ 628,826	\$ 620,941	\$ 237,856
Lease liabilities			
Current (included in other current liabilities)	\$ 68,563	\$ 51,230	\$ 10,069
Non-current	567,145	571,043	228,694
	\$ 635,708	\$ 622,273	\$ 238,763

Line Item	For the Three Months Ended March 31	
	2026	2025
Interest expenses	\$ 6,709	\$ 134

The lease contract between the Group and the related party was determined by reference to the market conditions and payment terms that were similar to those with the third parties.

m. Guarantee deposits received (recognized in other non-current liabilities)

Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Substantive related party	\$ 70	\$ 67	\$ 70

n. Compensation of key management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 47,308	\$ 59,833
Post-employment benefits	506	478
Share-based payments	<u>22,480</u>	<u>588</u>
	<u>\$ 70,294</u>	<u>\$ 60,899</u>

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

32. ASSETS PLEDGED AS COLLATERAL

The following demand deposits and time deposits (included in financial assets at amortized cost) were provided as collateral for short-term borrowings, line of credit for derivative instrument trading, tariff guarantee for imported inventories, lease deposits for plants and land, and deposits for provisional attachment:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	\$ 39,964	\$ 39,915	\$ 38,184
Non-current	<u>3,962</u>	<u>3,902</u>	<u>13,062</u>
	<u>\$ 43,926</u>	<u>\$ 43,817</u>	<u>\$ 51,246</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. Unused letters of credit of the Group for purchase of machinery amounted to \$335,336 thousand, \$335,838 thousand and \$60,129 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.
- b. Guaranteed notes issued for long-term and short-term borrowings and lines of credit for derivative instrument trading were \$21,431,303 thousand, \$22,141,303 thousand and \$23,241,426 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.
- c. Guaranteed notes issued for syndicated loans were \$15,000,000 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025.
- d. To expand production capacity for operational needs, in May 2021, the board of directors of the Company resolved the project to construct new Hsinchu factory office building and multi-storey parking lot. The additional budget was approved by the board of directors on August 5, 2022, and the total amount of the construction is estimated at NT\$2.643 billion. As of March 31, 2026, the progress of implementation was approximately 87%. On August 9, 2024, the board of directors resolved to build a new production facility with an estimated investment of NT\$1.486 billion, which, as of March 31, 2026, the progress of implementation was approximately 19%. On May 8, 2025, the board of directors resolved to approve the project for the installation of large-format ePaper and mold production equipment, with an estimated investment of NT\$3.628 billion, which, as of March 31, 2026, the progress of implementation was approximately 0.02%.

- e. On August 5, 2022, the board of directors of the Company resolved to construct new factory office buildings in Guanyin District, Taoyuan, on a leasehold basis. Further, considering the Company's long-term operational development and needs, on November 7, 2025, the board of directors of the Company resolved to purchase the land originally leased at the Guanyin District, Taoyuan, with the transaction amount is expected to be NT\$1.346 billion, and to terminate the original land lease contract. On March 6, 2026, the board of directors resolved to approve the project for the new factory office buildings in Guanyin District, Taoyuan, with the total amount of the construction is expected to be NT\$5.536 billion, which, as of March 31, 2026, has not yet been carried out.
- f. On November 7, 2025, the board of directors of the Company resolved to lease a factory in Guanyin District, Taoyuan, for a period of 10 years starting from the contract commencement date, with an expected right-of-use asset amount of NT\$0.614 billion. The board also approved the Guanyin Plant renovation project, with the total amount of the construction is expected to be NT\$1.411 billion, which, as of March 31, 2026, has not yet been carried out.
- g. Subsidiary E Ink Corporation, in response to its long-term research and development deployment and the development plans for new materials and new process technologies, obtained approval from the Board of Directors in May 2026 for the construction of an R&D building project to strengthen future R&D and operational development. The total estimated construction cost is approximately NT\$1.396 billion.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the entities in the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

March 31, 2026

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 718,571	31.995 (USD:NTD)	\$ 22,990,667
USD	295,796	6.9194 (USD:RMB)	9,464,004
JPY	5,115,046	0.2005 (JPY:NTD)	1,025,567
Non-monetary items			
FVTPL			
USD	87,730	1,514.915 (USD:KRW)	2,806,916
FVTOCI			
USD	84,777	1,514.915 (USD:KRW)	2,712,428
USD	49,645	31.995 (USD:NTD)	1,588,388
EUR	108,455	36.710 (EUR:NTD)	3,981,399
<u>Foreign currency liabilities</u>			
Monetary items			
USD	267,845	31.995 (USD:NTD)	8,569,694
USD	278,619	6.9194 (USD:RMB)	8,914,413

December 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 686,419	31.43 (USD:NTD)	\$ 21,574,149
USD	376,522	7.0288 (USD:RMB)	11,834,086
USD	32,795	1,427.99 (USD:KRW)	1,030,747
JPY	5,499,910	0.2008 (JPY:NTD)	1,104,382
Non-monetary items			
FVTPL			
USD	88,576	1,427.99 (USD:KRW)	2,783,957
FVTOCI			
USD	82,692	1,427.99 (USD:KRW)	2,599,018
USD	51,309	31.43 (USD:NTD)	1,612,632
EUR	197,393	36.90 (EUR:NTD)	7,283,809
<u>Foreign currency liabilities</u>			
Monetary items			
USD	278,207	31.43 (USD:NTD)	8,744,046
USD	279,582	7.0288 (USD:RMB)	8,787,262

March 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 525,778	33.205 (USD:NTD)	\$ 17,458,458
USD	382,527	7.1782 (USD:RMB)	12,701,809
USD	78,220	1,458.278 (USD:KRW)	2,597,295
Non-monetary items			
FVTPL			
USD	37,130	1,458.278 (USD:KRW)	1,232,910
FVTOCI			
USD	79,867	1,458.278 (USD:KRW)	2,651,978
USD	99,672	33.205 (USD:NTD)	3,309,604
EUR	190,337	35.97 (EUR:NTD)	6,846,405
<u>Foreign currency liabilities</u>			
Monetary items			
USD	405,166	33.205 (USD:NTD)	13,453,537
USD	205,545	7.1782 (USD:RMB)	6,825,122

The Group's net realized and unrealized gains (losses) on foreign currency exchange were \$428,673 thousand and \$215,136 thousand for the three months ended March 31, 2026 and 2025, respectively. It is impractical to disclose net gain or loss on foreign currency exchange by each significant foreign currency due to the variety of the foreign currency transactions and the functional currency of each entity in the Group.

35. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 6) Intercompany relationships and significant intercompany transactions (Table 6)
- b. Information on investees (Table 7)
- c. Information on investments in mainland China (Table 8)
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area.
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, ending balance, interest rate interval, and total interest for the current period with respect to financing of funds.
 - f) Other transactions that have a material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services.

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the breakdown by region. The Group's reportable segments were classified into the ROC, Asia and Americas according to their geographic locations.

The profit or loss from the Group's operating segments is primarily measured by the segment profit or loss, which is used for the basis for assessment of performance. In addition, there are no significant differences between the accounting standards applied by the segments and the summary of material accounting policies as disclosed in Note 4.

The following was an analysis of the Group's revenue and results from operation by reportable segment:

	Segment Revenue		Segment Profit (Loss)	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2026	2025	2026	2025
ROC	\$ 9,253,865	\$ 8,161,892	\$ 3,065,126	\$ 2,062,462
Asia	8,056,143	5,080,886	73,623	145,286
America	1,729,870	1,571,301	(155,149)	99,696
Adjustment and eliminations	<u>(10,406,388)</u>	<u>(6,754,642)</u>	-	-
	<u>\$ 8,633,490</u>	<u>\$ 8,059,437</u>	2,983,600	2,307,444
Administration cost and remunerations to directors			(169,785)	(160,172)
Interest income			279,810	343,767
Royalty income			81,108	83,259
Dividend income			61,448	31,305
Net gain on foreign currency exchange			428,673	215,136
Net (loss) gain on fair value changes of financial assets and liabilities at FVTPL			(252,918)	62,450
Interest expenses			(99,085)	(94,535)
Loss on disposal of investments			-	(7,510)
Other non-operating income and expenses, net			26,767	17,480
Income before tax			<u>\$ 3,339,618</u>	<u>\$ 2,798,624</u>

Segment profit (loss) represents the income before income tax earned by each segment without allocation of administration costs and remuneration of directors, interest income, royalty income, dividend income, net gain (loss) on foreign currency exchange, net (loss) gain on fair value changes of financial assets and liabilities at FVTPL, interest expenses, net loss on disposal of investment, other non-operating income and expenses, net, and income tax expense, etc.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance (Note 1)	Ending Balance (Note 1)	Amount Actually Drawn (Note 1)	Interest Rate Intervals (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Notes 1 and 2)	Aggregate Financing Limit (Notes 1 and 2)
													Item	Value		
0	E Ink Holdings Inc.	YuanHan Materials Inc.	Other receivables	Yes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	1.9	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 6,442,737	\$ 25,770,947
1	YuanHan Materials Inc.	Prime View Communications Ltd.	Other receivables	Yes	127,980 (US\$ 4,000 thousand)	-	-	5	Short-term financing	-	Working capital	-	-	-	1,274,496	5,097,982
		E Ink Netherlands B.V.	Other receivables	Yes	150,377 (US\$ 4,700 thousand)	150,377 (US\$ 4,700 thousand)	150,377 (US\$ 4,700 thousand)	4.9	Short-term financing	-	Working capital	-	-	-	1,274,496	5,097,982

Note 1: The amounts are translated at the exchange rate of US\$1=NT\$31.995 on March 31, 2026, except the maximum balance that is translated at the exchange rate at the end of each month for the period.

Note 2: The aggregate and individual financing limits of E Ink Holdings Inc. and YuanHan Materials Inc. shall not exceed 40% and 10%, respectively, of the financing company's net equity per its latest financial statements.

Note 3: The above intercompany transactions have been eliminated upon consolidation.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

No.	Endorsement/Guarantee Provider	Endorsed/Guaranteed Party		Limit on Endorsement/Guarantee Amount Provided to Each Endorsed/Guaranteed Party (Notes 1 and 2)	Maximum Balance (Note 2)	Ending Balance (Note 2)	Amount Actually Drawn (Note 2)	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable (Note 3)	Endorsement/Guarantee Provided by Parent Company	Endorsement/Guarantee Provided by Subsidiary	Endorsement/Guarantee to Subsidiary in Mainland China
		Name	Relationship										
0	E Ink Holdings Inc.	E Ink Corporation	Subsidiary	\$ 16,106,842	\$ 2,559,600 (US\$ 80,000 thousand)	\$ 2,559,600 (US\$ 80,000 thousand)	\$ -	\$ -	3.97	\$ 64,427,367	Yes	No	No
		YuanHan Materials Inc.	Subsidiary	16,106,842	2,000,000	2,000,000	-	-	3.10	64,427,367	Yes	No	No
		Linfiny Corporation	Subsidiary	16,106,842	250,000	250,000	22,000	-	0.39	64,427,367	Yes	No	No
		New Field e-Paper Co., Ltd.	Subsidiary	16,106,842	1,500,000	1,500,000	700,000	-	2.33	64,427,367	Yes	No	No
		E Ink Japan Inc.	Subsidiary	16,106,842	24,564 (JPY 120,000 thousand)	24,060 (JPY 120,000 thousand)	13,033 (JPY 65,000 thousand)	-	0.04	64,427,367	Yes	No	No

Note 1: The amount shall not exceed 25% of the net equity of the Company.

Note 2: The amounts are translated at the exchange rate of US\$1=\$31.995, JPY1:0.2005 on March 31, 2026, except the maximum balance is translated at the exchange rate of the end of each month for the period.

Note 3: The amount shall not exceed the net equity of the Company.

E INK HOLDINGS INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2026

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note	
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value		
E Ink Holdings Inc.	<u>Ordinary shares</u>								
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	151,026,040	\$ 4,636,499	1.04	\$ 4,636,499		
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	17,323,000	775,204	0.13	775,204		
	Mega Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	8,897,290	342,101	0.06	342,101		
	Taiflex Scientific Co., Ltd.	-	Financial assets at FVTOCI - non-current	12,310,000	1,311,015	4.67	1,311,015		
	Daxin Materials Corp.	-	Financial assets at FVTOCI - non-current	1,758,000	580,140	1.71	580,140		
Zenitron Corporation	-	Financial assets at FVTOCI - non-current	9,000,000	437,400	3.79	437,400			
New Field e-Paper Co., Ltd.	<u>Ordinary shares</u>								
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	39,906,746	1,225,137	0.28	1,225,137		
	Taiflex Scientific Co., Ltd.	-	Financial assets at FVTOCI - non-current	7,200,000	766,800	2.73	766,800		
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	9,064,000	405,614	0.07	405,614		
	<u>Mutual funds</u>								
HPS Corporate Lending Fund	-	Financial assets at FVTPL - non-current	587,774	474,095	-	474,095			
YuanHan Materials Inc.	<u>Ordinary shares</u>								
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	259,973,450	7,981,185	1.79	7,981,185		
	Netronix Inc.	-	Financial assets at FVTOCI - non-current	5,309,198	504,905	6.17	504,905		
	Vusion Group	-	Financial assets at FVTOCI - non-current	906,666	3,644,566	5.37	3,644,566		
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	9,064,000	405,614	0.07	405,614		
	Daxin Materials Corp.	-	Financial assets at FVTOCI - non-current	1,138,000	375,540	1.11	375,540		
	Zenitron Corporation	-	Financial assets at FVTOCI - non-current	7,849,000	381,461	3.31	381,461		
	Taiflex Scientific Co., Ltd.	-	Financial assets at FVTOCI - non-current	6,150,000	654,975	2.33	654,975		
		<u>Preferred shares</u>							
	Fubon Financial Holding Co., Ltd. (A)	-	Financial assets at FVTOCI - non-current	4,684,000	300,244	0.03	300,244		
	<u>Mutual funds</u>								
Millennium	-	Financial assets at FVTPL - non-current	6,746,440	336,082	-	336,082			
E Ink Corporation	<u>Preferred shares</u>								
	Nuclera Limited	-	Financial assets at FVTOCI - non-current	1,107,094	US\$ 11,924 thousand	6.30	US\$ 11,924 thousand		
Transcend Optronics (Yangzhou) Co., Ltd.	<u>Ordinary shares</u>								
	Hanshow Technology Corporation	-	Financial assets at FVTOCI - non-current	2,880,000	RMB 115,200 thousand	0.68	RMB 115,200 thousand		
	Hanshow Technology Corporation	-	Financial assets at FVTPL - non-current	1,265,309	RMB 50,612 thousand	0.30	RMB 50,612 thousand		
Onyx International Inc.	-	Financial assets at FVTPL - non-current	1,470,000	RMB 66,253 thousand	4.90	RMB 66,253 thousand			

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Hydis Technologies Co., Ltd.	<u>Ordinary shares</u>							
	SOLUM CO., LTD.	-	Financial assets at FVTPL - non-current	1,689,457	KRW 27,707,095 thousand	3.53	KRW 27,707,095 thousand	
	SOLUM CO., LTD.	-	Financial assets at FVTOCI - non-current	527,432	KRW 8,649,885 thousand	1.10	KRW 8,649,885 thousand	
	Hana Financial Group Inc.	-	Financial assets at FVTOCI - non-current	683,517	KRW 72,862,912 thousand	0.25	KRW 72,862,912 thousand	
	KT&G Corporation	-	Financial assets at FVTOCI - non-current	355,202	KRW 56,548,158 thousand	0.34	KRW 56,548,158 thousand	
	SAMSUNG CARD CO., LTD.	-	Financial assets at FVTOCI - non-current	549,455	KRW 29,176,061 thousand	0.51	KRW 29,176,061 thousand	
	SK Telecom Co., Ltd.	-	Financial assets at FVTOCI - non-current	753,769	KRW 57,587,952 thousand	0.35	KRW 57,587,952 thousand	
	HD Hyundai Co., Ltd.	-	Financial assets at FVTOCI - non-current	373,912	KRW 89,364,968 thousand	0.53	KRW 89,364,968 thousand	
	Macquarie Korea Infrastructure Fund	-	Financial assets at FVTOCI - non-current	2,614,209	KRW 29,331,425 thousand	0.55	KRW 29,331,425 thousand	
	<u>Mutual funds</u>							
	Term Liquidity Fund	-	Financial assets at FVTPL - non-current	95,558	KRW 19,011,447 thousand	-	KRW 19,011,447 thousand	
	<u>Perpetual bonds</u>							
	JP Morgan Chase & Co.	-	Financial assets at FVTPL - current	29,800,000	KRW 45,094,810 thousand	-	KRW 45,094,810 thousand	
	BNP Paribas	-	Financial assets at FVTPL - non-current	8,600,000	KRW 15,770,096 thousand	-	KRW 15,770,096 thousand	
<u>Straight corporate bonds</u>								
NOMURA Holdings, Inc.	-	Financial assets at FVTOCI - non-current	16,000,000	KRW 22,797,858 thousand	-	KRW 22,797,858 thousand		
Fubon Hyundai Life	-	Financial assets at amortized cost - current	1,500,000	KRW 14,980,500 thousand	-	KRW 14,980,500 thousand		

Note: Refer to Tables 7 and 8 for information on investments in subsidiaries and associates.

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
E Ink Holdings Inc.	E Ink Corporation	Subsidiary	Purchase	\$ 1,723,275	35.7	By agreement	\$ -	-	\$ (1,805,508)	26.9	-
	YuanHan Materials Inc.	Subsidiary	Purchase	515,700	10.7	By agreement	-	-	(263,237)	3.9	-
	Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Purchase	446,076	9.2	By agreement	-	-	(4,517,389)	67.4	-
	NTX Electronics Yangzhou Co., Ltd.	Associate	Sale	(475,077)	(5.5)	By agreement	-	-	652,452	12.6	-
YuanHan Materials Inc.	E Ink Holdings Inc.	Parent company	Sale	(515,700)	(92.2)	By agreement	-	-	263,237	98.5	-
Transcend Optronics (Yangzhou) Co., Ltd.	E Ink Holdings Inc.	Parent company	Sale	(446,076)	(100.0)	By agreement	-	-	4,517,389	74.5	-
E Ink Corporation	E Ink Holdings Inc.	Parent company	Sale	(1,723,275)	(99.5)	By agreement	-	-	1,805,508	99.5	-

Note 1: The calculation is based on each company's receivables from (payables to) related parties.

Note 2: The above intercompany transactions have been eliminated upon consolidation, except for NTX Electronics Yangzhou Co., Ltd.

E INK HOLDINGS INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL

MARCH 31, 2026

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate (Times)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
E Ink Holdings Inc.	YuanHan Materials Inc.	Subsidiary	\$ 1,745,191	(Note 2)	\$ -	-	\$ 1,603	\$ -
	Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	4,691,767	(Note 1)	-	-	1,314,764	-
	NTX Electronics Yangzhou Co., Ltd.	Associate	652,452	(Note 1)	-	-	163,993	-
Transcend Optronics (Yangzhou) Co., Ltd.	E Ink Holdings Inc.	Parent company	4,517,389	(Note 1)	-	-	1,786,091	-
E Ink Corporation	E Ink Holdings Inc.	Parent company	1,805,508	1.38	833,576	Collected	833,580	-
YuanHan Materials Inc.	E Ink Holdings Inc.	Parent company	263,237	2.24	-	-	186,312	-

Note 1: Other receivables from materials delivered to subcontractors.

Note 2: Cash dividend receivables and other receivables from financing provided.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

No	Company Name	Related Party	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	E Ink Holdings Inc.	E Ink Corporation	Subsidiary	Accounts payable to related parties	\$ 1,805,508	By agreements	1.6
		E Ink Corporation	Subsidiary	Cost of goods sold	1,723,275	By agreements	20.0
		YuanHan Materials Inc.	Subsidiary	Cost of goods sold	515,700	By agreements	6.0
		YuanHan Materials Inc.	Subsidiary	Other receivables from related parties	1,745,191	By agreements	1.6
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Accounts receivable from related parties	4,691,767	By agreements	4.3
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Accounts payable to related parties	4,517,389	By agreements	4.1

Note 1: The above intercompany transactions have been eliminated upon consolidation.

Note 2: Transactions amounts of \$500 million or more are disclosed in this table.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		Balance as of March 31, 2026			Net Income (Loss) of Investee	Share of Profit (Loss) of Investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of Ownership (%)	Carrying Amount			
E Ink Holdings Inc.	E Ink Technology B.V.	Eindhoven	Investment	\$ 12,510,056	\$ 12,510,056	437,536,259	100.00	\$ 42,876,696	\$ (7,270)	\$ (7,270)	(Note 1)
	New Field e-Paper Co., Ltd.	Taoyuan, Taiwan	Investment	2,488,349	2,488,349	158,703,191	100.00	2,874,804	58,194	58,194	(Note 1)
	YuanHan Materials Inc.	Taipei, Taiwan	Manufacture and sale of chemical materials and optical films	6,420,230	6,420,230	183,819,268	100.00	12,665,119	190,561	171,244	(Note 1)
	Dream Universe Ltd.	Mauritius	Trading	128,710	128,710	4,050,000	100.00	478,741	7,094	7,094	(Note 1)
	Prime View Communications Ltd.	Hong Kong	Trading	18,988	18,988	3,570,000	100.00	18,975	136,613	136,613	(Note 1)
	Enttek Co., Ltd.	Taichung, Taiwan	Manufacture and sale of consumer audio-visual systems	34,547	34,547	2,203,161	47.07	-	-	-	Under liquidation
	Linfiny Corporation	Taoyuan, Taiwan	Research, development and sale of electronic paper products	4,340	4,340	339,828	23.00	2,454	(1,487)	(342)	(Note 1)
	Plastic Logic HK Limited	Hong Kong	Research, development and manufacture of electronic paper display panels	6,597	6,597	223,655	2.40	-	-	-	-
	E Ink Japan Inc.	Tokyo, Japan	Development of electronic paper products	15,065	15,065	200	100.00	13,332	(430)	(430)	(Note 1)
	Integrated Solutions Technology, Inc.	Taipei, Taiwan	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	148,743	148,743	9,896,402	25.85	617,109	7,662	910	(Note 2)
	NXEPD Corporation	Taoyuan, Taiwan	Development, production and sales of electronic paper displays panels	202,860	-	20,286,000	49.00	201,433	(2,912)	(1,427)	
YuanHan Materials Inc.	Linfiny Corporation	Taoyuan, Taiwan	Research, development and sale of electronic paper products	323,400	323,400	1,137,686	77.00	8,216	(1,487)	(1,145)	(Note 1)
	Yuen Foong Yu Biotech Co., Ltd.	Taipei, Taiwan	Cultivation, processing and sale of agriculture and restaurant management	36,000	36,000	3,600,000	36.00	-	-	-	
	Kyoritsu Optronics Co., Ltd.,	Taipei, Taiwan	Technology development, transfer and licensing of flat panels	18,860	18,860	1,050,000	25.65	-	-	-	
	Integrated Solutions Technology, Inc.	Taipei, Taiwan	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	51,027	51,027	3,395,000	8.87	211,699	7,662	311	(Note 2)
Linfiny Corporation	Linfiny Japan Inc.	Tokyo, Japan	Research, development and sale of electronic paper products	11,088	11,088	4,000	100.00	26,473	246	246	(Note 1)
E Ink Technology B.V.	PVI International Corp.	British Virgin Islands	Trading	US\$ 169,300 thousand	US\$ 169,300 thousand	169,300,000	100.00	US\$ 440,785 thousand	US\$ (113) thousand	US\$ (113) thousand	(Note 1)
	E Ink Netherlands B.V.	Eindhoven	Investment	US\$ 330,123 thousand	US\$ 330,123 thousand	355,123,083	100.00	US\$ 825,300 thousand	US\$ 1,497 thousand	US\$ 1,497 thousand	(Note 1)
	Ruby Lustre Ltd.	British Virgin Islands	Investment	US\$ 30,000 thousand	US\$ 30,000 thousand	30,000,000	100.00	US\$ 36,142 thousand	US\$ (473) thousand	US\$ (473) thousand	(Note 1)
	North Diamond International Co., Ltd.	British Virgin Islands	Investment	US\$ 1,750 thousand	US\$ 1,750 thousand	1,750,000	35.00	-	-	-	
	Rock Pearl International Corp.	British Virgin Islands	Investment	US\$ 1,540 thousand	US\$ 1,540 thousand	1,540,000	35.00	-	-	-	
E Ink Netherlands B.V.	Hydis Technologies Co., Ltd.	South Korea	Patent licensing and investment in financial instruments	US\$ 27,612 thousand	US\$ 27,612 thousand	3,783,265	94.73	US\$ 442,913 thousand	US\$ 4,935 thousand	US\$ 4,675 thousand	(Note 1)
	E Ink Corporation	Boston, USA	Research, development and manufacture of electronic inks	US\$ 329,123 thousand	US\$ 329,123 thousand	2,282	100.00	US\$ 387,358 thousand	US\$ (2,846) thousand	US\$ (2,846) thousand	(Note 1)
Hydis Technologies Co., Ltd.	Plastic Logic HK Limited	Hong Kong	Research, development and manufacture of electronic paper display panels	KRW 2,942,500 thousand	KRW 2,942,500 thousand	2,500,000	26.79	-	-	-	

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: Integrated Solutions Technology, Inc. was reclassified from an investment accounted for using the equity method to a subsidiary as of June 19, 2025. Please refer to Note 13.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

Investee Company	Main Business and Product	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026 (Note 1)	Net Income (Loss) of Investee (Note 2)	Direct or Indirect Percentage of Ownership (%)	Share of Profit (Loss) of Investee (Notes 2 and 3)	Carrying Amount as of March 31, 2026 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outward	Inward						
Transcend Optronics (Yangzhou) Co., Ltd.	Research and development, assembly and sale of display panels	\$ 7,656,404 (US\$ 239,300 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	\$ 3,770,451 (US\$ 117,845 thousand)	\$ -	\$ -	\$ 3,770,451 (US\$ 117,845 thousand)	\$ 5,915 (US\$ 187 thousand)	100.00	\$ (3,479) (US\$ 110 thousand)	\$ 14,096,165 (US\$ 440,574 thousand)	\$ -
Rich Optronics (Yangzhou) Co., Ltd. (Liquidation)	Assembly and sale of display panels	-	The Company indirectly owns the investee through an investment company registered in a third region	959,850 (US\$ 30,000 thousand)	-	-	959,850 (US\$ 30,000 thousand)	-	-	-	-	-
Transyork Technology Yangzhou Ltd.	Assembly and sale of display panels	1,181,607 (US\$ 36,931 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	-	-	-	-	(9,046) (US\$ 286 thousand)	100.00	(9,046) (US\$ 286 thousand)	969,289 (US\$ 30,295 thousand)	-
Yangzhou Huaxia Integrated O/E System Co., Ltd. (Liquidation)	Manufacture and sale of LED products	-	The Company indirectly owns the investee through an investment company registered in a third region	44,473 (US\$ 1,390 thousand)	-	-	44,473 (US\$ 1,390 thousand)	-	-	-	-	-
Dihao Electronics (Yangzhou) Co., Ltd. (Under liquidation)	Assembly of LCD backlight board display modules	159,975 (US\$ 5,000 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	55,991 (US\$ 1,750 thousand)	-	-	55,991 (US\$ 1,750 thousand)	-	35.00	-	-	-
Integrated Solutions Technology (Shenzhen) Co., Ltd.	Technical support and after-sales services.	79,988 (US\$ 2,500 thousand)	The Company engaged in direct investments in Mainland China	79,988 (US\$ 2,500 thousand)	-	-	79,988 (US\$ 2,500 thousand)	(8,892) (RMB 1,910 thousand)	34.72	(3,082) (RMB 662 thousand)	8,226 (RMB 1,777 thousand)	-
NTX Electronics Yangzhou Co., Ltd.	Manufacture and sale of flat panels	185,161 (RMB 40,000 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	-	-	-	-	6,684 (RMB 1,436 thousand)	49.00	3,275 (RMB 704 thousand)	200,145 (RMB 43,237 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 4,910,753 (US\$ 153,485 thousand)	\$ 11,730,487 (US\$ 366,635 thousand)	\$ 46,598,872

Note 1: The amounts are translated at the exchange rate of US\$1=NT\$31.995 and RMB1=NT\$4.62904 on March 31, 2026.

Note 2: The amounts are translated at the average exchange rate of US\$1=NT\$31.631 and RMB1=NT\$4.65527 for the three months ended March 31, 2026.

Note 3: The carrying amount and related investment income or loss were calculated based on unreviewed financial statements of the corresponding period, except Transcend Optronics (Yangzhou) Co., Ltd. and Transyork Technology Yangzhou Ltd.

Note 4: Refer to Tables 4, 5 and 6, for information on the prices, payment terms and unrealized profit or loss of significant transactions with investee companies in mainland China.

Note 5: The above intercompany transactions have been eliminated upon consolidation, except for NTX Electronics Yangzhou Co., Ltd. and Dihao Electronics (Yangzhou) Co., Ltd.