

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Review Report MARCH 31, 2026 AND 2025

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R.O.C.**

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For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of VSO ELECTRONICS CO., LTD.

Preface

We have reviewed the accompanying consolidated balance sheet of VSO ELECTRONICS CO., LTD. and its subsidiaries as of March 31, 2026, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the period from January 1 to March 31, 2026, 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 No. 34, "Interim Financial Reporting," as 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 review.

Scope

We conducted our review in accordance with Statement of Auditing Standards No. 2410, "Review of Financial Statements." A review of consolidated financial statements consists principally of inquiries of persons responsible for financial and accounting matters, analytical procedures 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 review, 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 VSO ELECTRONICS CO., LTD. and its subsidiaries as of March 31, 2026, and their consolidated financial performance and consolidated cash flows for the periods from January 1 to March 31, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34, "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

The consolidated financial statements of VSO ELECTRONICS CO., LTD. and its subsidiaries for the first quarter of 2025 were reviewed by other auditors, who expressed a qualified conclusion in their review report dated May 12, 2025.

Liu, Jung Chin

Hsieh, Sheng-An

For and on behalf of Ernst & Young, Taiwan

May 12, 2026

Notice to Readers

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

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

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheet

March 31, 2026, December 31, 2025, and March 31, 2025

Unit: NT\$ thousand

Assets			March 31, 2026		December 31, 2025		March 31, 2025	
Code	Accounting Item	Notes	Amount	%	Amount	%	Amount	%
	Current Assets							
1100	Cash and Cash Equivalents	6(1)	\$567,380	16	\$348,704	12	\$656,877	26
1110	Financial assets at fair value through profit or loss-current	6(2)	5,151	-	5,133	-	5,075	-
1136	Financial assets measured at amortized cost—current	6(3)	635,469	18	378,443	13	480	-
1150	Net notes receivable	6(4)	12,838	-	8,707	-	3,413	-
1170	Net Accounts Receivable	6(4)	875,351	25	890,080	31	759,193	29
1180	Accounts Receivable—Related Parties	6(4) and 7	37,746	1	37,540	1	40,278	2
1200	Other receivables		6,236	-	1,292	-	1,989	-
1220	Current income tax assets		439	-	1,401	-	2,407	-
130x	Inventory	6(5)	400,125	11	291,184	10	290,973	11
1470	Other current assets		47,235	2	19,934	1	18,427	1
11xx	Total Current Assets		2,587,970	73	1,982,418	68	1,779,112	69
	Non-current assets							
1510	Financial assets at fair value through profit or loss—non-current	6(2)	8,548	-	-	-	-	-
1550	Investments accounted for using the equity method	6(6)	53,678	2	50,019	2	49,897	2
1600	Property, Plant, and Equipment	6(7) and 8	729,228	21	718,521	25	543,201	21
1755	Right-of-use assets	8	104,871	3	104,388	4	112,666	4
1780	Intangible assets		24,562	1	25,961	1	21,122	1
1840	Deferred income tax assets		14,479	-	11,757	-	10,809	1
1900	Other non-current assets		11,242	-	13,596	-	59,793	2
15xx	Total Non-Current Assets		946,608	27	924,242	32	797,488	31
1xxx	Total Assets		\$3,534,578	100	\$2,906,660	100	\$2,576,600	100
	Current liabilities							
2100	Short-term bank loans	6(8)	\$193,505	6	\$228,778	8	\$125,445	5
2120	Financial liabilities at fair value through profit or loss—current	6(2)	777	-	1,904	-	846	-
2130	Contract liabilities—current	6(12)	646	-	913	-	7	-
2170	Accounts Payable	6(9)	470,454	13	419,617	15	355,284	14
2180	Accounts Payable – Related Parties		98	-	123	-	550	-
2200	Other Payables	6(9)	415,588	12	335,942	12	350,529	14
2220	Other payables—related parties	7	257	-	355	-	1,810	-
2230	Current income tax liability		57,274	2	134,770	1	23,656	1
2250	Liabilities and provisions—current		6,191	-	2,956	-	2,321	-
2280	Lease liabilities—current		9,961	-	9,339	-	7,318	-
2300	Other current liabilities		10,604	-	10,239	-	3,228	-
21xx	Total Current Liabilities		1,165,355	33	1,044,936	36	870,994	34
	Non-current liabilities							
2500	Financial liabilities at fair value through profit or loss—non-current	6(2)	5,237	-	-	-	-	-
2530	Corporate Bonds Payable	6(10)	396,502	11	-	-	-	-
2540	Long-term bank loans	6(8)	151,805	5	124,294	4	58,384	2
2570	Deferred income tax liabilities		78,708	2	78,248	3	76,232	3
2580	Lease liabilities—non-current		6,137	-	7,385	-	8,578	-
2600	Other non-current liabilities		832	-	964	-	612	-
25xx	Total Non-Current Liabilities		639,221	18	210,891	7	143,806	5
2xxx	Total Liabilities		1,804,576	51	1,255,827	43	1,014,800	39
	Equity attributable to owners of the parent							
3100	Share Capital—Common Stock	6(11)	438,488	12	438,488	15	417,165	16
3200	Capital Surplus	6(11)	662,326	19	569,554	20	565,900	22
	Retained earnings							
3310	Legal reserve	6(11)	105,221	3	105,221	5	86,676	4
3320	Special surplus reserve		34,452	1	34,452	1	52,481	2
3350	Retained earnings		446,512	13	486,799	17	365,480	14
3300	Total retained earnings		586,185	17	626,472	23	504,637	20
3400	Other equity	6(11)	(30,702)	(1)	(51,709)	(2)	(22,437)	(1)
3500	Treasury stock	6(11)	(28,969)	(1)	(28,969)	(1)	-	-
31xx	Total equity attributable to owners of the parent		1,627,328	46	1,553,836	55	1,465,265	57
36xx	Non-controlling interests	4	102,674	3	96,997	2	96,535	4
3xxx	Total Equity		1,730,002	49	1,650,833	57	1,561,800	61
3x2x	Total Liabilities and Equity		\$3,534,578	100	\$2,906,660	100	\$2,576,600	100

(See Notes to the Consolidated Financial Statements)

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand, except
Earnings per share in NT\$

Code	Accounting Item	Note	Three Months Ended March 31			
			2026		2025	
			Amount	%	Amount	%
4000	Operating revenue	6(12) and 7	\$712,391	100	\$578,564	100
5000	Operating costs	6(5).(13) and 7	(504,412)	(71)	(415,465)	(72)
5900	Gross Profit		207,979	29	163,099	28
	Operating expenses	6(13) and 7				
6100	Selling expenses		(36,048)	(5)	(28,387)	(5)
6200	General and administrative expenses		(50,751)	(7)	(50,289)	(9)
6300	Research and development expenses		(36,405)	(5)	(25,697)	(4)
6450	Expected credit impairment loss		(1,491)	-	(3,422)	-
6000	Total operating expenses		(124,695)	(17)	(107,795)	(18)
6900	Operating profit		83,284	12	55,304	10
	Non-operating income and expenses					
7100	Interest income	6(14)	2,278	-	2,434	-
7010	Other income	6(8)	4,309	1	2,083	-
7050	Finance costs	6(8).(10).(14)	(3,579)	(1)	(886)	-
7060	Share of profit or loss of a related party recognized under the equity method	6(6)	2,124	-	368	-
7020	Other gains and losses	6(14)	5,637	1	4,329	1
7000	Total non-operating income and expenses		10,769	1	8,328	1
7900	Profit before income tax		94,053	13	63,632	11
7950	Income tax expense	6(15)	(21,626)	(3)	(14,348)	(2)
8200	Profit for the period		72,427	10	49,284	9
	Other comprehensive income					
8360	Items that may be reclassified subsequently to profit or loss					
8361	Financial statements translation differences of foreign operations		21,387	3	12,259	2
8370	Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method	6(6)	1,535	0	1,034	-
8300	Total other comprehensive income for the period		22,922	3	13,293	2
8500	Total comprehensive income for the period		\$95,349	13	\$62,577	11
	Profit attributable to:					
8610	Shareholders of the parent		68,665	9	46,856	8
8620	Non-controlling interest		3,762	1	2,428	1
			\$72,427	10	\$49,284	9
	Total consolidated profit and loss is attributable to:					
8710	Shareholders of the parent		89,672	12	58,870	10
8720	Non-controlling interest		5,677	1	3,707	1
			\$95,349	13	\$62,577	11
	Basic earnings per share (in dollars)	6(16)				
9750	Basic earnings per share		\$1.58		\$1.07	
9850	Diluted earnings per share		\$1.50		\$1.07	

(See Notes to the Consolidated Financial Statements)

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
Consolidated Statement of Changes in Equity
January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand

Code	Item	Equity attributable to owners of the parent								Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings			Other equity items	Treasury Stock	Total		
				Legal reserve	Special reserve	Retained earnings	Foreign currency translation adjustments from financial statements of overseas operations				
		3100	3200	3310	3320	3350	3410	3500	31XX	36XX	3XXX
A1	Balance as of January 1, 2025	\$417,165	\$565,514	\$86,676	\$52,481	\$402,057	\$(34,451)	\$-	\$1,489,442	\$92,828	\$1,582,270
B5	Appropriation of the 2024 earnings	-	-	-	-	(83,433)	-	-	(83,433)	-	(83,433)
D1	Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	-
D1	Net income for January 1 to March 31, 2025	-	-	-	-	46,856	-	-	46,856	2,428	49,284
D3	Other comprehensive income for January 1 to March 31, 2025	-	-	-	-	-	12,014	-	12,014	1,279	13,293
D5	Total comprehensive income for the period	-	-	-	-	46,856	12,014	-	58,870	3,707	62,577
N1	Employee stock option compensation cost	-	386	-	-	-	-	-	386	-	386
Z1	Balance as of March 31, 2025	<u>\$417,165</u>	<u>\$565,900</u>	<u>\$86,676</u>	<u>\$52,481</u>	<u>\$365,480</u>	<u>\$(22,437)</u>	<u>\$-</u>	<u>\$1,465,265</u>	<u>\$96,535</u>	<u>\$1,561,800</u>
A1	Balance as of January 1, 2026	438,488	\$569,554	\$105,221	\$34,452	\$486,799	\$(51,709)	\$(28,969)	1,553,836	96,997	\$1,650,833
B5	Appropriation of the 2025 earnings	-	-	-	-	(108,952)	-	-	(108,952)	-	(108,952)
C5	Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	-
C5	Recognition of equity—stock options upon issuance of convertible corporate bonds	-	91,579	-	-	-	-	-	91,579	-	91,579
D1	Net income for January 1 to March 31, 2026	-	-	-	-	68,665	-	-	68,665	3,762	72,427
D3	Other comprehensive income for January 1, 2026 to March 31, 2026	-	-	-	-	-	21,007	-	21,007	1,915	22,922
D5	Total comprehensive income for the period	-	-	-	-	68,665	21,007	-	89,672	5,677	95,349
N1	Employee stock option compensation cost	-	1,193	-	-	-	-	-	1,193	-	1,193
Z1	Balance as of March 31, 2026	<u>\$438,488</u>	<u>\$662,326</u>	<u>\$105,221</u>	<u>\$34,452</u>	<u>\$446,512</u>	<u>\$(30,702)</u>	<u>\$(28,969)</u>	<u>\$1,627,328</u>	<u>\$102,674</u>	<u>\$1,730,002</u>

(See Notes to the Consolidated Financial Statements)

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
Consolidated Statement of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand

Item	Three Months Ended March 31		Item	Three Months Ended March 31	
	2026	2025		2026	2025
	Amount	Amount		Amount	Amount
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$94,053	\$63,632	Disposal of financial assets at fair value through profit or loss	17	-
Income and Expense Items:			Acquisition of financial assets measured at amortized cost	(348,018)	(600,478)
Depreciation expense	21,340	15,104	Disposal of financial assets measured at amortized cost	91,000	938,208
Amortization expense	2,616	2,763	Acquisition of real estate, plant and equipment and prepayments for equipment	(33,250)	(151,920)
Expected credit loss	1,491	3,422	Disposal of property, plant and equipment	847	880
Financial assets measured at fair value through profit or loss and liabilities (gain) loss	(2,210)	827	Disposal of right-of-use assets	-	6,039
Financial expenses	3,579	886	Acquisition of intangible assets	(1,061)	(470)
Interest income	(2,278)	(2,434)	Decrease in refundable deposits	(57)	-
Share-based payment expense	1,193	386	Interest received	1,921	2,809
Share of profit or loss of associates accounted for under the equity method	(2,124)	(368)	Net cash (outflow) from investing activities	(288,601)	195,068
Net gain on disposal and retirement of property, plant, and equipment	(356)	(355)			
Losses on inventory write-downs and obsolescence	13,866	5,618	Cash flows from financing activities:		
Government grants	(133)	(175)	Increase in short-term borrowings	150,892	157,149
(Gain on lease modifications)/Loss on disposal of right-of-use assets	(23)	1,442	Decrease in short-term borrowings	(187,702)	(67,813)
Changes in assets/liabilities related to operating activities:			Long-term borrowings	27,378	49,249
Notes and accounts receivable (including related parties)	16,923	10,805	Lease principal repayment	(2,504)	(2,210)
Other receivables	(4,506)	582	Issuance of Convertible Corporate Bonds	487,559	-
Inventory	(114,551)	(59,817)	Interest paid	(2,734)	(722)
Other current assets	(26,686)	8,769	Net cash inflows from financing activities	472,889	135,653
Other non-current assets	(234)	85			
Financial liabilities at fair value through profit or loss—current	(2,309)	-	Effect of exchange rate changes on cash and cash equivalents	8,587	6,230
Contractual liabilities	(289)	(1,042)	Increase in cash and cash equivalents for the period	218,676	336,084
Accounts payable (including related parties)	40,987	(23,881)	Cash and cash equivalents at beginning of period	348,704	320,793
Other payables (including related parties)	(17,432)	(20,965)	Cash and cash equivalents at end of period	\$567,380	\$656,877
Liability provisions	3,200	193			
Other current liabilities	323	(1,455)			
Cash inflows from operating activities	26,440	4,022			
Income taxes paid	(639)	(4,889)			
Net cash provided by (used in) operating activities	25,801	(867)			

(See Notes to the Consolidated Financial Statements)

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

January 1 to March 31, 2026 and 2025

(Amounts are in thousands of New Taiwan dollars unless otherwise stated)

I. Company History

VSO ELECTRONICS CO., LTD. (hereinafter referred to as the “Company”) was established on August 13, 1994. The primary business activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) consist of the sale of various types of connectivity cables for smart IoT, cloud computing, industrial control, medical, and automotive applications.

The Company’s shares were officially listed on the Taiwan Over-the-Counter (OTC) Market on October 1, 2024. The Group is headquartered at 7F, No. 880, Zhongzheng Road, Zhonghe District, New Taipei City, with primary manufacturing facilities located in mainland China and Vietnam to support the needs of its global customers and supply chain.

II. Date and Procedure for Approval of Financial Statements

These consolidated financial statements were approved and released by the Board of Directors on May 12, 2026.

III. Application of New and Revised Standards and Interpretations

1. Changes in Accounting Policies Arising from the First-time Adoption of International Financial Reporting Standards

The Group has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations (IFRIC), or Interpretative Announcements recognized by the Financial Supervisory Commission (hereinafter referred to as the FSC) and applicable to fiscal years beginning on or after January 1, 2025. The initial application of these new standards and amendments had no material impact on the Group.

2. As of the date of approval and issuance of the financial statements, the Group has not adopted the following newly issued, revised, or amended standards or interpretations that have been issued by the International Accounting Standards Board but have not yet been endorsed by the FSC:

No.	Newly Issued/Amended/Revised Standards and Interpretations	Effective Date as Issued by the IASB
1	Amendments to International Financial Reporting Standard 10 “Consolidated Financial Statements” and International Accounting Standard 28 “Investments in Associates and Joint Ventures”—Sales or Contributions of Assets between an Investor and Its Associate or Joint Venture	Pending decision by the International Accounting Standards Board
2	Amendments to International Financial Reporting Standard 18 “Presentation and Disclosure of Financial Statements”	January 1, 2027 (Note)
3	Disclosure Initiative—Subsidiaries Not Subject to Public Accountability: Disclosure (IFRS 19)	January 1, 2027
–4	Conversion to a Currency of Expression in Hyperinflationary Economies (Amendments to IAS 21 and IAS 29)	January 1, 2027

(Note) On September 25, 2025, the Financial Supervisory Commission (FSC) issued a press release announcing that Taiwan will adopt International Financial Reporting Standard (IFRS) 18 in 2028; furthermore, Taiwanese enterprises may opt to early adopt the standard upon approval by the FSC if they wish to do so.

As of the date of issuance of these consolidated financial statements, the Group has assessed that the amendments to the aforementioned standards and interpretations have financial position and financial performance; however, since IFRS 18 “Presentation and Disclosure of Financial Statements” will replace IAS 1 “Presentation of Financial Statements,” there will be changes in the presentation of the Group’s financial statements. The main changes are as follows:

(a) Enhancing the comparability of the income statement

In the income statement, revenues and expenses are classified into five categories: operating, investing, financing, income taxes, or discontinued operations. The first three are new classifications designed to improve the structure of the income statement and require all entities to provide newly defined subtotals (including operating profit or loss). By improving the structure of the income statement and introducing newly defined subtotals, investors are provided with a consistent starting point for analyzing financial performance across companies, making it easier to compare enterprises.

(b) Enhancing Transparency in Management Performance Measurement

Requires companies to disclose explanations of company-specific metrics related to the income statement (referred to as management performance measures).

(c) **Useful Aggregation of Financial Statement Information**

Application guidance has been established to determine whether financial information should be presented in the primary financial statements or in the notes; this change is expected to provide more detailed and useful information. Companies are required to provide more transparent information on operating expenses to help investors locate and understand the information they use.

IV. Summary of Significant Accounting Policies

Except for the statements of compliance, basis of preparation, overview of consolidation, and the new sections described below, the information regarding significant accounting policies is the same as that presented in Note 4 to the 2025 Consolidated Financial Statements. Unless otherwise stated, these policies have been consistently applied across all reporting periods.

1. Statement of Compliance

The Group's consolidated financial statements for the periods from January 1 to March 31, 2026 and 2025 have been prepared in accordance with the Financial Reporting Standards for Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," as adopted by the Financial Supervisory Commission. These consolidated financial statements do not include all disclosures required by International Financial Reporting Standards for full-year financial statements.

2. Basis of Preparation

These consolidated financial statements are prepared on a historical cost basis, except for financial instruments measured at fair value. Unless otherwise stated, the consolidated financial statements are presented in thousands of New Taiwan dollars.

3. Consolidation Overview

(1) Principles for the Preparation of Consolidated Financial Statements

Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In particular, the Company controls an investee only when it possesses all three of the following elements of control:

- (A) Power over the investee (i.e., existing rights that currently enable the Company to direct the relevant activities)

- (B) Exposure to, or rights to, variable returns arising from participation in the investee, and
- (C) the ability to use its power over the investee to influence the amount of the investor's return

When the Company holds, directly or indirectly, less than a majority of the investee's voting rights or similar rights, the Company considers all relevant facts and circumstances to assess whether it has power over the investee, including:

- (A) contractual agreements with other holders of voting rights in the investee
- (B) Rights arising from other contractual agreements
- (C) Voting rights and potential voting rights

When facts and circumstances indicate that one or more of the three elements of control have changed, the Company reassesses whether it still controls the investee.

Subsidiaries are fully consolidated in the consolidated financial statements from the acquisition date (i.e., the date the Company obtains control) until the date control over the subsidiary is lost. The accounting periods and accounting policies of the subsidiaries are consistent with those of the parent company. All intra-group account balances, transactions, unrealized intra-group gains and losses arising from intra-group transactions, and dividends are fully eliminated.

Changes in the Company's ownership interest in a subsidiary are accounted for as equity transactions, provided that control over the subsidiary is not lost.

The total comprehensive income of subsidiaries is attributed to the owners of the Company and non-controlling interests, even if this results in a deficit balance for non-controlling interests.

If the Company loses control of a subsidiary, then

- (A) The assets (including goodwill) and liabilities of the deconsolidated subsidiary;
- (B) The carrying amount of any non-controlling interest;
- (C) recognize the fair value of the consideration received;
- (D) recognize the fair value of any retained investment;
- (E) Reclassify the amount of items previously recognized in other comprehensive income by the parent entity to profit or loss for the period, or transfer them directly to retained earnings in accordance with the requirements of other International Financial Reporting Standards;
- (F) recognize any resulting difference in profit or loss for the period.

(2) The entity preparing the consolidated financial statements is as follows:

Name of investee	Name and Abbreviation of Subsidiary	Principal Business	Percentage of ownership		
			March 31, 2026	Dec. 31, 2025	March 31, 2025
VSO Electronics Co., Ltd.	Cable Garden Holdings Limited	Investment Holding Business	100	100	100
	Linkupon International Limited (hereinafter referred to as "Linkupon International")	Sales of engineering plastics for optical, automotive, and 3C product applications	60	60	60
	Vsovn Electronics (HANOI) Company Limited	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	100	100	100
Cable Garden Holdings Limited	VSO (Viet Nam) Electronics Co., LTD.	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	100	100	100
	Ji An VSO Electronics Co., LTD.	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	100	100	100
	Cleveland Investments Limited	Investment holding business	100	100	100
Cleveland Investments Limited	VSO Electronics (Suzhou) Co., LTD.	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	100	100	100
Linkupon International Limited	Linkupon International Holdings, Limited	Investment holding business	100	100	100
Linkupon International Holdings, Limited	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Sales of engineering plastics for optical, automotive, and 3C product applications	100	100	100

(3) Subsidiaries with non-controlling interests that are material to the Group

Information on subsidiaries with significant non-controlling interests

Name of Subsidiary	Principal Place of Business	Percentage of equity and voting rights held by non-controlling interests		
		March 31, 2026	December 31, 2025	March 31, 2025
Linkupon International Limited	Taiwan	40%	40%	40%

Name of Subsidiary	Profit or loss attributable to non-controlling interests		Non-controlling interests		
	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025	March 31, 2026	December 31, 2025	March 31, 2025
Linkupon International Limited	\$ 3,762	\$ 2,428	\$ 102,674	\$ 96,997	\$ 96,535

Linkupon International Limited

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 359,047	\$ 350,642	\$ 296,377
Non-current assets	69,215	53,742	55,606
Current liabilities	(151,787)	(142,495)	(91,371)
Non-current liabilities	(19,789)	(19,396)	(19,273)
Equity	<u>\$ 256,686</u>	<u>\$ 242,493</u>	<u>\$ 241,339</u>

Equity attributable to:

Owners of the Company	\$ 154,012	\$ 145,496	\$ 144,804
Non-controlling interests ⁰	<u>102,674</u>	<u>96,997</u>	<u>96,535</u>
	<u>\$ 256,686</u>	<u>\$ 242,493</u>	<u>\$ 241,339</u>

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Revenue	<u>\$ 144,949</u>	<u>\$ 109,189</u>
Net income for the year	\$ 9,405	\$ 6,071
Other comprehensive income	<u>4,787</u>	<u>3,197</u>
Total comprehensive income	<u>\$ 14,192</u>	<u>\$ 9,268</u>

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Net income attributable to:		
Owners of the Company	\$ 5,643	\$ 3,643
Non-controlling interests	3,762	2,428
	<u>\$ 9,405</u>	<u>\$ 6,071</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 8,515	\$ 5,561
Non-controlling interests	5,677	3,707
	<u>\$ 14,192</u>	<u>\$ 9,268</u>

4. Income Tax

Income tax expense for the interim period is accrued and disclosed based on the tax rate applicable to the expected total profit for the current year; that is, the estimated annual effective tax rate is applied to the pre-tax profit for the interim period. The estimate of the annual effective tax rate includes only current income tax expense; deferred income tax is recognized and measured in accordance with IAS 12 “Income Taxes,” consistent with the annual financial statements.

V. Major Sources of Uncertainties in Significant Accounting Judgments, Estimates, and Assumptions

The major sources of uncertainty regarding significant accounting judgments, estimates, and assumptions used in these consolidated financial statements are the same as those in the 2025 consolidated financial statements; please refer to Note 5 of the Group’s 2025 consolidated financial statements.

VI. Explanation of Significant Accounting Items

1. Cash and Cash Equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	\$ 943	\$ 1,007	\$ 983
Bank demand deposits	494,437	221,321	173,467
<u>Cash equivalents</u>			

	March 31, 2026	December 31, 2025	March 31, 2025
Bank time deposits with original maturities of three months or less	72,000	126,376	207,427
Bonds with repurchase agreements	-	-	275,000
Total:	<u>\$ 567,380</u>	<u>\$ 348,704</u>	<u>\$ 656,877</u>

The Group maintains relationships with financial institutions of sound credit quality, and by dealing with multiple financial institutions to diversify credit risk, the likelihood of default is expected to be very low.

2. Financial assets and liabilities measured at fair value through profit or loss

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets—current			
Mandatorily measured at fair value through profit or loss			
Non-derivative financial assets—fund units	<u>\$ 5,151</u>	<u>\$ 5,133</u>	<u>\$ 5,075</u>
Financial assets—non-current			
Designated as at fair value through profit or loss			
Derivatives—Redemption rights on convertible bonds (Note 6.10)	<u>\$ 8,548</u>	<u>\$ -</u>	<u>\$ -</u>
Financial liabilities—current			
Held for trading			
Derivatives (not designated as hedges)—forward foreign exchange contracts	<u>\$ 777</u>	<u>\$ 1,904</u>	<u>\$ 846</u>
Financial liabilities—non-current			
Designated as at fair value through profit or loss			
Derivatives—Put option on convertible bonds (Note 6.10)	<u>\$ 5,237</u>	<u>\$ -</u>	<u>\$ -</u>

The following forward foreign exchange contracts were outstanding as of the balance sheet date and were not subject to hedge accounting:

March 31, 2026

	Currency	Maturity Period	Contract Amount (in
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			thousands)
Sell Forward Foreign Exchange	USD/NTD	January 9, 2026 – April 2, 2026	USD 1,400 / NTD 43,995

December 31, 2025

	Currency	Maturity Period	Contract Amount (in thousands)
Sell Forward Foreign Exchange	USD/NTD	January 5, 2026 – March 4, 2026	USD 3,050 / NTD 93,795

March 31, 2025

	Currency	Maturity Period	Contract Amount (in thousands)
Sell Forward Foreign Exchange	USD/NTD	April 2, 2025 – June 4, 2025	USD 4,400 / NTD 144,758

The Group engages in forward foreign exchange transactions primarily to hedge against the risk of exchange rate fluctuations affecting foreign currency assets and liabilities; however, since the transactions do not meet the criteria for effective hedging, hedge accounting is not applied.

The net gains (losses) on financial assets and liabilities measured at fair value through profit or loss for the periods from January 1 to March 31, 2026 and 2025 were NT\$2,210 thousand and NT\$(827) thousand, respectively.

3. Financial assets measured at amortized cost—current

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with a maturity of more than 3 months	\$ 300,469	\$ 300,443	\$ 480
Bonds with call provisions	335,000	78,000	-
Total	<u>\$ 635,469</u>	<u>\$ 378,443</u>	<u>\$ 480</u>

The interest rate range for time deposits with terms of more than three months is 1.7% to 4.10%; the interest rate for repurchase agreements is 1.66% to 1.7%.

Since the Group's counterparties are financial institutions with good credit quality, the likelihood of default on the aforementioned financial assets is expected to be very low.

4. Notes receivable and accounts receivable (including related parties)

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
Arising from operations	\$ 12,838	\$ 8,707	\$ 3,413
Accounts receivable			
Total Carrying Amount	\$ 877,380	\$ 890,614	\$ 765,334
Less: Allowance for losses	(2,029)	(534)	(6,141)
Subtotal	875,351	890,080	759,193
Accounts receivable—related parties	37,746	37,540	40,278
Total	\$ 913,097	\$ 927,620	\$ 799,471

Accounts Receivable

The Group's average credit period for merchandise sales is 30 to 145 days on a monthly basis. No interest is charged on accounts receivable.

To maintain the quality of receivables, the Group has established procedures for managing operational credit risk. The Group's risk assessment of individual customers considers various factors that may affect a customer's ability to pay, including the customer's financial condition, aging analysis, and historical transaction records. The Company also utilizes certain credit enhancement tools, such as requiring customers to prepay for goods, at appropriate times to mitigate credit risk for specific customers.

In addition, the Group reviews the recoverable amount of each receivable at the balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible receivables. Based on this, the Group's management believes that the Group's credit risk has been significantly mitigated.

The Group recognizes allowances for accounts receivable based on expected credit losses over the remaining life of the receivables. Expected credit losses over the remaining life are calculated using a provision matrix that takes into account the customer's past default history, current financial condition, and industry economic conditions. The Group classifies customers into different risk groups based on historical experience and consideration of each customer's individual financial condition. The Group applies different provision matrices by customer group and determines expected credit loss rates based on the number of days accounts receivable are past due.

If there is evidence that a counterparty is facing severe financial difficulties and the Group cannot reasonably expect to recover the amount due—for example, if the counterparty is

undergoing liquidation—the Group writes off the related accounts receivable directly; however, recovery efforts continue, and any amounts recovered are recognized in profit or loss.

The aging analysis of net accounts receivable (including related parties) is as follows:

March 31, 2026	Days Past Due						Total
	Not past due	1–30 days past due	31–60 days past due	61–90 days past due	91–120 days past due	Over 120 days past due	
Expected Credit Loss Rate	0%–0.01%	0%–0.06%	0%–2.26%	0%	0%–72.70%	100%	
Total book value	\$761,178	\$ 125,417	\$ 25,082	\$ 1,394	\$ 1,966	\$ 89	\$ 915,126
Allowance for losses (during the reporting period)							
Expected credit losses)	(67)	(62)	(475)	-	(1,336)	(89)	(2,029)
Cost after amortization	\$761,111	\$ 125,355	\$ 24,607	\$ 1,394	\$ 630	\$ -	\$ 913,097

Dec. 31, 2025	Days Past Due						Total
	Not past due	1–30 days past due	31–60 days past due	61–90 days past due	91–120 days past due	Over 120 days past due	
Expected Credit Loss Rate	0%–0.003%	0%–0.02%	0%–2.52%	0%–11.71%	0%–72.57%	100%	
Total Book Value	\$ 804,624	\$ 117,153	\$ 55,329	\$ 587	\$ 61	\$ 400	\$ 928,154
Allowance for losses (during the reporting period)							
Expected credit losses)	(15)	(20)	(53)	(1)	(45)	(400)	(534)
Cost after amortization	\$ 804,609	\$ 117,133	\$ 55,276	\$ 586	\$ 16	\$ -	\$ 927,620

March 31, 2025	Days Past Due						Total
	Not past due	1–30 days past due	31–60 days past due	61–90 days past due	91–120 days past due	Over 120 days past due	
Expected Credit Loss Rate	0%–0.66%	0%–9.49%	0%–52.86%	0%–90.60%	0%–90.60%	100%	
Total Book Value	\$ 711,226	\$ 80,200	\$ 11,108	\$ 136	\$ 1,397	\$ 1,545	\$ 805,612
Allowance for losses (during the reporting period)							
Expected credit losses)	(172)	(158)	(3,640)	(123)	(503)	(1,545)	(6,141)

Cost after amortization	<u>\$ 711,054</u>	<u>\$ 80,042</u>	<u>\$ 7,468</u>	<u>\$ 13</u>	<u>\$ 894</u>	<u>\$ -</u>	<u>\$ 799,471</u>
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The above is an aging analysis based on the number of days past due.

The following table presents the changes in the allowance for doubtful accounts for the Group for the periods from January 1 to March 31, 2026 and 2025:

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
January 1	\$ 534	\$ 2,683
Increase	1,491	3,422
Impact of exchange rate	4	36
March 31	<u>\$ 2,029</u>	<u>\$ 6,141</u>

The Group's notes and accounts receivable are unsecured and no collateral is held.

5. Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw Materials	\$ 128,596	\$ 93,105	\$ 80,448
Work in Progress	86,308	53,089	56,626
Finished goods	105,497	93,296	89,240
Merchandise	79,724	51,694	64,659
Total	<u>\$ 400,125</u>	<u>\$ 291,184</u>	<u>\$ 290,973</u>

The amounts of inventory costs recognized as expenses by the Group for the periods from January 1 to March 31, 2026 and 2025 were NT\$504,412 thousand and NT\$415,465 thousand, respectively, of which the amounts recognized as inventory write-downs were NT\$13,866 thousand and NT\$5,618 thousand, respectively.

The aforementioned inventory was not used as collateral.

6. Investments accounted for using the equity method

Investments in Affiliates

	March 31, 2026	December 31, 2025	March 31, 2025
Significant Associates			
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material,inc.	\$ 53,678	\$ 50,019	\$ 49,897

Information on Significant Affiliates

Name of Subsidiary	Nature of Business	Principal Place of Business	Percentage of Equity and Voting Rights Held		
			March 31, 2026	December 31, 2025	March 31, 2025
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material,inc.	Manufacture and sale of plastic materials	China	24%	24%	24%

For information regarding the nature of business, principal places of business, and countries of incorporation of the aforementioned affiliated companies, please refer to Appendix 8, "Mainland Investment Information."

7. Property, Plant, and Equipment

<u>Cost</u>	<u>Land</u>	<u>LandBuildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportatio n equipment</u>	<u>Other equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
January 1, 2026	\$ 97,577	\$ 184,670	\$ 443,036	\$ 10,155	\$ 90,848	\$ 160,742	\$ 987,028
Additions	-	11,763	10,184	94	330	2,972	25,343
Government subsidies	-	(8,432)	-	-	-	-	(8,432)
Disciplinary Action	-	-	(491)	-	-	-	(491)
Reclassification	-	-	5,379	-	515	(5,894)	-
Net exchange difference	-	3,685	11,099	150	1,518	2,823	19,275
March 31, 2026	<u>\$ 97,577</u>	<u>\$ 191,686</u>	<u>\$ 469,207</u>	<u>\$ 10,399</u>	<u>\$ 93,211</u>	<u>\$ 160,643</u>	<u>\$ 1,022,723</u>
<u>Accumulated depreciation</u>							
January 1, 2026	\$ -	(\$ 31,896)	(\$ 195,756)	(\$ 3,528)	(\$ 37,327)	\$ -	(\$ 268,507)
Depreciation expense	-	(1,469)	(13,299)	(505)	(3,092)	-	(18,365)
Disciplinary Action	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Net exchange difference	-	(653)	(5,154)	(42)	(774)	-	(6,623)
March 31, 2026	<u>\$ -</u>	<u>(\$ 34,018)</u>	<u>(\$ 214,209)</u>	<u>(\$ 4,075)</u>	<u>(\$ 41,193)</u>	<u>\$ -</u>	<u>(\$ 293,495)</u>
March 31, 2026							
Cost	\$ 97,577	\$ 191,686	\$ 469,207	\$ 10,399	\$ 93,211	\$ 160,643	\$ 1,022,723

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

Notes to the Consolidated Financial Statements of Vso Electronics Co., Ltd. and Subsidiaries (continued)

(Amounts are in thousands of New Taiwan dollars unless otherwise stated)

Accumulated depreciation	-	(34,018)	(214,209)	(4,075)	(41,193)	-	(293,495)
Total	<u>\$ 97,577</u>	<u>\$ 157,668</u>	<u>\$ 254,998</u>	<u>\$ 6,324</u>	<u>\$ 52,018</u>	<u>\$ 160,643</u>	<u>\$ 729,228</u>

<u>Cost</u>	<u>Land</u>	<u>Property, plant, and equipment</u>	<u>Machinery and Equipment</u>	<u>Transportation Equipment</u>	<u>Other Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
January 1, 2025	\$ 65,705	\$ 171,386	\$ 334,183	\$ 6,356	\$ 65,405	\$ 2,712	\$ 645,747
Additions	31,872	14,026	13,709	-	1,076	72,527	133,210
Government subsidies	-	(161)	-	-	-	-	(161)
Disciplinary Action	-	-	(1,232)	-	-	-	(1,232)
Net exchange difference	-	2,547	6,062	43	923	332	9,907
March 31, 2025	<u>\$ 97,577</u>	<u>\$ 187,798</u>	<u>\$ 352,722</u>	<u>\$ 6,399</u>	<u>\$ 67,404</u>	<u>\$ 75,571</u>	<u>\$ 787,471</u>
<u>Accumulated depreciation</u>							
January 1, 2025	\$ -	(\$ 26,278)	(\$ 170,650)	(\$ 1,955)	(\$ 29,855)	\$ -	(\$ 228,738)
Depreciation expense	-	(1,399)	(8,482)	(347)	(2,010)	-	(12,238)
Disciplinary Action	-	-	707	-	-	-	707
Net exchange difference	-	(286)	(3,159)	(14)	(442)	-	(4,001)
March 31, 2025	<u>\$ -</u>	<u>(\$ 28,063)</u>	<u>(\$ 181,584)</u>	<u>(\$ 2,316)</u>	<u>(\$ 32,307)</u>	<u>\$ -</u>	<u>(\$ 244,270)</u>

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

Notes to the Consolidated Financial Statements of Vso Electronics Co., Ltd. and Subsidiaries (continued)

(Amounts are in thousands of New Taiwan dollars unless otherwise stated)

March 31, 2025

Cost	\$ 97,577	\$ 187,798	\$ 352,722	\$ 6,399	\$ 67,404	\$ 75,571	\$ 787,471
Accumulated depreciation	<u>-</u>	<u>(28,063)</u>	<u>(181,584)</u>	<u>(2,316)</u>	<u>(32,307)</u>	<u>-</u>	<u>(244,270)</u>
Total	<u>\$ 97,577</u>	<u>\$ 159,735</u>	<u>\$ 171,138</u>	<u>\$ 4,083</u>	<u>\$ 35,097</u>	<u>\$ 75,571</u>	<u>\$ 543,201</u>

Government grants consist of various tax rebates provided by local governments pursuant to investment agreements and are recorded as a reduction in property, plant, and equipment.

Depreciation is calculated on a straight-line basis over the following useful lives:

Buildings and structures	30 to 50 years
Machinery and equipment	2 to 10 years
Transportation equipment	2 to 6 years
Other equipment	2 to 10 years

The Group did not capitalize any interest on its property, plant, and equipment in fiscal years 2026 and 2025.

For information regarding the Group's property, plant, and equipment pledged as collateral for loans, please refer to Note 8.

8. Loans

(1) Short-term bank loans

	March 31, 2026	December 31, 2025	March 31, 2025
Bank credit facilities	\$ 60,150	\$ 201,400	\$ -
Bank-guaranteed loan	133,355	27,378	125,445
	<u>\$ 193,505</u>	<u>\$ 228,778</u>	<u>\$ 125,445</u>
Interest rate range at the end of the loan term	2.40%– 6.58%	2.26%– 5.74%	0.50%– 2.08%

The aforementioned bank-guaranteed loans are secured by a joint and several guarantee provided by Chairman Chien Chung-cheng in his personal capacity and by a mortgage on the Group's land use rights and buildings (see Note 8).

(2) Long-term bank loans

	March 31, 2026	December 31, 2025	March 31, 2025
Long-term bank loans	<u>\$ 151,805</u>	<u>\$ 124,294</u>	<u>\$ 58,384</u>
End-of-period interest rate range	<u>1.77%</u>	<u>1.77%</u>	<u>1.77%</u>

The above refers to a "Special Loan for Overseas Investment and Financing" provided by the National Development Fund. The Company obtained a bank loan with a maturity date of December 10, 2029. A grace period of 24 months applies from the date of disbursement, after which principal and interest are repaid on a monthly basis. Chairman Chien Chung-cheng serves as a joint and several guarantor for this loan in his personal capacity.

(3) Deferred Revenue from Government Grants

Since a portion of the aforementioned bank loans consists of special-purpose financing from the government, the difference between the preferential interest rate and the market borrowing rate is recorded as deferred revenue from government grants. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's deferred revenue amounted to NT\$1,363 thousand, NT\$1,496 thousand, and NT\$966 thousand,

respectively, and the Group recognized NT\$133 thousand and NT\$175 thousand as other income—government grants in the first quarters of 2026 and 2025, respectively.

9. Accounts Payable and Other Payables

- (1) Accounts payable primarily consist of amounts due to suppliers. The Group's payment terms generally range from 30 to 120 days from the end of the month. Generally, no interest is charged on accounts payable. The Group has established a financial risk management policy to ensure that all payables are settled within the company's payment terms.
- (2) The breakdown of other payables is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Accrued salaries and bonuses	\$ 54,010	\$ 78,101	\$ 43,563
Dividends payable	108,952	-	83,433
Social insurance payable	139,324	136,418	132,449
Other payables	113,302	121,423	91,084
Total	<u>\$ 415,588</u>	<u>\$ 335,942</u>	<u>\$ 350,529</u>

10. Corporate bonds payable

	March 31, 2026	December 31, 2025	March 31, 2025
First Domestic Unsecured Convertible Corporate Bonds	<u>396,502</u>	<u>-</u>	<u>-</u>

On March 19, 2026, the Company issued 4,500 units of its first domestic secured convertible corporate bonds in Taiwan, with a total principal amount of NT\$450,000 thousand and a coupon rate of 0%. The face value of each unit is NT\$100 thousand. Other terms of the issuance are as follows:

- (1) Conversion Period: June 20, 2026, to March 19, 2029.
- (2) Conversion Price:

A. The conversion price at issuance is NT\$126. Subsequently, in the event of changes in the Company's share capital (including but not limited to cash capital increases, capitalization of retained earnings, and capitalization of capital reserves), the

conversion price shall be adjusted in accordance with the prescribed calculation formula. As of March 31, 2026, the conversion price is NT\$126.

B. Following the issuance of these convertible bonds, if the Company distributes cash dividends on its common shares, the conversion price shall be reduced in accordance with the prescribed calculation formula as of the ex-dividend date. This provision regarding the reduction of the conversion price shall not apply to holders who have already submitted a conversion request prior to (but excluding) the ex-dividend date.

(3) Redemption and Repurchase Procedures for the Bonds:

A. Redemption upon Maturity: Upon maturity of the bonds, the principal shall be repaid at par value.

B. Early Redemption:

From the day following the third month after issuance (June 20, 2026) until 40 days prior to maturity (February 7, 2029), if the closing price of the Company's common stock exceeds the then-current conversion price by 30% or more for 30 consecutive business days, the Company may redeem all or part of the bonds at face value.

From the day following the three-month anniversary of the issuance (June 20, 2026) until 40 days prior to maturity (February 7, 2029), if the outstanding balance of the Company's bonds falls below 10% of the original total issuance amount, the Company may redeem the bonds at face value at any time.

C. Early Redemption:

The Company designates the date two years after the issuance date (i.e., March 19, 2028) as the redemption reference date for bondholders to exercise their right to redeem the bonds early. Bondholders may request that the Company redeem the bonds they hold at face value.

These convertible bonds consist of liability and equity components; the equity component is presented under equity as "Capital Surplus—Convertible Bonds." The effective interest rate recognized upon initial recognition of the liability component is 4.3589%.

Issue proceeds (net of transaction costs of NT\$5,399 thousand)	\$487,559
Equity component	(91,579)

Net financial liabilities measured at fair value through profit or loss	(45)
Liability component at issuance	<u>395,935</u>
Amortization of discount on corporate bonds payable	567
Liabilities as of March 31, 2026	<u><u>\$396,502</u></u>

11. Equity

(1) Common Stock

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Company's authorized capital was NT\$600,000 thousand, with 60,000 thousand shares; The paid-in capital was NT\$438,488 thousand, NT\$438,488 thousand, and NT\$417,165 thousand, respectively, with a par value of NT\$10 per share and a number of shares of 43,849 thousand, 43,849 thousand, and 41,717 thousand, respectively. All payments for the Company's issued shares have been received. Each share carries one voting right and the right to receive dividends.

There were no changes in the Company's common shares between January 1 and March 31, 2026 and 2025.

(2) Capital Reserve

	March 31, 2026	December 31, 2025	March 31, 2025
<u>May be used to offset losses, distribute cash, or be transferred to capital</u>			
Share premium (Note)	\$ 565,260	\$ 565,260	\$ 563,750
<u>Available loss carryforwards</u>			
Exercise of reclassification right	1,184	1,184	928
<u>Cannot be used for any purpose</u>			
Corporate bonds—conversion rights	91,579	-	-
Employee stock options	4,303	3,110	1,222
Total	<u>\$ 662,326</u>	<u>\$ 569,554</u>	<u>\$ 565,900</u>

Note: When transferring the premium on shares issued above par value from capital surplus to paid-in capital, the amount transferred shall not exceed 10% of the paid-in capital each year.

(3) Treasury Stock

A. On April 16, 2025, the Company's Board of Directors resolved to repurchase shares from the centralized market for transfer to employees. The repurchase period was from April 17, 2025, to June 13, 2025. As of March 31, 2026, and December 31, 2025, the Company had repurchased a total of 268,000 treasury shares, with a cost of NT\$28,969 thousand for each, and market values of NT\$28,140 thousand and NT\$31,892 thousand, respectively.

B. The Securities and Exchange Act stipulates that the proportion of outstanding shares repurchased by a company shall not exceed 10% of the company's total issued shares, and the total amount spent on repurchasing shares shall not exceed the sum of retained earnings, share premium, and realized capital reserves.

C. In accordance with the Securities and Exchange Act, the Company's treasury stock may not be pledged, nor may it confer shareholder rights prior to transfer.

D. Pursuant to the Securities and Exchange Act, shares repurchased for the purpose of transferring them to employees must be transferred within five years from the date of repurchase; if not transferred by the deadline, they shall be deemed unissued shares of the company, and the company shall file for a change of registration to cancel such shares. Shares repurchased to safeguard the company's credit and the rights and interests of shareholders shall be filed for a change of registration to cancel such shares within six months from the date of repurchase.

(4) Earnings Distribution and Dividend Policy

In accordance with the Company's Articles of Incorporation regarding the distribution of earnings, when distributing earnings, the Company shall first estimate and set aside an amount for taxes payable, then offset losses in accordance with the law, next set aside 10% as a statutory reserve, and use the remainder to establish or reverse a special reserve in accordance with laws, regulations, and the requirements of the competent authorities; If there are any remaining earnings after deducting the aforementioned items, the Board of Directors shall draft a resolution for the distribution of such earnings, together with the undistributed earnings from the beginning of the same period, and submit it to the General Meeting of Shareholders for resolution. However, if the distribution consists solely of cash dividends, it may be carried out by a special resolution of the Board of Directors, with a subsequent report to the General Meeting of Shareholders.

Furthermore, in accordance with the Company's Articles of Incorporation, profit distribution may be made in the form of cash dividends or stock dividends, provided that the total amount of profit distributed shall not be less than 35% of the distributable profits, and the cash dividend shall not be less than 20% of the total amount of

dividends distributed for that period. The aforementioned ratios for profit distribution and cash dividends to shareholders may be adjusted by resolution of the shareholders' meeting, taking into account actual profitability and capital conditions.

The statutory reserve shall be set aside until its balance reaches the total amount of the Company's paid-in capital. The statutory reserve may be used to offset losses. When the Company has no losses, the portion of the statutory reserve exceeding 25% of the total paid-in capital may be distributed in cash, in addition to being capitalized.

When the Company sets aside a special reserve from the net amount of other equity deductions accumulated in prior periods, if the retained earnings from prior periods are insufficient for such allocation, the amount shall be set aside from the current period's net profit after tax plus the amount of items other than net profit after tax included in the current period's retained earnings.

The Company's earnings distribution proposal for the fiscal year 2024 is as follows:

	Fiscal Year 2024	
	Amount	Dividend per Share (NT\$)
Statutory Reserve	\$ 18,545	
Special reserve	(18,209)	
Cash dividends	83,433	\$ 2.0
Stock dividends	20,858	0.5

The cash dividends to shareholders mentioned above have been approved by the Board of Directors; the remaining items of surplus distribution were approved at the Annual General Meeting held on May 12, 2025. The record date for the aforementioned stock dividend (capitalization of retained earnings to issue 2,086 thousand new shares with a par value of NT\$10 per share) was July 7, 2025, and the registration of the change was completed on July 17, 2025.

The Company's proposed distribution of earnings for the 2025 fiscal year, as recommended by the Board of Directors on March 12, 2026, is as follows:

	Fiscal Year 2025	
	Amount	Dividend per Share (NT\$)
Legal Reserve	\$ 18,955	
Special reserve	17,258	
Cash dividends	\$108,952	\$ 2.50

The cash dividends to shareholders mentioned above have been approved by the Board of Directors; the remainder is pending approval at the Annual General Meeting of Shareholders scheduled for May 12, 2026.

For information regarding employee compensation and director compensation, please refer to Notes 6 、 13.

(5) Share-Based Payment Agreements

Employee Stock Options

Information regarding the Company's employee stock options is as follows:

	January 1, 2026 – March 31, 2026		January 1, 2025 – March 31, 2025	
	Number (units)	Weighted Average Exercise Price (NTD/share)	Quantity (units)	Weighted Average Exercise Price (NTD/share)
Employee Stock Options				
Outstanding at Beginning of Period	315	\$ 84.53	176	\$ 87.06
Expired this period	-		-	-
Active for this period	-		-	-
Outstanding at the end of the period	<u>315</u>	<u>84.53</u>	<u>176</u>	<u>87.06</u>
Outstanding at end of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As of March 31, 2026, information regarding outstanding employee stock warrants is as follows:

185 units granted on August 20, 2025		130 units granted on October 8, 2024	
Exercise Price (NTD)	Weighted average remaining Contract Term (Years)	Exercise Price (NTD)	Weighted average remaining Contract Term (Years)
\$ 75	3.39	\$ 98.1	2.58

The Company uses the Black-Scholes valuation model to value employee stock options. The input values used in the valuation model are as follows:

August 20, 2025	October 8, 2024
<u>185 units granted</u>	<u>Granted 130 units</u>

Market price on grant date	NT\$109.5 per share	NT\$105.00 per share
Exercise price	NT\$75 per share	NT\$105 per share
Expected Volatility	35.41%–42.04%	35.80%–37.79%
Term	4 years	4 years
Expected yield	0%	0%
Risk-free rate	1.20%–1.22%	1.37%–1.39%

The employee stock option compensation expense recognized by the Company is as follows:

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Stock-based compensation expense	<u>\$1,193</u>	<u>\$386</u>

(6) Other equity items

Foreign currency translation differences from the financial statements of foreign operations

These consist primarily of exchange differences arising from the translation of the net assets of foreign operations from their functional currency to the Group's presentation currency (i.e., New Taiwan Dollars), which are recognized directly in other comprehensive income and accumulated under "Exchange differences on translation of financial statements of foreign operations." Cumulative translation adjustments previously recognized in the financial statements of foreign operations are reclassified to profit or loss upon the disposal or partial disposal of the foreign operations.

12. Revenue

(1) Revenue Segmentation

The Group's contract revenue with customers for the periods from January 1 to March 31, 2026 and 2025, can be segmented by major geographic region as follows:

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
AIoT Smart Internet of Things		
Application Cable Assemblies	\$ 397,411	\$ 253,028
Computer and Consumer Electronics		
Cable Assemblies	82,159	146,648
Engineering-Grade Plastic Materials	144,949	105,334
Other – Cable Assemblies	87,872	73,554

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Total:	\$ 712,391	\$ 578,564

Description of Client Contracts

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Revenue from Customer Contracts		
Revenue from Sales of Goods	\$ 708,331	\$ 577,574
Revenue from order cancellation compensation	4,060	990
Total	\$ 712,391	\$ 578,564

In accordance with commercial practice, the Group estimates the amount of discounts based on the sales of various connectivity cables for IoT, cloud computing, industrial control, medical, and automotive applications, taking into account the transaction history with certain customers over the past year. Based on this estimate, the Group recognizes a refund liability (classified as other current liabilities).

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Revenue Recognition Timing:		
At a specific point in time	\$ 712,391	\$ 578,564
Gradually met over time	-	-
Total	\$ 712,391	\$ 578,564

(2) Contract balance

<u>Item</u>	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract liabilities— current	\$ 646	\$ 913	\$ 7	\$ 1,042

13. The following table presents a summary of the Group's employee benefits, depreciation, and amortization expenses by function for the periods from January 1 to March 31, 2026 and 2025:

By Function	January 1–March 31, 2026			January 1–March 31, 2025		
	Classified	Classified	Total	Classified	Classified	Total

By Nature	as Operating Costs	as operating expenses		as Operating Costs	as operating expenses	
Employee benefit expenses	\$ 71,269	\$ 79,471	\$ 150,740	\$ 61,412	\$ 64,539	\$ 125,951
Depreciation expense	14,056	7,284	21,340	10,224	4,880	15,104
Amortization expense	1,597	1,019	2,616	1,694	1,069	2,763

Based on the Company's pre-tax profit for the current fiscal year, before deducting employee bonuses and directors' remuneration, and after setting aside an amount to offset losses, the Company shall allocate 2% to 10% of any remaining profit as employee bonuses and no more than 2% as directors' remuneration. Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company resolved at the 2025 Annual General Meeting to amend its Articles of Incorporation, stipulating that no less than 15% of the aforementioned employee remuneration allocation shall be distributed as remuneration for frontline employees.

The Company's estimated employee and director compensation for the first quarter of 2026 and 2025 is as follows:

Estimated Percentage

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Employee Compensation	3.85%	4.00%
Director compensation	1.52%	1.56%

Amount of Cash

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Employee compensation	\$ 3,451	\$ 2,442
Director compensation	1,366	951

The Board of Directors approved the employee compensation for the 2025 and 2024 fiscal years on March 12, 2026, and March 13, 2025, respectively, as follows:

Amount

	2025	2024
Employee Compensation (Cash)	\$ 9,741	\$ 8,449

	<u>2025</u>	<u>2024</u>
Directors' compensation (cash)	3,562	3,748

If amounts change after the date of approval and publication of the annual consolidated financial statements, such changes will be treated as changes in accounting estimates and recorded as adjustments in the following fiscal year. There were no material differences between the actual amounts of remuneration distributed to the Company's directors and employees during the aforementioned fiscal year and the estimated amounts recorded for remuneration payable to directors and employees.

For information regarding employee remuneration and remuneration for directors and supervisors approved by the Board of Directors, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

14. Non-operating Income and Expenses

(1) Interest Income

	<u>January 1, 2026 – March 31, 2026</u>	<u>January 1, 2025 – March 31, 2025</u>
Interest Income on Bank Deposits	\$ 626	\$ 1,556
Interest income from financial assets measured at amortized cost	<u>1,652</u>	<u>878</u>
Total	<u>\$ 2,278</u>	<u>\$ 2,434</u>

(2) Other gains and losses

	<u>January 1, 2026 – March 31, 2026</u>	<u>January 1, 2025 – March 31, 2025</u>
Net gain on disposal of property, plant, and equipment	\$ 356	\$ 355
Loss on disposal of right-of-use assets	-	(1,442)
Net gain (loss) on financial assets and liabilities measured at fair value through profit or loss	2,210	(827)
Net foreign exchange gain	3,130	6,689
Other	<u>(59)</u>	<u>(446)</u>
Total	<u>\$ 5,637</u>	<u>\$ 4,329</u>

(3) Financial expenses

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Interest on lease liabilities	\$ 117	\$ 174
Interest on bank loans	2,895	712
Interest expense on corporate bonds	567	-
Total	<u>\$ 3,579</u>	<u>\$ 886</u>

15. Income Tax

The major components of income tax expense for the periods from January 1 to March 31, 2026 and 2025 are as follows:

Income tax recognized in profit or loss

	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Current income tax expense:		
Current income tax payable	\$ 17,833	\$ 14,381
Adjustments for prior years	-	(28)
Deferred income tax asset:		
Deferred income tax assets related to the initial recognition and reversal of temporary differences	3,743	(5)
Income tax expense	<u>\$ 21,796</u>	<u>\$ 14,348</u>

The Company is subject to a 20% income tax rate under the Income Tax Act of the Republic of China, and a 5% tax rate applies to undistributed earnings.

VSO Electronics (Suzhou) Co., LTD. and Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company are eligible for the universal income tax reduction policy for small and low-profit enterprises; the applicable tax rate for both companies in 2025 and 2024 is 5%.

Ji An VSO Electronics Co., LTD. was certified as a Chinese high-tech enterprise in November 2022 and December 2025; therefore, the applicable tax rate for the years 2022 through 2028 is 15%.

Taxes arising in other jurisdictions are calculated based on the applicable tax rates in each relevant jurisdiction (the income tax rate in Vietnam is 20%; Samoa is exempt from all taxes).

Income Tax Recognized in Other Comprehensive Income

The Group did not recognize any income taxes in other comprehensive income for the periods from January 1 to March 31, 2026 and 2025.

Status of Income Tax Returns

As of March 31, 2026, the income tax assessment status for the Company and its Taiwanese subsidiary, Linkupon International, is as follows:

	<u>Status of Income Tax Returns</u>
The Company	Fiscal Year 2024
Linkupon International	Fiscal Year 2024

The Company's subsidiaries are located in the People's Republic of China, Vietnam, and Samoa. The local tax authorities in these jurisdictions do not proactively issue tax assessment notices to the respective companies. Only in the event of a tax dispute do they issue payment notices for the relevant fiscal year to the respective companies and reserve the right to impose additional taxes.

16. Earnings per Share

When calculating earnings per share, the impact of the bonus share issuance has been retroactively adjusted, with the record date for the bonus share issuance set as July 7, 2025. Due to the retroactive adjustment, the changes in basic and diluted earnings per share for the period from January 1 to March 31, 2025, are as follows:

	<u>Before retroactive adjustment</u>	<u>After Retrospective Adjustment</u>
Basic Earnings Per Share (NT\$)	<u>\$ 1.12</u>	<u>\$ 1.07</u>
Diluted earnings per share (NT\$)	<u>\$ 1.12</u>	<u>\$ 1.07</u>

Basic earnings per share is calculated by dividing net income attributable to holders of the parent company's common stock for the period by the weighted-average number of common shares outstanding for the period.

Diluted earnings per share is calculated by dividing net income attributable to the parent company's common shareholders for the period by the weighted average number of common shares outstanding for the period, plus the weighted average number of common

shares that would be issued upon conversion of all dilutive potential common shares into common shares.

	January 1, 2026 –March 31, 2026	January 1, 2025 –March 31, 2025
Basic Earnings Per Share		
Net Income Attributable to Holders of Common Stock of the Parent Company (in thousands)	\$ 68,665	\$ 46,856
Weighted-average number of common shares for basic earnings per share—retroactively adjusted (thousands)	43,581	43,802
Basic earnings per share (NT\$)	\$ 1.58	\$ 1.07
Diluted earnings per share		
Net income used to calculate basic earnings per share	\$ 68,665	\$ 46,856
Effect of dilutive potential common shares: Net income from convertible bonds (including gains or losses from changes in the fair value of derivatives)	(2,231)	-
Net income used to calculate diluted earnings per share (in thousands)	\$ 66,434	\$ 46,856
Weighted-average number of common shares for basic earnings per share (thousands)	43,581	43,802
Dilutive effect:		
Convertible bonds (thousands of shares)	516	-
Employee stock options (thousands of shares)	22	39
Employee compensation—stock (thousands of shares)	104	71
Weighted-average number of common shares outstanding, adjusted for dilutive effects (thousands of shares)	44,223	43,912
Diluted earnings per share (NT\$)	\$ 1.50	\$ 1.07

If an entity has the option to grant employee compensation in the form of stock or cash, and the employee compensation is granted in the form of stock, the potential common shares shall be included in the weighted-average number of shares outstanding for the purpose of calculating diluted earnings per share when such potential common shares have a dilutive effect. When calculating diluted earnings per share, the closing price of such potential common shares on the balance sheet date is used as the basis for determining the number of shares issued. When calculating diluted earnings per share prior to the determination of the number of shares to be issued for employee compensation in the following year, the dilutive effect of such potential common shares continues to be considered.

There were no other transactions after the reporting period and prior to the approval and issuance of the financial statements that would significantly change the number of ordinary shares or potential ordinary shares outstanding at the end of the period.

17. Supplementary Information on Cash Flows

	<u>January 1, 2026 – March 31, 2026</u>
Acquisition of property, plant, and equipment (net of government grants)	(\$ 16,911)
Decrease in prepaid equipment	2,914
Change in accounts payable for equipment	<u>(19,253)</u>
Total	<u>(33,250)</u>

Financing activities not affecting cash flow

	<u>January 1, 2026 – March 31, 2026</u>	<u>January 1, 2025 – March 31, 2025</u>
Cash dividends declared but not yet paid	<u>\$ 108,952</u>	<u>\$ 83,433</u>

VII. Related-Party Transactions

Transactions, account balances, income, and expenses between the Company and its subsidiaries are fully eliminated upon consolidation and are therefore not disclosed in this note. Except as disclosed in other notes, significant transactions between the Group and other related parties are as follows:

Name, Abbreviation, and Relationship of Related Party

<u>Name and Abbreviation of Related Party</u>	<u>Relationship with the Group</u>
Advantech Co., Ltd.	Parent company of a significant investor
Advantech Technology (China) Co., Ltd.	Subsidiary of a Significant Investor
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd.	Affiliated entity of the investor with significant influence
Advantech Corporation (U.S.A.)	Affiliated company of a significant investor
Advantech Europe B.V.	Affiliated company of a significant investor
LINK UPON ADVANCED MATERIAL CORP.	Significant investor of a subsidiary (LINKUPON INTERNATIONAL LIMITED)
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material, inc.	Affiliate of a subsidiary
I-SHENG Electric Wire & Cable Company (Vietnam)	Substantial Related Party (Note)

Note: I-SHENG Electric Wire & Cable Company (Vietnam) is an entity wholly owned by the Company's corporate director—I SHENG ELECTRIC WIRE & CABLE CO., LTD.; However, following the Company's general shareholders' meeting on May 12, 2025, during which all directors were re-elected, I SHENG ELECTRIC WIRE & CABLE CO., LTD. no longer serves as a director of the Company. Therefore, as of that date, I-SHENG Electric Wire & Cable Company (Vietnam) is no longer a substantial related party of the Company.

Material Transactions with Related Parties

1. Revenue

Category/Name of Related Party	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Parent Company of a Significant Investor Advantech Co., Ltd.	\$ 10,806	\$ 11,580
Subsidiaries of Significant Investors Advantech Technology (China) Co., Ltd	20,002	20,453
Associates of Significant Investors Significant investors in subsidiaries LINK UPON ADVANCED MATERIAL CORP.	133 306	80 -
Total	\$ 31,247	\$ 32,113

The transaction prices and credit terms for sales to related parties do not differ significantly from those for non-related parties; if the specifications are unique and there are no comparable transactions of the same type, the sales are conducted at prices mutually agreed upon by both parties.

2. Purchasing

Relationship Category/Name	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Significant Investors in Subsidiaries LINK UPON ADVANCED MATERIAL CORP.	\$ 708	\$ 544

The transaction prices and credit terms for purchases from related parties do not differ significantly from those for non-related parties.

3. Accounts receivable from related parties

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent company of a significant investor			
Advantech Co., Ltd.	\$ 11,785	\$ 12,808	\$ 12,295
Subsidiaries of Significant Investors			
Advantech Technology (China) Co., Ltd	25,608	24,709	27,934
Associates of Significant Investors	27	23	49
Significant investors in subsidiaries			
LINK UPON ADVANCED MATERIAL CORP.	326	-	-
	\$ 37,746	\$ 37,540	\$ 40,278

The Group's collection period for transactions with related parties is 30 to 120 days from the end of the month.

No collateral has been received for outstanding receivables from related parties. No allowance for doubtful accounts was recorded for receivables from related parties as of March 31, 2026, December 31, 2025, and March 31, 2025.

4. Lease Expenses

Category/Name of Related Party	January 1, 2025 – March 31, 2025
Lease Expenses	
Substantial Related Parties	\$ 4,890
	March 31, 2025
Rent Payable	
Substantial Related Party	\$ 1,650

The Group leases a factory from a substantial related party for a term of one year. The rent is determined by reference to the rental rates of similar assets, and fixed lease payments are made monthly in accordance with the lease agreement. As noted in the preceding note, the substantial related party ceased to be a related party as of May 12, 2025.

Remuneration of the Group's Key Management Personnel

	January 1, 2026 – March 31, 2026	January 1, 2025– March 31, 2025
Short-Term Employee Benefits	\$ 12,794	\$ 11,531
Share-based payments	129	178
Post-employment benefits	339	385
Total	<u>\$ 13,262</u>	<u>\$ 12,094</u>

The compensation of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

VIII. Pledged Assets

The following assets have been pledged as collateral for the Group's short-term bank loans:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	\$ 25,532	\$ 25,532	\$ 25,532
Housing and Construction	99,362	106,176	110,929
Land use rights	1,917	1,873	1,937
	<u>\$ 126,811</u>	<u>\$ 133,581</u>	<u>\$ 138,398</u>

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except as disclosed in other notes, the Group's unrecognized contractual commitments as of the balance sheet date are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of property, plant, and equipment	\$ 196,515	\$ 199,362	\$ 354,730
Acquisition of intangible assets	-	-	3,224
	<u>\$ 196,515</u>	<u>\$ 199,362</u>	<u>\$ 357,954</u>

X. Significant disaster losses

None.

XI. Significant Subsequent Events

None.

XII. Other**1. Classification of Financial Instruments****Financial Assets**

	March 31, 2026	December 31, 2025	March 31, 2025
Financial Assets Measured at Fair Value Through Profit or Loss	\$ 13,699	\$ 5,133	\$ 5,075
Financial assets measured at amortized cost (Note 1)	2,142,084	1,671,645	1,469,211

Financial liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities measured at fair value through profit or loss	\$ 6,014	\$ 1,904	\$ 846
Financial liabilities measured at amortized cost (Note 2)	1,628,209	1,031,008	765,007
Lease liabilities	16,098	16,724	15,896

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, notes receivable, accounts receivable—related parties, other receivables, and security deposits, all of which are financial assets measured at amortized cost.

Note 2: The balance includes short-term borrowings, convertible corporate bonds, accounts payable, accounts payable—related parties, other payables, other payables—related parties, and long-term borrowings, all of which are financial liabilities measured at amortized cost.

2. Financial Risk Management Objectives and Policies

The Group's financial risk management objectives are primarily to manage market risk, credit risk, and liquidity risk associated with its operating activities. The Group identifies, measures, and manages these risks in accordance with the Group's policies and risk appetite.

Risk management activities are carried out by the Group's Finance Department in accordance with policies approved by the Board of Directors. The Group's Finance Department is responsible for identifying, assessing, and mitigating financial risks through close collaboration with the Group's operating units. The Board of Directors has established written principles for overall risk management and has also provided written

policies for specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus liquidity.

3. Market Risk

The Group's market risk refers to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market prices. Market risk primarily includes foreign exchange risk, interest rate risk, and price risk.

In practice, it is rare for a single risk variable to change in isolation, and changes in various risk variables are usually correlated; however, the sensitivity analysis for the following risks does not take into account the interaction between related risk variables.

Foreign Exchange Risk

The Group's financial risk management objective is to manage foreign exchange risk, interest rate risk, credit risk, and liquidity risk associated with its operating activities. To mitigate these financial risks, the Group is committed to identifying, assessing, and hedging against market uncertainties to reduce the potential adverse impact of market fluctuations on the Group's financial performance.

The Group's business operations involve certain non-functional currencies (the Company's functional currency is the New Taiwan Dollar, and the subsidiaries' functional currency is the Renminbi), and are therefore subject to exchange rate fluctuations. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group had no foreign currency assets or liabilities subject to significant exchange rate fluctuations.

Sensitivity Analysis

The Group is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following table details the Group's sensitivity analysis when the exchange rate of the New Taiwan Dollar (functional currency) against each relevant foreign currency increases or decreases by 1%. The 1% figure is the sensitivity ratio used internally by the Group when reporting foreign exchange risk to senior management and represents management's assessment of the range of reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies, and their closing balances are adjusted by a 1% change in exchange rates. The positive figures in the table below represent the increase in net income before tax that would result from a 1% depreciation of the New Taiwan Dollar against each relevant currency; conversely, a 1% appreciation of the New Taiwan Dollar against each relevant foreign currency would result in a negative impact on net income before tax of the same amount.

	Impact of the U.S. Dollar	
	January 1, 2026 – March 31, 2026	January 1, 2025 – March 31, 2025
Profit or Loss	\$ 4,672	\$ 6,098

- (i) Primarily arising from the Group's U.S. dollar-denominated bank deposits, receivables, bank borrowings, and payables that were outstanding as of the balance sheet date and for which no cash flow hedges were in place.
- (ii) The Group's sensitivity to exchange rates increased during the current year, primarily due to an increase in net foreign currency assets denominated in U.S. dollars.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Group manages interest rate risk by maintaining an appropriate mix of fixed and floating rate instruments.

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
– Financial assets	\$ 707,469	\$ 504,819	\$ 482,907
– Financial liabilities	564,405	141,018	74,280
Exposed to cash flow interest rate risk			
– Financial assets	\$ 494,437	\$ 221,321	\$ 173,467
– Financial liabilities	193,505	228,778	125,445

Sensitivity Analysis

The following sensitivity analysis is based on the Group's interest rate exposure to non-derivative financial instruments as of the balance sheet date. For floating-rate liabilities, the analysis assumes that the outstanding balance of such liabilities as of the balance sheet date remains outstanding throughout the reporting period. The Group reports interest rate sensitivity to key management using a 1% increase or decrease in interest rates, which represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates increased/decreased by 1%, with all other variables held constant, the Group's pre-tax net profit for the periods from January 1 to March 31, 2026 and 2025 would have increased/decreased by NT\$3,009 thousand and NT\$120 thousand, respectively, primarily due to an increase in the Group's short-term borrowings with

variable interest rates.

Other Price Risks

The Group is exposed to commodity price risk arising from its investment in fund units. However, as price risk and investment performance are regularly assessed in accordance with the Group's procedures for the acquisition and disposal of assets, no significant price risk is expected to arise.

4. Credit Risk Management

Credit risk refers to the risk that a counterparty will fail to fulfill its contractual obligations, resulting in financial loss.

The Group's credit risk primarily arises from its operating activities (mainly accounts receivable and notes receivable).

The Group's criteria for determining whether credit risk on financial instruments has increased significantly since initial recognition are as follows:

When contract payments are past due by more than 120 days under the agreed payment terms, it is deemed that credit risk has increased significantly since the initial recognition of the financial asset. The Group determines that a default has occurred when contract payments are past due by more than 120 days under the agreed payment terms.

The Group groups trade receivables from customers based on the characteristics of trade credit risk and uses a simplified approach to estimate expected credit losses based on loss rates. For details regarding the loss rates established by the Group based on historical and current information for specific periods, the provision matrix for trade receivables, and the statement of changes in the allowance for trade receivables using the simplified approach, please refer to Note 6 - 4.

5. Liquidity Risk Management

The Group maintains financial flexibility through cash and cash equivalents, highly liquid marketable securities, bank borrowings, and lease agreements. The following table summarizes the maturity profile of contractual payments on the Group's financial liabilities, prepared based on the earliest date on which repayment may be required and using undiscounted cash flows. The amounts shown include contractual interest. For interest cash flows payable at variable rates, the undiscounted interest amounts are derived from the yield curve as of the end of the reporting period.

The following table presents the Group's non-derivative financial liabilities grouped by relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table are undiscounted amounts.

Non-derivative financial liabilities

	<u>Less than 1 year</u>	<u>1–5 years</u>	<u>Total</u>
March 31, 2026			
Non-interest-bearing liabilities	\$ 886,397	\$ -	\$ 886,397
Floating-rate instruments	193,505	-	193,505
Fixed-rate instruments	-	601,805	601,805
Lease liabilities	9,961	6,137	16,098
Total	<u>\$ 1,089,863</u>	<u>\$ 607,942</u>	<u>\$ 2,299,610</u>

	<u>Less than 1 year</u>	<u>1–5 years</u>	<u>Total</u>
December 31, 2025			
Non-interest-bearing liabilities	\$ 677,936	\$ -	\$ 677,936
Floating-rate instruments	228,778	-	228,778
Fixed-rate instruments	500	125,790	126,290
Lease liabilities	9,618	7,469	17,087
Total	<u>\$ 916,832</u>	<u>\$ 133,259</u>	<u>\$ 1,050,091</u>

	<u>Less than 1 year</u>	<u>1–5 years</u>	<u>Total</u>
March 31, 2025			
Non-interest-bearing liabilities	\$ 664,611	\$ -	\$ 664,611
Floating-rate instruments	125,903	-	125,903
Fixed-rate instruments	15	59,250	59,265
Lease liabilities	8,932	9,593	18,525
Total	<u>\$ 799,670</u>	<u>\$ 68,843</u>	<u>\$ 868,513</u>

Credit Limit

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Bank Loans – Unused Credit Line	<u>\$ 747,488</u>	<u>\$ 684,400</u>	<u>\$ 588,428</u>

6. Reconciliation of Liabilities from Financing Activities

	<u>Short-term borrowings</u>	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>Convertible bonds</u>
January 1, 2026	\$ 228,778	\$ 124,294	\$ 16,724	\$ -
Cash Flow	(36,810)	27,378	(2,504)	487,559

Non-cash changes	1,537	133	1,878	(91,057)
March 31, 2026	<u>\$ 193,505</u>	<u>\$ 151,805</u>	<u>\$ 16,098</u>	<u>\$ 396,502</u>
	Short-term loans	Long-term debt	Lease liabilities	Total liabilities from financing activities
January 1, 2025	\$ 34,750	\$ 9,853	\$ 16,413	\$ 61,016
Cash flow	89,336	49,249	(2,210)	136,375
Non-cash changes	1,359	(718)	1,693	2,334
March 31, 2025	<u>\$ 125,445</u>	<u>\$ 58,384</u>	<u>\$ 15,896</u>	<u>\$ 199,725</u>

7. Fair Value Information

(1) Definition of Fair Value Hierarchy

All assets and liabilities measured or disclosed at fair value are classified into their respective fair value hierarchies based on the lowest level of inputs that is material to the overall fair value measurement. The inputs for each level are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities available as of the measurement date. The fair value of the Group's investments in listed and OTC stocks falls under this category.

Level 2: Directly or indirectly observable inputs for the asset or liability, excluding those included in Level 1.

Level 3: Unobservable inputs for the asset or liability. The Group's financial instruments fall into this category.

(2) Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, notes payable (including related parties), accounts payable (including related parties), and other payables (including related parties) are a reasonable approximation of fair value.

(3) For financial instruments measured at fair value, the Group classifies them based on the nature, characteristics, and risks of the assets and liabilities, as well as the fair value hierarchy. The relevant information is as follows:

A. The Group classifies assets and liabilities based on their nature. The relevant information is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
March 31, 2026				
Recurring fair value measurement:				
<u>Financial assets at fair value through profit or loss</u>				
<u>Financial assets—current</u>				
Fund units	<u>\$ 5,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,151</u>
<u>Financial liabilities measured at fair value through profit or loss</u>				
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives—Forward foreign exchange	<u>\$ -</u>	<u>\$ 777</u>	<u>\$ -</u>	<u>\$ 777</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2025				
Recurring fair value measurement:				
<u>Financial assets at fair value through profit or loss</u>				
<u>Financial assets—current</u>				
Fund units	<u>\$ 5,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,133</u>
<u>Financial liabilities measured at fair value through profit or loss</u>				
<u>Financial liabilities at fair value through profit or loss—current</u>				
Derivatives—Forward Foreign Exchange	<u>\$ -</u>	<u>\$ 1,904</u>	<u>\$ -</u>	<u>\$ 1,904</u>
	<u>Tier 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
March 31, 2025				
Recurring fair value measurement:				
<u>Financial assets at fair value through profit or loss</u>				
<u>Financial assets—current</u>				
Fund units	<u>\$ 5,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,075</u>
<u>Financial liabilities measured at fair value through profit or loss</u>				
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives—Forward foreign exchange	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ -</u>	<u>\$ 846</u>

B. The methods and assumptions used by the Group to measure fair value are described below:

- (a) The Company's fund investments are traded in active markets, and their fair value is measured based on the net asset value per unit available on the measurement date, which falls under Level 1 of the fair value hierarchy.
- (b) Except for the financial instruments with active markets mentioned above, the fair value of other financial instruments is determined using valuation techniques. The fair value derived from valuation techniques may be based on valuation techniques applied to other financial instruments with substantially similar terms and characteristics.

(4) The Group had no transfers between Level 1 and Level 2 for the periods from January 1 to March 31, 2026 and 2025.

8. Capital Management

The primary objective of the Group's capital management is to maintain a sound credit rating and a strong capital ratio to support business operations and maximize shareholder value. Please refer to the balance sheets for each period for details on relevant debt and capital ratios.

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

The following information is presented in a consolidated basis in currencies other than the functional currency of each entity within the Group. The exchange rates disclosed are those used to convert such foreign currencies into the functional currency. Information on foreign currency financial assets and liabilities with a material impact is as follows:

March 31, 2026

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
US Dollars	\$ 35,204	31.995	\$ 1,126,352
<u>Non-monetary items</u>			
Associates accounted for using the equity method RMB	11,596	4.6290	53,678
<u>Financial liabilities</u>			
<u>Monetary items</u>			
US Dollars	20,602	31.995	659,161

December 31, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
U.S. Dollars	\$ 34,899	31.42	\$ 1,096,538
<u>Non-monetary items</u>			
Associates accounted for using the equity method			
RMB	11,125	4.496	50,019
<u>Financial liabilities</u>			
<u>Monetary items</u>			
US Dollars	16,265	31.42	511,052

March 31, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
US Dollars	\$ 23,223	33.18	\$ 770,555
<u>Non-monetary items</u>			
Associates accounted for using the equity method			
RMB	10,911	4.573	49,897
<u>Financial liabilities</u>			
<u>Monetary items</u>			
US Dollars	4,846	33.18	160,785

The Group's foreign exchange gains and losses for the periods from January 1 to March 31, 2026 and 2025 were net gains of NT\$3,130 thousand and NT\$6,689 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose foreign exchange gains and losses by currency for each significant impact.

XIII. Notes to the Financial Statements

1. Information on Significant Transactions

- (1) Loans to Third Parties: Please refer to Schedule 1.
- (2) Guarantees Provided for Others: Please refer to Appendix 2.
- (3) Significant marketable securities held at the end of the period (excluding investments in subsidiaries and affiliated companies): Please refer to Schedule 3.
- (4) Transactions with related parties involving purchases or sales of NT\$100 million or more, or 20% or more of paid-in capital: Please refer to Schedule 4.
- (5) Amounts receivable from related parties reaching NT\$100 million or 20% or more of paid-in capital: Please refer to Schedule 5.
- (6) Other: Business relationships and significant transactions between the parent company and its subsidiaries, as well as among the subsidiaries, and the amounts involved: Please refer to Schedule 6.

2. Information on Investee Companies

Please refer to Table 7.

3. Information on Investments in Mainland China

- (1) Basic Information: Please refer to Table 8.
- (2) Significant transactions with investee companies in the Mainland, whether direct or indirect via a third region: Please refer to Appendices 4, 5, and 6.

- A. Purchases and their percentage, as well as the year-end balance and percentage of related payables.
- B. Sales amount and percentage, and the year-end balance and percentage of related accounts receivable.
- C. The amount of property transactions and the resulting gains or losses.
- D. The closing balance of endorsements, guarantees, or collateral provided, and their purpose.
- E. The maximum balance, ending balance, interest rate range, and total interest for the current period of credit facilities.
- F. Other transactions that have a material impact on current profit or loss or financial position, such as the provision or receipt of services.

XIV. Segment Information

Information provided to the chief operating decision-maker for the purpose of allocating resources and assessing segment performance, focusing on the types of products or services delivered or provided. The Group's reportable segments are as follows:

January 1, 2026 – March 31, 2026

	Cable Assembly Segment	Engineering Plastics Segment	Total
Revenue from external customers	\$ 567,442	\$ 144,949	\$ 712,391
Interdepartmental revenue	415,887	52,881	468,768
Departmental revenue	983,329	197,830	1,181,159
Internal eliminations	(415,887)	(52,881)	(468,768)
Consolidated revenue	<u>\$ 567,442</u>	<u>\$ 144,949</u>	<u>712,391</u>
Segment Profit or Loss	<u>\$ 75,896</u>	<u>\$ 8,672</u>	84,568
Directors' Remuneration			(1,284)
Interest income			2,278
Other income			4,309
Other gains and losses			5,637

Financial expenses	(3,579)
Share of profit or loss of associates accounted for under the equity method	2,124
Profit before tax	<u>\$ 94,053</u>

January 1, 2025 – March 31, 2025

	Cable Assembly Division	Engineering Plastics Division	Total
Revenue from external customers	\$ 473,230	\$ 105,334	\$ 578,564
Interdepartmental revenue	318,628	30,529	349,157
Departmental revenue	<u>795,715</u>	<u>135,862</u>	<u>927,721</u>
Internal eliminations	(318,628)	(30,529)	(349,157)
Consolidated revenue	<u>\$ 473,230</u>	<u>\$ 105,334</u>	<u>578,564</u>
Segment Profit or Loss	<u>\$ 48,826</u>	<u>\$ 7,429</u>	56,255
Directors' Remuneration			(951)
Interest income			2,434
Other income			2,083
Other gains and losses			4,329
Financial expenses			(886)
Share of profit or loss of associates accounted for under the equity method			368
Profit before tax			<u>\$ 63,632</u>

Inter-segment sales are priced at market value.

Segment profit refers to the profit earned by each segment, excluding allocable corporate administrative expenses and directors' remuneration, the share of profit or loss of associates accounted for using the equity method, other income, net foreign exchange gains (losses), gains or losses on the valuation of financial instruments, finance costs, and income tax expense. This measure is provided to key operating decision-makers for the purpose of allocating resources to segments and evaluating their performance.

Total segment assets and liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Segment Assets</u>			

Cable Assembly Division	\$ 3,106,316	2,502,275	2,224,617
Engineering Plastics Division	<u>428,262</u>	<u>404,385</u>	<u>351,983</u>
Total Consolidated Assets	<u>\$ 3,534,578</u>	<u>\$ 2,906,660</u>	<u>\$ 2,576,600</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Department Liabilities</u>			
Cable Assembly Division	(\$ 1,633,000)	(\$ 1,093,935)	(\$ 904,156)
Engineering Plastics Division	<u>(171,576)</u>	<u>(161,892)</u>	<u>(110,644)</u>
Total consolidated liabilities	<u>(\$ 1,804,576)</u>	<u>(\$ 1,255,827)</u>	<u>(\$ 1,014,800)</u>

The Group's operating segment assets are measured based on controllable assets. Liabilities are allocated based on the Group's overall cost of capital and funding requirements and are not within the control of individual operating segments; therefore, they are not included in the basis for evaluating segment management performance.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
Loans to Third Parties
January 1 to March 31, 2026

(Amounts are in thousands of New Taiwan dollars unless otherwise stated)

Schedule 1

No.	Company to Which Funds Were Loaned	Borrower	Transaction Type	Related Party	Highest Balance for the Period	End-of-period balance	Amount Actually Disbursed Amount	Interest Rate Range	Loan Eligibility	Collateral	Business transaction funds Amount	Reasons for the need for short-term financing	Amount of allowance for doubtful accounts	Collateral		For individual counterparties Loan limit (Note 2)	Total Loan Limit Total Limit (Note 2)	Remarks
														Name	Value			
0	VSO ELECTRONICS CO., LTD.	VSO (Viet Nam) Electronics Co., LTD	Other Receivables—Related Parties	Yes	\$28,796	\$28,796	\$28,796	4.83	1		\$328,195	Business Transactions	\$-	None	\$-	\$164,097	\$650,931	Note 4

Note 1: The nature of the loan should be reported as follows:

(1) Enter 1 for business partners.

(2) For those requiring short-term financing, please enter 2.

Note 2: The total amount of funds lent by the Company shall not exceed 40% of the Company's net worth. For individual loans based on business dealings, the amount shall not exceed 50% of the business transaction amount between the two parties.

In accordance with the Company's Regulations on Loans to Third Parties, the amount of loans to third parties shall be based on the net worth as stated in the most recent financial report audited or reviewed by a certified public accountant.

Note 3: The total loan limit information announced by the Company in March 2026 differs from the amounts listed above because the financial report for March 2026 has not yet been reviewed by a certified public accountant; therefore, the announcement is based on the financial report for the 2025 fiscal year.

Note 4: Intercompany transactions have been fully eliminated in the preparation of the financial statements.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
Guarantees Provided for Others
January 1 to March 31, 2026

(Amounts are in thousands of New Taiwan dollars unless otherwise stated)

Schedule 2

No.	Name of Endorsing Guarantor	Party to Whom the Guarantee Is Provided		Endorsement Guarantee Limit per Single Enterprise (Note 1)	Maximum Endorsement and Guarantee Balance for the Current Period (Note 1)	End-of-Period Endorsement Guarantee Balance (Note 1)	Amount actually drawn (Note 1)	Amount of Endorsement and Guarantee Secured by Property	Ratio of cumulative endorsement and guarantee amounts to net worth in the most recent financial statements	Maximum limit of guarantees (Note 1)	Endorsement guarantees provided by the parent company to its subsidiaries	Endorsement guarantees from subsidiaries to the parent company	Endorsements and guarantees to the Mainland	Remarks
		Company Name	Relationship											
0	VSO ELECTRONICS CO., LTD.	LINKUPON INTERNATIONAL LIMITED	Companies in which the Company directly or indirectly holds more than 50% of the voting shares.	\$488,198	\$150,000	\$150,000	\$144,454	\$-	9.22%	\$1,301,862	Y	N	N	
		Hongjun Energy Co., Ltd. (Preparatory Office) (Note 2)	Companies in which the Company directly or indirectly holds more than 50% of the voting shares.	488,198	30,000	-	-	-	-	-	Y	N	N	
		VSO (Viet Nam) Electronics Co., LTD	Companies in which the Company directly or indirectly holds more than 50% of the voting shares.	650,931	175,973	175,973	68,011	-	10.81%	1,301,862	Y	N	N	

Note 1: The total amount of external guarantees provided by the Company and its subsidiaries shall not exceed 80% of the net worth of each company as reported in its most recent financial statements. The amount of guarantees provided by the Company for a single subsidiary shall not exceed 30% of the net value of that company's most recent financial statements; the amount of guarantees provided by the Company for a single subsidiary in which it directly or indirectly holds 100% of the voting shares shall not exceed 40% of the net value of that company's most recent financial statements.

Note 2: On August 11, 2025, the Company's Board of Directors approved that, to assist the new energy subsidiary "Hongjun Energy Co., Ltd." (currently in preparation) in obtaining bank credit facilities to meet operational needs, the Company will provide a guarantee to facilitate its application to Taipei Fubon Bank for working capital and a letter of credit facility, in the amount of NT\$30,000,000, which may only be utilized after the subsidiary is formally established. The subsidiary's name has been provisionally approved and reserved by the Ministry of Economic Affairs; as of December 31, 2025, the subsidiary had not yet been established. Additionally, the Company's Board of Directors approved on March 12, 2026, the cancellation of the plan to establish a new energy subsidiary "Hongjun Energy Co., Ltd." and to cancel the corresponding endorsement guarantee limit. In accordance with the Company's Endorsement and Guarantee Regulations, the amount of endorsement and guarantee is based on the net worth as reported in the most recent financial statements audited or reviewed by a certified public accountant.

Note 3: The total amount of endorsement guarantees announced by the Company for March 2026 differs from the amounts listed above because the financial statements for March 2026 have not yet been reviewed by the certified public accountant; therefore, the announcement is based on the financial statements for the fiscal year 2025.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant Marketable Securities Held at the End of the Period
January 1 to March 31, 2026

(Amounts are in thousands of New Taiwan Dollars unless otherwise noted)

Schedule 3

Holding Company	Type and Name of Securities	Relationship with the Accounting	Accounting Category	Period		Balance		Remarks
				Number of Shares or Units	Carrying Amount	Ownership percentage	Fair Value	
VSO ELECTRONICS CO., LTD.	Callable Bonds P13 China Life 1A (Note 1)	None	Financial assets measured at amortized cost—current	-	\$78,000	-	\$78,000	
	Callable Bonds P09 KGI Life 1 (Note 1)	None	Financial assets measured at amortized cost—current	-	\$257,000	-	\$257,000	

Note 1: The collateral for the repurchase agreements consists of Cathay Life Insurance Co., Ltd.'s 2024 Series 1 Unsecured Accumulating Subordinated Corporate Bonds and KGI Life Insurance Co., Ltd.'s 2020 Series 1 Perpetual Accumulating Subordinated Corporate Bonds.

Note 2: The disclosure threshold for significant transactions is set at 1% or more of total assets.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

Amounts of purchases from or sales to related parties reaching NT\$100 million or 20% or more of paid-in capital
January 1, 2026 – March 31, 2026

(Amounts are in thousands of New Taiwan Dollars unless otherwise noted)

Schedule 4

Company with which purchases (sales) were made	Name of Counterparty	Relationship	Transaction Details				Circumstances and reasons where transaction terms differ from general transactions			Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchases (Sales)	Cash Amount	percentage of total purchases (sales)	Credit period	Invoice Unit	Credit period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)		
VSO ELECTRONICS CO., LTD.	Ji An VSO Electronics Co., LTD.	Subsidiary	Purchases	\$198,948	60%	Monthly settlement, 60 days	Based on internal transfer pricing	-	\$(205,257)	70%	Note	
Ji An VSO Electronics Co., LTD.	VSO ELECTRONICS CO., LTD.	Parent Company	Sales	(198,948)	67%	Monthly settlement, 60 days	Based on internal transfer pricing	-	205,257	65%	Note	
VSO ELECTRONICS CO., LTD.	VSO (Viet Nam) Electronics Co., LTD.	Subsidiary	Purchases	117,231	35%	Monthly settlement, 60 days	Based on internal transfer pricing	-	(74,621)	26%	Note	
VSO (Viet Nam) Electronics Co., LTD.	VSO ELECTRONICS CO., LTD.	Parent Company	Sales	(117,231)	88%	Monthly settlement, 60 days	Based on internal transfer pricing	-	74,621	83%	Note	

Note: Intercompany transactions have been fully eliminated in the preparation of the consolidated financial statements.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
Receivables from related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital
January 1 to March 31, 2026
(Amounts are in thousands of New Taiwan Dollars unless otherwise noted)

Schedule 5

Accounts receivable Company	Name of Counterparty	Relationship	Amounts due from related parties Balance (Note)	Turnover Ratio	Past-due receivables from related parties		Balance of receivables from related parties(Note) Amounts recovered after the reporting period	Provision Bad debt amount
					Amount	Treatment		
Ji An VSO Electronics Co., LTD.	VSO ELECTRONICS CO., LTD.	Parent Company	\$205,257	4.27	\$-	-	\$205,257	\$-

Note: The above transactions are between consolidated companies and have been fully eliminated in the preparation of the consolidated financial statements.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

Business relationships and significant transactions between the parent company and its subsidiaries, and among the subsidiaries, along with the amounts involved, for the period from January 1 to March 31, 2026

(Amounts are in thousands of New Taiwan Dollars unless otherwise noted)

Schedule 6

No. (Note 1)	Name of Counterparty	Counterparty	Relationship with the Trader (Note 2)	Details of the Transaction			
				Account	Amount	Terms of Transaction	Percentage of Consolidated Total Revenue or Total Assets (Note 3)
0	VSO ELECTRONICS CO., LTD.	Ji An VSO Electronics Co., LTD.	1	Purchases	\$198,948	Note 4	28%
				Accounts Payable – Related Parties	205,257	60-day monthly settlement	6%
1	Ji An VSO Electronics Co., LTD.	VSO (Viet Nam) Electronics Co., LTD.	1	Purchases	117,231	Note 4	16%
				Accounts Payable – Related Parties	74,621	Monthly settlement, 60 days	2%
		VSO Electronics (Suzhou) Co., LTD.	3	Sales	43,060	Note 4	6%
				Accounts Receivable—Related Parties	38,827	Monthly settlement, 60 days	1%
2	LINKUPON INTERNATIONAL LIMITED	VSO (Viet Nam) Electronics Co., LTD.	3	Sales	33,137	Note 4	5%
				Accounts Receivable—Related Parties	48,945	Monthly settlement, 60 days	1%
		Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	3	Sales	53,417	Note 4	7%
				Accounts Receivable—Related Parties	52,508	Monthly settlement, 60 days	1%

Note 1: Information regarding business transactions between the parent company and its subsidiaries shall be indicated separately in the "No." column. The method for filling in the "No." is as follows:

(1) The parent company should enter 0.

(2) Subsidiaries shall be numbered sequentially as follows:

Note 2: There are three types of relationships with counterparties; simply indicate the applicable category:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: All of the above transactions have been fully offset.

Note 4: In accordance with the Group's transfer pricing policy.

Note 5: The disclosure standard is based on material intra-Group transactions amounting to 1% or more of consolidated revenue or total assets.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investee companies, locations, and other relevant details
January 1 to March 31, 2026

(Amounts are in thousands of New Taiwan Dollars unless otherwise noted)

Schedule 7

Name of Investee	Name of Investee (Notes 1、2)	Location	Principal Business Activities	Original Investment Amount		Holding at End of Period			Investee's profit or loss for the current period	Investment gain or loss recognized for the period (Note 1)	Remarks
				End of current period	Number of shares	Number of shares	Ratio	Book Value (Note 1)			
VSO ELECTRONICS CO., LTD.	Cable Garden Holdings Limited	Samoa	Investment holding business	\$314,786	\$314,786	10,224,804	100%	\$478,293	\$(265)	\$209	Notes 1 and 2
	LINKUPON INTERNATIONAL LIMITED	Taiwan	Sales of engineering plastics for optical, automotive, and 3C product applications	90,000	90,000	9,000,000	60%	154,011	9,405	5,643	Note 2
	Vsovn Electronics (HANOI) Company Limited	Vietnam	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	302,998 (equivalent to US\$9,500 thousand)	302,998 (equivalent to US\$9,500 thousand)	-	100%	283,340	749	749	Note 2
Cable Garden Holdings Limited	VSO (Viet Nam) Electronics Co., LTD.	Vietnam	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	60,847 (equivalent to US\$2,000 thousand)	60,847 (equivalent to US\$2,000 thousand)	-	100%	80,565	7,866	7,866	Note 2
	Cleveland Investments Limited	Samoa	Investment holding business	56,101	56,101	1,700,000	100%	99,101	(1,494)	(1,494)	Note 2
Linkupon International Holdings Limited	Linkupon International Holdings Limited	Samoa	Investment holding business	71,444	71,444	2,407,795	100%	163,799	5,652	5,652	Note 2

Note 1: The difference between the investment gains or losses recognized as of March 31, 2026, and the investee's profit or loss for the current period is attributable to the net effect of unrealized gross profit.

Note 2: Upon preparation of the consolidated financial statements, the carrying amount of long-term equity investments, the recognized investment gains or losses, and the investee's profit or loss have been fully offset.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on Investments in Mainland China
January 1 to March 31, 2026

(Amounts are in thousands of New Taiwan Dollars unless otherwise noted)

Schedule 8

1. Names of investee companies in Mainland China, principal business activities, paid-in capital, method of investment, remittance of funds, shareholding percentage, investment gains or losses, carrying amount of investment, and repatriation of investment gains or losses:

Name of Investee Company in Mainland China	Principal Business Activities	Paid-in Capital	Method of Investment	From the beginning of the current period Cumulative investment amount remitted from Taiwan	Amount of investment remitted or recovered Investment Amount		From Cumulative investment amount remitted from Taiwan	Investee Profit or loss for the current period	The Company's direct or indirect investment	Gain or loss on investment recognized for the period Investment gain or loss (Note 1)	Investment Carrying amount	As of the end of the current period Investment income repatriated to Taiwan	Remarks
					Remitted	Recovered							
Ji An VSO Electronics Co., LTD.	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	\$175,176	Note 4	\$83,052	\$-	\$-	\$83,052	\$(5,379)	100%	\$(5,379)	\$311,505	\$44,000	Note 7
VSO Electronics (Suzhou) Co., LTD.	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	56,101	Note 6	56,101	-	-	56,101	(1,494)	100%	(1,494)	99,093	35,200	Note 7
Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Sales of engineering plastics for optical, automotive, and 3C product applications	53,095	Note 5	56,046	-	-	56,046	3,529	60%	2,117	115,128	30,800	Note 7
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material, Inc.	Production and sale of engineering plastic composites	190,371	Note 5	50,066	-	-	50,066	8,850	24%	2,124	53,678	4,144	

2. Investment limit for the Mainland:

Cumulative amount remitted from Taiwan for investment in the Mainland as of the end of the current period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (Note 2)	Investment limit for the Mainland Region as per the Investment Commission of the Ministry of Economic Affairs (Note 3)
\$245,265	\$337,389	\$976,397

Note 1: Investment gains and losses are recognized based on financial statements reviewed by the parent company's certified public accountant in Taiwan.

Note 2: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs is USD 10,479,405.55, calculated based on the original remittance exchange rate.

Note 3: Calculated based on the limit of 60% of consolidated net worth, in accordance with the provisions of the Investment Commission's Letter No. 09704604680.

Note 4: A reinvestment in a mainland China company by Cable Garden Holding Limited, a third-region entity wholly owned by the Company.

Note 5: This represents an investment in a Mainland China company by Linkupon International Holdings, Limited, a third-region entity wholly owned by LINKUPON INTERNATIONAL LIMITED, in which the Company holds a 60% stake.

Note 6: This represents an investment in a Mainland China company by Cleveland Investment Limited a third-region entity wholly owned by the Company.

Note 7: This amount has been fully offset in the preparation of the consolidated financial statements.