eMemory Technology Inc. and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2026 and 2025 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
eMemory Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of eMemory Technology Inc. and its subsidiaries (collectively referred to as the "Group") as of September 30, 2026 and 2025, and the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2026 and 2025, changes in equity and cash flows for the nine months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies(collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 11 to the consolidated financial statements, the balance of investment accounted for using the equity method of eMemory Technology Inc. and its subsidiaries on September 30, 2026 and 2025 is $4,216 thousand and $6,121 thousand, respectively. Share of loss of associates for the three months and the nine months ended September 30, 2026 and 2025 are $428 thousand, $281 thousand, $1,681 thousand, and $2,714 thousand, respectively. These investment amounts, as well as related information disclosed in Note 32 to the consolidated financial statements, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the investment accounted for using the equity method and related share of loss of associates as described in the preceding paragraph 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 September 30, 2026 and 2025, its consolidated financial performance for the three months ended September 30, 2026 and 2025, and its consolidated financial performance and consolidated cash flows for the nine months ended September 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng Chih Lin and Ya-Yun Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

October 28, 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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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' report and consolidated financial statements shall prevail.

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2026		December 31, 2025		September 30, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash (Notes 6 and 27)	$3,683,351	73	$3,532,058	74	$2,746,424	68
Accounts receivable – net (Notes 9, 21 and 27)	372,238	7	238,942	5	305,142	7
Receivables from related parties (Notes 21,27 and 28)	-	-	5,375	-	-	-
Other receivables (Note 27)	14,439	-	999	-	1,218	-
Current tax assets (Notes 4 and 23)	5,067	-	811	-	4,469	-
Prepayments (Note 15)	17,065	1	16,051	1	21,053	1
Other current assets (Notes 15 and 27)	7,482	-	6,983	-	6,098	-
Total current assets	4,099,642	81	3,801,219	80	3,084,404	76
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 7 and 27)	1,238	-	1,215	-	2,642	-
Financial assets at amortized cost - noncurrent (Notes 8, 27 and 29)	122	-	122	-	120	-
Investment accounted for using the equity method (Note 11)	4,216	-	5,721	-	6,121	-
Property, plant and equipment (Notes 12 and 30)	464,516	9	492,565	10	485,615	12
Right-of-use assets (Note 13)	10,549	-	7,390	-	6,074	-
Intangible assets (Note 14)	99,513	2	83,798	2	101,486	3
Deferred tax assets (Notes 4 and 23)	2,818	-	3,898	-	3,291	-
Prepayments for equipment (Notes 15 and 30)	397,571	8	363,000	8	375,640	9
Refundable deposits	1,924	-	1,642	-	1,618	-
Total non-current assets	982,467	19	959,351	20	982,607	24
TOTAL	$5,082,109	100	$4,760,570	100	$4,067,011	100

	September 30, 2026		December 31, 2025		September 30, 2025	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term loans (Notes 16 and 27)	$ -	-	$ -	-	$ 20,000	-
Contract liabilities - current (Note 21)	128,552	2	74,193	2	74,947	2
Other payables (Notes 17 and 27)	331,407	7	220,494	5	200,659	5
Other payables - related parties (Notes 27 and 28)	244	-	170	-	95	-
Bonuses payable to employees and directors (Note 22)	308,690	6	455,623	10	432,846	11
Payables on equipment (Note 27)	566	-	12,524	-	681	-
Current tax liabilities (Notes 4 and 23)	66,398	1	104,292	2	30,684	1
Lease liabilities - current (Notes 13 and 27)	5,090	-	3,429	-	3,077	-
Other current liabilities (Note 17)	2,413	-	9,197	-	2,042	-
Total current liabilities	843,360	16	879,922	19	765,031	19
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 23)	-	-	1,073	-	1,395	-
Lease liabilities – noncurrent (Notes 13 and 27)	5,951	-	4,097	-	3,192	-
Net defined benefit liabilities – noncurrent (Notes 4 and 18)	3,575	-	4,084	-	6,287	-
Guarantee deposits received	10	-	20	-	20	-
Total non-current liabilities	9,536	-	9,274	-	10,894	-
Total liabilities	852,896	16	889,196	19	775,925	19
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 19 and 20)						
Ordinary shares	746,865	15	746,865	16	746,865	19
Capital surplus	133,703	3	132,279	3	132,013	3
Retained earnings						
Legal reserve	1,137,211	22	945,823	20	945,823	23
Special reserve	9,639	-	5,728	-	5,728	-
Unappropriated earnings	2,109,574	42	2,020,810	42	1,455,762	36
Total retained earnings	3,256,424	64	2,972,361	62	2,407,313	59
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	173	-	(255)	-	(394)	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(9,362)	-	(9,385)	-	(7,958)	-
Total other equity	(9,189)	-	(9,640)	-	(8,352)	-
Total equity attributable to shareholders of the Company	4,127,803	82	3,841,865	81	3,277,839	81
NON-CONTROLLING INTERESTS (Note 19)	101,410	2	29,509	-	13,247	-
Total equity	4,229,213	84	3,871,374	81	3,291,086	81
TOTAL	$5,082,109	100	$4,760,570	100	$4,067,011	100

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

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21,28 and 33)	$1,210,190	100	$ 952,422	100	$ 3,400,810	100	$ 2,800,691	100
OPERATING COSTS	-	-	-	-	-	-	-	-
GROSS PROFIT	1,210,190	100	952,422	100	3,400,810	100	2,800,691	100
OPERATING EXPENSES (Notes 22 and 28)								
Selling and marketing expenses	65,290	5	61,604	6	185,224	5	184,340	6
General and administrative expenses	89,652	8	77,928	8	254,725	8	241,529	9
Research and development expenses	294,353	24	264,393	28	854,007	25	759,080	27
Expected credit (reversal) loss (Note 9)	(3,706)	-	143	-	13,769	-	(850)	-
Total operating expenses	445,589	37	404,068	42	1,307,725	38	1,184,099	42
OPERATING INCOME	764,601	63	548,354	58	2,093,085	62	1,616,592	58
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 22)	13,442	1	11,020	1	42,487	1	43,163	1
Other income (Notes 13 and 22)	185	-	231	-	548	-	838	-
Other gains and losses (Notes 22 and 25)	205	-	22,688	2	30,826	1	(53,416)	(2)
Finance costs (Note 22)	(142)	-	(191)	-	(464)	-	(428)	-
Share of loss of associates (Note 11)	(428)	-	(281)	-	(1,681)	-	(2,714)	-
Total non-operating income and expenses	13,262	1	33,467	3	71,716	2	(12,557)	(1)
PROFIT BEFORE INCOME TAX	777,863	64	581,821	61	2,164,801	64	1,604,035	57
INCOME TAX EXPENSE (Notes 4 and 23)	111,028	9	93,379	10	287,058	9	263,752	9
NET PROFIT	666,835	55	488,442	51	1,877,743	55	1,340,283	48

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EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 19 and 27)	($ 2)	-	($ 45)	-	$ 23	-	($ 1,978)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations (Note 19)	350	-	485	-	568	-	(837)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method (Notes 11 and 19)	-	-	(128)	-	(17)	-	10	-
Other comprehensive income (loss)	348	-	312	-	574	-	(2,805)	-
TOTAL COMPREHENSIVE INCOME	$ 667,183	55	$ 488,754	51	$1,878,317	55	$1,337,478	48
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	$ 639,095	53	$ 487,135	51	$1,815,136	53	$1,348,836	48
Non-controlling interests	27,740	2	1,307	-	62,607	2	(8,553)	-
	$ 666,835	55	$ 488,442	51	$1,877,743	55	$1,340,283	48
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	$ 639,420	53	$ 487,324	51	$1,815,587	53	$1,346,213	48
Non-controlling interests	27,763	2	1,430	-	62,730	2	(8,735)	-
	$ 667,183	55	$ 488,754	51	$1,878,317	55	$1,337,478	48
EARNINGS PER SHARE (Note 24)								
Basic	$ 8.56		$ 6.52		$ 24.30		$ 18.06	
Diluted	$ 8.55		$ 6.51		$ 24.27		$ 18.02	

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

(Concluded)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Company											
								Other Equity				
	Ordinary Shares			Retained Earnings				Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Loss)	Total	Non-Controlling Interests	Total Equity
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE, ON JANUARY 1, 2025	74,664	$ 746,633	$ 122,218	$ 761,844	$ 5,170	$ 1,934,071	$ 2,701,085	$ 251	($ 5,980)	$ 3,564,207	$ 20,472	$ 3,584,679
Appropriation of 2024 earnings												
Legal reserve	-	-	-	183,979	-	(183,979)	-	-	-	-	-	-
Special reserve	-	-	-	-	558	(558)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,642,608)	(1,642,608)	-	-	(1,642,608)	-	(1,642,608)
Changes in percentage of ownership interests in subsidiaries	-	-	2,481	-	-	-	-	-	-	2,481	(2,481)	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	144	-	-	-	-	-	-	144	-	144
Net profit (loss) for the nine months ended September 30, 2025	-	-	-	-	-	1,348,836	1,348,836	-	-	1,348,836	(8,553)	1,340,283
Other comprehensive loss for the nine months ended September 30,2025	-	-	-	-	-	-	-	(645)	(1,978)	(2,623)	(182)	(2,805)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	1,348,836	1,348,836	(645)	(1,978)	1,346,213	(8,735)	1,337,478
Issuance of ordinary shares under employee share options	23	232	7,170	-	-	-	-	-	-	7,402	2,745	10,147
Share-based payments	-	-	-	-	-	-	-	-	-	-	1,246	1,246
BALANCE, ON SEPTEMBER 30, 2025	74,687	$ 746,865	$ 132,013	$ 945,823	$ 5,728	$ 1,455,762	$ 2,407,313	($ 394)	($ 7,958)	$ 3,277,839	$ 13,247	$ 3,291,086
BALANCE, ON JANUARY 1, 2026	74,687	$ 746,865	$ 132,279	$ 945,823	$ 5,728	$ 2,020,810	$ 2,972,361	($ 255)	($ 9,385)	$ 3,841,865	$ 29,509	$ 3,871,374
Appropriation of 2025 earnings												
Legal reserve	-	-	-	191,388	-	(191,388)	-	-	-	-	-	-
Special reserve	-	-	-	-	3,911	(3,911)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,531,073)	(1,531,073)	-	-	(1,531,073)	-	(1,531,073)
Changes in percentage of ownership interests in subsidiaries	-	-	1,231	-	-	-	-	-	-	1,231	(1,231)	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	193	-	-	-	-	-	-	193	-	193
Net profit for the nine months ended September 30, 2026	-	-	-	-	-	1,815,136	1,815,136	-	-	1,815,136	62,607	1,877,743
Other comprehensive income for the nine months ended September 30, 2026	-	-	-	-	-	-	-	428	23	451	123	574
Total comprehensive income for the nine months ended September 30, 2026	-	-	-	-	-	1,815,136	1,815,136	428	23	1,815,587	62,730	1,878,317
Issuance of ordinary shares under employee share options	-	-	-	-	-	-	-	-	-	-	9,707	9,707
Share-based payments	-	-	-	-	-	-	-	-	-	-	695	695
BALANCE, ON SEPTEMBER 30, 2026	74,687	$ 746,865	$ 133,703	$ 1,137,211	$ 9,639	$ 2,109,574	$ 3,256,424	$ 173	($ 9,362)	$ 4,127,803	$ 101,410	$ 4,229,213

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

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

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

	Nine Months Ended September 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 2,164,801	$ 1,604,035
Adjustments for:		
Depreciation expenses	45,590	41,702
Amortization expenses	93,355	89,375
Expected credit loss (reversal)	13,769	(850)
Finance costs	464	428
Interest income	(42,487)	(43,163)
Share-based payments	695	1,246
Share of loss of associates	1,681	2,714
Loss on disposal of intangible assets	166	-
Net (gain) loss on foreign currency exchange	(1,775)	21,279
Gain on lease modification	(39)	(26)
Changes in operating assets and liabilities		
Accounts receivable	(147,198)	3,596
Accounts receivable - related parties	5,337	-
Other receivables	(13,848)	(699)
Prepayments	(1,014)	(1,969)
Other current assets	(499)	173
Contract liabilities	54,359	1,524
Other payables	110,961	(17,233)
Other payables- related parties	(10)	40
Other current liabilities	(6,784)	3
Net defined benefit liabilities	(509)	(530)
Bonuses payable to employees and directors	(146,933)	3,562
Cash generated from operations	2,130,082	1,705,207
Interest received	42,895	44,160
Income tax paid	(329,201)	(360,378)
Net cash generated from operating activities	1,843,776	1,388,989

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

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

	Nine Months Ended September 30	
	2026	**2025**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	($ 25,426)	($ 45,526)
Increase in refundable deposits	(282)	-
Decrease in refundable deposits	-	62
Acquisition of intangible assets	(109,236)	(107,972)
Increase in prepayments for equipment	(34,571)	(150,926)
Net cash used in investing activities	(169,515)	(304,362)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	20,000
Increase in deposits received	-	10
Decrease in deposits received	(10)	-
Repayment of the principal portion of lease liabilities	(3,645)	(4,052)
Dividends paid	(1,531,069)	(1,642,597)
Exercise of employee share options	9,707	10,147
Interest paid	(464)	(415)
Net cash used in financing activities	(1,525,481)	(1,616,907)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	2,513	(29,045)
NET INCREASE (DECREASE) IN CASH	151,293	(561,325)
CASH AT THE BEGINNING OF THE PERIOD	3,532,058	3,307,749
CASH AT THE END OF THE PERIOD	$ 3,683,351	$ 2,746,424

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

(Concluded)

1. GENERAL INFORMATION

eMemory Technology Inc. (the "Company") was incorporated in Hsinchu City, Republic of China, and commenced business in September 2000. The Company's main business activities include researching, developing, manufacturing and selling embedded flash memory products, etc.

The Company's shares have been listed on the Taipei Exchange (TPEx) since January 2011.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on October 28, 2026.

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

a. Initial application of 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)

Except as otherwise specified below, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company and its controlled entities (collectively, the "Group") accounting policies.

1) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

a) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

ii. To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

b) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including amendments for 2025)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

1) IFRS 18 "Presentation and Disclosure in Financial Statements" and Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"

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.

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned "similar entity" includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

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.

The Group does not expect to early apply IFRS 18 and the related consequential amendments.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the other amended standards are not expected to have a material impact on the Group's financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impact 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 SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The 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. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit 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).

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the shareholders 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 amount of the interests of the Group 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 shareholders of the Company.

See Note 10, Table 4 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the summary of significant accounting policies in 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. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty followed in these consolidated financial statements refer to the consolidated financial statements for the year ended December 31, 2025.

6. CASH

	September 30, 2026	December 31, 2025	September 30, 2025
Bank deposits	$ 3,683,319	$ 3,532,021	$ 2,746,387
Cash on hand	32	37	37
	$ 3,683,351	$ 3,532,058	$ 2,746,424

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2026	December 31, 2025	September 30, 2025
Non-current			
Investments in equity instruments at FVTOCI	$ 1,238	$ 1,215	$ 2,642
Domestic investments			
Unlisted shares			
Ordinary shares - Syntronix AI Corporation(Note)	$ 1,238	$ 1,215	$ 2,642

Note: Syntronix Corporation was renamed Syntronix AI Corporation in August 2026.

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. 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.

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2026	December 31, 2025	September 30, 2025
Non-current			
Domestic investments			
Pledged time deposits	$ 122	$ 122	$ 120

a. Refer to Note 27 for information relating to the credit risk management and impairment of financial assets at amortized cost.

b. Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

9. ACCOUNTS RECEIVABLE

	September 30, 2026	December 31, 2025	September 30, 2025
Accounts receivable	$ 387,641	$ 242,142	$ 307,451
Less: Allowance for impairment loss	(15,403)	(3,200)	(2,309)
	$ 372,238	$ 238,942	$ 305,142

The average credit term was 30 to 60 days; and no interest was charged on accounts receivable. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Credit exposure is controlled by counterparty limits that are reviewed and approved.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position and economic condition of the industry in which the customer operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The Group measures the loss allowance for accounts receivable, and the information is as follows:

September 30, 2026

	Not Past Due	1 to 30 Days	31 to 90 Days	91 to 180 Days	Over 181 Days	Total
Expected credit loss rate	-	4.49%	11.60%~15.09%	15.34%~17.00%	100%	
Gross carrying amount	$ 328,520	$ 36,035	$ 4,486	$ 6,370	$ 12,230	$ 387,641
Loss allowance (lifetime ECLs)	-	(1,169)	(674)	(1,330)	(12,230)	(15,403)
Amortized cost	$ 328,520	$ 34,866	$ 3,812	$ 5,040	$ -	$ 372,238

December 31, 2025

	Not Past Due	1 to 30 Days	31 to 90 Days	91 to 180 Days	Over 181 Days	Total
Expected credit loss rate	-	5.44%	1.95%~13.75%	4.35%~17.98%	100%	
Gross carrying amount	$ 179,866	$ 20,882	$ 29,136	$ 10,686	$ 1,572	$ 242,142
Loss allowance (lifetime ECLs)	-	-	(1,119)	(509)	(1,572)	(3,200)
Amortized cost	$ 179,866	$ 20,882	$ 28,017	$ 10,177	$ -	$ 238,942

September 30, 2025

	Not Past Due	1 to 30 Days	31 to 90 Days	91 to 180 Days	Over 181 Days	Total
Expected credit loss rate	-	0.84%~5.47%	1.95%~4.94%	4.35%~4.76%	100%	
Gross carrying amount	$ 273,281	$ 20,816	$ 11,489	$ 343	$ 1,522	$ 307,451
Loss allowance (lifetime ECLs)	-	(408)	(360)	(19)	(1,522)	(2,309)
Amortized cost	$ 273,281	$ 20,408	$ 11,129	$ 324	$ -	$ 305,142

The movements of the loss allowance of accounts receivable were as follows:

	For the Nine Months Ended September30	
	2026	2025
Balance on January 1	$ 3,200	$ 3,159
Add: Impairment loss recognized	13,769	-
Less: Actual written off	(1,566)	-
Less: Reversal of impairment loss	-	(850)
Balance on September 30	$ 15,403	$ 2,309

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			September 30, 2026	December 31, 2025	September 30, 2025	
eMemory Technology Inc.	PUFsecurity Corporation	Product designing, software services, data processing services, intellectual property, etc.	72.17%	74.57%	74.72%	1
	eMemory Japan Corporation	Product designing, intellectual property management, technology services	100%	100%	100%	2
PUFsecurity Corporation	PUFsecurity USA Corporation	Sales promotion	100%	100%	100%	-
	PUFsecurity Technology (Shanghai) Corporation	Product designing and related services	100%	100%	100%	-

Remarks:

1) The employees of the Group exercised the employee share options issued by PUFsecurity Corporation in 2025. Therefore, the Company's shareholding percentage decreased from 75.25% to 74.72%.

   The employees of the Group exercised the employee share options issued by PUFsecurity Corporation for the nine months ended September 30, 2026. Therefore, the Company's shareholding percentage decreased from 74.57% to 72.17%.

2) The Company invested JPY 25,000 thousand in eMemory Japan Corporation in May 2025.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates

	September 30, 2026	December 31, 2025	September 30, 2025
Associates that are not individually material			
iMQ Technology Inc.	$ 4,216	$ 5,721	$ 6,121

On June 2, 2026, the shareholders' meeting of iMQ Technology Inc. ("iMQ") resolved to reduce its capital by NT$466,333 thousand, through the cancellation of 46,633 thousand shares, representing a capital reduction ratio of approximately 50%, in order to offset its accumulated deficit. After the capital reduction, iMQ's paid-in capital was NT$466,333 thousand, divided into 46,633 thousand shares. The shareholders' meeting also authorized the chairman of the board to determine the record date of the capital reduction, and on June 3, 2026, the chairman resolved that June 15, 2026 would be the record date.

Although the shareholding ratio is less than 20%, the Company is able to exercise significant influence over iMQ Technology Inc. since the chairman of the Company is the same person as the chairman of iMQ Technology Inc.

For information about the nature of business, main operating location and country of incorporation of the associate, refer to Table 4.

The investments in the associates accounted for using the equity method, and the share of profit or loss and other comprehensive income (loss) of those investments have not been reviewed by CPA.

12. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2026	December 31, 2025	September 30, 2025
Assets used by the Group	$ 464,213	$ 491,952	$ 484,999
Assets leased under operating leases	303	613	616
	$ 464,516	$ 492,565	$ 485,615

a. Assets used by the Group

	Freehold Land	Buildings	Research and Development Equipment	Office Equipment	Total
Cost					
Balance on January 1, 2026	$ 123,791	$ 379,935	$ 167,723	$ 29,450	$ 700,899
Additions	-	526	11,508	1,469	13,503
Disposals	-	(2,771)	(24,280)	(5,949)	(33,000)
Reclassification	114	265	-	-	379
Effect of exchange rate changes	-	-	-	4	4
Balance on September 30, 2026	$ 123,905	$ 377,955	$ 154,951	$ 24,974	$ 681,785
Accumulated depreciation					
Balance on January 1, 2026	$ -	$ 120,984	$ 69,056	$ 18,907	$ 208,947
Depreciation expense	-	8,057	28,922	4,570	41,549
Disposals	-	(2,771)	(24,280)	(5,949)	(33,000)
Reclassification	-	74	-	-	74
Effect of exchange rate changes	-	-	-	2	2
Balance on September 30, 2026	$ -	$ 126,344	$ 73,698	$ 17,530	$ 217,572
Carrying amount on September 30, 2026	$ 123,905	$ 251,611	$ 81,253	$ 7,444	$ 464,213
Carrying amount on December 31, 2025 and January 1,2026	$ 123,791	$ 258,951	$ 98,667	$ 10,543	$ 491,952

(Continued)

	Freehold Land	Buildings	Research and Development Equipment	Office Equipment	Total
Cost					
Balance on January 1, 2025	$ 123,905	$ 378,152	$ 119,506	$ 29,834	$ 651,397
Additions	-	3,582	36,732	443	40,757
Disposals	-	(1,325)	(5,887)	(1,457)	(8,669)
Reclassification	(114)	(265)	-	-	(379)
Effect of exchange rate changes	-	-	-	(7)	(7)
Balance on September 30, 2025	$ 123,791	$ 380,144	$ 150,351	$ 28,813	$ 683,099
Accumulated depreciation					
Balance on January 1, 2025	$ -	$ 111,515	$ 44,040	$ 13,585	$ 169,140
Depreciation expense	-	8,309	24,230	5,161	37,700
Disposals	-	(1,325)	(5,887)	(1,457)	(8,669)
Reclassification	-	(68)	-	-	(68)
Effect of exchange rate changes	-	-	-	(3)	(3)
Balance on September 30, 2025	$ -	$ 118,431	$ 62,383	$ 17,286	$ 198,100
Carrying amount on September 30, 2025	$ 123,791	$ 261,713	$ 87,968	$ 11,527	$ 484,999

(Concluded)

b. Assets leased under operating leases

	Freehold Land	Buildings	Total
Cost			
Balance on January 1, 2026	$ 228	$ 530	$ 758
Reclassification	(114)	(265)	(379)
Balance on September 30, 2026	$ 114	$ 265	$ 379
Accumulated depreciation			
Balance on January 1, 2026	$ -	$ 145	$ 145
Depreciation expense	-	5	5
Reclassification	-	(74)	(74)
Balance on September 30, 2026	$ -	$ 76	$ 76
Carrying amount on September 30, 2026	$ 114	$ 189	$ 303
Carrying amount on December 31, 2025 and January 1, 2026	$ 228	$ 385	$ 613
Cost			
Balance on January 1 , 2025	**$ 114**	$ 265	$ 379
Reclassification	114	265	379
Balance on September 30, 2025	$ 228	$ 530	$ 758
Accumulated depreciation			
Balance on January 1, 2025	$ -	$ 67	$ 67
Depreciation expense	-	7	7
Reclassification	-	68	68
Balance on September 30, 2025	$ -	$ 142	$ 142
Carrying amount on September 30, 2025	$ 228	$ 388	$ 616

Operating leases are related to leases of buildings with lease terms of 1 year. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	September 30, 2026	December 31, 2025	September 30, 2025
Year 1	$ 15	$ 120	$ 120
Year 2	10	40	70
	$ 25	$ 160	$ 190

There was no indication of impairment for the nine months ended September 30, 2026 and 2025.

The Group's property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	
Office main buildings	35-50 years
Electrical power equipment	5-10 years
Air-conditioning equipment	5-8 years
Extinguishment equipment	5 years
Research and development equipment	2-8 years
Office equipment	3-5 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2026	December 31, 2025	September 30, 2025
Carrying amount			
Buildings	$ 8,881	$ 4,473	$ 2,903
Transportation equipment	1,627	2,753	3,129
Office equipment	41	164	42
	$ 10,549	$ 7,390	$ 6,074

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Additions to right-of-use assets			$ 7,116	$ 644
Depreciation charge for right-of-use assets				
Buildings	$ 954	$ 848	$ 2,788	$ 2,757
Transportation equipment	375	376	1,125	1,113
Office equipment	41	42	123	125
	$ 1,370	$ 1,266	$ 4,036	$ 3,995
Income from the subleasing of right-of-use assets (presented in other income)	($ 170)	($ 201)	($ 493)	($ 758)

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September30, 2026 and 2025.

b. Lease liabilities

	September 30, 2026	December 31, 2025	September 30, 2025
Carrying amount			
Current	$ 5,090	$ 3,429	$ 3,077
Non-current	$ 5,951	$ 4,097	$ 3,192

Discount rates for lease liabilities were as follows:

	September 30, 2026	December 31, 2025	September 30, 2025
Buildings	2.20%~8.16%	1.38%~7.80%	1.38%~7.80%
Transportation equipment	4.15%	4.15%	4.15%
Office equipment	3.00%	3.00%	3.00%

c. Other lease information

Refer to Note 12 for operating leases related to lease arrangements of property, plant and equipment.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 968	$ 960	$ 2,949	$ 2,838
Total cash outflow for leases			($ 7,054)	($ 7,194)

The Group's leases of certain parking space and machine rooms qualify as short-term 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.

14. INTANGIBLE ASSETS

	Patents	Software	Trademarks	Total
Cost				
Balance on January 1, 2026	$ 203,693	$ 126,491	$ 3,000	$ 333,184
Additions	8,643	100,593	-	109,236
Disposals	(3,446)	(99,109)	(10)	(102,565)
Balance on September 30, 2026	$ 208,890	$ 127,975	$ 2,990	$ 339,855
Accumulated amortization				
Balance on January 1, 2026	$ 153,113	$ 93,273	$ 3,000	$ 249,386
Amortization expense	9,317	84,038	-	93,355
Disposals	(3,280)	(99,109)	(10)	(102,399)
Balance on September 30, 2026	$ 159,150	$ 78,202	$ 2,990	$ 240,342
Carrying amount on September 30, 2026	$ 49,740	$ 49,773	$ -	$ 99,513
Carrying amount on December 31, 2025 and January 1, 2026	$ 50,580	$ 33,218	$ -	$ 83,798

(Continued)

	Patents	Software	Trademarks	Total
Cost				
Balance on January 1, 2025	$ 190,815	$ 103,204	$ 3,000	$ 297,019
Additions	9,418	96,604	-	106,022
Disposals	-	(76,434)	-	(76,434)
Balance on September 30, 2025	$ 200,233	$ 123,374	$ 3,000	$ 326,607
Accumulated amortization				
Balance on January 1, 2025	$ 138,956	$ 70,236	$ 2,988	$ 212,180
Amortization expense	10,813	78,552	10	89,375
Disposals	-	(76,434)	-	(76,434)
Balance on September 30, 2025	$ 149,769	$ 72,354	$ 2,998	$ 225,121
Carrying amount on September 30, 2025	$ 50,464	$ 51,020	$ 2	$ 101,486

(Concluded)

The Group's major products are NeoBit®, NeoFuse®, NeoPUF®, NeoEE® and NeoMTP®, etc. There are 1,477 patents currently owned or pending approval for the products mentioned above. According to the requirements of IAS 38, the research and development costs were recognized as research and development expenses, instead of capitalized, in the periods when incurred. The costs of the patents and the trademarks mentioned above were the costs of the relevant fees and professional service expenses for legal right applications.

The above intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives as follows:

Patents	5 years
Software	1-3 years
Trademarks	5 years

15. OTHER ASSETS

	September 30, 2026	December 31, 2025	September 30, 2025
Current			
Prepayments			
Prepayments for annual fee on the patents	$ 7,935	$ 6,915	$ 7,104
Prepayments for membership	752	1,072	598
Prepayments for software maintenance	587	975	967
Prepayments for software	147	76	2,702
Others	7,644	7,013	9,682
	$ 17,065	$ 16,051	$ 21,053
Other assets			
Temporary payments	$ 7,482	$ 6,983	$ 6,098
Non-current			
Prepayments for equipment			
Prepayments for building purchase	$ 397,571	$ 363,000	$ 363,000
Prepayments for equipment	-	-	12,640
	$ 397,571	$ 363,000	$ 375,640

16. SHORT-TERM LOANS

	September 30, 2026	December 31, 2025	September 30, 2025
Unsecured loans			
Bank loans	$ -	$ -	$ 20,000

The interest rate on bank recurring loans was 2.36% on September 30, 2025.

17. OTHER LIABILITIES

	September 30, 2026	December 31, 2025	September 30, 2025
Current			
Other payables			
Bonuses	$ 259,451	$ 156,379	$ 124,641
Payable for annual leave	6,259	9,191	6,880
Payable for professional service fees	1,446	1,834	1,501
Others	64,251	53,090	67,637
	$ 331,407	$ 220,494	$ 200,659
Other liabilities			
Receipt under custody	$ 2,128	$ 2,030	$ 2,036
Advance receipt of government subsidy funds	206	7,158	-
Temporary receipts	79	9	6
	$ 2,413	$ 9,197	$ 2,042

18. RETIREMENT BENEFIT PLANS

Employee benefit expenses for the three months and nine months ended September 30, 2026 and 2025 in respect of the Group's defined benefit retirement plans, which were calculated using the projected pension cost rates on December 31, 2025 and 2024 actuarial reports were $13 thousand, $24 thousand, $38 thousand, and $72 thousand, respectively.

19. EQUITY

a. Ordinary shares

	September 30, 2026	December 31, 2025	September 30, 2025
Number of shares authorized (in thousands)	100,000	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	74,687	74,687	74,687
Shares issued	$ 746,865	$ 746,865	$ 746,865

For the nine months ended September 30, 2026, the shares changed due to the employees' exercise of their employee share options.

b. Capital surplus

	September 30, 2026	December 31, 2025	September 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Arising from issuance of ordinary shares	$ 21,295	$ 21,295	$ 21,295
Arising from issuance of ordinary shares exercised/invalid employee share options	21,298	21,298	21,298
May be used to offset a deficit only			
Arising from changes in percentage of ownership interests in subsidiaries (2)	27,526	26,295	26,033
Arising from share of changes in capital surplus of associates (2)	63,584	63,391	63,387
	$ 133,703	$ 132,279	$ 132,013

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 interests in subsidiaries and associates resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries and associates accounted for using the equity method.

c. Retained earnings and dividend policy

The Company's Articles of Incorporation state that, when the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting accumulated losses, and setting aside as legal reserve 10% of the remaining profit. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock. The remaining profit, after setting aside or reversing a special reserve in accordance with the laws and regulations, along with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to "Employees' compensation and remuneration of directors" in Note 22 (g).

The Company shall distribute dividend with considerations of the market situation and development stage, as well as future capital needs, long-term corporate development and the shareholders' cash flow needs. Based on the Company's dividend policy, in principle, the total dividends distributed shall not be less than 50% of distributable earnings, of which at least 10% will be paid as cash dividend and the remainder will be in the form of stock dividend. The board of directors shall map out the distribution proposal in consideration of future operation and capital expenditure, and present the proposal at the shareholders' meeting for approval.

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

The appropriations of earnings for 2025 and 2024 which had been approved in the shareholders' meeting on June 9, 2026 and June 11, 2025, respectively, were as follows:

	Appropriation of Earnings	
	For the Years Ended December 31	
	2025	2024
Legal reserve	$ 191,388	$ 183,979
Special reserve	$ 3,911	$ 558
Cash dividends	$1,531,073	$1,642,608
Cash dividends per share (NT$)	$ 20.50	$ 22.00

d. Other equity items

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

	For the Nine Months Ended September 30	
	2026	2025
Balance on January 1	($ 255)	$ 251
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	445	(655)
Share from associates accounted for using the equity method	(17)	10
Other comprehensive income (loss) recognized for the period	428	(645)
Balance on September 30	$ 173	($ 394)

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

	For the Nine Months Ended September 30	
	2026	2025
Balance on January 1	($ 9,385)	($ 5,980)
Recognized for the period		
Unrealized gain (loss) - equity instruments	23	(1,978)
Other comprehensive income (loss) recognized for the period	23	(1,978)
Balance on September 30	($ 9,362)	($ 7,958)

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2026	2025
Balance on January 1	$ 29,509	$ 20,472
Change in percentage of ownership interests in subsidiaries	(1,231)	(2,481)
Share in income (loss) for the period	62,607	(8,553)
Other comprehensive income (loss) during the period		
Exchange differences on the translation of the financial statements of foreign operations	123	(182)
Share-based payments	695	1,246
Exercise of employee share options by subsidiaries	9,707	2,745
Balance on September 30	$ 101,410	$ 13,247

20. SHARE-BASED PAYMENTS

Employee share option plan of the Company

Qualified employees of the Company were granted 500 options in February 2016. Each option entitles the holder to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the TPEx on the grant date. For any subsequent changes in the Company's ordinary shares or for any cash dividends issued in excess of the ratio required in the issuance rule, the exercise price is adjusted accordingly.

The Company did not issue employee share options for the nine months ended September 30, 2026 and 2025.

The information of employee share options was as follows:

	For the Nine Months Ended September 30			
	2026		2025	
	Number of Options	Weighted-average Exercise Price (NT$)	Number of Options	Weighted-average Exercise Price (NT$)
Balance on January 1	-	$ -	23	$ 318.4
Options exercised	-	-	(23)	318.4
Balance on September 30	-	-	-	-
Options exercisable, end of period	-	-	-	-

Compensation cost recognized were all NT$0 thousand for the three months and the nine months ended September 30, 2026 and 2025.

Qualified employees of PUFsecurity Corporation were granted 4,089 options in September 2021. Each option entitles the holder to subscribe for one thousand ordinary shares of PUFsecurity Corporation. The options granted are valid for 5 years and exercisable at certain percentages two years after the grant date. The options were granted at an exercise price of NT$2. For any subsequent changes in PUFsecurity Corporation's ordinary shares, the exercise price is adjusted accordingly.

The information of employee share options was as follows:

	For the Nine Months Ended September 30			
	2026		2025	
	Number of Options	Weighted-average Exercise Price (NT$)	Number of Options	Weighted-average Exercise Price (NT$)
Balance on January 1	2,718	$ 2	3,277	$ 2
Options exercised	(2,683)	2	(274)	2
Options forfeited	(35)	2	(134)	2
Balance on September 30	-	-	2,869	2
Options exercisable, end of period	-	-	2,869	2

Compensation cost recognized were NT$0 thousand, NT$3 thousand, NT$0 thousand and NT$8 thousand

for the three months and the nine months ended September 30, 2026 and 2025, respectively.

Qualified employees of PUFsecurity Corporation were granted 2,090 options in June 2022. Each option entitles the holder to subscribe for one thousand ordinary shares of PUFsecurity Corporation. The options granted are valid for 5 years and exercisable at certain percentages two years after the grant date. The options were granted at an exercise price of NT$4. For any subsequent changes in PUFsecurity Corporation's ordinary shares, the exercise price is adjusted accordingly.

The information of employee share options was as follows:

	For the Nine Months Ended September 30			
	2026		2025	
	Number of Options	Weighted-average Exercise Price (NT$)	Number of Options	Weighted-average Exercise Price (NT$)
Balance on January 1	1,381	$ 4	1,828	$ 4
Options exercised	(494)	4	(258)	4
Options forfeited	(24)	4	(161)	4
Balance on September 30	863	4	1,409	4
Options exercisable, end of period	863	4	813	4

Compensation cost (reversed) recognized were NT$(19) thousand, NT$(82) thousand, NT$68 thousand, and NT$134 thousand for the three months and the nine months ended September 30, 2026 and 2025, respectively.

Qualified employees of PUFsecurity Corporation were granted 420 options in September 2022. Each option entitles the holder to subscribe for one thousand ordinary shares of PUFsecurity Corporation. The options granted are valid for 5 years and exercisable at certain percentages two years after the grant date. The options were granted at an exercise price of NT$4. For any subsequent changes in PUFsecurity Corporation's ordinary shares, the exercise price is adjusted accordingly.

The information of employee share options was as follows:

	For the Nine Months Ended September 30			
	2026		2025	
	Number of Options	Weighted-average Exercise Price (NT$)	Number of Options	Weighted-average Exercise Price (NT$)
Balance on January 1	168	$ 4	279	$ 4
Options exercised	(97)	4	(23)	4
Options forfeited	(8)	4	(72)	4
Balance on September 30	63	4	184	4
Options exercisable, end of period	63	4	108	4

Compensation cost recognized (reversed) were NT$6 thousand, NT$(31) thousand, NT$9 thousand, and NT$(22) thousand for the three months and the nine months ended September 30, 2026 and 2025, respectively.

Qualified employees of PUFsecurity Corporation were granted 2,968 options in August 2023. Each option entitles the holder to subscribe for one thousand ordinary shares of PUFsecurity Corporation. The options granted are valid for 5 years and exercisable at certain percentages two years after the grant date. The options were granted at an exercise price of NT$5. For any subsequent changes in PUFsecurity Corporation's ordinary shares, the exercise price is adjusted accordingly.

The information of employee share options was as follows:

	For the Nine Months Ended September 30			
	2026		2025	
	Number of Options	Weighted-average Exercise Price (NT$)	Number of Options	Weighted-average Exercise Price (NT$)
Balance on January 1	2,196	$ 5	2,715	$ 5
Options exercised	(395)	5	(215)	5
Options forfeited	(182)	5	(243)	5
Balance on September 30	1,619	5	2,257	5
Options exercisable, end of period	793	5	549	5

Compensation cost (reversed) recognized were NT$(6) thousand, NT$117 thousand, NT$325 thousand, and NT$891 thousand for the three months and the nine months ended September 30, 2026 and 2025, respectively.

Qualified employees of PUFsecurity Corporation were granted 1,163 options in October 2024. Each option entitles the holder to subscribe for one thousand ordinary shares of PUFsecurity Corporation. The options granted are valid for 5 years and exercisable at certain percentages two years after the grant date. The options were granted at an exercise price of NT$5. For any subsequent changes in PUFsecurity Corporation's ordinary shares, the exercise price is adjusted accordingly.

The information of employee share options was as follows:

	For the Nine Months Ended September 30			
	2026		2025	
	Number of Options	Weighted-average Exercise Price (NT$)	Number of Options	Weighted-average Exercise Price (NT$)
Balance on January 1	1,028	$ 5	1,153	$ 5
Options forfeited	(45)	5	(90)	5
Balance on September 30	983	5	1,063	5
Options exercisable, end of period	-	-	-	-

Compensation cost recognized were NT$62 thousand, NT$72 thousand, NT$210 thousand, and NT$235 thousand for the three months and the nine months ended September 30, 2026 and 2025, respectively.

Qualified employees of PUFsecurity Corporation were granted 390 options in April 2026. Each option entitles the holder to subscribe for one thousand ordinary shares of PUFsecurity Corporation. The options granted are valid for 5 years and exercisable at certain percentages two years after the grant date. The options were granted at an exercise price of NT$4. For any subsequent changes in PUFsecurity Corporation's

ordinary shares, the exercise price is adjusted accordingly.

The information of employee share options was as follows:

	For the Nine Months Ended September 30, 2026	
	Number of Options	Weighted-average Exercise Price (NT$)
Balance on January 1	-	-
Options granted	390	4
Balance on September 30	390	4
Options exercisable, end of period	-	-
Weighted-average fair value of options granted (NT$)	$ 1.26	-

Information on outstanding options is as follows:

	September 30, 2026
Range of exercise price (NT$)	$ 4
Weighted-average remaining contractual life (in years)	4.5

Options granted in April 2026 were priced using Black-Scholes pricing model and the inputs of the model were as follows:

Grant-date share price (NT$)	$ 3.39
Exercise price (NT$)	$ 4
Expected volatility	50.48%-54.34%
Expected life (in years)	3.5-4.5 years
Expected dividend yield	-
Risk-free interest rate	1.33%-1.41%

Compensation cost recognized were NT$41 thousand and NT$83 thousand for the three months and the nine months ended September 30, 2026, respectively.

21. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Customer contract revenue				
Royalty revenue	$ 769,530	$ 605,411	$ 2,149,475	$ 1,895,487
Technical service revenue	440,660	347,011	1,251,335	905,204
	$ 1,210,190	$ 952,422	$ 3,400,810	$ 2,800,691

a. Contract balances

	September 30, 2026	December 31, 2025	September 30, 2025	January 1, 2025
Accounts receivable (Note 9)	$ 372,238	$ 238,942	$ 305,142	$ 300,961
Accounts receivable – related parties (Note 28)	$ -	$ 5,375	$ -	$ -
Contract liabilities				
Technical service revenue	$ 128,552	$ 74,193	$ 74,947	$ 73,423

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

Revenue of the reporting period recognized from the beginning contract liabilities in the previous periods are as follows:

	For the Nine Months Ended September 30	
	2026	2025
From contract liabilities at the beginning of the year		
Technical service revenue	$ 42,528	$ 54,292

b. Disaggregation of revenue from contracts with customers

	For the Nine Months Ended September 30	
By region	**2026**	**2025**
Domestic	$ 1,742,692	$ 1,593,056
Asia	1,232,738	984,965
Others	425,380	222,670
	$ 3,400,810	$ 2,800,691

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Bank deposits	$ 13,440	$ 11,020	$ 42,478	$ 43,154
Others	2	-	9	9
	$ 13,442	$ 11,020	$ 42,487	$ 43,163

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Rental income	$ 185	$ 231	$ 548	$ 838

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Government grant income (Note 25)	$ 5,940	$ -	$ 20,722	$ -
Net foreign exchange (loss) gain	(6,018)	21,484	7,587	(56,299)
Others	283	1,204	2,517	2,883
	$ 205	$ 22,688	$ 30,826	($ 53,416)

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Interest on lease liabilities	$ 142	$ 72	$ 460	$ 304
Interest on bank loans	-	119	4	124
	$ 142	$ 191	$ 464	$ 428

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
An analysis of depreciation by function				
Operating expenses	$ 15,009	$ 14,830	$ 45,590	$ 41,702
An analysis of amortization by function				
General and administrative expenses	$ 2,720	$ 1,706	$ 6,892	$ 5,076
Research and development expenses	28,648	28,672	86,463	84,299
	$ 31,368	$ 30,378	$ 93,355	$ 89,375

For the information on the amortization of intangible assets allocated to each single item, please refer to Note 14.

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Post-employment benefits				
Defined contribution plans	$ 6,395	$ 6,424	$ 18,874	$ 19,518
Defined benefit plans (Note 18)	13	24	38	72
	6,408	6,448	18,912	19,590
Share-based payments (Note 20)				
Equity-settled	84	79	695	1,246
Other employee benefits	353,758	321,037	1,024,521	934,120
Total employee benefits expense	$ 360,250	$ 327,564	$ 1,044,128	$ 954,956
An analysis of employee benefits expense by function				
Operating expenses	$ 360,250	$ 327,564	$ 1,044,128	$ 954,956

g. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at rates of 1-25% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors after offsetting accumulated deficits. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company adopted an amendment to the Articles of Incorporation at the 2025 shareholders' meeting, stipulating that no less than 10% of the total employees' remuneration for the year be distributed as remuneration to non-managerial employees. The employees' compensation and the remuneration of directors for the three months and the nine months ended September 30, 2026 and 2025 respectively, are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2026	2025
Employees' compensation	7.5%	15%
Remuneration of directors	1.5%	1.5%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Employees' compensation	$ 67,351	$ 104,247	$ 188,752	$ 289,458
Remuneration of directors	$ 13,470	$ 10,425	$ 37,750	$ 28,946

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate and adjusted 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 4, 2026 and February 26, 2025, respectively, are as follows:

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Employees' compensation	$ 408,883	$ 389,033
Remuneration of directors	$ 40,888	$ 38,903

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.

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Current tax				
In respect of the current period	$ 112,244	$ 89,510	$ 305,494	$ 264,330
Income tax on unappropriated earnings	(418)	-	3,758	-
Adjustments for prior years' tax	38	-	(22,201)	(1,017)
	111,864	89,510	287,051	263,313
Deferred tax				
In respect of the current period	(836)	3,869	7	439
Income tax expense recognized in profit or loss	$ 111,028	$ 93,379	$ 287,058	$ 263,752

b. Income tax assessments

The tax returns through 2023 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Basic earnings per share	$ 8.56	$ 6.52	$ 24.30	$ 18.06
Diluted earnings per share	$ 8.55	$ 6.51	$ 24.27	$ 18.02

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

Net Profit for the period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Earnings used in the computation of basic earnings per share	$ 639,095	$ 487,135	$ 1,815,136	$ 1,348,836
Effect of potentially dilutive ordinary shares:				
Employees' compensation	-	-	-	-
Employee share options	-	-	-	-
Earnings used in the computation of diluted earnings per share	$ 639,095	$ 487,135	$ 1,815,136	$ 1,348,836

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	74,686	74,686	74,686	74,674
Effect of potentially dilutive ordinary shares:				
Employees' compensation	57	144	97	171
Employee share options	-	1	-	11
Weighted average number of ordinary shares used in the computation of diluted earnings per share	74,743	74,831	74,783	74,856

Since the Company can offer to settle bonus to employees in cash or shares, the Company assumes the entire amount of the bonus would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

25. GOVERNMENT GRANTS

The Company applied for the A+ Industrial Innovation R&D Program "2nm Nanosheet Process Integrated Hardware Security Silicon Intellectual Property Solution Suitable for AI, HPC, and Other Advanced Applications", proposed by the Ministry of Economic Affairs, and the program was approved on October 3, 2025. The total funds approved amounted to NT$157,740 thousand, and the subsidies amounted to NT$78,000 thousand. The Company provided cashier checks whose drawees are banking industries in the amount of NT$78,000 thousand and a performance guarantee letter in the amount of NT$14,340 thousand as collateral. As of September 30, 2026, the Company had recognized NT$27,983 thousand as government grant income.

PUFsecurity Corporation applied for the Industrial Upgrading Innovation Platform Program "PUF-based Zero Trust Hardware Security Module (PUF-HSM) Development", proposed by the Ministry of Economic Affairs, and the program was approved on October 29, 2025. The total funds approved amounted to

NT$15,800 thousand, and the subsidies amounted to NT$7,280 thousand. The project was completed and formally closed on March 31, 2026, and the subsidies actually allocated amounted to NT$6,099 thousand, all of which had been recognized as government grant income. PUFsecurity Corporation also provided a performance guarantee letter in the amount of NT$7,280 thousand as collateral, which was released on October 16, 2026.

26. CAPITAL MANAGEMENT

The objectives, policies and procedures of the Group's capital risk management and the composition of the Group 's capital structure are the same as those described in the consolidated financial report for the year ended December 31, 2025, please refer to Note 25 of the consolidated financial report for the year ended December 31,2025.

27. FINANCIAL INSTRUMENTS

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

The management believes the carrying amount of financial assets and financial liabilities not carried at fair value approximate their fair values or their fair values cannot be reliably measured.

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

1) Fair value hierarchy

September 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Unlisted shares-ROC	$ -	$ -	$ 1,238	$ 1,238

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Unlisted shares-ROC	$ -	$ -	$ 1,215	$ 1,215

September 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Unlisted shares-ROC	$ -	$ -	$ 2,642	$ 2,642

There were no transfers between Levels 1 and 2 in the nine months ended September 30, 2026 and 2025.

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

Financial Assets	Financial Assets at FVTOCI Equity Instruments For the Nine Months Ended September 30 2026	 2025
Balance on January 1	$ 1,215	$ 4,620
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	23	(1,978)
Balance on September 30	$ 1,238	$ 2,642

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

Financial Instruments	Valuation Techniques and Inputs
Unlisted shares - ROC	Income approach: utilizing discounted cash flows to determine the present value of the expected future economic benefits that will be derived from investment

c. Categories of financial instruments

	September 30, 2026	December 31, 2025	September 30, 2025
Financial assets			
Financial asset at amortized cost (Note 1)	$ 4,077,627	$ 3,784,474	$ 3,058,996
Investment in equity instrument at FVTOCI	1,238	1,215	2,642
Financial liabilities			
Amortized cost (Note 2)	34,469	43,968	66,027

Note 1: The balances include financial assets measured at amortized cost, which comprise cash, accounts receivable(including related parties), other receivables and other current assets.

Note 2:The balances include financial liabilities measured at amortized cost, which comprise short-term loans, other payables (including related parties) and payables on equipment.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity investments, accounts receivable (including related parties), lease liabilities and other payables (including related parties). The Group's corporate financial management function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group's main financial plans are reviewed by the board of directors in accordance with relevant regulations and internal control system.

1) Market risk

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

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

a) Foreign currency risk

The Group's operating activities are partially denominated in foreign currencies and apply the natural hedge. The purpose of the Group's management of the foreign currency risk is to hedge the risk instead of making a profit.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 31.

Sensitivity analysis

The Group is mainly exposed to the exchange rate fluctuations of the USD.

The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 5% against the relevant currency. For a 5% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative. The sensitivity analysis included cash, accounts receivable (including related parties), other receivable, payables on equipment , other payables (including related parties).

	USD Impact	
	For the Nine Months Ended September 30	
	2026	2025
Profit or loss	$ 23,817	$18,495

b) Interest rate risk

The Group is exposed to interest rate risk arising from financial assets and liabilities at both fixed and floating interest rates.

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

	September 30, 2026	December 31, 2025	September 30, 2025
Fair value interest rate risk			
Financial assets	$ 3,213,832	$ 3,006,722	$ 2,337,720
Cash flow interest rate risk			
Financial assets	469,609	525,421	408,787
Financial liabilities	-	-	20,000

Sensitivity analysis

The sensitivity analyses below are determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liabilities outstanding

at the end of the reporting period was outstanding for the whole reporting period.
If the market interest rates had increased/decreased by 0.1% and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2026 and 2025 would increase/decrease by $352 thousand and $292 thousand, respectively, which is mainly attributable to the Group's exposure to interest rates on its variable-rate net assets.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations and result in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation mainly arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

In order to minimize credit risk, the Group has made credit and receivable management regulations to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The credit risk on liquid funds was limited because the counterparties are banks with good credit.

Apart from the customers whose balances exceeded 5% of the accounts receivable, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The customers whose balances exceeded 5% of the accounts receivable are creditworthy counterparties. Therefore, the credit risk is limited.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

September 30, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 24,243	$ 10,224	$ 12	$ -	$ 34,479
Lease liabilities	487	972	4,018	6,175	11,652
	$ 24,730	$ 11,196	$ 4,030	$ 6,175	$ 46,131

Additional information about the maturity analysis for financial liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 5,477	$ 6,175	$ -

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 19,547	$ 24,418	$ 23	$ -	$ 43,988
Lease liabilities	301	601	2,706	4,183	7,791
	$ 19,848	$ 25,019	$ 2,729	$ 4,183	$ 51,779

Additional information about the maturity analysis for financial liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 3,608	$ 4,183	$ -

September 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 32,793	$ 13,233	$ 22	$ -	$ 46,048
Lease liabilities	456	840	1,925	3,262	6,483
Variable interest rate liabilities	41	20,072	-	-	20,113
	$ 33,290	$ 34,145	$ 1,947	$ 3,262	$ 72,644

Additional information about the maturity analysis for financial liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 3,221	$ 3,262	$ -

b) Financing facilities

	September 30, 2026	December 31, 2025	September 30, 2025
Unsecured bank overdraft facilities			
Amount used	$ -	$ -	$ 20,000
Amount unused	380,000	380,000	360,000
	$380,000	$ 380,000	$380,000

28. 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

Related Party Name	Related Party Category
iMQ Technology Inc.	Substantive related parties
T.C. Chen	Key management personnel
Mu-Chuan Hsu	Key management personnel
F.C. Tseng	Key management personnel
Jack Sun	Key management personnel
Danny Perng	Key management personnel
Li-Jeng Chen	Key management personnel
Felix Hsu	Key management personnel
Charles Hsu	Key management personnel
Michael Ho	Key management personnel
Chris Lu	Key management personnel

b. Operating revenue

Line Item	Related Party Category	For the Three Months Ended September 30 2026	For the Three Months Ended September 30 2025	For the Nine Months Ended September 30 2026	For the Nine Months Ended September 30 2025
Sales	Substantive related parties	$ -	$ 599	$ 585	$ 1,585

The prices that the Group transferred and granted the professional technology to related parties were decided by the two sides. The payment term was open account 30 days.

c. Operating expenses

Line Item	Related Party Category	For the Three Months Ended September 30 2026	For the Three Months Ended September 30 2025	For the Nine Months Ended September 30 2026	For the Nine Months Ended September 30 2025
Research and experiment expenses	Substantive related parties	$ 80	$ 299	$ 1,507	$ 299

The operating expenses between the Group and related parties were decided by the two sides.

d. Other gains and losses

Line Item	Related Party Category/Name	For the Three Months Ended September 30 2026	For the Three Months Ended September 30 2025	For the Nine Months Ended September 30 2026	For the Nine Months Ended September 30 2025
Other gains	Key Management Personnel Li-Jeng Chen	$ -	$ -	$ 2,300	$ -

e. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2026	December 31, 2025	September 30, 2025
Receivables from related parties	Substantive related parties iMQ Technology Inc.	$ -	$ 5,375	$ -

The outstanding trade receivables from related parties are unsecured. No allowance for impairment loss was recognized on receivables from related parties for the nine months ended September 30, 2026 and 2025.

f. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2026	December 31, 2025	September 30, 2025
Other payables - related parties	Key Management Personnel T.C. Chen	$ 160	$ 170	$ 95
	Substantive related parties iMQ Technology Inc.	$ 84	$ -	$ -

g. Compensation of key management personnel

The compensations to directors and the key management personnel were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 43,608	$ 39,033	$ 121,080	$ 109,653
Post-employment benefits	197	225	656	678
Share-based payment transactions	(80)	47	(20)	252
	$ 43,725	$ 39,305	$ 121,716	$ 110,583

The remuneration of directors and key management personnel, as determined by the remuneration committee, was based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets of the Group were provided as deposits for the tariff of imported raw materials:

	September 30, 2026	December 31, 2025	September 30, 2025
Pledged time deposits (classified as financial assets at amortized cost)	$ 122	$ 122	$ 120

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENT

In addition to those disclosed in other notes, significant commitments and contingencies of the Group at balance sheet date were as follows:

Detail of significant outstanding contracts of property, plant and equipment as of September 30, 2026, including tax were as follows:

Contract	Contract Amount	Payment	Unpaid Amount
Purchase of property, plant and equipment	$ 1,815,000	$ 417,450	$ 1,397,550

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2026

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,970	31.8500 (USD:NTD)	$ 476,782
USD	50	6.7351 (USD: CNY)	1,602
JPY	52	0.2030	11
			$ 478,395
Financial liabilities			
Monetary items			
USD	64	31.8500	$ 2,033
CNY	108	4.7480	512
JPY	2,520	0.2030	511
			$ 3,056

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 13,090	31.4300 (USD:NTD)	$ 411,426
USD	50	7.0288 (USD: CNY)	1,583
JPY	41	0.2008	8
			$ 413,017
Financial liabilities			
Monetary items			
USD	138	31.4300	$ 4,347
JPY	3,939	0.2008	791
CNY	137	4.4960	615
			$ 5,753

September 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 12,181	30.4450 (USD:NTD)	$ 370,854
USD	50	7.1055 (USD: CNY)	1,520
			$ 372,374
Financial liabilities			
Monetary items			
USD	81	30.4450	$ 2,476
CNY	135	4.2710	578
JPY	3,561	0.2058	733
			$ 3,787

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Nine Months Ended September 30			
	2026		2025	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.8500 (USD:NTD)	($ 6,482)	30.4450 (USD:NTD)	$ 7,036

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: None

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

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

6) Intercompany relationships and significant intercompany transactions: Table 3

b. Information on investees: Table 4

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership

percentage, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 5

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: None

33. SEGMENT INFORMATION

The Group's chief operating decision maker reviews the operating results regularly for the purpose of resource allocation and performance assessment. The Group's segments are aggregated into a single reportable segment.

The measurement basis of segment information presented to the chief operating decision maker is the same as that of the consolidated financial statements. The segment revenues and operating results for the nine months ended September 30, 2026 and 2025 can be found in the consolidated statements of comprehensive income for the nine months ended September 30, 2026 and 2025. The segment assets as of September 30, 2026 and 2025, December 31, 2025 can be found in the consolidated balance sheets as of September 30, 2026 and 2025, December 31, 2025.

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
SEPTEMBER 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 2)	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 4)	Note
													Item	Value			
0	The Company	PUFsecurity Corporation	Other receivables - related parties	Y	$ 50,000	$ 50,000	$ -	2.16%	2	$ -	Operating capital	$ -	-	$ -	$ 412,780	$ 1,651,121	

Note 1: The No. column is represented as follows:

1. Parent company is numbered as 0 in the “No.” column.
2. Investee companies are numbered sequentially according to their company name and the number starts from 1.

Note 2: Financing limit approved by the board of directors.

Note 3: Nature of financing:

1. For business dealings
2. For short-term financing

Note 4: According to the Company’s “Regulations Governing the Lending of Funds to Others,” the total amount of fund loans shall not exceed 40% of the Company’s net worth. The limits for individual borrowers are as follows:

a. For companies or firms that have business relationships with the Company, the total amount of funds lent by the Company shall not exceed 40% of the Company’s net worth, and the amount lent to an individual shall be limited to the amount of business transactions between such individual and the Company within the most recent year, and, based on risk considerations, shall not exceed 10% of the Company’s net worth.

b. The total amount of funds lent by the Company to companies or firms for short-term financing needs shall not exceed 40% of the Company’s net worth, and the amount lent to an individual shall be limited to 10% of the Company’s net worth.

c. The amount of funds lent to an individual by the Company, in addition to the restrictions set forth in points 1 and 2 above, shall also not exceed 30% of the borrower’s net worth; however, this restriction shall not apply to fund loans made to the Company’s subsidiaries.

d. The financial reports of the Company are prepared in accordance with the International Financial Reporting Standards; and the net worth mentioned herein refers to the equity attributable to owners of the parent as stated in the balance sheet in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The net worth shall be calculated based on the most recent financial statements audited or reviewed by a certified public accountant.

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
SEPTEMBER 30, 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	September 30, 2026				Note
				Number of Shares (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
The Company	Shares Syntronix AI Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	1,210	$ 1,238	2.81	$ 1,238	Notes 2 and 4

Note 1: Marketable securities mentioned in the table include shares, bonds, beneficiary certificates and the derivative securities from aforementioned items, which is under the definition of IFRS 9.

Note 2: The market value was based on the fair value as of September 30, 2026.

Note 3: As of September 30, 2026, the above marketable securities had not been pledged or mortgaged.

Note 4: Syntronix Corporation was renamed Syntronix AI Corporation in August 2026.

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	The Company	PUFsecurity Corporation	1	Sales	$ 4,458	—	0.13%
			1	Other income	788	—	0.02%
			1	Other gains and losses	52,841	—	1.55%
			1	Other receivables - related parties	27,266	—	0.54%
			1	Contract liabilities	4,714	—	0.09%
		eMemory Japan	1	Operating expense	5,588	—	0.16%
			1	Other payables - related parties	506	—	0.01%
		PUFsecurity USA Corporation	1	Operating expense	23,304	—	0.69%
			1	Other payables - related parties	1,940	—	0.04%
		PUFsecurity Technology (Shanghai) Corporation	1	Operating expense	5,060	—	0.15%
			1	Other payables - related parties	512	—	0.01%
1	PUFsecurity Corporation	PUFsecurity USA Corporation	3	Operating expense	1	—	-
		PUFsecurity Technology (Shanghai) Corporation	3	Operating expense	1	—	-

Note 1: Information about intercompany relationships should be indicated in the “No.” column, and the method of filling in the number is as follows:

1. Parent company is numbered as 0 in the “No.” column.

2. Subsidiaries are numbered sequentially according to their company name and the number starts from 1.

Note 2: There are three types of “Relationship”:

1. Parent company to subsidiaries

2. Subsidiaries to parent company

3. Subsidiaries to subsidiaries

Note 3: If financial statement accounts are classified as items in the balance sheets, the calculation of the ratio is that ending balance is divided by total assets. If the financial statement accounts are classified as items in the income statement, the calculation of the ratio is that the accumulated amount in the interim period is divided by total sales.

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2026			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2026	December 31, 2025	Number of Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
The Company	PUFsecurity Corporation	Hsinchu County	Product designing, software services, data processing services, intellectual property, etc.	$ 275,634	$ 275,634	82,563	72.17	$ 250,771	$ 237,925	$ 175,314	Subsidiary
	eMemory Japan Corporation	Japan	Product designing, intellectual property management, technology services	27,474	27,474	-	100.00	7,916	352	352	Subsidiary
	iMQ Technology Inc.	Hsinchu City	Electronic parts and components manufacturing	27,900	27,900	1,029	2.21	4,216	(58,407)	(1,681)	Investment accounted for using the equity method
PUFsecurity Corporation	PUFsecurity USA Corporation	USA	Sales promotion	7,777	7,777	-	100.00	6,645	414	414	Subsidiary

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2026	Accumulated Repatriation of Investment Income as of September 30, 2026
					Outward	Inward						
PUFsecurity Technology (Shanghai) Corporation	Product designing, related services	$ 7,445 (USD 250)	Notes 1 and 2	$ 7,445 (USD 250)	$ -	$ -	$ 7,445 (USD 250)	$ 25	100.00	$ 25	$ 7,508	$ -

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2026	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$ 7,445 (USD 250)	$ 7,445 (USD 250)	$ 2,476,681

Note 1: Direct investment in mainland China.

Note 2: PUFsecurity Corporation invested and established PUFsecurity Technology (Shanghai) Corporation in July 2022, and PUFsecurity Corporation remitted investment fund of US$250 thousand on February 3, 2023.