

Information Technology Total Services Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
for the First Quarter of 2026 and 2025
(Stock Code: 6697)

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Information Technology Total Services Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report for the First
Quarter of 2026 and 2025
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Independent Auditors' Report

(2026) Cai-Shen-Bao-Zi No. 26000224

To Information Technology Total Services Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Information Technology Total Services Co., Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) as of March 31, 2026 and 2025, as well as the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the three months then ended, and the notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 – “Interim Financial Reporting,” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

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

Conclusion

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

PricewaterhouseCoopers Taiwan

Chan-Yuan Tu

CPA

Ping-Chun Chih

Financial Supervisory Commission

Approval Document No.: Jin-Guan-Zheng-Shen-Zi No. 1120348565

Former Securities and Futures Commission, Ministry of Finance

Approval Document No.: (1999) Tai-Cai-Zheng-(VI) No. 16120

May 13, 2026

Information Technology Total Services Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2026, December 31, 2025, and March 31, 2025

Unit: NTD thousand

Assets		Note	March 31, 2026		December 31, 2025		March 31, 2025	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 408,689	42	\$ 469,112	46	\$ 415,475	39
1136	Financial assets measured at amortized cost – current	6(3) and (8)	4,106	1	3,853	-	3,294	-
1140	Contract assets – current	6(19) and 7	166,639	17	88,974	9	199,236	19
1150	Notes receivable, net	6(4)	9,696	1	6,995	1	8,451	1
1160	Notes receivable – related parties, net	7	3,530	-	5,091	1	1,131	-
1170	Accounts receivable, net	6(4)	124,041	13	165,798	16	155,902	15
1180	Accounts receivable – related parties, net	7	72,164	7	85,045	8	50,389	5
1200	Other receivables		7,799	1	8,244	1	7,996	1
1210	Other receivables – related parties	7	13	-	13	-	12	-
130X	Inventories	6(5)	4,232	1	2,718	-	6,324	1
1410	Prepayments	6(6)	21,225	2	14,125	1	14,176	1
1470	Other current assets		2,263	-	833	-	5,366	-
11XX	Total current assets		824,397	85	850,801	83	867,752	82
Non-current assets								
1517	Financial assets at fair value through other comprehensive profit or loss – non-current	6(2)	33,888	4	33,291	3	35,168	3
1535	Financial assets measured at amortized cost – non-current	6(3) and (8)	-	-	253	-	253	-
1550	Investments accounted for using the equity method	6(7)	47,537	5	46,586	5	48,066	5
1600	Property, plant, and equipment	6(8)	27,620	3	27,852	3	27,338	3
1755	Right-of-use assets	6(10)	4,280	-	4,927	-	6,803	1
1780	Intangible assets	6(9)	9,574	1	9,956	1	10,314	1
1840	Deferred income tax assets	6(25)	3,718	-	3,752	-	3,211	-
1920	Refundable deposits		10,076	1	11,015	1	10,248	1
1930	Long-term notes and accounts receivable	6(11)	13,658	1	42,249	4	41,585	4
1990	Other non-current assets – others	6(13)	248	-	248	-	1,318	-
15XX	Total non-current assets		150,599	15	180,129	17	184,304	18
1XXX	Total assets		\$ 974,996	100	\$ 1,030,930	100	\$ 1,052,056	100

(Continued on the next page)

Information Technology Total Services Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2026, December 31, 2025, and March 31, 2025

Unit: NTD thousand

Liabilities and equity		Note	March 31, 2026		December 31, 2025		March 31, 2025	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2130	Contract liabilities – current	6(19)	\$ 33,471	3	\$ 24,595	3	\$ 18,806	2
2150	Notes payable		81	-	81	-	-	-
2170	Accounts payable		191,704	20	256,303	25	307,162	29
2180	Accounts payable – related parties	7	684	-	823	-	1,232	
2200	Other payables	6(12)	128,442	13	86,210	8	109,593	10
2220	Other payables – related parties	7	1,355	-	1,376	-	1,306	-
2230	Income tax liabilities in the current period	6(25)	17,351	2	12,156	1	13,865	1
2250	Liability reserve – current	6(14)	8,025	1	8,025	1	8,025	1
2280	Lease liabilities – current		2,442	-	3,056	-	4,576	1
2399	Other current liabilities – others		7,790	1	7,219	1	7,858	1
21XX	Total current liabilities		391,345	40	399,844	39	472,423	45
Non-current liabilities								
2570	Deferred income tax liabilities	6(25)	7,920	1	7,451	1	10,751	1
2580	Lease liabilities – non-current		1,883	-	1,941	-	2,369	-
2645	Deposits received		397	-	397	-	397	-
25XX	Total non-current liabilities		10,200	1	9,789	1	13,517	1
2XXX	Total liabilities		401,545	41	409,633	40	485,940	46
Equity								
Equity attributable to owners of the parent company								
	Share capital	6(15)						
3110	Common shares		273,234	28	273,234	26	273,234	26
	Capital surplus	6(16)						
3200	Capital surplus		158,042	16	158,042	15	158,042	15
	Retained earnings	6(17)						
3310	Legal reserve		68,537	7	68,537	7	61,365	6
3320	Special reserves		2,097	-	2,097	-	1,628	-
3350	Undistributed earnings		71,066	8	120,392	12	68,594	7
	Other equity	6(18)						
3400	Other equity		475	-	(1,005)	-	3,253	-
31XX	Total equity attributable to owners of the parent company		573,451	59	621,297	60	566,116	54
3XXX	Total equity		573,451	59	621,297	60	566,116	54
	Material contingent liabilities and unrecognized contractual commitments	9						
3X2X	Total liabilities and equity		\$ 974,996	100	\$ 1,030,930	100	\$ 1,052,056	100

The attached Notes to the financial statements are part of this consolidated financial statement and should be read in conjunction with it.

Chairman: Shang-Wei Kao

Manager: Chih-Chun Wang

Accounting Manager: Chin-Lang Huang

Information Technology Total Services Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to March 31, 2026 and 2025

Unit: NTD thousand
(except for earnings per share, which is expressed in New Taiwan dollars)

	Item	Note	January 1 to March 31, 2026		January 1 to March 31, 2025	
			Amount	%	Amount	%
4000	Operating revenue	6(19) and 7	\$ 419,478	100	\$ 388,808	100
5000	Operating costs	6(5)(13)(24) and 7	(365,194)	(87)	(333,301)	(86)
5950	Gross profit, net		54,284	13	55,507	14
	Operating expenses	6(13)(24) and 7				
6100	Selling expenses		(2,922)	(1)	(3,398)	(1)
6200	Administrative expenses		(26,071)	(6)	(24,415)	(6)
6300	R&D expenses		(1,376)	-	(874)	-
6450	Expected credit impairment gains	12(2)	446	-	-	-
6000	Total operating expenses		(29,923)	(7)	(28,687)	(7)
6900	Operating profit		24,361	6	26,820	7
	Non-operating income and expenses					
7100	Interest revenue	6(20)	1,244	-	1,440	1
7010	Other revenue	6(21)	9	-	14	-
7020	Other gains and losses	6(22)	676	-	280	-
7050	Financial costs	6(10)(23)	(57)	-	(32)	-
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	951	-	1,197	-
7000	Total non-operating income and expenses		2,823	-	2,899	1
7900	Profit before tax		27,184	6	29,719	8
7950	Income tax expense	6(25)	(5,469)	(1)	(6,151)	(2)
8200	Current net income		<u>\$ 21,715</u>	<u>5</u>	<u>\$ 23,568</u>	<u>6</u>
	Other net consolidated income					
	Items that may be recategorized to profits or losses later					
8361	Difference from the conversion of financial statements of overseas operating entities	6(18)	\$ 1,850	1	\$ 1,598	-
8399	Income tax related to items likely to be reclassified	6(25)	(370)	-	(319)	-
8300	Other net consolidated income		<u>\$ 1,480</u>	<u>1</u>	<u>\$ 1,279</u>	<u>-</u>
8500	Current total comprehensive income		<u>\$ 23,195</u>	<u>6</u>	<u>\$ 24,847</u>	<u>6</u>
	Net profit attributable to:					
8610	the owner of the parent company		<u>\$ 21,715</u>	<u>5</u>	<u>\$ 23,568</u>	<u>6</u>
	Total comprehensive income attributable to:					
8710	the owner of the parent company		<u>\$ 23,195</u>	<u>6</u>	<u>\$ 24,847</u>	<u>6</u>
	Earnings per share	6(26)				
9750	Basic earnings per share		<u>\$ 0.79</u>		<u>\$ 0.86</u>	
9850	Diluted earnings per share		<u>\$ 0.79</u>		<u>\$ 0.86</u>	

The attached Notes to the financial statements are part of this consolidated financial statement and should be read in conjunction with it.

Chairman: Shang-Wei Kao

Manager: Chih-Chun Wang

Accounting Manager: Chin-Lang Huang

Information Technology Total Services Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to March 31, 2026 and 2025

Unit: NTD thousand

		Equity attributable to owners of the parent company						
		Retained earnings					Exchange differences on the translation of financial statements of foreign operations	Total
Note	Common shares	Capital surplus – additional paid-in capital	Legal reserve	Special reserves	Undistributed earnings			
<u>2025</u>								
		\$ 273,234	\$ 158,042	\$ 61,365	\$ 1,628	\$ 102,405	\$ 1,974	\$ 598,648
		-	-	-	-	23,568	-	23,568
	6(18)	-	-	-	-	-	1,279	1,279
		-	-	-	-	23,568	1,279	24,847
	6(17)							
		-	-	-	-	(57,379)	-	(57,379)
		\$ 273,234	\$ 158,042	\$ 61,365	\$ 1,628	\$ 68,594	\$ 3,253	\$ 566,116
<u>2026</u>								
		\$ 273,234	\$ 158,042	\$ 68,537	\$ 2,097	\$ 120,392	(\$ 1,005)	\$ 621,297
		-	-	-	-	21,715	-	21,715
	6(18)	-	-	-	-	-	1,480	1,480
		-	-	-	-	21,715	1,480	23,195
	6(17)							
		-	-	-	-	(71,041)	-	(71,041)
		\$ 273,234	\$ 158,042	\$ 68,537	\$ 2,097	\$ 71,066	\$ 475	\$ 573,451

The attached Notes to the financial statements are part of this consolidated financial statement and should be read in conjunction with it.

Chairman: Shang-Wei Kao

Manager: Chih-Chun Wang

Accounting Manager: Chin-Lang Huang

Information Technology Total Services Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: NTD thousand

	Note	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Cash flows from operating activities</u>			
Net profit before tax this term		\$ 27,184	\$ 29,719
Adjustments			
Income, expenses, and losses			
Depreciation expenses	6(8)(10)(24)	3,344	2,974
Amortization expenses	6(24)	382	406
Expected credit impairment reversal gains	12(2)	(446)	-
Interest expenses	6(23)	57	32
Interest revenue	6(20)	(1,244)	(1,440)
Share of profit of associates and joint ventures accounted for using the equity method	6(7)	(951)	(1,197)
Gain on lease modification	6(22)	(4)	-
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Contract assets – current		(77,665)	(17,994)
Notes receivable		(2,701)	(4,402)
Notes receivable – related parties		1,561	(1,131)
Accounts receivable		42,203	28,798
Accounts receivable – related parties		12,881	30,862
Other receivables		445	(135)
Other receivables – related parties		-	1
Inventories		(1,514)	(2,782)
Prepayments		(7,100)	(1,706)
Other current assets		(1,430)	(3,559)
Net changes in liabilities related to operating activities			
Contract liabilities – current		8,876	(21,012)
Notes payable		-	(540)
Accounts payable		(64,599)	52,471
Accounts payable – related parties		(139)	(1,647)
Other payables		(29,403)	(13,146)
Other payables – related parties		(21)	(553)
Other current liabilities – others		571	(355)
Cash (outflow) inflow from operations		(89,713)	73,664
Interest received		556	921
Interest paid		(57)	(32)
Income tax paid		(141)	(1,457)
Net cash (outflow) inflow from operating activities		(89,355)	73,096

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Information Technology Total Services Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: NTD thousand

	Note	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Cash flows from investing activities</u>			
Cash paid for purchase of property, plant, and equipment	6(27)	(\$ 1,304)	(\$ 1,326)
Financial assets measured at amortized cost – decrease		-	13,110
Decrease in long-term notes and accounts receivable		29,279	29,280
Increase in other non-current assets – others		-	(1,070)
Decrease in refundable deposit		939	1,249
Net cash inflow from investing activities		<u>28,914</u>	<u>41,243</u>
<u>Cash flows from fundraising activities</u>			
Repayment of lease principal	6(28)	(1,220)	(1,120)
Net cash outflow from financing activities		(1,220)	(1,120)
Exchange rate effect		1,238	1,147
Increase (decrease) in cash and cash equivalents in the current period		(60,423)	114,366
Balance of cash and cash equivalents at the beginning of the period	6(1)	469,112	301,109
Balance of cash and cash equivalents at the end of the period	6(1)	<u>\$ 408,689</u>	<u>\$ 415,475</u>

The attached Notes to the financial statements are part of this consolidated financial statement and should be read in conjunction with it.

Chairman: Shang-Wei Kao

Manager: Chih-Chun Wang

Accounting Manager: Chin-Lang Huang

Information Technology Total Services Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
for the First Quarter of 2026 and 2025

Unit: NTD thousand
(Unless otherwise specified)

1. Company History

Information Technology Total Services Co., Ltd. (the “Company”) was incorporated in December 1990. The main business items of the Company and its subsidiaries (collectively, the “Group”) are information technology outsourcing (ITO), business process outsourcing (BPO), and innovative applications and services for the Internet of Things (IoT). TECO Electric and Machinery Co., Ltd. holds 41.97% of the Company’s equity, and TECO Electric and Machinery Co., Ltd. is the ultimate parent company of the Group.

2. Date and Procedures for Approval of the Financial Report

The consolidated financial statements were released after being approved by the board of directors on May 13, 2026.

3. Application of Newly Issued and Amended Standards and Interpretations

(1) Effect of adopting the newly promulgated or amended IFRSs endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The table below lists the applicable new, revised, and amended standards and interpretations of the IFRSs as endorsed and issued into effect by the FSC in 2026:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date Announced by the IASB</u>
Amendments to IFRS 9 and IFRS 7 “classification and measurement of financial instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-Dependent Electricity”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Annual Improvements to IFRS – Book 11	January 1, 2026

The Group has assessed that the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

(2) Effect of not adopting the newly promulgated or amended IFRS endorsed by the FSC

None.

(3) Effect of the IFRSs issued by the IASB but not yet endorsed by the FSC

The table below summarizes the newly issued, revised, and amended IFRSs issued by the IASB but not yet endorsed by the FSC:

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

Note: In a press release dated September 25, 2025, the Financial Supervisory Commission (FSC) announced that public companies will be required to adopt IFRS 18 beginning in fiscal year 2028. Companies wishing to adopt IFRS 18 ahead of schedule may elect early adoption following the FSC’s endorsement of the standard.

The Group has assessed that the above standards and interpretations have no material impact on the Group’s financial position and financial performance, except for the following:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” supersedes IAS 1 and introduces a revised structure for the statement of profit or loss and other comprehensive income, adds disclosure requirements for management performance measures, and strengthens the aggregation and disaggregation principles applicable to the primary financial statements and notes.

4. Summary of significant accounting policies

The consolidated financial statements are prepared using simplified disclosures in accordance with IAS 34 “Interim Financial Reporting.” Except for the compliance statement, basis of preparation, basis of consolidation, and additional explanations provided below, the significant accounting policies remain the same as those in Note 4 to the 2025 consolidated financial statements. Unless otherwise stated, said policies apply consistently throughout all reporting periods.

(1) Compliance statement

- A. The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC.
- B. The consolidated financial statements should be read together with the 2025 consolidated financial statements.

(2) Basis of preparation

- A. Except for the financial assets at fair value through other comprehensive income, the consolidated financial statements were prepared at historical cost.

- B. The preparation of financial statements in compliance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) as endorsed and issued into effect by the FSC requires the use of some critical accounting estimates. In the process of applying the Company’s accounting policies, management also needed to exercise its judgment. For items requiring meticulous judgment or involving complexity, or involving critical assumptions and estimates in the consolidated financial statements, please refer to Note 5 for details.

(3) Basis of consolidation

- A. Principles for preparing consolidated financial statements

The principles for preparing the consolidated financial statements are the same as those for preparing the 2025 consolidated financial statements.

- B. The subsidiaries included in the consolidated financial statements:

Name of investor	Name of the subsidiary	Business nature	Percentage of ownership			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Information Technology Total Services Co., Ltd.	Unison Service Corporation	Customer relationship management services and consulting services for the customer service center establishment	100%	100%	100%	
Information Technology Total Services Co., Ltd.	Universal Mail Service Ltd.	Postal information integration and bill printing outsourcing services	100%	100%	100%	
Information Technology Total Services Co., Ltd.	Information Technology Total Services (BVI) CO., Ltd.	Investment holding company	100%	100%	100%	
Information Technology Total Services (BVI) CO., Ltd.	Information Technology (WUXI) Co., Ltd.	ERP establishment, system maintenance, and information equipment procurement	100%	100%	100%	

Note: The deregistration was completed on August 11, 2022.

- C. The subsidiaries not included in the consolidated financial statements: N/A.
- D. Different adjustments and treatment methods of subsidiaries in the accounting period: N/A.
- E. Significant restrictions: None.
- F. Subsidiaries with non-controlling interests that are material to the Group: N/A.

5. Major sources of uncertainty for significant accounting judgments, estimates, and assumptions

There was no significant change in the current period; please refer to Note 5 to the 2025 consolidated financial statements.

6. Description of Significant Accounting Titles

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and working capital	\$ 258	\$ 273	\$ 265
Checking deposits, demand deposits, and time deposit	408,431	468,839	415,210
Total	<u>\$ 408,689</u>	<u>\$ 469,112</u>	<u>\$ 415,475</u>

A. The financial institutions the Group deals with have high credit ratings. The Group also deals with multiple financial institutions at the same time to diversify credit risks. Therefore, the expected risk of default is low.

B. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group provided restricted cash and cash equivalents as performance bonds, amounting to NT\$4,106, NT\$4,106, and NT\$3,547, respectively (recognized in “1136 Financial assets measured at amortized cost – current” and “1535 Financial assets measured at amortized cost – non-current”).

(2) Financial assets at fair value through other comprehensive income

Item	March 31, 2026	December 31, 2025	March 31, 2025
Non-current items:			
Unlisted stocks	<u>\$ 33,888</u>	<u>\$ 33,291</u>	<u>\$ 35,168</u>

A. The Group has elected to classify unlisted stocks with stable dividends as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of March 31, 2026, December 31, 2025, and March 31, 2025 were NT\$33,888, NT\$33,291, and NT\$35,168, respectively.

B. The amount of financial assets at fair value through other comprehensive income recognized in dividend revenue under profit or loss was NT\$0 for the three months ended March 31 in both 2026 and 2025.

C. For information on the price risk and the fair value of financial assets at fair value through other comprehensive income, please refer to Note 12(2) and (3).

(3) Financial assets measured at amortized cost

Item	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Restricted bank deposits	\$ 402	\$ 149	\$ 194
Pledged time deposits	<u>3,704</u>	<u>3,704</u>	<u>3,100</u>
Total	<u>\$ 4,106</u>	<u>\$ 3,853</u>	<u>\$ 3,294</u>
Non-current items:			
Pledged time deposits	<u>\$ -</u>	<u>\$ 253</u>	<u>\$ 253</u>

- A. Financial assets measured at amortized cost which are recognized in profit or loss are detailed as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest revenue	<u>\$ 8</u>	<u>\$ 5</u>

- B. As of March 31, 2026, December 31, 2025, and March 31, 2025, regardless of the collateral held or other credit enhancements, the maximum amount of the exposure to the credit risk arising from the Group's financial assets measured at amortized cost was in the amount of NT\$4,106, NT\$4,106, and NT\$3,547, respectively.
- C. For the financial assets measured at amortized cost which have been pledged by the Group as collateral, see Note 8.
- D. Please refer to Note 12(2) for information on the credit risk of financial assets at amortized cost. The counterparties for the Group's investment in certificates of deposit are financial institutions with high credit ratings. Therefore, the expected risk of default is low.

(4) Notes and Accounts Receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	<u>\$ 9,696</u>	<u>\$ 6,995</u>	<u>\$ 8,451</u>
Accounts receivable	\$ 126,029	\$ 168,232	\$ 157,890
Less: Allowance for loss	<u>(1,988)</u>	<u>(2,434)</u>	<u>(1,988)</u>
	<u>\$ 124,041</u>	<u>\$ 165,798</u>	<u>\$ 155,902</u>

A. The aging analysis of accounts receivable and notes receivable is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	\$ 130,102	\$ 165,124	\$ 154,083
Within 30 days	-	12	625
31–90 days	5,623	3,571	9,618
91–180 days	-	1,457	15
Over 181 days	-	5,063	2,000
	<u>\$ 135,725</u>	<u>\$ 175,227</u>	<u>\$ 166,341</u>

The aging analysis stated above is based on the number of overdue days.

- B. The balances of accounts receivable and notes receivable as of December 31, 2026 and 2025 were all generated from customer contracts. In addition, the balance of accounts receivable from customer contracts on January 1, 2025 was NT\$190,737.
- C. As of March 31, 2026, December 31, 2025, and March 31, 2025, regardless of the collateral held and other credit enhancements, the maximum amount of the exposure to the credit risk arising from the Group's notes receivable was in the amount of NT\$9,696, NT\$6,995, and NT\$8,451, respectively; the maximum amount of the exposure to the credit risk arising from the Group's accounts receivable was in the amount of NT\$124,041, NT\$165,798, and NT\$155,902, respectively
- D. Please refer to Note 12(2) for more information on the credit risk of the accounts and notes receivable.

(5) Inventories

	March 31, 2026		
	Costs	Allowance for valuation loss	Carrying amount
Raw materials	\$ 2,670	\$ -	\$ 2,670
Finished products	1,525	-	1,525
Software and hardware costs and consumables for projects	2,726	(2,689)	37
	<u>\$ 6,921</u>	<u>(\$ 2,689)</u>	<u>\$ 4,232</u>
	December 31, 2025		
	Costs	Allowance for valuation loss	Carrying amount
Raw materials	\$ 1,419	\$ -	\$ 1,419
Goods in process	39	-	39
Finished products	1,223	-	1,223
Software and hardware costs and consumables for projects	2,726	(2,689)	37
	<u>\$ 5,407</u>	<u>(\$ 2,689)</u>	<u>\$ 2,718</u>
	March 31, 2025		
	Costs	Allowance for valuation loss	Carrying amount
Raw materials	\$ 1,976	\$ -	\$ 1,976
Goods in process	1,623	-	1,623
Merchandise inventory	2,215	-	2,215
Software and hardware costs and consumables for projects	3,199	(2,689)	510
	<u>\$ 9,013</u>	<u>(\$ 2,689)</u>	<u>\$ 6,324</u>

The cost of inventories and consumables sold by the Group for the three months ended March 31, 2026 and 2025 was NT\$54,767 and NT\$65,063, respectively.

(6) Prepayments

	March 31, 2026	December 31, 2025	March 31, 2025
Prepaid license fees	\$ 1,484	\$ 1,226	\$ 662
Prepaid maintenance fees	6,662	971	1,274
Refundable taxes	5,534	285	2,000
Other prepaid expenses	7,545	11,643	10,240
	<u>\$ 21,225</u>	<u>\$ 14,125</u>	<u>\$ 14,176</u>

(7) Investments accounted for using the equity method

	March 31, 2026	December 31, 2025	March 31, 2025
Tension Envelope Taiwan Corporation	\$ 44,399	\$ 43,443	\$ 44,353
An-Hui Information Technology Co., Ltd.	3,138	3,143	3,713
	<u>\$ 47,537</u>	<u>\$ 46,586</u>	<u>\$ 48,066</u>

- A. The Group holds 50% of the voting rights of Tension Envelope Taiwan Corporation (hereinafter referred to as “Tension Envelope”). However, the Group does not have substantive control over Tension Envelope. Tension Envelope’s operating decisions and personnel appointments by its board of directors are guided by another joint venture company that holds 50% of its voting rights, so the Group’s investment in Tension Envelope is handled using the equity method.
- B. The Group holds 15% of the voting rights of An-Hui Information Technology Co., Ltd. (hereinafter referred to as “An-Hui Information”), obtaining a seat on the board. With significant influence on An-Hui Information, the Group adopts the equity method for investment in An-Hui Information.
- C. Associates and joint ventures
- (A) The basic information of the Group’s associates is as follows:

Company name	Principal place of business	Shareholding percentage			Relationship	Measurement method
		March 31, 2026	December 31, 2025	March 31, 2025		
Tension Envelope Taiwan Corporation	Taiwan	50%	50%	50%	Suppliers of the Group	Equity method
An-Hui Information Technology Co., Ltd.	Taiwan	15%	15%	15%	Strategic collaboration	Equity method

- (B) The carrying amounts of the Group’s associates that are individually immaterial and their share of operating results are aggregated below:
As of March 31, 2026, December 31, 2025, and March 31, 2025, the carrying amounts of the Group’s associates that are individually immaterial were NT\$47,537, NT\$46,586, and NT\$48,066, respectively.

	January 1 to March 31, 2026	January 1 to March 31, 2025
Net income from continuing operations in the current period	\$ 951	\$ 1,197
Other comprehensive income (net of tax)	-	-
Current total comprehensive income	<u>\$ 951</u>	<u>\$ 1,197</u>

(8) Property, plant, and equipment

	Machinery and equipment	Office equipment	Leasehold improvements	Others	Total
January 1, 2026					
Costs	\$ 64,834	\$ 16,996	\$ 13,777	\$ 1,222	\$ 96,829
Accumulated depreciation and impairment	(44,330)	(12,932)	(10,791)	(924)	(68,977)
	<u>\$ 20,504</u>	<u>\$ 4,064</u>	<u>\$ 2,986</u>	<u>\$ 298</u>	<u>\$ 27,852</u>
January 1, 2026	\$ 20,504	\$ 4,064	\$ 2,986	\$ 298	\$ 27,852
Additions	300	1,499	-	99	1,898
Depreciation expenses	(1,092)	(654)	(363)	(36)	(2,145)
Net exchange difference	-	7	-	8	15
March 31, 2026	<u>\$ 19,712</u>	<u>\$ 4,916</u>	<u>\$ 2,623</u>	<u>\$ 369</u>	<u>\$ 27,620</u>
March 31, 2026					
Costs	\$ 65,134	\$ 18,553	\$ 13,777	\$ 1,358	\$ 98,822
Accumulated depreciation and impairment	(45,422)	(13,637)	(11,154)	(989)	(71,202)
	<u>\$ 19,712</u>	<u>\$ 4,916</u>	<u>\$ 2,623</u>	<u>\$ 369</u>	<u>\$ 27,620</u>
	Machinery and equipment	Office equipment	Leasehold improvements	Others	Total
January 1, 2025					
Costs	\$ 60,470	\$ 14,506	\$ 13,777	\$ 990	\$ 89,743
Accumulated depreciation and impairment	(40,217)	(10,876)	(9,075)	(795)	(60,963)
	<u>\$ 20,253</u>	<u>\$ 3,630</u>	<u>\$ 4,702</u>	<u>\$ 195</u>	<u>\$ 28,780</u>
January 1, 2025	\$ 20,253	\$ 3,630	\$ 4,702	\$ 195	\$ 28,780
Additions	-	423	-	-	423
Depreciation expenses	(976)	(455)	(424)	(21)	(1,876)
Net exchange difference	-	7	-	4	11
March 31, 2025	<u>\$ 19,277</u>	<u>\$ 3,605</u>	<u>\$ 4,278</u>	<u>\$ 178</u>	<u>\$ 27,338</u>
March 31, 2025					
Costs	\$ 60,470	\$ 15,034	\$ 13,777	\$ 1,046	\$ 90,327
Accumulated depreciation and impairment	(41,193)	(11,429)	(9,499)	(868)	(62,989)
	<u>\$ 19,277</u>	<u>\$ 3,605</u>	<u>\$ 4,278</u>	<u>\$ 178</u>	<u>\$ 27,338</u>

- A. The Group had no capitalization of interest for the three months ended March 31, 2026 and 2025.
- B. All of the property, plant, and equipment of the Group are only for private use.
- C. The Group did not pledge property, plant, and equipment as collateral.

(9) Intangible assets

	2026	2025
	Computer software	Computer software
January 1		
Costs	\$ 16,311	\$ 15,241
Cumulative amortization	(6,355)	(4,521)
	<u>\$ 9,956</u>	<u>\$ 10,720</u>
January 1	\$ 9,956	\$ 10,720
Amortization expenses	(382)	(406)
March 31	<u>\$ 9,574</u>	<u>\$ 10,314</u>
March 31		
Costs	\$ 16,311	\$ 15,241
Cumulative amortization	(6,737)	(4,927)
	<u>\$ 9,574</u>	<u>\$ 10,314</u>

(10) Lease transactions – lessee

- A. The underlying assets leased by the Group include buildings, machinery and equipment, and transportation equipment. Lease terms generally range from one to five years. The lease contracts are negotiated separately and contain various terms and conditions. Except that the leased assets cannot be used as collateral for loans, no other restrictions are imposed.
- B. The carrying amounts of the right-of-use assets and the recognized depreciation expenses are described below:

	March 31, 2026	December 31, 2025	March 31, 2025
	Carrying amount	Carrying amount	Carrying amount
Buildings	\$ 229	\$ 749	\$ 2,984
Machinery and equipment	1,412	1,735	1,305
Transportation equipment	<u>2,639</u>	<u>2,443</u>	<u>2,514</u>
	<u>\$ 4,280</u>	<u>\$ 4,927</u>	<u>\$ 6,803</u>
	January 1 to March 31, 2026	January 1 to March 31, 2025	
	Depreciation expenses	Depreciation expenses	
Buildings	\$ 520	\$ 744	
Machinery and equipment	323	206	
Transportation equipment	<u>356</u>	<u>148</u>	
	<u>\$ 1,199</u>	<u>\$ 1,098</u>	

C. The additions to the Group's right-of-use assets for the three months ended March 31, 2026 and 2025 were NT\$1,105 and NT\$3,210, respectively.

D. Information on the profit or loss items related to lease contracts is as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Items affecting the current profit or loss</u>		
Interest expense on lease liabilities	\$ 25	\$ 27
Expenses for short-term lease contracts and leases of low-value assets	3,303	3,294
Gain on lease modification	4	-

E. The Group's total cash outflows from leases for the three months ended March 31, 2026 and 2025 were NT\$4,548 and NT\$4,441, respectively.

(11) Long-term notes and accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Long-term accounts receivable	\$ 13,880	\$ 43,159	\$ 43,159
Less: Unrealized interest revenue	(222)	(910)	(1,574)
Total	<u>\$ 13,658</u>	<u>\$ 42,249</u>	<u>\$ 41,585</u>

A. The expected recovery is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
2-5 years	<u>\$ 13,880</u>	<u>\$ 43,159</u>	<u>\$ 43,159</u>

B. The balances of notes and accounts receivable within one year as of March 31, 2026, December 31, 2025, and March 31, 2025 were all NT\$44,680, and have been reclassified in their entirety under account "1170 Accounts Receivable."

C. Please refer to Note 12(2) for detailed information on the credit risk of long-term notes and accounts receivable.

(12) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Dividends payable	\$ 71,041	\$ -	\$ 57,379
Salaries payable	24,532	52,986	20,106
Employee compensation and directors' and supervisors' remuneration payable	17,446	14,013	14,828
Labor and health insurance premiums and pensions payable	8,352	7,733	8,697
Business tax payable	545	4,704	486
Social insurance fund payable	1,442	1,354	1,191
Payables for equipment	1,181	587	315
Service fees payable	1,330	720	1,440
Expenses payable – others	2,573	4,113	5,151
	<u>\$ 128,442</u>	<u>\$ 86,210</u>	<u>\$ 109,593</u>

(13) Pensions

- A. Before the settlement of the Labor Retirement Reserve Fund (the old fund) on February 3, 2017, the Company established defined-benefit pension regulations in accordance with the provisions of the Labor Standards Act, which were applicable to all formal employees who were employed prior to the enforcement of the Labor Pension Act on July 1, 2005, and to the formal employees who still chose the old fund mechanism under the Labor Standards Act after the Labor Pension Act took effect. Under the defined benefit pension plan, two units are granted for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units granted and the average monthly salary of the last six months prior to retirement. The Company contributes 2% of the employees' total wages as a pension fund on a monthly basis and deposits it in a specific account with the Bank of Taiwan in the name of the Labor Pension Reserve Committee.
- B. Since July 1, 2005, the Company and its domestic subsidiaries have established defined-contribution retirement regulations in accordance with the Labor Pension Act, which are applicable to employees with Taiwanese nationality. For the pension plan under the Labor Pension Act chosen by employees, the Company and its domestic subsidiaries make monthly contributions to employees' individual pension accounts at 6% of their monthly salaries. Based on employees' individual pension accounts and the amount of accumulated income from the annual investment and utilization plan, the payment of an employee's pension is made on a monthly basis or in a lump sum.

- C. Some subsidiaries of the Group make monthly contributions according to a certain percentage of local employees' salaries in accordance with the pension system stipulated by the government of the People's Republic of China; the contribution percentages were 16% for the three months ended March 31 in both 2026 and 2025. The pension for each employee is managed by the government; thus, the Group does not have further obligations except for making monthly contributions.
- D. The cost of pensions recognized based on the methods above for the three months ended March 31, 2026 and 2025 were NT\$4,267 and NT\$3,720, respectively.

(14) Liability reserve

	2026	2025
	Others	Others
Balance as of January 1 (or March 31)	\$ 8,025	\$ 8,025

Liability reserve is analyzed as following:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	\$ 8,025	\$ 8,025	\$ 8,025

The Group provides a liability reserve of NT\$8,025 because the Company has to compensate for the loss of the supplier due to the termination of the contract.

(15) Share capital

As of March 31, 2026, the Company's registered capital was NT\$400,000, divided into 40,000 thousand shares, and the paid-in capital was NT\$273,234, with a par value of NT\$10 per share. The payment for the issued shares of the Company has been received. The number of issued and outstanding shares of the Company remained unchanged for the three months ended March 31 in both 2026 and 2025.

(16) Capital surplus

According to the Company Act, the Company may distribute the capital surplus gained from the income derived from the issuance of new shares at a premium or from endowments received by the Company by issuing new shares or allocating cash to its original shareholders in proportion to the number of shares being held, except for the part of the capital surplus needed to make up for losses and if the Company incurs no accumulated loss. According to the Securities and Exchange Act, when the aforementioned capital surplus is used for capitalization, the total capital surplus used every year shall not exceed 10% of the paid-in capital. The Company shall not use the capital surplus to make up for capital losses, unless the surplus reserve is insufficient to make up for such losses.

(17) Retained earnings

- A. The earnings distribution plan specified in the Company's Articles of Incorporation is as follows:

According to the Company's Articles of Incorporation, if the Company has earnings upon the annual account settlement, an amount shall first be allocated for tax payments and for making up accumulated losses in accordance with the law. Then, 10% shall be set aside as a legal reserve, provided that the legal reserve shall no longer be appropriated if it reaches the total amount of the Company's paid-in capital. In addition, a special surplus reserve shall be set aside or reversed in accordance with the regulations of the competent authority. If there is any remaining balance, the undistributed surplus of the previous year shall be added, and the Board of Directors shall formulate a surplus distribution proposal. The stock dividend proposal shall be submitted to the shareholders' meeting for resolution and distribution. For the cash dividend distribution proposal, the Board of Directors is authorized to make the distribution with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present. The distribution shall be reported to the shareholders' meeting.

- B. The legal reserve shall not be used except to compensate for the Company's losses and the issuance of new shares or cash in proportion to the shareholders' original shares. However, in the case of the issuance of new shares or cash, it shall be limited to the portion of the legal reserve in excess of 25% of the paid-in capital.
- C. (A) In accordance with the regulations, the Company shall set aside a special reserve from the debit balance of other equity items at the balance sheet date before distributing earnings. When the debit balance of other equity items is reversed subsequently, the reversed amount may be included in the distributable earnings.
- (B) Upon the first-time adoption of IFRSs, the special reserve was set aside per Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021. When the Company subsequently uses, disposes of, or reclassifies relevant assets, the original proportion of the special reserve shall be reversed. If the aforementioned assets are investment property, they shall be reversed at the time of disposal or reclassification in the case of land, while for property other than land, it shall be reversed phase by phase during the period of use.
- D. On May 19, 2025 and May 30, 2024, the Company's shareholders' meetings passed the earnings distribution proposals for the years 2024 and 2023 as follows:

	2024		2023	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Legal reserve	\$ 7,172		\$ 7,416	
Special reserves	469		586	
Cash dividend	57,379	\$ 2.1	60,111	\$ 2.2
Total	<u>\$ 65,020</u>		<u>\$ 68,113</u>	

- E. On March 11, 2026, the Board of Directors proposed to distribute a dividend of NT\$2.6 per ordinary share from the earnings for 2025, and the total dividend was NT\$71,041.

(18) Other equity items

	2026	2025
January 1	(\$ 1,005)	\$ 1,974
Foreign currency exchange difference	1,480	1,279
March 31	<u>\$ 475</u>	<u>\$ 3,253</u>

(19) Operating revenue

	January 1 to March 31, 2026	January 1 to March 31, 2025
Income from customer contracts		
Service revenue	\$ 418,151	\$ 381,787
Sales revenue	1,327	7,021
Total	<u>\$ 419,478</u>	<u>\$ 388,808</u>

A. Details of revenue from customer contracts

The Group's revenue comes from the provision of goods and services that are gradually transferred over time and transferred at a certain point in time. The revenue can be broken down into the following main product lines:

January 1 to March 31, 2026	Information technology outsourcing	Business process outsourcing	Total
Revenue from contracts with external customers	<u>\$ 315,051</u>	<u>\$ 104,427</u>	<u>\$ 419,478</u>
Time point of revenue recognition			
Revenue recognized at a point in time	\$ 173,882	\$ 4,459	\$ 178,341
Revenue recognized gradually over time	141,169	99,968	241,137
	<u>\$ 315,051</u>	<u>\$ 104,427</u>	<u>\$ 419,478</u>
January 1 to March 31, 2025	Information technology outsourcing	Business process outsourcing	Total
Revenue from contracts with external customers	<u>\$ 277,366</u>	<u>\$ 111,442</u>	<u>\$ 388,808</u>
Time point of revenue recognition			
Revenue recognized at a point in time	\$ 152,988	\$ 7,364	\$ 160,352
Revenue recognized gradually over time	124,378	104,078	228,456
	<u>\$ 277,366</u>	<u>\$ 111,442</u>	<u>\$ 388,808</u>

B. Contract assets and contract liabilities

Contract assets and contract liabilities related to revenue from customer contracts recognized by the Group are as follows:

(A) Contract assets and liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract assets:				
Information system consultancy contracts	<u>\$ 166,639</u>	<u>\$ 88,974</u>	<u>\$ 199,236</u>	<u>\$ 181,242</u>
Contract liabilities:				
Advance receipts	<u>\$ 33,471</u>	<u>\$ 24,595</u>	<u>\$ 18,806</u>	<u>\$ 39,818</u>

(B) Contract liabilities at the beginning of the period recognized in revenue in the current period:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Advance receipts	<u>\$ 2,355</u>	<u>\$ 12,449</u>

(C) Unfulfilled long-term consultancy contract

As of March 31, 2026, December 31, 2025, and March 31, 2025, the contract prices allocated to the unfulfilled (or not yet fully fulfilled) portions of the long-term consultancy contracts signed by the Group and its customers were NT\$99,254, NT\$124,859, and NT\$173,770, respectively. Management expects that the transaction prices allocated to unsatisfied contractual obligations as of March 31, 2026 and 2025 will be recognized as revenue in fiscal years 2027 and 2026 in the amounts of NT\$4,195 and NT\$33,102, respectively. The aforementioned amounts do not include the amount of consideration for restricted changes.

In addition to the above-mentioned contracts, all other information system consultancy contracts of the Group are contracts that are shorter than one year or are billed based on actual service hours. According to IFRS 15, there is no need to disclose the transaction prices allocated to the unfulfilled contractual obligations of these contracts.

C. The notes and accounts receivable with payment periods exceeding one year are recognized in “1930 Long-term notes and accounts receivable.”

(20) Interest revenue

	January 1 to March 31, 2026	January 1 to March 31, 2025
Bank deposit interest	\$ 543	\$ 911
Interest income measured at amortized cost	8	5
Other interest revenue	693	524
	<u>\$ 1,244</u>	<u>\$ 1,440</u>

(21) Other revenue

	January 1 to March 31, 2026	January 1 to March 31, 2025
Non-operating income	<u>\$ 9</u>	<u>\$ 14</u>

(22) Other gains and losses

	January 1 to March 31, 2026	January 1 to March 31, 2025
Gain on foreign exchange	\$ 678	\$ 312
Gain on lease modification	4	-
Miscellaneous expenditures	(6)	(32)
	<u>\$ 676</u>	<u>\$ 280</u>

(23) Financial costs

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest on leases	\$ 25	\$ 27
Bank borrowings	27	-
Other financial expenses	5	5
	<u>\$ 57</u>	<u>\$ 32</u>

(24) Additional information on the nature of expenses (including the employee benefit expenses)

	January 1 to March 31, 2026	January 1 to March 31, 2025
Salary expenses	\$ 76,950	\$ 70,428
Expenses for labor and health insurance	7,086	6,788
Pension expenses	4,267	3,720
Other employment expenses	4,651	3,876
Depreciation expense on property, plant, and equipment	2,145	1,876
Depreciation expense on right-of-use assets	1,199	1,098
Amortization expense on intangible assets	382	406
	<u>\$ 96,680</u>	<u>\$ 88,192</u>

Note: Additional information on the nature of said expenses, including the operating costs

- A. Pursuant to the Company's Articles of Incorporation, after offsetting accumulated deficits against current-year earnings, any remaining balance shall be allocated as employee compensation at a rate of 1% to 10% (of which the allocation for non-managerial employees shall not be less than 15% of the total employee compensation), and director compensation at a rate not exceeding 5%.
- B. The Company's estimated amounts of employee compensation for the three months ended March 31, 2026 and 2025 were NT\$2,110 and NT\$2,280, respectively; the estimated amounts for directors' remuneration were NT\$1,507 and NT\$1,628, respectively, and the foregoing amounts were accounted for under salary expenses.

For the three months ended March 31, 2026, according to the profit situation until the current period, said estimates were made at 1–10% and no greater than 5%, respectively.

The amounts of employee compensation and directors' remuneration for the year 2025 as resolved by the board of directors were NT\$7,956 and NT\$5,682, respectively, which were consistent with the amounts recognized in the financial statements for 2025. The employee compensation for 2025 was paid in cash.

Information on employee compensation and directors' remuneration approved by the board of directors of the Company is available on the Market Observation Post System.

(25) Income tax

A. Income tax expense

(A) Components of the income tax expense:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Current income tax:		
Income tax on current income	\$ 5,336	\$ 5,511
Total current income tax	5,336	5,511
Deferred tax:		
Initial generation and reversal of temporary differences	133	640
Total deferred income tax	133	640
Income tax expense	\$ 5,469	\$ 6,151

(B) The amount of income tax related to other comprehensive income:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Translation differences on foreign operations	(\$ 370)	(\$ 319)

B. The Company's profit-seeking business income tax has been approved by the tax authority up to 2023.

(26) Earnings per share

	January 1 to March 31, 2026		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 21,715	27,323	\$ 0.79
<u>Diluted earnings per share</u>			
Employee compensation	-	193	
Current net income attributable to ordinary shareholders of the parent company plus potential effect of ordinary shares	\$ 21,715	27,516	\$ 0.79

January 1 to March 31, 2025			
		Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
	Amount after tax		
<u>Basic earnings per share</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 23,568	27,323	<u>\$ 0.86</u>
<u>Diluted earnings per share</u>			
Employee compensation	-	126	
Current net income attributable to ordinary shareholders of the parent company plus potential effect of ordinary shares	<u>\$ 23,568</u>	<u>27,449</u>	<u>\$ 0.86</u>

(27) Additional information on cash flows

Investing activities with only partial cash payments:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Purchase of property, plant, and equipment	\$ 1,898	\$ 423
Add: Payables for equipment, beginning of the period	587	1,218
Less: Payables for equipment, end of the period	(1,181)	(315)
Cash paid in the current period	<u>\$ 1,304</u>	<u>\$ 1,326</u>

(28) Changes in liabilities from financing activities

	January 1, 2026	Changes in cash flows	No effect on changes in cash flows	March 31, 2026
Lease liabilities	\$ 4,997	(\$ 1,220)	\$ 548	\$ 4,325
Deposits received	397	-	-	397
Dividends payable	-	-	71,041	71,041
Total liabilities from financing activities	<u>\$ 5,394</u>	<u>(\$ 1,220)</u>	<u>\$ 71,589</u>	<u>\$ 75,763</u>

	January 1, 2025	Changes in cash flows	No effect on changes in cash flows	March 31, 2025
Lease liabilities	\$ 4,854	(\$ 1,120)	\$ 3,211	\$ 6,945
Deposits received	397	-	-	397
Dividends payable	-	-	57,379	57,379
Total liabilities from financing activities	<u>\$ 5,251</u>	<u>(\$ 1,120)</u>	<u>\$ 60,590</u>	<u>\$ 64,721</u>

7. Related party transactions

(1) Names of related parties and relationships

Name of the related party	Relationship with the Group
TECO Electric & Machinery Co., Ltd.	Ultimate parent company
An-Hui Information Technology Co., Ltd. (An-Hui Information)	Associates
Tension Envelope	Associates
Teco Industrial (Malaysia) Sdn. Bhd.	Other related parties
TECO (Vietnam) Electronic & Machinery Co., Ltd. (Vietnam TECO)	Other related parties
Teco Australia PTY. LTD. (Teco Australia)	Other related parties
TECO ELECTRIC & MACHINERY (PTE) LTD. (TECO Singapore)	Other related parties
TECO Technology (Vietnam) Co., Ltd. (TECO Technology Vietnam)	Other related parties
Teco Westinghouse Motor Company (TWMC)	Other related parties
Teco Westinghouse Motor Company S. A. de C. V. (Teco Mexico)	Other related parties
TEMICO Motor India Private Limited (TEMICO India)	Other related parties
MOTOVARIO S.P.A (Teco Italy)	Other related parties
NCL ENERGY SDN. BHD	Other related parties
PT. TECO MULTIGUNA ELEKTR	Other related parties
TYM Electric & Machine SDN. BHD.	Other related parties
Shanghai TECO Electric and Machinery Co., Ltd. (Shanghai TECO)	Other related parties
Taian Technology (Wuxi) Co., Ltd. (Taian Technology)	Other related parties
Taiwan Pelican Express Co., Ltd. (Taiwan Pelican Express)	Other related parties
An-Shin Food Services Co., Ltd. (An-Shin Food)	Other related parties
A-Ok Technical Service Co., Ltd.	Other related parties

<u>Name of the related party</u>	<u>Relationship with the Group</u>
E-Joy Electronics International Co., Ltd.	Other related parties
Taian-Ecobar Technology Co., Ltd.	Other related parties
Jiangxi TECO Westinghouse Motor Coil Co., Ltd.	Other related parties
Jiangxi TECO Electric and Machinery Co., Ltd. (Jiangxi TECO)	Other related parties
Jiangxi TECO Air Conditioning Equipment Co., Ltd. (Jiangxi TECO Air Conditioning)	Other related parties
TECO Sun Energy Company Limited	Other related parties
Tong-An Assets Management & Development Co., Ltd.	Other related parties
Zimtech Co., Ltd.	Other related parties
Yatec Engineering Corporation	Other related parties
Tung Pei Industrial Co., Ltd. (Tung Pei Industrial)	Other related parties
Tecnos International Consultant Co., Ltd. (Tecnos International)	Other related parties
Qingdao TECO Precision Mechatronics Co., Ltd.	Other related parties
Advantech Co., Ltd. (Advantech)	Other related parties
Nidec Corporation	Other related parties
TECO Tour Travel Service Co., Ltd. (TECO Tour Travel)	Other related parties
Fujio Food System Taiwan Co., Ltd.	Other related parties
Jie Zheng Property Service & Management Co., Ltd.	Other related parties
Wuxi TECO Electric and Machinery Co. Ltd. (Wuxi TECO)	Other related parties
Wuxi TECO Precision Industry Co., Ltd. (Wuxi TECO Precision)	Other related parties
Wuxi TECO Electro Devices Co., Ltd. (Wuxi TECO Electro Devices)	Other related parties
Technical Information International Co., Ltd. (Technical Information International)	Other related parties
TECO Group Science-Technology (Hangzhou) Co., Ltd. (Teco Hangzhou)	Other related parties
Royal Co., Ltd. (Royal)	Other related parties
Royal Host Taiwan Co., Ltd. (Royal Host)	Other related parties
TECO Image Systems Co., Ltd. (TECO Image)	Other related parties
Tecom Co., Ltd.	Other related parties
Tong-An Investment Co., Ltd.	Other related parties
Jinglaoman Food & Beverage Co., Ltd.	Other related parties
KOGYOKU FOODS CO., LTD.	Other related parties
ABC Cooking Studio Taiwan Co., Ltd.	Other related parties
Shanghai EVK e-Motor Technology Co., LTD (Shanghai EVK)	Other related parties
TECO (Dong Guang) Air Conditioning Equipment Co., Ltd. (TECO Dong Guang)	Other related parties

(2) Significant transactions with related parties

A. Operating revenue

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Sale of goods:		
Other related parties		
- Taian Technology	\$ 611	\$ 91
- WUXI TECO	542	2,709
- Shanghai TECO	-	1,137
- Jiangxi TECO Air Conditioning	-	1,042
- Shanghai EVK	-	906
- Others	174	835
Sale of services:		
Parent company	88,468	58,516
Other related parties		
- Others	50,216	43,701
Total	<u>\$ 140,011</u>	<u>\$ 108,937</u>

(A) There are no significant differences in the transaction prices and payment terms of sales revenue in the transactions with non-associates, and the payment period is 60 to 90 days.

(B) Service transactions include software business contracts, including those for enterprise resource planning and logistics outsourcing systems. Most of them are individual projects; therefore, the contract price is determined by negotiation between both parties. The payment period is usually 30 to 120 days, and there are no significant differences from transactions with non-associates.

B. Purchases

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Purchase of materials:		
Associates		
- Tension Envelope	\$ 339	\$ 413
Purchase of services:		
Parent company	30	25
Other related parties		
- Taiwan Pelican Express	304	623
- Tecnos International	195	-
- Technical Information International	-	1,580
- Others	-	23
Total	<u>\$ 868</u>	<u>\$ 2,664</u>

- (A) No other transactions of the same type are available for comparison in terms of the purchase price and payment terms with associates, so the price and terms are decided in accordance with the contracts between both parties.
- (B) The purchase of services from the parent company is mainly personnel support for operational needs, and there are no similar types of transactions for comparison. The payment period is an open account with net 30 to 60 days.
- (C) The purchase of services from other related parties includes personnel support, consulting fees, and freight for operational needs. The price conditions are roughly the same as those with general suppliers. The payment term is an open account with a net of 30 to 60 days.

C. Contract assets

	March 31, 2026	December 31, 2025	March 31, 2025
Contract assets:			
Parent company	\$ 36,625	\$ 24,930	\$ 23,220
Other related parties			
- A-Ok	6,125	6,763	11,046
- Others	19,320	6,421	22,436
Total	<u>\$ 62,070</u>	<u>\$ 38,114</u>	<u>\$ 56,702</u>

Contract assets – related parties are mainly accounts related to the provision of information system consulting services.

D. Receivables from related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable:			
Other related parties			
- Shanghai EVK	\$ 3,530	\$ 5,091	\$ -
- Shanghai TECO	-	-	1,131
Subtotal	<u>3,530</u>	<u>5,091</u>	<u>1,131</u>
Accounts receivable:			
Parent company	40,341	59,935	27,206
Other related parties			
- WUXI TECO	2,536	1,411	6,336
- Others	29,287	23,699	16,847
Subtotal	<u>72,164</u>	<u>85,045</u>	<u>50,389</u>
Other receivables – others:			
Other related parties			
- Others	13	13	12
Subtotal	<u>13</u>	<u>13</u>	<u>12</u>
Total	<u>\$ 75,707</u>	<u>\$ 90,149</u>	<u>\$ 51,532</u>

- (A) Receivables from related parties mainly come from the provision of relevant services, including information software, data processing, and electronic information supply.
- (B) Other receivables from related parties mainly include the out-of-pocket expenses for telecommunications fees.

E. Payables to related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable:			
Parent company	\$ 190	\$ 193	\$ 179
Other related parties			
- Taiwan Pelican Express	68	226	156
- Tecnos International	70	54	144
- Technical Information International	-	-	320
Associates			
- Tension Envelope	356	350	433
Subtotal	684	823	1,232
Other payables – others:			
Parent company	1,337	1,303	1,294
Other related parties			
- Others	18	73	12
Subtotal	1,355	1,376	1,306
Total	\$ 2,039	\$ 2,199	\$ 2,538

F. Lease transactions – lessee

(A) The Group has leased buildings from the parent company and Taian Technology. The lease terms are from January 1, 2026 to December 31, 2026, and from July 1, 2025 to June 30, 2026, respectively, with monthly payments.

(B) Rental expenses

	January 1 to March 31, 2026	January 1 to March 31, 2025
Parent company	\$ 1,666	\$ 1,576
Taian Technology	102	102
Total	\$ 1,768	\$ 1,678

(3) Information on remuneration to key management personnel

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term employee benefits	\$ 10,004	\$ 8,540
Benefits after severance/retirement	181	168
Total	\$ 10,185	\$ 8,708

8. Pledged assets

The details of the assets pledged by the Group as collateral are as follows:

Assets	Carrying amount			Purpose of collateral
	March 31, 2026	December 31, 2025	March 31, 2025	
Time deposits and cash (presented under “1136 Financial assets measured at amortized cost – current”)	\$ 3,704	\$ 3,704	\$ 3,100	Business performance bond
Restricted bank deposits (presented under “1136 Financial assets measured at amortized cost – current”)	402	149	194	"
Restricted bank deposits (presented under “1535 Financial assets measured at amortized cost – non-current”)	-	253	253	"
Total	<u>\$ 4,106</u>	<u>\$ 4,106</u>	<u>\$ 3,547</u>	

9. Material contingent liabilities and unrecognized contractual commitments

(1) Contingency

N/A.

(2) Commitments

For the operating lease agreements, please refer to Note 7(2)5.

10. Major disaster losses

N/A.

11. Material events after the balance sheet date

N/A.

12. Others

(1) Capital management

The Group’s capital management objectives are to ensure that the Group can continue as a going concern, maintain the best capital structure to meet the needs for equipment, and provide dividends to shareholders. Therefore, the Group’s capital management aims to ensure that it has the necessary financial resources and operating plans to maintain or adjust the capital structure to respond to the operating capital, capital expenditures, research and development expenses, debt repayment, and dividend payments required in the following year.

(2) Financial instruments

A. Type of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Investment in designated equity instruments selected	\$ 33,888	\$ 33,291	\$ 35,168
Financial assets measured at amortized cost			
Cash and cash equivalents	408,689	469,112	415,475
Financial assets measured at amortized cost	4,106	4,106	3,547
Notes receivable – (including from related parties)	13,226	12,086	9,582
Accounts receivable (including from related parties)	196,205	250,843	206,291
Other receivables (including from related parties)	7,812	8,257	8,008
Refundable deposits	10,076	11,015	10,248
Long-term accounts receivable	13,658	42,249	41,585
	<u>\$ 687,660</u>	<u>\$ 830,959</u>	<u>\$ 729,904</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
Notes payable	\$ 81	\$ 81	\$ -
Accounts payable (including to related parties)	192,388	257,126	308,394
Other payables (including to related parties)	129,797	87,586	110,899
Deposits received	397	397	397
	<u>\$ 322,663</u>	<u>\$ 345,190</u>	<u>\$ 419,690</u>
Lease liabilities	<u>\$ 4,325</u>	<u>\$ 4,997</u>	<u>\$ 6,945</u>

- B. Risk management policy
- (A) The daily operations of the Group are affected by a number of financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. The overall risk management policy of the Group focuses on unpredictable events in the financial markets and seeks to reduce the potential adverse effects on the Group's financial position and financial performance.
- (B) Risk management is carried out by the Group's finance department in accordance with the policies approved by the board of directors. The Group's finance department is responsible for identifying, evaluating, and avoiding financial risks through close collaboration with the Group's operating units. The board of directors has formulated principles for overall risk management, and provided written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investment of remaining liquidity.

C. Nature and level of material financial risks

(A) Market risk

Exchange rate risk

- a. The Group operates its business transnationally, so it is subject to the exchange rate risk arising from transactions in currencies different from the functional currencies (mainly USD and CNY) used by the Company and its subsidiaries. Exchange rate risk arises from assets and liabilities recognized.
- b. The Group's business involves a number of non-functional currencies. Therefore, it is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

March 31, 2026			
	Foreign currency (in thousands)	Exchange rate	Book amount (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 1,256	32.00	\$ 40,186
CNY : TWD	8,705	4.63	40,295
AUD : NTD	44	21.96	966
<u>Non-monetary items</u>			
USD : NTD	1,058	32.00	33,841
December 31, 2025			
	Foreign currency (in thousands)	Exchange rate	Book amount (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 1,505	31.43	\$ 47,302
CNY : TWD	12,251	4.50	55,080
AUD : NTD	56	21.01	1,177
<u>Non-monetary items</u>			
USD : NTD	1,058	31.43	33,244

March 31, 2025				
		Foreign currency (in thousands)	Exchange rate	Book amount (NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	1,187	33.21	\$ 39,414
CNY : TWD		13,829	4.57	63,240
<u>Non-monetary items</u>				
USD:NTD		1,058	33.21	35,131

- c. The aggregate exchange gains (losses) recognized by the Group on monetary items due to foreign exchange rate fluctuations, including both realized and unrealized amounts, were NT\$678 and NT\$312 for the three months ended March 31, 2026 and 2025, respectively.
- d. The Group's foreign currency market risk analysis due to the significant influence of exchange rate fluctuations is as follows:

January 1 to March 31, 2026				
Sensitivity analysis				
		Exchange rate band	Effect on pre-tax profit and loss	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	402	\$ -
CNY : TWD	1%		403	-
AUD : NTD	1%		10	-

January 1 to March 31, 2025				
Sensitivity analysis				
		Exchange rate band	Effect on pre-tax profit and loss	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	394	\$ -
CNY : TWD	1%		632	-

Price risk

- a. The Group's equity instruments exposed to price risk are financial assets held at fair value through other comprehensive income. In order to manage the price risk of equity instrument investments, the Group has diversified its investment portfolio, and the method of diversification is based on the limits set by the Group.
- b. The Group mainly invests in equity instruments issued by domestic and foreign companies, and the prices of these equity instruments are affected by the uncertainty of the future values of said instruments. If the price of said equity instruments rose or fell by 1%, with all other factors remaining unchanged, other comprehensive income would have increased or decreased by NT\$339 and NT\$352 for the three months ended March 31, 2026 and 2025, respectively, because of the gains or losses on the equity instrument investments at fair value through other comprehensive income.

(B) Credit risk

- a. The credit risk of the Group is the risk of financial loss suffered by the Group arising from the failure of customers or counterparties of financial instruments to fulfill contractual obligations. It mainly comes from counterparties' inability to settle accounts receivable in accordance with the payment terms, and the contractual cash flows of debt instrument investments classified as measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.
- b. The Group has established credit risk management from the Group's perspective. In accordance with the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis for each new customer before deciding payment and delivery terms and conditions. The internal risk control system evaluates the credit quality of customers by considering their financial positions, past experience, and other factors. The credit facilities with respect to individual risks are determined by the Board of Directors pursuant to internal and external ratings. The use of the credit facilities is monitored on a regular basis.
- c. The Group, in accordance with the credit risk management procedures, deems contract payments that are overdue for more than 365 days according to the agreed payment terms, or which show signs that the debt cannot be repaid, to be in default.
- d. The Company adopts IFRS 9 to set the following assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since initial recognition:
When a contract payment is overdue for more than 30 days in accordance with the agreed payment terms, it is deemed that the credit risk of a financial asset has increased significantly since the initial recognition.
- e. The indicators used by the Group to determine investments in debt instruments as credit impaired are as follows:
 - (a) The issuer has encountered major financial difficulties, or has an increased possibility of going into bankruptcy or other financial restructuring;
 - (b) The active market for the financial assets disappears due to financial difficulties of the issuer;
 - (c) The issuer delays or fails to pay interest or principal;

- (d) Any adverse changes in national or regional economic situations that lead to a breach of contract on the side of the issuer.
- f. The Group groups customers' accounts receivable according to the characteristics of trade credit risk, and adopts a simplified approach to estimate expected credit losses based on the loss rate method.
- g. After the recourse procedures, the Group provides a loss allowance and recognizes overdue receivables for the amount of the financial asset that cannot be reasonably expected to be recovered. However, the Group will continue to carry out the legal recourse procedures to preserve the creditor's rights. The Group's claims for which a loss allowance has been provided with recourse activities still underway were NT\$0 on March 31, 2026, December 31, 2025, and March 31, 2025.
- h. The Group incorporates forward-looking adjustments derived from the Taiwan Institute of Economic Research business cycle monitoring report to the loss rates established using historical and current information over specified periods, in order to estimate the allowance for losses on notes receivable (including related parties), accounts receivable (including related parties), and long-term notes and accounts receivable (including related parties). The loss rate methodology applied as of March 31, 2026, December 31, 2025, and March 31, 2025 is as follows:

	Not past due	Within 30 days	31-90 days	Over 91 days	Individual assessment	Total
<u>March 31, 2026</u>						
Expected loss rate	0%~1%	0%~15%	0%~15%	0%~60%	0%~100%	
Total carrying amount	\$219,454	\$ -	\$ 5,623	\$ -	\$ -	\$225,077
Loss allowance	\$ 1,323	\$ -	\$ 665	\$ -	\$ -	\$ 1,988
	Not past due	Within 30 days	31-90 days	Over 91 days	Individual assessment	Total
<u>December 31, 2025</u>						
Expected loss rate	0%~1%	0%~10%	0%~25%	0%~65%	0%~100%	
Total carrying amount	\$297,509	\$ 12	\$ 3,571	\$ 1,269	\$ 5,251	\$307,612
Loss allowance	\$ 383	\$ 1	\$ 820	\$ 784	\$ 446	\$ 2,434
	Not past due	Within 30 days	31-90 days	Over 91 days	Individual assessment	Total
<u>March 31, 2025</u>						
Expected loss rate	0%~1%	0%~10%	0%~10%	0%~50%	100%	
Total carrying amount	\$247,188	\$ 625	\$ 9,618	\$ 2,015	\$ -	\$259,446
Loss allowance	\$ 694	\$ 55	\$ 870	\$ 369	\$ -	\$ 1,988

- i. The table of the changes in the Group's simplified loss allowance for accounts receivable is as follows:

	2026	2025
	Accounts receivable	Accounts receivable
January 1	\$ 2,434	\$ 1,988
Impairment loss reversed	(446)	-
March 31	<u>\$ 1,988</u>	<u>\$ 1,988</u>

(C) Liquidity risk

- a. The cash flow forecast is executed by each operating entity in the Group and is compiled by the Group's finance department. The Group's finance department monitors the forecast of the Group's liquidity requirements to ensure that it has sufficient funds to meet operational needs, and maintains sufficient available credit limits at all times so that the Group does not violate the relevant borrowing limits or terms. The forecast considers the Group's debt financing plan, compliance with debt terms, compliance with the financial ratio targets of the internal balance sheet, and the requirements of external regulatory laws.
- b. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's available credit limits were NT\$545,985, NT\$605,985, and NT\$600,525, respectively.
- c. The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities that are settled on a net or total basis, grouped according to the relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. The contractual cash flows disclosed in the table below are the undiscounted amounts.

March 31, 2026	Less than one year	1–5 years	Over 5 years	Total
<u>Non-derivative financial liabilities:</u>				
Notes payable	\$ 81	\$ -	\$ -	\$ 81
Accounts payable (including to related parties)	192,388	-	-	192,388
Other payables (including to related parties)	129,797	-	-	129,797
Lease liabilities	2,442	1,883	-	4,325
Deposits received	397	-	-	397

December 31, 2025	Less than one year	1–5 years	Over 5 years	Total
<u>Non-derivative financial liabilities:</u>				
Notes payable	\$ 81	\$ -	\$ -	\$ 81
Accounts payable (including to related parties)	257,126	-	-	257,126
Other payables (including to related parties)	87,586	-	-	87,586
Lease liabilities	3,056	1,941	-	4,997
Deposits received	397	-	-	397

March 31, 2025	Less than one year	1–5 years	Over 5 years	Total
<u>Non-derivative financial liabilities:</u>				
Accounts payable (including to related parties)	\$ 308,394	\$ -	\$ -	\$ 308,394
Other payables (including to related parties)	110,899	-	-	110,899
Lease liabilities	4,576	2,369	-	6,945
Deposits received	397	-	-	397

(3) Fair value information

- A. The fair value levels of the financial instruments and non-financial instruments measured using a valuation technique are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date. An active market refers to a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the stocks listed on an exchange or over-the-counter market, invested in by the Group, belongs to this level.

Level 2: Inputs, other than quoted market prices within Level 1, which are observable, either directly or indirectly, for the assets or liabilities.

Level 3: Unobservable inputs for the assets or liabilities. The Group's equity instrument investments without active markets belong to this level.

- B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, and other payables are reasonable approximations of their fair values.

- C. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risks, and the level of fair value of the assets and liabilities. The relevant information is as follows:

- (A) The Group's classification is based on the nature of the assets and liabilities. The relevant information is as follows:

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets				
(equity securities) at				
fair value through				
other comprehensive				
income	\$ -	\$ -	\$ 33,888	\$ 33,888
December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets				
(equity securities) at				
fair value through				
other comprehensive				
income	\$ -	\$ -	\$ 33,291	\$ 33,291
March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets				
(equity securities) at				
fair value through				
other comprehensive				
income	\$ -	\$ -	\$ 35,168	\$ 35,168

- (B) The methods and assumptions used by the Group to measure fair value are as follows:
- The Group has used quoted market prices as fair value inputs (i.e., Level 1), listed below by the characteristics of the instruments:

	TWSE/TPEX listed stocks
Quoted market price	Closing price

- Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Group refers to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including calculations using models based on the market information available on the consolidated balance sheet date (e.g., the yield curve published by the Taipei Exchange and the average quoted price of the Reuters commercial paper benchmark).

- c. When evaluating non-standard and less complex financial instruments, such as debt instruments, interest rate swap contracts, foreign exchange swap contracts, and options, all without active markets, the Group adopts the valuation techniques widely used by market participants. The parameters used in the valuation models for such financial instruments are usually information observable in the market.
 - d. The output of the valuation models is an estimated value, and the valuation techniques may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation models will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policies and relevant control procedures, management believes that in order to properly express the fair value of financial instruments and non-financial instruments in the consolidated balance sheet, valuation adjustments are appropriate and necessary. The price information and parameters used in the evaluation process are carefully evaluated and appropriately adjusted according to current market conditions.
 - e. The Group incorporates credit risk valuation adjustments into the calculation of the fair value of financial instruments and non-financial instruments to reflect a counterparty's credit risk and the credit quality of the Group.
- D. There were no transfers between Level 1 and Level 2 in the three months ended March 31, 2026 and 2025.
- E. Movements in Level 3 in the three months ended March 31, 2026 and 2025 are listed in the following table:

	2026	2025
	<u>Equity instruments</u>	<u>Equity instruments</u>
January 1	\$ 33,291	\$ 34,724
Exchange rate effect	<u>597</u>	<u>444</u>
March 31	<u>\$ 33,888</u>	<u>\$ 35,168</u>

- F. In the Group's valuation process for fair value classified as Level 3, the investment department is responsible for independent fair value verification for financial instruments, uses data from independent sources to make the valuation results close to the market level, and confirms that the source of the data is independent, reliable, consistent with other resources, and representative of the executable price, while regularly calibrating the valuation model, conducting back-testing, updating the inputs and data required by the valuation model, and making any other necessary fair value adjustments to ensure that the valuation results are reasonable.

- G. The quantitative information on the significant unobservable inputs of the valuation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input change are explained as follows:

March 31, 2026					
	Fair value	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relation between input and fair value
Non-derivative equity instruments:					
Unlisted stock	\$ 33,888	Comparable public company approach	Market multiples	12.60%	The higher the multiple, the higher the fair value.
			Liquidity discount	35.00%	The higher the discount, the lower the fair value.
December 31, 2025					
	Fair value	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relation between input and fair value
Non-derivative equity instruments:					
Unlisted stock	\$ 33,291	Comparable public company approach	Market multiples	12.60%	The higher the multiple, the higher the fair value.
			Liquidity discount	35.00%	The higher the discount, the lower the fair value.
March 31, 2025					
	Fair value	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relation between input and fair value
Non-derivative equity instruments:					
Unlisted stock	\$ 35,168	Comparable public company approach	Market multiples	20.78%	The higher the multiple, the higher the fair value.
			Liquidity discount	35.00%	The higher the discount, the lower the fair value.

- H. The Group has selected the valuation model and valuation parameters after careful evaluation, but different valuation results may occur due to the use of different valuation models or valuation parameters. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the effect on the current profit and loss or other comprehensive income is as follows:

			March 31, 2026					
			Recognized in profit or loss			Recognized in other comprehensive income		
			Favorable change	Adverse change	Favorable change	Adverse change	Favorable change	Adverse change
Financial assets	Input	Change						
	Equity instruments	Discounts and market multiples for lack of market liquidity	±1%	\$ -	\$ -	\$ 339	(\$ 339)	

			December 31, 2025					
			Recognized in profit or loss			Recognized in other comprehensive income		
			Favorable change	Adverse change	Favorable change	Adverse change	Favorable change	Adverse change
Financial assets	Input	Change						
Equity instruments	Discounts and market multiples for lack of market liquidity	±1%	\$	-	\$	-	\$	332 (\$ 332)

		March 31, 2025					
			Recognized in profit or loss		Recognized in other comprehensive income		
	Input	Change	Favorable change	Adverse change	Favorable change	Adverse change	
Financial assets							
Equity instruments	Discounts and market multiples for lack of market liquidity	±1%	\$ -	\$ -	\$ 352	(\$ 352)	

13. Additional Disclosures

(1) Information on material transactions

- A. Funds lent to others: N/A.
- B. Endorsements/guarantees provided to others: N/A.
- C. Significant securities held at the end of the period (excluding investments in subsidiaries, associates, and joint venture interests): Please refer to Table 1.
- D. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please refer to Table 2.
- E. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: N/A.
- F. Business relationships and material transactions between the parent company and its subsidiaries: Please refer to Table 3.

(2) Information related to reinvested enterprises

Information on names and locations of investees (excluding investees in China): Please refer to Table 4.

(3) Information on Investment in China

- A. Basic information: Please refer to Table 5.
- B. Significant transactions with investees in China, either directly or indirectly, through a business in a third region: Please refer to Table 4. Otherwise N/A.

14. Segment Information

(1) General information

The management of the Group has identified the segments to be reported based on the information provided to the Board of Directors for use in making decisions. The Group's board of directors adopts the overall financial information and financial ratios of the Group as indicators for performance evaluation. Therefore, the Group has been identified as a single segment to be reported.

(2) Measurement of segment information

The accounting policies for the business segment of the Group are the same as the summary of significant accounting policies described in Note 4. The chief operating decision-maker of the Group evaluates the performance of the business segment based on the business segment's revenue achievement rate and net operating income achievement rate.

(3) Information on profit or loss, assets and liabilities of the segment and reconciliation information

As the Group's information on profit or loss, assets, and liabilities of the segment is consistent with that in the main financial report, and it is a single segment to be reported, no reconciliation is required.

Information Technology Total Services Co., Ltd.

Significant securities held at the end of the period (excluding investments in subsidiaries, associates, and joint venture interests)

March 31, 2026

Table 1

Unit: NTD thousand
(Unless otherwise specified)

Holder	Type and Name of Marketable Securities (Note 1)	Relationship with Issuer of Marketable Securities (Note 2)	Financial Statement Account	End of Period				Remarks
				Number of shares	Carrying amount (Note 3)	Shareholding percentage	Fair value	
Information Technology Total Services Co., Ltd.	Dynacomware Corporation	N/A	Financial asset at FVTOCI – non-current	31	\$ 47	1.43%	\$ 47	Note 4
Information Technology Total Service(BVI) Co.,Ltd	Live ABC Interactive Corporation	N/A	Financial asset at FVTOCI – non-current	3,238	33,841	14.58%	33,841	Note 4

Note 1: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates, and securities derived from the items above that fall within the scope of IFRS 9 “Financial Instruments.”

Note 2: If the securities issuer is not a related party, this column may be skipped.

Note 3: For items measured at fair value, please fill in the carrying amount after fair value valuation adjustments and the deduction of accumulated impairment losses in the carrying amount box; for items not measured at fair value, please fill in the original acquisition cost or amortized cost less accumulated impairment losses in the carrying amount box.

Note 4: None of the above-mentioned securities are pledged.

Information Technology Total Services Co., Ltd.

Total Purchases from or Sales to Related Parties Amounting to at least NT\$100 Million or 20% of the Paid-in Capital

January 1 to March 31, 2026

Table 2

Unit: NTD thousand
(Unless otherwise specified)

Company	Name of Counterparty	Relationship	Transaction Status				Trading conditions distinct from those of general transactions and reasons thereof		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	As a Percentage of Total Purchases (Sales)	Credit period	Unit Price	Credit period	Balance	As a Percentage of Total Notes/Accounts Receivable (Payable)	
Information Technology Total Services Co., Ltd.	TECO Electric & Machinery Co., Ltd.	Parent company	Sale	\$ (88,468)	(21.09%)	Open account with net 60–90 days	Normal	Note	\$ 40,341	19.26%	

Note: The transaction conditions and prices are handled in accordance with the conditions agreed by both parties, and the payment terms are the same as those for general customers.

Information Technology Total Services Co., Ltd.

Business relationships and material transactions between the parent company and its subsidiaries

January 1 to March 31, 2026

Table 3

Unit: NTD thousand
(Unless otherwise specified)

No. (Note 1)	Name of Transaction Party	Counterparty	Relationship with the counterparty (Note 2)	Transaction Status			Percentage of total consolidated revenue or assets (Note 3)
				Account title	Amount	Transaction Conditions	
0	Information Technology Total Services Co., Ltd.	Information Technology (WUXI) Co., Ltd.	(1)	Service revenue	\$ 1,988	Note 4	0.47%
1	Unison Service Corporation	Information Technology Total Services Co., Ltd.	(2)	Service revenue	23,816	Note 4	5.68%
2	Universal Mail Service Ltd.	Information Technology Total Services Co., Ltd.	"	Service revenue	12,804	Note 4	3.05%
2	Universal Mail Service Ltd.	Information Technology Total Services Co., Ltd.	"	Sales revenue	16,098	Note 4	3.84%

Note 1: The information about transactions between the parent and the subsidiaries shall be noted in the following manner:

- (1) The parent company is coded "0."
- (2) The subsidiaries are coded sequentially beginning from "1" for each individual company.

Note 2: The relationship with the counterparty may be categorized into the following three types. The schedule only discloses information about unilateral transactions. (It is not necessary to disclose the same transaction between the parent company and a subsidiary or between subsidiaries repeatedly. For example, if the parent company has disclosed a transaction with a subsidiary, the subsidiary does not need to disclose said transaction again; if a subsidiary has disclosed a transaction with one of the parent company's other subsidiaries, the other subsidiary need not disclose said transaction again):

- (1) Parent to subsidiary.
- (2) Subsidiary to parent.
- (3) Between subsidiaries.

Note 3: The percentage of the amount of the transaction to the consolidated total operating revenue or total assets shall be computed as the ending balance to the consolidated total assets, in the case of assets and liabilities, or as the interim accumulated amount to the consolidated total operating revenue, in the case of profit or loss.

Note 4: There is no comparable transaction of the same type, the price is handled according to the method agreed upon by both parties, and the payment term is an open account with a net of 90 days. Service revenue refers to the labor support, packaging and printing, telecommunications costs, and freight costs required for operations. Sales revenue refers to the sales of printed matter required for operations. There are no comparable transactions of the same type. The transaction price and payment terms are determined by negotiation between both parties.

Information Technology Total Services Co., Ltd.
Information on Names and Locations of Investees (Excluding Investees in China)
January 1 to March 31, 2026

Table 4

Unit: NTD thousand
(Unless otherwise specified)

Name of Investor	Name of Investee (Notes 1 and 2)	Address	Principal Business	Original Investment Cost		Holdings at the End of the Period			Current Income of the Investee	Investment Gains or Losses Recognized for the Current Period	Remarks
				End of the Current Period	End of Last Year	Number of Shares	Percentage	Carrying Amount			
Information Technology Total Services Co., Ltd.	Tension Envelope Taiwan Corporation	Taiwan	Envelope production and paper trading business	\$ 25,000	\$ 25,000	2,500	50.00%	\$ 44,399	\$ 1,912	\$ 956	Note 1
Information Technology Total Services Co., Ltd.	Universal Mail Service Ltd.	Taiwan	Postal information integration and bill printing outsourcing services	13,000	13,000	1,560	100.00%	24,208	8	8	Note 1
Information Technology Total Services Co., Ltd.	Unison Service Corporation	Taiwan	Customer relationship management services and consulting services for the customer service center establishment	17,000	17,000	1,700	100.00%	25,830	2,450	2,450	Note 1
Information Technology Total Services Co., Ltd.	Information Technology Total Service (BVI) Co., Ltd.	British Virgin Islands	Investment holding company	48,424	48,424	1,541	100.00%	85,901	763	763	Notes 1, 2, and 3
Information Technology Total Services Co., Ltd.	An-Hui Information Technology Co., Ltd.	Taiwan	Manufacture of computers and peripherals, retail, and other consulting services	3,000	3,000	300	15.00%	3,138	(35)	(5)	Note 1

Note 1: Investee recognized under the equity method.

Note 2: The original currency of the original investment amount of Information Technology Total Service (BVI) Co., Ltd. was US\$1,541 thousand.

Note 3: As of the current period, Information Technology Total Service (BVI) Co., Ltd. has repatriated investment income of US\$1,500 thousand.

Information Technology Total Services Co., Ltd.
Information on Investments in China – Basic Information
January 1 to March 31, 2026

Table 5

Unit: NTD thousand
(Unless otherwise specified)

Name of Investee in China	Principal Business	Paid-in Capital	Investment Method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Current income of the investee	Shareholding ratio of the Company's direct or indirect investment	Investment Gains (Losses) Recognized for the Current Period (Note 2)	Carrying Amount of Investment, End of the Period	Accumulated Repatriation of Investment Income as of the End of the Period	Remarks
					Outward Remitted	Repatriated							
Information Technology (WUXI) Co., Ltd.	ERP establishment, system maintenance, and information equipment procurement	\$ 10,167	(2)	\$10,167 (USD \$300)	\$ -	\$ -	\$10,167 (USD \$300)	815	100.00%	\$ 815	\$ 31,400	\$ 18,384	

Note 1: Investment methods are divided into the following three types. Please mark the type only:

(1) Direct investment in Mainland China

(2) Indirect investment in Mainland China through a business in a third region (Information Technology Total Service (BVI) Co., Ltd)

Note 2: The profit or loss is recognized in the financial statements audited by the external auditors appointed by the parent company in Taiwan.

Note 3: The relevant figures in this table shall be presented in New Taiwan dollars.

Company name	Accumulated amount of investment in China remitted from Taiwan at the end of the period	Amount of investment approved by the Investment Commission, MOEA	Investment limit in China set by the Investment Commission, MOEA
Information Technology Total Services Co., Ltd.	\$10,167 (USD \$300)	\$10,167 (USD \$300)	\$ 344,071

Note 4: All figures in this schedule are presented in New Taiwan Dollars. Asset and liability accounts are translated at the following rates: RMB 1 = NTD 4.6290; USD 1 = NTD 31.9950. Income and expense accounts are translated at the following rates: RMB 1 = NTD 4.5753; USD 1 = NTD 31.5617.

Note 5: According to the amendment to regulations made by the Investment Commission per the Order Jing-Sheng-Ji-Zi No. 09704604680 dated August 29, 2008, the limit on the cumulative amount of investment in Mainland China is the net value or 60% of the combined net value, whichever is higher.