2480

Stark Technology Inc. and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Review Report

For the Three Months Ended March 31, 2026 and 2025

Company address: 12F-1, No. 83, Section 2, Dongda Road, Hsinchu City
TEL: (03)542-5566

Consolidated Financial Statements

Table of Contents

Independent Auditor's Review Report

To stakeholders of Stark Technology Inc.:

Foreword

We have reviewed the consolidated balance sheet of Stark Technology Inc. and subsidiaries as of March 31, 2026 and 2025, the consolidated statement of comprehensive income for the three months ended March 31, 2026 and 2025, consolidated statement of changes in equity for the three months ended March 31, 2026 and 2025, consolidated statement of cash flows for the three months ended March 31, 2026 and 2025, and the accompanying footnotes (including a summary of key accounting policies). It is the responsibility of the management to prepare and ensure fair presentation of consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the version of IAS 34 - "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. Our responsibility as auditor is to form a conclusion based on our review.

Scope

Except for the issues discussed in the "Basis of reservation" paragraph, we, the auditors, have performed the review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The procedures executed in our review of consolidated financial statements include inquiry (mainly with employees responsible for financial and accounting affairs), analysis and other review-related processes. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are therefore unable to provide an opinion.

Basis for qualified conclusion

As mentioned in Note (IV).3 of the consolidated financial statements, some of the non-material subsidiaries were consolidated using financial statements for the corresponding periods that were not reviewed by CPAs. As at March 31, 2026 and 2025, these subsidiaries aggregately reported total assets of NT$1,208,135 thousand and NT$1,260,722 thousand that represented 14% and 18% of consolidated total assets, and total liabilities of NT$247,117 thousand and NT$422,558 thousand that represented 5% and 10% of consolidated total liabilities, respectively. These subsidiaries also reported total comprehensive income of NT$45,005 thousand and NT$24,592 thousand that represented 15% and 10% of consolidated total comprehensive income for the three months ended March 31, 2026 and 2025, respectively. Furthermore, information relating to the abovementioned subsidiaries, as disclosed in Note (XIII) of the consolidated financial statements, were not CPA-reviewed.

<Continued next page>

<Continued from previous page>

Qualified conclusion

Based on the reports we have reviewed, we found that none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that did not conform with Regulations Governing the Preparation of Financial Reports by Securities Issuers or the version of IAS 34 - "Interim Financial Reporting" approved by the Financial Supervisory Commission, or compromised the fair view of the consolidated financial position of Stark Technology Inc. and subsidiaries as at March 31, 2026 and 2025, or the consolidated financial performance for the three months ended March 31, 2026 and 2025 or consolidated cash flow for the three months ended March 31, 2026 and 2025, except for the issues discussed in the "Basis of reservation" paragraph, where financial statements and information of non-material subsidiaries had yet to be reviewed by CPAs, and may cause adjustments to the consolidated financial statements.

Ernst & Young
Approved by competent authority to handle financial statements of public company
Approval reference: (96)-Jin-Guan-Zheng-(VI)-0960002720
(112)-Jin-Guan-Zheng-Shen-1120353739

Hsu, Hsin-Min

CPA:

Huang, Min-Ru

April 30, 2026

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

Stark Technology Inc. and Subsidiaries
Consolidated Balance Sheet
As at March 31, 2026, December 31, 2025, and March 31, 2025
(All amounts in NTD thousands)

Asset			March 31, 2026		December 31, 2025		March 31, 2025	
Code	Item	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	(VI).1 and (XII)	$ 1,289,115	15	$ 1,113,186	14	$ 1,118,717	16
1140	Contract assets - current	(VI).14 and (VI).15	234,614	3	223,965	3	300,520	4
1150	Notes receivable	(VI).4, (VI).15 and (XII)	1,259	-	2,413	-	17,605	-
1172	Accounts receivable	(VI).5, (VI).15 and (XII)	469,039	6	787,462	10	622,496	9
1173	Installment accounts receivable	(VI).5, (VI).15 and (XII)	68,722	1	48,078	-	46,711	1
1200	Other receivables	(XII)	13,368	-	8,551	-	16,811	-
1220	Current tax assets	(IV) and (VI).20	14	-	14	-	14	-
130x	Inventories	(VI).6	3,197,631	38	3,276,383	41	3,048,867	43
1410	Prepayments	(VI).7	1,765,553	21	1,258,680	16	831,005	12
1476	Other financial assets - current	(VIII) and (XII)	12,892	-	9,405	-	9,224	-
1478	Refundable deposits	(XII)	152,770	2	160,021	2	115,379	1
1479	Other current assets		3,026	-	3,213	-	2,725	-
11xx	Total current assets		7,208,003	86	6,891,371	86	6,130,074	86
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	(VI).2 and (XII)	66,969	1	71,161	1	34,756	1
1517	Financial assets at fair value through other comprehensive income - non-current	(VI).3 and (XII)	113,238	1	106,605	1	85,753	1
1600	Property, plant and equipment	(VI).8	741,700	9	743,746	9	658,463	9
1755	Right-of-use assets	(VI).16	16,019	-	18,695	-	23,543	-
1780	Intangible asset	(VI).9	6,670	-	8,461	-	1,857	-
1840	Deferred income tax assets	(IV) and (VI).20	3,677	-	3,981	-	6,897	-
1920	Refundable deposits	(XII)	175,488	2	162,122	2	143,780	2
1933	Long-term installment accounts receivable	(VI).5, (VI).15 and (XII)	50,291	1	40,562	1	32,168	1
1980	Other financial assets - non-current	(VIII) and (XII)	8,203	-	11,615	-	11,730	-
1990	Other non-current assets		4,543	-	5,254	-	4,265	-
15xx	Total non-current assets		1,186,798	14	1,172,202	14	1,003,212	14
1xxx	Total assets		$ 8,394,801	100	$ 8,063,573	100	$ 7,133,286	100

(Please refer to notes to consolidated financial statements)

Chairman: Liang, Hsiu-Chung　　Manager: Liang, Hsiu-Chung　　Head of Accounting: Huang, I-Tzu

Stark Technology Inc. and Subsidiaries (Continued)
Consolidated Balance Sheet
As at March 31, 2026, December 31, 2025, and March 31, 2025
(All amounts in NTD thousands)

Liabilities and equity			March 31, 2026		December 31, 2025		March 31, 2025	
Code	Item	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	(VI).10 and (XII)	$ -	-	$ 475,000	6	$ -	-
2130	Contract liabilities - current	(VI).14	2,283,458	27	2,267,525	28	1,732,662	24
2150	Notes payable	(XII)	25,193	-	78,406	1	20,883	-
2170	Accounts payable	(XII)	1,677,917	20	1,186,201	15	1,129,487	16
2200	Other payables	(XII)	1,115,948	13	269,011	3	1,050,243	15
2230	Current income tax liabilities	(IV) and (VI).20	173,833	2	120,428	1	168,188	3
2250	Provisions	(VI).11	5,389	-	7,544	-	8,169	-
2280	Lease liabilities - current	(VI).16 and (XII)	8,548	-	9,642	-	11,875	-
2300	Other current liabilities		52,341	1	62,973	1	51,735	1
21xx	Total current liabilities		5,342,627	63	4,476,730	55	4,173,242	59
	Non-current liabilities							
2570	Deferred income tax liabilities	(IV) and (VI).20	44,315	1	43,350	1	38,326	1
2580	Lease liabilities - non-current	(VI).16 and (XII)	7,820	-	9,414	-	12,043	-
2640	Net defined benefit liabilities - non-current	(IV) and (VI).12	7,343	-	7,999	-	15,042	-
2645	Guarantee deposits	(XII)	6,292	-	5,777	-	6,650	-
25xx	Total non-current liabilities		65,770	1	66,540	1	72,061	1
2xxx	Total liabilities		5,408,397	64	4,543,270	56	4,245,303	60
31xx	Equity attributable to owners of the parent company	(VI).13						
3100	Share capital							
3110	Ordinary share		1,063,603	13	1,063,603	13	1,063,603	15
3200	Capital surplus		166,514	2	166,514	2	166,514	2
	Retained earnings							
3310	Legal reserve		1,272,684	15	1,184,961	15	1,184,961	17
3320	Special reserve		144	-	144	-	144	-
3350	Unappropriated retained earnings		465,491	6	1,103,319	14	467,296	6
3300	Total retained earnings		1,738,319	21	2,288,424	29	1,652,401	23
3400	Other equity interests		17,968	-	1,762	-	5,465	-
3xxx	Total equity		2,986,404	36	3,520,303	44	2,887,983	40
3x2x	Total liabilities and equity		$ 8,394,801	100	$ 8,063,573	100	$ 7,133,286	100

(Please refer to notes to consolidated financial statements)

Chairman: Liang, Hsiu-Chung   Manager: Liang, Hsiu-Chung   Head of Accounting: Huang, I-Tzu

Stark Technology Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the three months ended March 31, 2026 and 2025
(All amounts are in NTD thousands, except for earnings per share)

Code	Item	Notes	For the three months ended March 31, 2026 Amount	%	For the three months ended March 31, 2025 Amount	%
4000	Net operating revenue	(VI).14	$ 2,420,984	100	$ 2,068,028	100
5000	Operating cost	(VI).6 and (VI).17	(1,852,956)	(77)	(1,549,563)	(75)
5900	Operating margin		568,028	23	518,465	25
6000	Operating expenses	(VI).9, (VI).16 and (VI).17				
6200	Administrative expenses		(246,264)	(10)	(232,347)	(11)
6300	Research and development expenses		(23,392)	(1)	(23,712)	(1)
6450	Expected credit impairment reversal gain	(VI).15	2,028	-	619	-
	Total operating expenses		(267,628)	(11)	(255,440)	(12)
6900	Operating income		300,400	12	263,025	13
7000	Non-operating income and expenses	(VI).18				
7100	Interest income		3,773	-	2,101	-
7010	Other income		30,254	2	35,902	2
7020	Other gains and losses		2,868	-	(1,813)	-
7050	Finance costs		(991)	-	(327)	-
	Total non-operating income and expenses		35,904	2	35,863	2
7900	Income before income tax		336,304	14	298,888	15
7950	Income tax expenses	(IV) and (VI).20	(56,799)	(2)	(60,483)	(3)
8200	Net income		279,505	12	238,405	12
8300	Other comprehensive income	(VI).19				
8310	Items not reclassified into profit or loss					
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income		6,633	-	(8,372)	-
8360	Items likely to be reclassified into profit or loss					
8361	Exchange differences on translation of foreign operations		9,573	-	6,199	-
	Other comprehensive income for the current period (net of income tax)		16,206	-	(2,173)	-
8500	Total comprehensive income for the period		$ 295,711	12	$ 236,232	12
8600	Net income attributable to:	(VI).21				
8610	Owners of the parent company		$ 279,505		$ 238,405	
8620	Non-controlling interest		-		-	
			$ 279,505		$ 238,405	
8700	Comprehensive income attributable to:					
8710	Owners of the parent company		$ 295,711		$ 236,232	
8720	Non-controlling interest		-		-	
			$ 295,711		$ 236,232	
	Earnings per share (NTD)	(VI).21				
9750	Basic earnings per share		$ 2.63		$ 2.24	
9850	Diluted earnings per share		$ 2.62		$ 2.23	

(Please refer to notes to consolidated financial statements)

Chairman: Liang, Hsiu-Chung Manager: Liang, Hsiu-Chung Head of Accounting: Huang, I-Tzu

Stark Technology Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
For the three months ended March 31, 2026 and 2025
(All amounts in NTD thousands)

		Equity attributable to owners of the parent company							
				Retained earnings			Other equity items		
Code	Item	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total equity
		3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as at January 1, 2025	$ 1,063,603	$ 166,514	$ 1,095,464	$ 144	$ 1,104,995	$ (12,984)	$ 23,421	$ 3,441,157
	Appropriation and distribution of 2024 earnings								
B1	Appropriation of legal reserve	-	-	89,497	-	(89,497)	-	-	-
B5	Cash dividends on ordinary shares	-	-	-	-	(789,406)	-	-	(789,406)
D1	Net income for the three months ended March 31, 2025	-	-	-	-	238,405	-	-	238,405
D3	Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	6,199	(8,372)	(2,173)
D5	Total comprehensive income for the period	-	-	-	-	238,405	6,199	(8,372)	236,232
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	2,799	-	(2,799)	-
Z1	Balance as at March 31, 2025	$ 1,063,603	$ 166,514	$ 1,184,961	$ 144	$ 467,296	$ (6,785)	$ 12,250	$ 2,887,983
A1	Balance as at January 1, 2026	$ 1,063,603	$ 166,514	$ 1,184,961	$ 144	$ 1,103,319	$ (11,912)	$ 13,674	$ 3,520,303
	Appropriation and distribution of 2025 earnings								
B1	Appropriation of legal reserve	-	-	87,723	-	(87,723)	-	-	-
B5	Cash dividends on ordinary shares	-	-	-	-	(829,610)	-	-	(829,610)
D1	Net income for the three months ended March 31, 2026	-	-	-	-	279,505	-	-	279,505
D3	Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	9,573	6,633	16,206
D5	Total comprehensive income for the period	-	-	-	-	279,505	9,573	6,633	295,711
Z1	Balance as at March 31, 2026	$ 1,063,603	$ 166,514	$ 1,272,684	$ 144	$ 465,491	$ (2,339)	$ 20,307	$ 2,986,404

(Please refer to notes to consolidated financial statements)

Chairman: Liang, Hsiu-Chung Manager: Liang, Hsiu-Chung Head of Accounting: Huang, I-Tzu

Stark Technology Inc. and Subsidiaries
Consolidated Statement of Cash Flows
For the three months ended March 31, 2026 and 2025
(All amounts in NTD thousands)

Code	Item	For the three months ended March 31, 2026 Amount	For the three months ended March 31, 2025 Amount
AAAA	Cash flow from operating activities:		
A10000	Income before income tax	$ 336,304	$ 298,888
A20000	Adjustments:		
A20010	Income, expenses and losses:		
A20100	Depreciation expenses	7,808	8,351
A20200	Amortization expenses	3,044	1,109
A20300	Expected credit impairment reversal gains	(2,028)	(619)
A20400	Losses (gains) on financial assets and liabilities at fair value through profit or loss	(1,279)	244
A20900	Interest expenses	991	327
A21200	Interest income	(3,773)	(2,101)
A30000	Changes in assets/liabilities that are related to operating activities:		
A31125	Contract assets	(10,824)	41,500
A31130	Notes receivable	1,154	(15,635)
A31150	Accounts receivable	289,664	135,950
A31180	Other receivables	(4,757)	(11,387)
A31200	Inventories	78,691	(108,452)
A31230	Prepayments	(506,873)	(104,806)
A31240	Other current assets	187	27
A32125	Contract liabilities - current	15,933	(41,145)
A32130	Notes payable	(53,213)	7,472
A32150	Accounts payable	491,716	(173,125)
A32180	Other payables	17,570	(10,240)
A32200	Provisions	(2,155)	(3,103)
A32230	Other current liabilities	(10,632)	(8,015)
A32240	Net defined benefit liabilities	(656)	(630)
A33000	Cash inflow from operations	646,872	14,610
A33100	Interests received	4,292	826
A33300	Interests paid	(1,132)	(274)
A33500	Income tax paid	(2,125)	(1,209)
AAAA	Net cash inflow from operating activities	647,907	13,953

Code	Item	For the three months ended March 31, 2026 Amount	For the three months ended March 31, 2025 Amount
BBBB	Cash flow from investing activities:		
B00020	Disposal of financial assets at fair value through other comprehensive income	-	3,700
B00100	Disposal of financial assets at fair value through profit or loss	5,471	-
B02700	Acquisition of property, plant and equipment	(2,569)	(8,033)
B03700	Increase in refundable deposits	(6,115)	-
B03800	Decrease in refundable deposits	-	2,419
B04500	Acquisition of intangible assets	(1,253)	(616)
B06500	Increase in other financial assets	(75)	(53)
B06800	Decrease in other non-current assets	711	189
BBBB	Net cash outflow from investing activities	(3,830)	(2,394)
CCCC	Cash flow from financing activities:		
C00200	Decrease in short-term loans	(475,000)	(70,000)
C03000	Increase in guarantee deposits	515	570
C04020	Repayment of lease principal	(3,123)	(3,982)
CCCC	Net cash outflow from financing activities	(477,608)	(73,412)
DDDD	Effect of exchange rate changes on cash and cash equivalents	9,460	6,055
EEEE	Net increase (decrease) in cash and cash equivalents for the current period	175,929	(55,798)
E00100	Cash and cash equivalents, beginning of period	1,113,186	1,174, 515
E00200	Cash and cash equivalents, end of period	$ 1,289,115	$ 1,118,717

(Please refer to notes to consolidated financial statements)

Chairman: Liang, Hsiu-Chung Manager: Liang, Hsiu-Chung Head of Accounting: Huang, I-Tzu

Stark Technology Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the three months ended March 31, 2026 and 2025
(All amounts in NTD thousands unless otherwise specified)

(I). Organization and Operations

Stark Technology Inc. (the "Company") was incorporated on March 24, 1993. Its main business activities include distribution and maintenance of computers and peripherals; research, design, development, and sale of computer software/hardware, computer system design, and import/export trade for the Company's own products.

Shares of the Company have been listed for trading on "Taiwan Stock Exchange Corporation" since September 2001. The Company's place of registration and main business location is 12F-1, No. 83, Section 2, Dongda Road, Hsinchu City.

(II). Financial Statement Approval Date and Procedures

Consolidated financial statements of the Company and subsidiaries (collectively referred to as the "Group") for the three months ended March 31, 2026 and 2025, were approved by the board of directors on April 30, 2026.

(III). Application of new standards, amendments, and interpretations

1. Change of accounting policy resulting from first-time adoption of International Financial Reporting Standards (IFRS)

   The Group has adopted the version of IFRS, IAS, IFRIC and interpretations thereof that approved and effected by Financial Supervisory Commission (FSC) for accounting periods on and after January 1, 2026. First-time adoption of the new standards and new amendments has had no material impact on the Group.

2. As of the publication date of financial statements, the Group had not adopted the following IASB-announced new standards, amendments, guidance, and interpretation that were not approved by FSC:

(All amounts in NTD thousands unless otherwise specified)

Item No.	New Standards, Amendments, Guidance, and Interpretation	Effective Date by International Accounting Standards Board
1	Amendments to IFRS 10 - "Consolidated Financial Statements" and IAS 28 - "Investments in Associates and Joint Ventures" regarding "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	To be determined by International Accounting Standards Board
2	IFRS 18, " Presentation and Disclosure in Financial Statements "	January 1, 2027 (Note)
3	Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
4	Translation to a Hyperinflationary Presentation Currency (Amendments to IFRS 21 and IFRS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will implement IFRS 18 beginning in 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement by the FSC.

(1) Amendments to IFRS 10 - "Consolidated Financial Statements" and IAS 28 - "Investments in Associates and Joint Ventures" regarding "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"

This amendment is intended to address the inconsistent treatments between IFRS 10 - "Consolidated Financial Statements" and IAS 28 - "Investments in Associates and Joint Ventures" in cases where a company loses control in a subsidiary when ownership of that subsidiary is offered as consideration for investing into an associated company or joint venture. IAS 28 states that, when a company contributes non-monetary asset in exchange for equity interest in an associated company or joint venture, the transaction shall be treated as a downstream transaction and any share of gains or losses that arises as a result is eliminated. IFRS 10, however, requires the entirety of gains or losses to be recognized when a company loses control in a subsidiary. This amendment limits the IAS 28 treatment mentioned above, and requires all gains or losses to be recognized when the assets sold or contributed constitute a business defined under IFRS 3.

Meanwhile, IFRS 10 was amended so that, when an investor sells or contributes a subsidiary that does not constitute a business defined under IFRS 3 with its associated company or joint venture, gains or losses that arise as a result shall be recognized only for the share that is not attributed to the investor.

(2) IFRS 18, " Presentation and Disclosure in Financial Statements "

This standard will replace IAS 1, "Presentation of Financial Statements," with the following main changes:

(a) Improve the comparability of the income statement
Income and expenses are classified into one of the five categories: operating, investing, financing, income taxes and discontinued operations. The first three categories are new ones to improve the structure of the income statement. Also, all companies are required to provide the new defined subtotals (including operating profit or loss). Through the improved structure of the income statement and newly defined subtotals, investors are given a consistent starting point for analyzing the financial performance of companies, thereby making it easier to perform comparison.

(b) Enhance the transparency of management-defined performance measures
Companies are required to give explanations on company-specific measures (i.e., management-defined performance measures) related to the income statement.

(c) More useful grouping of information in the financial statements
The standard gives guidance on how financial information shall be organized, i.e., whether items shall be presented in the primary financial statements or in the notes. This change is expected to provide more detailed and useful information. The standard also requires companies to provide more transparent operating expense information to assist investors with finding and understanding the information they use.

(3) Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)

The new standard and the amendment simplify the disclosure requirements for subsidiaries without public accountability, and allows eligible subsidiaries to choose whether to apply the Standard.

(4) Translation to a Hyperinflationary Presentation Currency (Amendments to IFRS 21 and IFRS 29)

The amendments include:

(a) The amendments clarify that when an entity’s functional currency is not that of a hyperinflationary economy, but its presentation currency is that of a hyperinflationary economy, the entity shall translate its results and financial position using the closing exchange rate at the date of the most recent statement of financial position.

(b) In the above circumstances, if the presentation currency subsequently ceases to be that of a hyperinflationary economy, the reporting entity shall not retranslate the comparative amounts presented for prior periods.

(c) When both the functional currency and the presentation currency are currencies of a hyperinflationary economy, the reporting entity shall apply the relevant accounting treatments in accordance with paragraph 34 of IAS 29.

All above standards and interpretations announced by IASB but not yet approved by FSC shall become effective on dates announced by FSC. The Group is currently evaluating the potential impacts of newly announced/amended standards and interpretations listed in (1) and (2), and is unable to provide reasonable estimate of how the above standards or interpretations may affect the Group. Aside from the above, other newly announced/amended standards and interpretations have no material impact on the Group.

(IV). Summary of Significant Accounting Policies

1. Compliance statement

The consolidated financial statements for the three months ended March 31, 2026 and 2025, have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and FSC-approved IAS 34 - "Interim Financial Reporting."

2. Basis of Preparation

The consolidated financial statements have been prepared based on historical cost, except for financial instruments carried at fair value. Unless otherwise specified, all amounts in the consolidated financial statements are presented in NTD thousands.

3. Consolidation overview

Basis of preparation for consolidated financial statements

The Company is considered to exercise control if it is exposed or entitled to variable returns generated by an investee and has the power to influence such return through control over the investee. Specifically, the Company considers itself to exercise control over an investee when all three conditions below are satisfied:

(1) Power over the investee (e.g., existing rights that give the current ability to direct the relevant activities of the investee)
(2) Exposure or entitlement to variable returns due to involvement in the investee's operation, and
(3) Ability to influence returns by exercising authority over the investee

If the Company directly or indirectly holds less-than-majority voting rights (or rights of similar nature) in an investee, the Group would evaluate whether it has power over the investee after taking into consideration all relevant facts and circumstances, including:

(1) Agreement with other voting right holders in the investee
(2) Power given rise through other agreement
(3) Voting rights and potential voting rights

When facts or circumstances indicate change in one or several of the three control elements above, the Company would immediately evaluate whether it still exercises control over the investee.

A subsidiary is consolidated into the consolidated financial statements from the day of acquisition (e.g., the day the Company gains control), until the day control is lost on the subsidiary. All subsidiaries adopt accounting periods and accounting policies that align with those of the parent company. All intra-group account balances, transactions, dividends, and unrealized gains or losses on intra-group transactions are eliminated upon consolidation.

Changes in shareholding of subsidiary without losing control are treated as equity transactions.

Total comprehensive income produced by subsidiaries is divided into amounts that are attributable to owners of the Company and amounts that are attributable to non-controlling shareholders, even if the allocation would put non-controlling equity in negative balance.

When the Company loses control in a subsidiary

(1) All assets (including goodwill) and liabilities of the subsidiary are removed;
(2) Book value of any non-controlling equity is removed;
(3) Fair value of consideration received is recognized;
(4) Fair value of any investment retained is recognized;
(5) Amount previously recognized in other comprehensive income of the parent company is reclassified as current profit or loss or directly transferred to retained earnings in accordance with the provisions of other IFRS;

(All amounts in NTD thousands unless otherwise specified)

(6) The resulting difference is recognized as current profit or loss.

The entities of consolidated financial statements are as follows:

			Ownership percentage		
Name of the investor	Name of subsidiary	Main business activities	March 31, 2026	December 31, 2025	March 31, 2025
The Company	Stark Technology Inc. (USA)	Trading of computer-related products	100%	100%	100%
The Company	Pacific Ace Holding International Ltd.	General investment	100%	100%	100%
The Company	SRAIN Investment Co., Ltd.	General investment	100%	100%	100%
SRAIN Investment Co., Ltd.	S-Rain Investment Ltd.	General investment	100%	100%	100%
SRAIN Investment Co., Ltd.	Stark Inforcom Inc.	Trading of computer-related products	100%	100%	100%
S-Rain Investment Ltd.	Shanghai Stark Technology Inc.	General electronics trading	100%	100%	100%
Pacific Ace Holding International Ltd.	Profit Reap International Limited	General investment	100%	100%	100%
Profit Reap International Limited	STARK (Ningbo) Technology Inc.	General electronics trading	100%	100%	100%

Subsidiaries listed above, which are not considered significant, were consolidated into consolidated financial statements while their financial statements were not reviewed by CPAs. As at March 31, 2026 and 2025, such subsidiaries aggregated reported total assets of NT$1,208,135 thousand and NT$1,260,722 thousand and total liabilities of NT$247,117 thousand and NT$422,558 thousand, respectively; whereas comprehensive income and loss for the three months ended March 31, 2026 and 2025 totaled NT$45,005 thousand and NT$24,592 thousand, respectively.

4. Except for the accounting policies stated in Note (IV).5~6, consolidated financial statements for the three months ended March 31, 2026 are prepared using the same accounting policies as those of 2025. Please refer to the Group's 2025 consolidated financial statements for summary of other significant accounting policies.

5. Interim retirement costs are calculated from the beginning until the end of the interim period using the actuarial pension cost rate determined at the end of the previous year, and adjusted for major market changes, plan curtailments, settlements and other one-time events that took place in the current period.

(All amounts in NTD thousands unless otherwise specified)

6. Income taxes for the interim period are accrued and disclosed using tax rate applicable for the Company's expected total earnings for the given year, or in other words, by applying the estimated average effective tax rate for the whole year to pre-tax profit for the interim period. Estimation of average annual effective tax rate only includes income tax expense for the current period; interim deferred income taxes are recognized and measured in the same manner as annual financial report, which follows IAS 12 - "Income Taxes." If tax rate changes in the interim period, the effect on deferred income tax is recognized in profit or loss, other comprehensive income, or directly through equity in one lump sum.

(V). Sources of Uncertainty to Significant Accounting Judgments, Estimates, and Assumptions

Consolidated financial statements for the three months ended March 31, 2026 and 2025 were prepared using the same significant accounting judgments, estimates, and assumptions as those of 2025. Please refer to the Group's 2025 consolidated financial statements for details.

(VI). Notes to Significant Accounts

1. Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash	$190	$193	$196
Demand and check deposit	1,060,173	895,540	910,579
Time deposits	228,752	217,453	207,942
Total	$1,289,115	$1,113,186	$1,118,717

The aforementioned time deposits includes those with original contractual maturities of within twelve months, as well as time deposits that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

2. Financial assets at fair value through profit or loss – non-current

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss:			
Fund	$66,969	$71,161	$34,756

(All amounts in NTD thousands unless otherwise specified)

None of the Group's financial assets at fair value through profit or loss were placed as collateral.

3. Financial assets at fair value through other comprehensive income – non-current

	March 31, 2026	December 31, 2025	March 31, 2025
Investments in equity instruments at fair value through other comprehensive income:			
TWSE/TPEX listed shares	$28,269	$21,636	$35,501
Unlisted shares	84,969	84,969	50,252
Total	$113,238	$106,605	$85,753

None of the Group's financial assets at fair value through other comprehensive income was placed as collateral.

The Group considered the investment strategy to sell and derecognize some investments in equity instruments measured at fair value through other comprehensive income. The relevant information on the derecognition for the three months ended March 31, 2026 and 2025 is as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Fair value on the derecognition	$-	$3,700
Accumulated benefits from disposal of other equity transferring to retained earnings	-	2,799

4. Notes receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable - arising from business activities	$1,259	$2,413	$17,605
Less: loss provisions	-	-	-
Net amount	$1,259	$2,413	$17,605

(All amounts in NTD thousands unless otherwise specified)

None of the Group's notes receivables was pledged as collateral.

The Group assesses impairment according to IFRS 9. Please see Note (VI).15 for information on loss provisions and Note (XII) for credit risk-related information.

5. Accounts receivable and installment accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$475,176	$795,792	$628,947
Installment accounts receivable	128,223	97,271	85,797
Less: unrealized interest income - installment accounts receivable	(9,210)	(8,631)	(6,918)
Subtotal (total book value)	594,189	884,432	707,826
Less: loss provisions	(6,137)	(8,330)	(6,451)
Total	$588,052	$876,102	$701,375

Expected recovery of installment accounts receivable is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
No more than 1 year	$68,722	$48,078	$46,711
1 to 2 years	27,343	16,473	17,027
2 years and above	22,948	24,089	15,141
Total	$119,013	$88,640	$78,879

None of the Group's accounts receivable and installment accounts receivable were placed as collateral.

The Group’s credit terms granted to customers are generally 30 days to 120 days after the end of the month of acceptance inspection. The total book value outstanding at NT$594,189 thousand, NT$884,432 thousand and NT$707,826 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. See Note (VI).15 for information on loss provisions and Note (XII) for credit risk-related information.

(All amounts in NTD thousands unless otherwise specified)

6. Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Net inventory - merchandise	$3,197,631	$3,276,383	$3,048,867

(1) Cost of inventory, consultation, and maintenance recognized as expenses for the three months ended March 31, 2026 and 2025 were NT$1,852,956 thousand and NT$1,549,563 thousand, respectively. These amounts included NT$34 thousand and NT$(1,102) thousand of gain on reversal and (lost) of inventory devaluation and obsolescence for the three months ended March 31, 2026 and 2025 respectively. For the three months ended March 31, 2026, due to the reversal of inventories which was previously recognized inventory devaluation and obsolescence, there was a gain on the reversal of inventory devaluation and obsolescence.

(2) As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had provisions on inventory devaluation outstanding at NT$4,789 thousand, NT$4,823 thousand and NT$5,802 thousand, respectively.

(3) None of the above inventory was pledged as collateral.

7. Prepayments

	March 31, 2026	December 31, 2025	March 31, 2025
Prepaid purchases	$1,608,561	$1,149,285	$732,566
Other prepaid expenses	156,992	109,395	98,439
Total	$1,765,553	$1,258,680	$831,005

8. Property, plant and equipment

	March 31, 2026	December 31, 2025	March 31, 2025
Owner-occupied property, plant and equipment	$741,700	$743,746	$658,463

(All amounts in NTD thousands unless otherwise specified)

	Land	Buildings	Transportation equipment	Office equipment	Lease improvements	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:								
January 1, 2026	$433,613	$381,374	$2,216	$32,763	$5,805	$1,297	$-	$857,068
Additions	-	-	-	580	146	-	1,843	2,569
Disposals	-	(132)	-	(734)	-	-	-	(866)
Reclassification	-	-	-	176	-	-	-	176
Effects of exchange rate changes	-	-	21	7	-	-	-	28
March 31, 2026	$433,613	$381,242	$2,237	$32,792	$5,951	$1,297	$1,843	$858,975
January 1, 2025	$348,942	$336,518	$3,612	$30,561	$8,142	$1,320	$31,200	$760,295
Additions	-	624	-	899	-	-	6,510	8,033
Disposals	-	-	-	(521)	-	(23)	-	(544)
Reclassification	-	-	-	315	-	-	-	315
Effects of exchange rate changes	-	-	44	5	-	-	-	49
March 31, 2025	$348,942	$337,142	$3,656	$31,259	$8,142	$1,297	$37,710	$768,148
Depreciation and impairment:								
January 1, 2026	$-	$92,402	$1,626	$16,036	$2,759	$499	$-	$113,322
Depreciation	-	2,416	72	1,955	248	107	-	4,798
Disposals	-	(132)	-	(734)	-	-	-	(866)
Effects of exchange rate changes	-	-	14	7	-	-	-	21
March 31, 2026	$-	$94,686	$1,712	$17,264	$3,007	$606	$-	$117,275
January 1, 2025	$-	$83,996	$3,035	$14,331	$4,235	$93	$-	$105,690
Depreciation	-	2,158	53	1,833	339	108	-	4,491
Disposals	-	-	-	(521)	-	(23)	-	(544)
Effects of exchange rate changes	-	-	44	4	-	-	-	48
March 31, 2025	$-	$86,154	$3,132	$15,647	$4,574	$178	$-	$109,685
Net book value:								
March 31, 2026	$433,613	$286,556	$525	$15,528	$2,944	$691	$1,843	$741,700
December 31, 2025	$433,613	$288,972	$590	$16,727	$3,046	$798	$-	$743,746
March 31, 2025	$348,942	$250,988	$524	$15,612	$3,568	$1,119	$37,710	$658,463

The Group did not capitalize any interest for the three months ended March 31, 2026 and 2025.

(All amounts in NTD thousands unless otherwise specified)

Major components of buildings include: main structure, parking space, air conditioning, and renovation, which are depreciated over useful lives of 51-56 years, 35 years, 6 years and 6 years, respectively.

None of the above property, plant and equipment was pledged as collateral.

9. Intangible asset

	Computer software
Cost:	
January 1, 2026	$13,763
Addition - acquisition by separate purchase	1,253
March 31, 2026	$15,016
January 1, 2025	$7,293
Addition - acquisition by separate purchase	616
Reduction - removal in the current period	(2,428)
March 31, 2025	$5,481
Amortization and impairment:	
January 1, 2026	$5,302
Amortization	3,044
March 31, 2026	$8,346
January 1, 2025	$4,943
Amortization	1,109
Reduction - removal in the current period	(2,428)
March 31, 2025	$3,624
Net book value:	
March 31, 2026	$6,670
December 31, 2025	$8,461
March 31, 2025	$1,857

(All amounts in NTD thousands unless otherwise specified)

Amortization amount of intangible assets:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Administrative expenses	$3,044	$1,109

10. Short-term loans

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	$-	$475,000	$-
Interest rate range	-%	1.70%~1.95%	-%

The Group had undrawn short-term credit facilities of NT$2,309,476 thousand, NT$1,924,635 thousand and NT$2,346,029 thousand as at March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

11. Provisions

	Warranty	
	Three months ended March 31, 2026	Three months ended March 31, 2025
Beginning of period	$7,544	$11,272
Additions in the current period	2,965	2,454
Utilization in the current period	(1,124)	(1,216)
Reversals in the current period	(3,996)	(4,341)
End of the period	$5,389	$8,169

Warranty

This provision was made by estimating future product warranty claims, which involved use of historical experience, the management's judgment and other known factors.

12. Retirement benefit plans

Defined Contribution Plans

The Group recognized pension expenses related defined contribution plan for the three months ended March 31, 2026 and 2025 were NT$8,316 thousand and NT$8,061 thousand, respectively.

(All amounts in NTD thousands unless otherwise specified)

Defined Benefit Plans

The Group recognized pension expenses related defined benefit plan for the three months ended March 31, 2026 and 2025 were NT$862 thousand and NT$881 thousand, respectively.

13. Equity

(1) Ordinary share

The Company had authorized capital of NT$3,400,000 thousand (20,000 thousand shares of which were reserved for issuance of employee stock options) as at March 31, 2026, December 31, 2025, and March 31, 2025. Each share carries a face value of NT$10 and can be issued in multiple offerings. Paid-up capital amounted to NT$1,063,603 thousand and outstanding shares totaled 106,360 thousand on all three dates. Each share is entitled to one voting right and the right to receive dividends.

(2) Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Premium from consolidation	$148,259	$148,259	$148,259
Premium from conversion of convertible bonds	18,255	18,255	18,255
Total	$166,514	$166,514	$166,514

According to regulations, capital surplus cannot be used for any purpose other than reimbursing previous losses. If the Company has no cumulative losses, capital surpluses that arise from shares issued at premium and gifts received may be capitalized into share capital, up to a certain percentage of paid-in capital per year; these capital surpluses may also be distributed in cash among shareholders at the current ownership percentage.

(3) Earnings appropriation and dividend policy

According to the Articles of Incorporation, annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve (unless legal reserves have accumulated to an amount equal to the Company's total paid-in share capital). Any surpluses remaining shall then be subject to provision or reversal of special reserve, as the laws may require. The residual balance can then be added to unappropriated earnings carried from previous years and retained or distributed to shareholders as a form of profit sharing, subject to resolution in a shareholder meeting.

Shareholders' profit sharing can be paid in cash or shares; however, the cash portion shall be no less than 10% of total dividends.

The Company operates in the high-tech industry and is susceptible to the industry's enterprise life cycle. Dividends shall be allocated after taking into consideration several factors including: current and future investment environment, capital requirement, domestic/foreign competition, capital budget, shareholders' expectations, balanced dividends, and the Company's long-term financial plan. Dividend distribution plans are to be proposed by the board of directors and presented for final resolution in shareholder meeting on a yearly basis.

The distribution of dividends and bonuses in whole or in part, if made in cash, shall be authorized by the board meeting with more than two-thirds of the board present, voted in favor by more than half of all attending directors, and subsequently reported in shareholder meeting. The distribution of the entire or partial legal reserves or capital reserves, if made in cash, shall be authorized by the board meeting with more than two-thirds of the board present, voted in favor by more than half of all attending directors, and subsequently reported in shareholder meeting.

The Company will be required to appropriate additional special reserves to make up for the shortfall between the balance of special reserves provided during the first-time adoption of IFRS and the net balance of other contra equity items in years it decides to distribute available earnings. If there is any subsequent reversal of the net decrease in other equity, the reversed part of the net decrease in other equity may be reversed to the special reserve, and be distributed to investors.

In accordance with the order via a letter issued by the FSC on March 31, 2021 referenced Jin-Guan-Zheng-Fa No. 1090150022, if the International Financial Reporting Standards is adopted for the first time, for the unrealized revaluation value addition and cumulative translation adjustment (benefit) in the account which are transferred to retained earnings due to the adoption of the exemption item of IFRS 1 "First Adoption of IFRS" on the conversion date, a special reserve shall be allocated. Subsequently, when the company uses, disposes of, or reclassifies the relevant assets, it may reverse the proportion of the original special reserve for distribution of earnings.

(All amounts in NTD thousands unless otherwise specified)

As at March 31, 2026, December 31, 2025 and March 31, 2025, the Company had NT$144 thousand of special reserve that were appropriated due to first-time adoption of IFRS.

The Company's 2025 and 2024 earnings appropriation proposal and dividends per share were as presented below::

	Earnings appropriation plan		Dividends per share (NTD)	
	2025	2024	2025	2024
Legal reserve appropriated	$87,723	$89,497		
Cash dividends on ordinary shares	829,610	789,406	$7.8	$7.422

In accordance with the Articles of Association, the Company authorized the board of directors to distribute dividends and bonuses in cash through special resolution. The aforementioned cash dividends on ordinary shares were approved by the board of directors on February 26, 2026 and February 27, 2025 respectively. The remaining earnings distribution items were also approved by the annual general meeting on May 29, 2026 and May 29, 2025 respectively.

Please refer to Note (VI).17 for the amount of employee remuneration and director remuneration recognized and the basis of estimation.

14. Operating revenue

	Three months ended March 31, 2026	Three months ended March 31, 2025
Revenues from sale of merchandise	$1,784,813	$1,479,294
Revenues from rendering of service	632,817	587,546
Other operating revenues	3,354	1,188
Total	$2,420,984	$2,068,028

(All amounts in NTD thousands unless otherwise specified)

Information relating to revenue from contracts with customers for the three months ended March 31, 2026 and 2025 were as below:

(1) Breakdown of revenue

	Operating segment	
	Three months ended March 31, 2026	Three months ended March 31, 2025
Sales of merchandise	$1,784,813	$1,479,294
Rendering of service	632,817	587,546
Others	3,354	1,188
Total	$2,420,984	$2,068,028
Timing of revenue recognition:		
At a point in time	$1,621,034	$1,480,482
Over time	799,950	587,546
Total	$2,420,984	$2,068,028

(2) Contract balance

A. Contract assets - current

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Sales of merchandise and rendering of service	$239,389	$228,565	$304,262	$345,761
Less: loss provisions	(4,775)	(4,600)	(3,742)	(3,750)
Total	$234,614	$223,965	$300,520	$342,011

Major changes in the balance of contract assets for the three months ended March 31, 2026 and 2025 are explained below:

(All amounts in NTD thousands unless otherwise specified)

	Three months ended March 31, 2026	Three months ended March 31, 2025
Amount of beginning balance reclassified into accounts receivable in the current period	$(140,082)	$(157,340)
Changes were measured based on level of completion	$150,906	$115,841

The Group assesses impairment according to IFRS 9. Please see Note (VI).15 for information on loss provisions and Note (XII) for credit risk-related information.

B. Contract liabilities - current

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Sales of merchandise and rendering of service	$2,283,458	$2,267,525	$1,732,662	$1,773,807

Major changes in the balance of contract liabilities for the three months ended March 31, 2026 and 2025 are explained below:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Amount of beginning balance reclassified into revenue in the current period	$(790,571)	$(753,713)
Increase in advanced receipt in the current period (less amounts incurred and reclassified into revenue in the current period)	$806,504	$712,568

(3) Allocation of transaction price into unfulfilled contractual obligations

As at March 31, 2026, the Group had allocated NT$9,422,370 thousand of transaction price into unfulfilled (including partially fulfilled) contractual obligations; 64% of which are expected to be recognized as revenue in 2026, whereas the remainder will be recognized as revenue on and after 2027.

(All amounts in NTD thousands unless otherwise specified)

(4) Assets recognized from costs of acquiring and fulfilling customer contracts

None.

15. Expected credit impairment (loss) reversal gain

	Three months ended March 31, 2026	Three months ended March 31, 2025
Operating expenses - expected credit impairment (loss) reversal gain		
Contract assets	$(67)	$25
Accounts receivable	2,095	594
Total	$2,028	$619

Please see Note (XII) for credit risk-related information.

All of the Group's contract assets and receivables (including notes receivable, accounts receivable, and installment accounts receivable) have loss provisions measured based on Lifetime expected credit losses. Credit loss is recognized as the difference between the book value of contract assets/accounts receivable and the present value of expected cash flow (prospective information). For short-term receivables, however, credit loss is not measured using present value difference as the effect of discounting is insignificant. Loss provisions as at March 31, 2026, December 31, 2025, and March 31, 2025 are explained below:

Contract assets and accounts receivables are divided into groups based on counterparties' credit rating, location, and industry, and a provision matrix is used to measure loss provisions. Relevant details are presented below:

(All amounts in NTD thousands unless otherwise specified)

March 31, 2026

Group 1	Not past due	Past due					
	(Note 1)	Within 30 days	31-60 days	61-90 days	91-120 days	121 days and above	Total
Total book value	$713,694	$92,906	$4,534	$7,859	$12,052	$2,409	$833,454
Loss ratio	1.2%	0.8%	0.6%	0.5%	0.6%	1.2%	
Lifetime expected credit losses	(8,602)	(754)	(25)	(42)	(77)	(29)	(9,529)
Net amount	$705,092	$92,152	$4,509	$7,817	$11,975	$2,380	$823,925

Group 2 (Note 2)	Not past due	Past due					
		Within 30 days	31-60 days	61-90 days	91-120 days	121 days and above	Total
Total book value	$-	$-	$-	$-	$-	$1,383	$1,383
Loss ratio	-	-	-	-	-	100%	
Lifetime expected credit losses	-	-	-	-	-	(1,383)	(1,383)
Net amount	$-	$-	$-	$-	$-	$-	$-

December 31, 2025

Group 1	Not past due	Past due					
	(Note 1)	Within 30 days	31-60 days	61-90 days	91-120 days	121 days and above	Total
Total book value	$856,267	$97,342	$64,602	$21,582	$2,907	$71,327	$1,114,027
Loss ratio	1.1%	0.5%	0.8%	0.5%	0.6%	1.5%	
Lifetime expected credit losses	(9,356)	(498)	(488)	(112)	(16)	(1,077)	(11,547)
Net amount	$846,911	$96,844	$64,114	$21,470	$2,891	$70,250	$1,102,480

(All amounts in NTD thousands unless otherwise specified)

Group 2 (Note 2)	Not past due	Past due					
		Within 30 days	31-60 days	61-90 days	91-120 days	121 days and above	Total
Total book value	$-	$-	$-	$-	$-	$1,383	$1,383
Loss ratio	-	-	-	-	-	100%	
Lifetime expected credit losses	-	-	-	-	-	(1,383)	(1,383)
Net amount	$-	$-	$-	$-	$-	$-	$-

March 31, 2025

Group 1	Not past due	Past due					
	(Note 1)	Within 30 days	31-60 days	61-90 days	91-120 days	121 days and above	Total
Total book value	$904,874	$86,254	$18,662	$2,079	$980	$15,461	$1,028,310
Loss ratio	0.9%	0.5%	0.8%	1.6%	1.0%	1.9%	
Lifetime expected credit losses	(7,872)	(464)	(140)	(33)	(10)	(291)	(8,810)
Net amount	$897,002	$85,790	$18,522	$2,046	$970	$15,170	$1,019,500

Group 2 (Note 2)	Not past due	Past due					
		Within 30 days	31-60 days	61-90 days	91-120 days	121 days and above	Total
Total book value	$-	$-	$-	$-	$-	$1,383	$1,383
Loss ratio	-	-	-	-	-	100%	
Lifetime expected credit losses	-	-	-	-	-	(1,383)	(1,383)
Net amount	$-	$-	$-	$-	$-	$-	$-

(All amounts in NTD thousands unless otherwise specified)

Note 1: All notes receivable and contract assets are not past due. Loss provisions are measured based on Lifetime Expected Credit Losses.

Note 2: The Group measures loss provision for individual counterparties based on Lifetime Expected Credit Losses. Credit loss is recognized as the difference between the book value of contract assets/accounts receivable and the present value of expected cash flow.

Changes in loss provisions on contract assets, accounts receivable, and installment accounts receivable for the three months ended March 31, 2026 and 2025 are explained below:

	Contract assets	Accounts receivable	Installment accounts receivable	Total
January 1, 2026	$4,600	$8,330	$-	$12,930
Net recognitions (reversals) for the current period	67	(2,095)	-	(2,028)
Reclassification	107	(107)	-	-
Effect of exchange rate changes	1	9	-	10
March 31, 2026	$4,775	$6,137	$-	$10,912
January 1, 2025	$3,750	$7,052	$-	$10,802
Net recognitions (reversals) for the current period	(25)	(594)	-	(619)
Reclassification	16	(16)	-	-
Effect of exchange rate changes	1	9	-	10
March 31, 2025	$3,742	$6,451	$-	$10,193

16. <u>Lease</u>

(1) The Group as lessee

The Group leases several types of assets, including buildings, transportation equipment, and office equipment. Lease tenor of each contract is from 1 to 5 years.

Effects of leases on the Group's financial position, financial performance, and cash flow are explained below:

(All amounts in NTD thousands unless otherwise specified)

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

Book value of right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	$11,569	$12,940	$15,963
Transportation equipment	3,407	4,880	6,695
Office equipment	1,043	875	885
Total	$16,019	$18,695	$23,543

Right-of-use assets increased by NT$290 thousand and NT$1,046 thousand for the three months ended March 31, 2026 and 2025, respectively.

(b) Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities	$16,368	$19,056	$23,918
Current	$8,548	$9,642	$11,875
Non-current	7,820	9,414	12,043
Total	$16,368	$19,056	$23,918

Please see Note (VI).18(4) - Finance cost for interest on lease liabilities for the three months ended March 31, 2026 and 2025; and note (XII).5 - Liquidity risk management for maturity analysis of lease liability as at March 31, 2026, December 31, 2025 and March 31, 2025.

(All amounts in NTD thousands unless otherwise specified)

B. Amount recognized in statement of comprehensive income

Depreciation of right-of-use assets

	Three months ended March 31, 2026	Three months ended March 31, 2025
Buildings	$1,414	$1,576
Transportation equipment	1,473	2,160
Office equipment	123	124
Total	$3,010	$3,860

C. Income, expenses, and losses relating to lease activities as a lessee

	Three months ended March 31, 2026	Three months ended March 31, 2025
Short-term lease expense	$840	$792

D. Cash outflow relating to lease activities as a lessee

The Group incurred NT$3,963 thousand and NT$4,774 thousand of lease-related cash outflow for the three months ended March 31, 2026 and 2025.

(All amounts in NTD thousands unless otherwise specified)

17. Summary information of employee benefit, depreciation, and amortization expenses by function:

By function / By nature	Three months ended March 31, 2026			Three months ended March 31, 2025		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expenses						
Wages and salaries	$18,047	$198,315	$216,362	$17,958	$186,452	$204,410
Labor insurance expenses and national health insurance expenses	1,680	13,943	15,623	1,684	14,442	16,126
Pension expenses	944	8,234	9,178	936	8,006	8,942
Other employee benefit expenses	722	6,544	7,266	679	6,833	7,512
Depreciation expenses	-	7,808	7,808	-	8,351	8,351
Amortization expenses	-	3,044	3,044	-	1,109	1,109

Pursuant to the Articles of Incorporation, profits concluded from a financial year are subject to employee remuneration of no less than 3% and director remuneration of no more than 5%. However, profits must first be taken to offset against cumulative losses if any. Of the aforementioned employee remuneration amount, no less than 4% should be allocated to remuneration to grassroots employees. And employee remuneration can be made in cash or in shares. This decision must be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of all attending directors, and subsequently reported in shareholder meeting. Please visit the "Market Observation Post System" for more information regarding employee/director remuneration resolved in board of director meetings.

Employee remuneration and director remuneration for the three months ended March 31, 2026 were estimated at NT$15,000 thousand (including NT$1,000 thousand allocated to base employees) and NT$1,574 thousand, respectively, based on the Company's profitability and the percentages stated in the Articles of Incorporation. Employee remuneration and director remuneration for the three months ended March 31, 2025 were estimated at NT$15,000 thousand and NT$1,374 thousand, respectively, based on profitability of that particular year. The abovementioned amounts were presented under salary expense at the time of estimation, and if the actual amount resolved by the board of directors differs from the estimate, the difference will be recognized as gain or loss for the next year.

The board of directors passed a resolution on February 26, 2026 to pay the 2025 employee remuneration and director remuneration at NT$57,000 thousand (including NT$4,000 thousand allocated to base employees) and NT$5,500 thousand, respectively, in cash; these amounts were indifferent from the expenses previously recognized in the 2025 financial statements.

The board of directors passed a resolution on February 27, 2025 to pay the 2024 employee remuneration and director remuneration at NT$67,000 thousand and NT$5,500 thousand, respectively, in cash; these amounts were indifferent from the expenses previously recognized in the 2024 financial statements.

(All amounts in NTD thousands unless otherwise specified)

18. Non-operating income and expenses

(1) Interest income

	Three months ended March 31, 2026	Three months ended March 31, 2025
Financial assets at amortized costs	$3,773	$2,101

(2) Other income

	Three months ended March 31, 2026	Three months ended March 31, 2025
Grant income	$30,003	$35,805
Rental income	3	3
Other income - others	248	94
Total	$30,254	$35,902

(3) Other gains and losses

	Three months ended March 31, 2026	Three months ended March 31, 2025
Net gains (losses) on currency exchange	$1,589	$(1,569)
Gains (losses) on financial assets at fair value through profit or loss	1,279	(244)
Total	$2,868	$(1,813)

(4) Finance costs

	Three months ended March 31, 2026	Three months ended March 31, 2025
Interest expenses on bank loans	$889	$192
Interest expenses on lease liabilities	102	135
Total	$991	$327

(All amounts in NTD thousands unless otherwise specified)

19. Composition of other comprehensive income

Composition of other comprehensive income for the three months ended March 31, 2026 is explained below:

	Arising in the current period	Reclassification in the current period	Other comprehensive income	Income tax benefits (expenses)	Amount after tax
Items not reclassified into profit or loss:					
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$6,633	$-	$6,633	$-	$6,633
Items likely to be reclassified into profit or loss:					
Exchange differences on translation of foreign operations	9,573	-	9,573	-	9,573
Total other comprehensive income for the current period	$16,206	$-	$16,206	$-	$16,206

Composition of other comprehensive income for the three months ended March 31, 2025 is explained below:

	Arising in the current period	Reclassification in the current period	Other comprehensive income	Income tax benefits (expenses)	Amount after tax
Items not reclassified into profit or loss:					
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$(8,372)	$-	$(8,372)	$-	$(8,372)
Items likely to be reclassified into profit or loss:					

	Arising in the current period	Reclassification in the current period	Other comprehensive income	Income tax benefits (expenses)	Amount after tax
Exchange differences on translation of foreign operations	6,199	-	6,199	-	6,199
Total other comprehensive income for the current period	$(2,173)	$-	$(2,173)	$-	$(2,173)

20. Income tax

Compositions of income tax expenses for the three months ended March 31, 2026 and 2025 are explained below:

Income tax recognized in profit or loss

	Three months ended March 31, 2026	Three months ended March 31, 2025
Income tax expenses (benefits) for the current period:		
Current income tax payable	$67,283	$59,439
Adjustment of current income tax of previous years	(11,753)	-
Deferred income tax expenses (benefits):		
Deferred income tax expenses relating to the origination and reversal of temporary differences	1,056	633
Offset (reversal of previous offset) of deferred income tax asset	213	411
Income tax expenses	$56,799	$60,483

Assessment of income tax return

Assessment of income tax filings submitted by the Company and domestic subsidiaries as at March 31, 2026 is explained below:

	Assessment of income tax return
The Company	Certified up to 2024

	Assessment of income tax return
Subsidiary - SRAIN Investment Co., Ltd.	Certified up to 2024
Subsidiary - Stark Inforcom Inc.	Certified up to 2024

21. Earnings per share (EPS)

Amount of basic earnings per share is calculated by dividing current net income attributable to parent company's ordinary shareholders by weighted average outstanding ordinary shares for the current period.

Amount of diluted earnings per share is calculated by dividing current net income attributable to parent company's ordinary shareholders by weighted average outstanding ordinary shares for the current period, including all potential dilutive ordinary shares assuming total conversion.

	Three months ended March 31, 2026	Three months ended March 31, 2025
(1) Basic earnings per share		
Net income attributable to parent company's ordinary shareholders (NTD thousands)	$279,505	$238,405
Weighted average outstanding ordinary shares for basic earnings per share (thousands shares)	106,360	106,360
Basic earnings per share (NTD)	$2.63	$2.24
(2) Diluted earnings per share		
Net income attributable to parent company's ordinary shareholders (NTD thousands)	$279,505	$238,405
Weighted average outstanding ordinary shares for basic earnings per share (thousands shares)	106,360	106,360
Dilutive effect:		
Employee remuneration (thousands shares)	372	391
Weighted average outstanding ordinary shares after adjustment for dilutive effect (thousands shares)	106,732	106,751
Diluted earnings per share (NTD)	$2.62	$2.23

There had been no other transaction that significantly changed the number of closing outstanding ordinary shares or potential ordinary shares after the reporting date up until the publication date of financial statements.

(All amounts in NTD thousands unless otherwise specified)

(VII). Related party transactions

Compensation for key management of the Group

	Three months ended March 31, 2026	Three months ended March 31, 2025
Short-term employee benefits	$19,906	$30,680
Post-employment benefits - pension	732	710
Total	$20,638	$31,390

(VIII). Pledged assets

The Group had placed the following assets as collaterals:

	Book value			
Item	March 31, 2026	December 31, 2025	March 31, 2025	Details of debts secured
Other financial assets – current	$12,892	$9,405	$9,224	Customer performance, warranty, and bid bond
Other financial assets – non-current	8,203	11,615	11,730	Customer performance, warranty, and bid bond
Total	$21,095	$21,020	$20,954	

(IX). Significant contingent liabilities and unrecognized contract commitments

Unrecognized contract commitments

1. As at March 31, 2026, the Company had engaged financial institutions to provide NT$144,557 thousand for project performance and tariff guaranteed amount.

2. As at March 31, 2026, the Company had issued NT$12,842 thousand of guaranteed notes to customers and banks to secure sales and borrowing limits.

Contingency

1. The Company received a complaint of criminal incidental civil lawsuit filed by the Taiwan Taipei District Court on May 10, 2022, for the Company's employee violating the Securities and Exchange Act. FUJIFILM Business Innovation Taiwan Co., Ltd. (hereinafter referred to as Fujifilm) filed a criminal incidental civil lawsuit against other companies, individuals, the Company and the Company's vice president surnamed Gao, a total of 15 defendants, requesting if one of the 15 defendants pays all or part of the damages, the other defendants are exempted from the obligation to pay within the scope of the payment.

   On October 1, 2024, the Company received a notice from the Criminal Division of the Taiwan Taipei District Court, notifying the Company to participate in the confiscation proceedings in a criminal case involving the defendant, the vice president surnamed Gao, and others for alleged violations of the Securities and Exchange Act. On May 19, 2025, the Company received the criminal judgment of the Taiwan Taipei District Court. Both the Company and the vice president surnamed Kao disagreed with the first-instance criminal judgment and each engaged legal counsel to file an appeal on June 4, 2025. The case is currently under trial at the Taiwan High Court. In addition, on May 12, 2025, the Company received a ruling from the Criminal Division of the Taiwan Taipei District Court stating that the incidental civil action attached to the criminal case would be transferred to the Civil Division for trial. On October 20, 2025 the Company received a notice from the Civil Division of the Taiwan Taipei District Court that the court would conduct mediation proceedings for the case on December 2, 2025. The Company has engaged legal counsel to handle the matter, and the case is under trial at the Civil Division of the Taiwan Taipei District Court.

2. The Company received a complaint of civil lawsuit filed by the Taiwan Taipei District Court on August 31, 2022. Fujifilm filed a civil lawsuit against the Company, the Company's vice president surnamed Gao, other companies and individuals, a total of 18 defendants, requesting if one of the 18 defendants pays all or part of the damages, the other defendants are exempted from the obligation to pay within the scope of the payment. The Company has engaged legal counsel to handle the matter, and the case is under trial at the Civil Division of the Taiwan Taipei District Court.

As at March 31, 2026, the Company has assessed that the aforementioned events will not have a significant impact on the Company's current operations.

(All amounts in NTD thousands unless otherwise specified)

(X). Losses from Major Disasters

None.

(XI). Significant Subsequent Events

None.

(XII). Others

1. Types of financial instrument

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at fair value through profit or loss	$66,969	$71,161	$34,756
Financial assets at fair value through other comprehensive income	113,238	106,605	85,753
Financial assets at amortized costs			
Cash and cash equivalents (excluding cash on hand)	1,288,925	1,112,993	1,118,521
Receivables	552,388	846,504	703,623
Long-term receivables	50,291	40,562	32,168
Other financial assets	21,095	21,020	20,954
Refundable deposits	328,258	322,143	259,159
Subtotal	2,240,957	2,343,222	2,134,425
Total	$2,421,164	$2,520,988	$2,254,934
Financial liabilities			
Financial liabilities at amortized costs:			
Short-term loans	$-	$475,000	$-
Payables	2,819,058	1,533,618	2,200,613
Lease liabilities	16,368	19,056	23,918
Guarantee deposits	6,292	5,777	6,650
Total	$2,841,718	$2,033,451	$2,231,181

2. Purpose and policy of financial risk management

The Group has set its financial risk management goals to primarily manage market risks, credit risks, and liquidity risks relating to operating activities. The abovementioned risks are identified, measured, and managed according to the Group's policies and risk preference.

The Group has implemented appropriate policies, procedures, and internal controls for the management of financial risks mentioned above. All important financial activities are subject to review by the board of directors and audit committee in accordance with rules and the internal control system. The Group is required to duly comply with its financial risk management rules when carrying out financial management activities.

3. Market risk

Changes in the market price of financial instruments is the type of market risk that the Group is most concerned with. Market risk may cause fluctuation in the fair value or cash flow of financial instruments, and mainly includes exchange rate risk, interest rate risk, and other price risk.

In practice, however, it is extremely rare to see only one risk variable changing at one time. Although risk variables tend to be correlated to some degree, the sensitivity analysis below has not taken into consideration the inter-correlation of risk variables.

Exchange rate risk

The Group’s exchange rate risk exposure is mainly associated with operating activities (when the currency of income or expense is different from the Group’s functional currency) and net investments in foreign operations.

Some of the Group's foreign currency receivables and foreign currency payables are denominated in the same currencies, which create natural hedge to some extent. However, the Group did not adopt hedge accounting as natural hedge does not conform with the requirements for hedge accounting. Meanwhile, net investments in foreign operations represent strategic investments, therefore the Group did not hedge this exposure.

Sensitivity analysis for exchange rate risk is conducted on monetary items denominated in key foreign currencies as at the balance sheet date, and the analysis evaluates how a strengthening/weakening of foreign currency affects the Group's profits and equity. Exchange rate risks of the Group are mainly attributed to the volatility of USD and RMB currencies. Sensitivity analysis for the two currencies is provided below:

If NTD strengthened/weakened against USD by 1%, losses for the three months ended March 31, 2026 and 2025 would have increased/decreased by NT$419 thousand and decreased/increased by NT$634 thousand, respectively; whereas equity would have decreased/increased NT$108 thousand and NT$114 thousand, respectively.

If NTD strengthened/weakened against RMB by 1%, losses for the three months ended March 31, 2026 and 2025 would have increased/decreased by NT$3,185 thousand and NT$2,810 thousand, respectively, whereas equity would have decreased/increased NT$3,171 thousand and NT$2,884 thousand, respectively.

Interest rate risk

Interest rate risk refers to fluctuations in the fair value or future cash flow of a financial instrument due to changes in market interest rate. The Group's exposure to interest rate risk arises mainly from loans borrowed at floating rate. However, given that the Group currently has no such loan outstanding, it is not exposed to any material interest rate risk.

Equity price risk

The Group holds TWSE/TPEX listed as well as unlisted equity securities; the fair value of investments may be affected by uncertainties associated with the future value. All TWSE/TPEX listed and unlisted equity securities held by the Group are classified as equity instruments at fair value through other comprehensive income. The Group manages equity price risk of equity securities through diversified investment and by setting investment limits on single and a portfolio of instruments. Information on portfolio of equity securities has to be provided to the Group's management on a regular basis; the board of directors is required to verify and approve all decisions concerning investment of equity securities.

A 10% rise/fall in the price of TWSE/TPEX listed shares held as equity instruments at fair value through other comprehensive income would have affected the Group's equity by NT$ 2,827 thousand and NT$3,550 thousand for the three months ended March 31, 2026 and 2025, respectively.

(All amounts in NTD thousands unless otherwise specified)

4. Credit risk management

Credit risk refers to the possibility of financial losses suffered due to counterparties becoming unable to fulfill contractual obligations. The Group's credit risk exposure mainly arises from operating activities (primarily accounts receivable and notes receivable) and financing activities (primarily bank deposits and financial instruments).

All departments of the Group manage credit risks according to prevailing policies, procedures, and controls. Counterparty credit risk is evaluated after taking into consideration each counterparty's financial position, external credit rating, historical transactions, the current economic environment, and the Group's internal rating standards, etc. The Group uses credit enhancement tools (such as advanced receipt and insurance) at appropriate times to minimize credit risk of specific counterparties.

The Group's top 10 customers accounted for 39%, 15%, and 35% of total contract assets and accounts receivable balance as at March 31, 2026, December 31, 2025, and March 31, 2025, respectively. Judging by the above, there was no concentration of credit risk in the Group's contract assets and accounts receivable.

The Finance Department manages credit risk of bank deposits and other financial instruments according to group policies. All counterparties of the Group are approved according to internal control procedures, and consist entirely of reputable banks, investment-grade financial institutions, companies, and government agencies, hence no major credit risk exists.

The Group assesses expected credit losses according to IFRS 9. Information relating to credit risk assessment is presented below:

			Total book value		
Credit risk grade	Indicator	Method of measuring expected credit loss	March 31, 2026	December 31, 2025	March 31, 2025
Simplified Approach (Note)	(Note)	Lifetime Expected Credit Losses	$834,837	$1,115,410	$1,029,693

Note: The Group adopts the Simplified Approach (loss provision is measured based on Lifetime Expected Credit Losses); the assessment covers contract assets, notes receivable, accounts receivable, and installment accounts receivable.

5. Liquidity risk management

(All amounts in NTD thousands unless otherwise specified)

The Group uses cash and cash equivalents, marketable securities, bank loans, leases, and contracts to maintain financial flexibility.

The following table shows maturity of financial liabilities as stated in contract terms and conditions. The dates represent the earliest times at which the Group may be required to make repayments, whereas the amounts are undiscounted and include agreed interests. Undiscounted amounts of floating interest cash flow are estimated using yield curve as at the balance sheet date.

Non-derivative instruments

	Less than 1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
March 31, 2026					
Payables	$2,819,058	$-	$-	$-	$2,819,058
Lease liabilities	8,818	7,334	636	-	16,788
December 31, 2025					
Short-term loans	$476,306	$-	$-	$-	$476,306
Payables	1,533,618	-	-	-	1,533,618
Lease liabilities	9,959	8,431	1,175	-	19,565
March 31, 2025					
Payables	$2,200,613	$-	$-	$-	$2,200,613
Lease liabilities	12,235	9,446	2,909	-	24,590

6. Reconciliation of liabilities relating to financing activities

Reconciliation of liabilities for the three months ended March 31, 2026:

	Short-term loans	Guarantee deposits	Lease liabilities	Total
January 1, 2026	$475,000	$5,777	$19,056	$499,833
Cash flow	(475,000)	515	(3,123)	(477,608)
Non-cash movement	-	-	392	392
Effect of exchange rate changes	-	-	43	43
March 31, 2026	$-	$6,292	$16,368	$22,660

(All amounts in NTD thousands unless otherwise specified)

Reconciliation of liabilities for the three months ended March 31, 2025:

	Short-term loans	Guarantee deposits	Lease liabilities	Total
January 1, 2025	$70,000	$6,080	$26,708	$102,788
Cash flow	(70,000)	570	(3,982)	(73,412)
Non-cash movement	-	-	1,181	1,181
Effect of exchange rate changes	-	-	11	11
March 31, 2025	$-	$6,650	$23,918	$30,568

7. Fair value of financial instruments

(1) Fair value assessment techniques and assumptions

Fair value refers to the price that market participants are able to receive for selling an asset, or the price that has to be paid to transfer a liability, in an orderly transaction on the measurement date. The Group has adopted the following techniques and assumptions when measuring and disclosing fair values of financial assets and liabilities:

A. Book value of cash and cash equivalents, receivables, payables, and other current liabilities closely resemble their fair value due to their short maturity.

B. Financial assets and liabilities that are traded on active markets at standard terms and conditions shall have fair value determined by market quotation (e.g., TWSE/TPEX listed shares, beneficiary certificates, and bonds).

C. Equity instruments without active market (e.g., privately placed shares of TWSE/TPEX listed companies, shares of unlisted public and private companies without active market) shall have fair value estimated using the market approach, which infers fair values from transaction price or other relevant information (such as discount for lack of liquidity, P/E and P/B ratios of similar companies etc.) of same or comparable equity instruments.

D. For debt instruments without quotation in active market, bank loans, and other non-current liabilities, fair value is determined by counterparty's quotation or through the use of valuation technique. The valuation technique takes a discounted cash flow approach, and assumptions such as interest rate and discount rate are established in reference to instruments of similar nature.

(2) Fair value of financial instruments carried at cost after amortization

Book value of financial assets and liabilities carried at amortized costs closely resemble their fair value.

(3) Fair value hierarchy for financial instruments

See Note (XII).8 for information relating to fair value hierarchy for financial instruments.

8. Fair value hierarchy

(1) Definition of fair value hierarchy

For all assets and liabilities measured or disclosed at fair value, fair value measurement is categorized in their entirety in the level of the lowest level input that is significant to the entire measurement. The different levels of inputs used are explained below:

Level 1 input: Quotations that can be obtained from an active market (unadjusted) on the measurement date for asset or liability of equivalent nature.
Level 2 input: Inputs that can be observed directly or indirectly on an asset or liability, except for quotations covered in level 1 input.
Level 3 input: Inputs that cannot be observed for an asset or liability.

Assets and liabilities that are recognized on financial statements on a recurring basis shall have classification reassessed on each balance sheet date to determine if transfer of fair value hierarchy has taken place.

(2) Information on fair value hierarchy

The Company did not have any asset that is measured at fair value on a non-recurring basis. Hierarchy of assets and liabilities with recurring fair value measurement is explained below:

(All amounts in NTD thousands unless otherwise specified)

March 31, 2026:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Capital	$-	$-	$66,969	$66,969
Financial assets at fair value through other comprehensive income				
Equity Instruments	28,269	-	84,969	113,238
Total	$28,269	$-	$151,938	$180,207

December 31, 2025:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Capital	$-	$-	$71,161	$71,161
Financial assets at fair value through other comprehensive income				
Equity Instruments	21,636	-	84,969	106,605
Total	$21,636	$-	$156,130	$177,766

March 31, 2025:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Capital	$-	$-	$34,756	$34,756
Financial assets at fair value through other comprehensive income				
Stock	35,501	-	50,252	85,753
Total	$35,501	$-	$85,008	$120,509

(All amounts in NTD thousands unless otherwise specified)

Transfer of fair value input between level 1 and level 2

There had been no transfer of fair value input between level 1 and level 2 for the three months ended March 31, 2026 and 2025 that involved assets or liabilities with recurring fair value measurement.

Transfer of level 3 input for recurring fair value measurements

The adjustment of the beginning to ending balance for level 3 input that involved assets or liabilities with recurring fair value measurement, is presented as follows:

	Asset		
	At fair value through profit or loss	At fair value through other comprehensive income	
	Capital	Stock	Subtotal
January 1, 2026	$71,161	$84,969	$156,130
Total recognized income (loss) for the current period:			
Recognized in gains or loss (reported under "Other gains and losses")	1,279	-	1,279
Disposal in the current period	(5,471)	-	(5,471)
March 31, 2026	$66,969	$84,969	$151,938

(All amounts in NTD thousands unless otherwise specified)

	Asset		
	At fair value through profit or loss	At fair value through other comprehensive income	
	Capital	Stock	Subtotal
January 1, 2025	$35,000	$50,252	$85,252
Total recognized income (loss) for the current period:			
Recognized in gains or loss (reported under "Other gains and losses")	(244)	-	(244)
March 31, 2025	$34,756	$50,252	$85,008

Among the total profits (losses) recognized above in profit and loss, the (losses) profits and related to the assets held as at March 31, 2026 and 2025 were NT$1,279 thousand and NT$0 thousand, respectively.

Information on the use of significant unobservable inputs in level 3 fair value measurement

The following significant unobservable inputs were used for level 3 measurement of assets with recurring fair value measurement:

March 31, 2026 :

	Valuation technique	Significant unobservable input	Quantitative information	Relationship between input and fair value	Sensitivity analysis on relationship between input and fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Capital	Net Asset Approach	Lack of market liquidity	10%	The higher the lack of market liquidity, the lower the fair value estimate	If the lack of market liquidity rises (falls) by 10%, the Group's losses would increase (decrease) by NT$6,697 thousand.

(All amounts in NTD thousands unless otherwise specified)

	Valuation technique	Significant unobservable input	Quantitative information	Relationship between input and fair value	Sensitivity analysis on relationship between input and fair value
Financial assets at fair value through other comprehensive income					
Stock	Market price Approach	Discount for lack of liquidity	20%	The higher the lack of liquidity, the lower the fair value estimate	If the lack of liquidity rises (falls) by 10%, the Group's equity would increase (decrease) by NT$8,497 thousand.

December 31, 2025 :

	Valuation technique	Significant unobservable input	Quantitative information	Relationship between input and fair value	Sensitivity analysis on relationship between input and fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Capital	Net Asset Approach	Lack of market liquidity	10%	The higher the lack of market liquidity, the lower the fair value estimate	If the lack of market liquidity rises (falls) by 10%, the Group's losses would increase (decrease) by NT$7,116 thousand.
Financial assets at fair value through other comprehensive income					
Stock	Market price Approach	Discount for lack of liquidity	20%	The higher the lack of liquidity, the lower the fair value estimate	If P/E ratio of stocks of similar companies rises (falls) by 10%, the Group's profits would increase (decrease) by NT$8,497 thousand.

March 31, 2025:

	Valuation technique	Significant unobservable input	Quantitative information	Relationship between input and fair value	Sensitivity analysis on relationship between input and fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Capital	Net Asset Approach	Lack of market liquidity	10%	The higher the lack of market liquidity, the lower the fair value estimate	If the lack of market liquidity rises (falls) by 10%, the Group's losses would increase (decrease) by NT$3,476 thousand.
Financial assets at fair value through other comprehensive income					
Stock	Market price Approach	Discount for lack of liquidity	20%	The higher the lack of liquidity, the lower the fair value estimate	If P/E ratio of stocks of similar companies rises (falls) by 10%, the Group's profits would increase (decrease) by NT$5,025 thousand.

(3) Mandatory disclosure of fair value hierarchy for items not measured at fair value: None.

9. Significant foreign currency-denominated financial assets and liabilities

The Group had the following significant foreign currency-denominated financial assets and liabilities:

Unit: thousand

	March 31, 2026		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items:			
USD	$5,036	32.010	$161,208
CNY (RMB)	71,442	4.631	330,848
SGD	240	24.795	5,958
Non-monetary items:			
USD	335	32.010	10,725
CNY (RMB)	68,473	4.631	317,099
Financial liabilities			
Monetary items:			
USD	$3,728	32.010	$119,348
CNY (RMB)	2,660	4.631	12,317

	December 31, 2025		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items:			
USD	$4,417	31.410	$138,744
CNY (RMB)	68,814	4.493	309,182
SGD	240	24.425	5,869
Non-monetary items:			
USD	340	31.410	10,685
CNY (RMB)	67,411	4.493	302,876
Financial liabilities			
Monetary items:			
USD	$923	31.410	$29,003
CNY (RMB)	730	4.493	3,281

(All amounts in NTD thousands unless otherwise specified)

	March 31, 2025		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items:			
USD	$3,059	33.210	$101,586
CNY (RMB)	61,818	4.575	282,818
JPY	2	0.2231	1
Non-monetary items:			
USD	340	33.210	11,282
CNY (RMB)	63,043	4.575	288,423
Financial liabilities			
Monetary items:			
USD	$4,969	33.210	$165,020
CNY (RMB)	398	4.575	1,822

Due to the broad diversity of functional currencies used for transactions by members of the Group, the Group was unable to disclose exchange gains/losses on monetary financial assets and liabilities separately for each significant foreign currency. The Group's net foreign currency exchange gains (losses) for the three months ended March 31, 2026 and 2025 were NT$1,589 thousand and NT$(1,569) thousand, respectively.

10. Capital management

The primary goals of the Group’s capital management are to maintain robust credit rating and sound capital ratios in ways that support business operation and maximization of shareholders' equity. The Group manages and adjusts capital structure based on changes in economic circumstances. The Group maintains and adjusts capital structure through: adjustment of dividend payment, refund of share capital, or issuance of new shares.

(All amounts in NTD thousands unless otherwise specified)

(XIII). Other Disclosures

1. Information related to significant transactions:

(1) Loans to external parties: None.

(2) Endorsements/guarantees provided for others: None.

(3) Holding of significant marketable securities at the end of the period (not including investment in subsidiaries):

Name of the investor	Type of marketable security	Name of marketable security	Relationship between the securities issuer and the Company	Financial statement account	End of the period			
					Shares / units	Book value	Percentage of shareholding	Fair value
Stark Technology Inc.	Stock	Ausenior Information Co., Ltd.	Stark Technology Inc. is the director of Ausenior Information Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	4,180,000	$60,880	19.00%	$60,880
	TWSE listed stock	ITEQ Corporation		Financial assets at fair value through other comprehensive income - non-current	1,829	272	-%	272
	Capital	CDIB-TEN Capital Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	-	66,969	2.99%	66,969
SRAIN Investment Co., Ltd.	TWSE listed stock	ITEQ Corporation	-	Financial assets at fair value through other comprehensive income - non-current	187,614	27,861	0.05%	27,861
	Stock	Azalea Technology Inc.		Financial assets at fair value through other comprehensive income - non-current	1,391,027	13,500	10.62%	13,500

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

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

(6) Others: Significant business dealings between the parent company and subsidiaries, and transactions between subsidiaries: None.

2. Information on invested companies:

Supplementary disclosure of investees in which the Company has significant influence or control for the three months ended March 31, 2026 (excluding Mainland China investees):

Unit: NTD thousands/USD

Name of the investor	Name of investee	Location of the investee	Main business activities	Initial investment (Note 8)		Shares held as at end of the period			Current profit (loss) of the investee (Note 1)	Investment gains (losses) recognized in the current period (Note 1)	Remarks
				End of the current period	End of the previous year	Number of shares	Percentage	Book value			
Stark Technology Inc.	Stark Technology Inc. (USA)	Note 2	Trading of computer-related products	$1,601 (USD50,000)	$1,601 (USD50,000)	500,000	100.00%	$10,725	$(120)	$(164)	-
Stark Technology Inc.	SRAIN Investment Co., Ltd.	Note 3	General investment	410,967	410,967	-	100.00%	573,451	29,802	29,802	-
Stark Technology Inc.	Pacific Ace Holding International Ltd.	Note 4	General investment	96,030 (USD3,000,000)	96,030 (USD3,000,000)	3,000,000	100.00%	314,514	5,953	5,953	-
SRAIN Investment Co., Ltd.	S-Rain Investment Ltd.	Note 5	General investment	25,608 (USD800,000)	25,608 (USD800,000)	800,000	100.00%	2,123	(1,100)	-	-
SRAIN Investment Co., Ltd.	Stark Inforcom Inc.	Note 6	Trading of computer-related products	370,000	370,000	37,000,000	100.00%	462,709	30,932	-	-
Pacific Ace Holding International Ltd.	Profit Reap International Limited	Note 4	General investment	96,030 (USD3,000,000) (Note 7)	96,030 (USD3,000,000) (Note 7)	3,000,000	100.00%	314,838	5,953	-	-

Note 1: Investment gains/losses of each company are recognized as part of investment gains/losses of subsidiaries or 2nd-tier subsidiaries, and have been eliminated in the consolidated financial statements.

Note 2: 81 Cragmont Court Walnut Creek CA 94598, U.S.A.

Note 3: 13F, No. 83, Section 2, Dongda Road, Hsinchu City.

Note 4: Beaufor House, P. O. Box 438, Road Town, Tortola, British Virgin Islands

Note 5: Tropic Isle Building, P.O. Box 438, Road Town, Tortola, British Virgin Islands

Note 6: 11F-2, No. 83, Section 2, Dongda Road, Hsinchu City.

Note 7: Includes technology in lieu of capital USD 906,243.

Note 8: Amount of initial investment at the ends of the current and previous periods were converted using exchange rate as at March 31, 2026.

(All amounts in NTD thousands unless otherwise specified)

3. Information relating to investments in mainland China

(1) Breakdown of investments:

Name of the investee in Mainland China	Main business activities	Paid-in-capital amount	Investment method	Accumulated outflow of investment from Taiwan as beginning of current period	Investment flows of the period		Accumulated outflow of investment from Taiwan as end of current period	Net profit (loss) of the investee of current period	Percentage of shareholding (direct or indirect)	Investment gains (losses) recognized in the current period (Note 3)	Book value of investments in Mainland China at the end of the period (Note 3)	Investment gains recovered back to Taiwan to date (Note 3)
					Outflow	Inflow						
STARK (Ningbo) Technology Inc.	International trade, technical service and consultation, system integration, software development, and sale of computer-related equipment.	USD 3,000,000	Invested indirectly through an investee in a third location (Pacific Ace Holding International Ltd)	$96,030 (USD3,000,000) (Note 1)	-	-	$96,030 (USD3,000,000) (Note 1)	$5,953 (Note 4. (II).3)	100.00%	$5,953 (Note 4. (II).3)	$314,987	$118,249 (USD3,694,113.75)
Shanghai Stark Technology Inc.	Wholesale and import/export trade of computers and peripherals, software, office equipment, and electrical/electronic equipment, computer system design, data processing service, and supply of network information.	USD 1,160,000	Invested indirectly through an investee in a third location (S-Rain Investment Ltd)	37,132 (USD1,160,000)	-	-	37,132 (USD1,160,000)	(1,100) (Note 4. (II).3)	100.00%	(1,100) (Note 4. (II).3)	2,112	-
Jiangxi Solar PV Corporation	Research, development, production, and sale of solar cells and components	- (Note 2)	Invested indirectly through an investee in a third location (Solar PV Corporation)	96,030 (USD3,000,000)	-	-	96,030 (USD3,000,000)	- (Note 2)	- (Note 2)	- (Note 2)	- (Note 2)	-

Accumulated outflows of investment from Taiwan to Mainland China as end of current period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
$229,192 (USD7,160,000) (Note 3)	$229,192 (USD7,160,000) (Note 3)	$1,791,842 (Note 5)

Note 1: As at March 31, 2026, the Company had invested USD 906,243 into STARK (Ningbo) Technology Inc. including technology in lieu of capital.

Note 2: The entity was declared bankrupt by the local court, and had completed liquidation on May 22, 2020.

Note 3: Converting the original foreign currency amount using exchange rate as at March 31, 2026.

Note 4: With regards to investment gains/losses recognized in the current period:

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

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

1. The financial statements were audited and attested by an international accounting firm which has a cooperative relationship with an accounting firm in R.O.C.
2. The financial statements were audited and attested by R.O.C. parent company's CPA
3. Others

Note 5: Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA.

(2) Significant transactions with Mainland China investees:

A. Amount and percentage of purchases and balance and percentage of corresponding payables at the end of period: None.

B. Amount and percentage of sales and balance and percentage of corresponding receivables at the end of period: None.

C. Property transactions and the resulting gains or losses: None.

D. Ending balances and purposes of endorsed notes, guarantees, or pledged collaterals: None.

E. Maximum balance, ending balance, interest rate range, and total interests amount of loans in the current period: None.

F. Other transactions with material impact to the current profit or loss or financial position: None.

(XIV). Segment Information

The Group generates revenues mainly from distribution and maintenance of computers and peripherals; research, design, development, and sale of computer software/hardware, and computer system design. The Group's decision makers evaluate performance of the Company and allocate resources accordingly. The Group has consolidated all of its operations into one single reporting segment due to the fact that they share similar economic characteristics and exhibit comparable long-term financial performance. Segment information is prepared using the same basis and significant accounting policies stated in Note (IV).