

**FITIPOWER INTEGRATED TECHNOLOGY INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors
Fitipower Integrated Technology Inc.:

Introduction

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

Scope of Review

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

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Hsiao, Pei-Ju and Chou, Pao-Lian.

KPMG

Taipei, Taiwan (Republic of China)

May 7, 2026

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Consolidated Balance Sheets
March 31, 2026, December 31, 2025, and March 31, 2025
(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025				March 31, 2026		December 31, 2025		March 31, 2025	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents(note (6)(a))	\$ 2,014,179	8	2,325,895	9	1,776,435	7	2120	Current financial liabilities at fair value through profit or loss(note (6)(b))	\$ 13,231	-	8,549	-	11,062	-
1110	Current financial assets at fair value through profit or loss(notes (6)(b) and (13))	7,489,359	28	6,056,467	23	7,056,224	26	2130	Current contract liabilities(note (6)(t))	63,490	-	23,261	-	24,235	-
1136	Current financial assets at amortised cost, net(notes (6)(a), (d) and (13))	3,526,933	13	4,243,995	16	4,230,025	16	2170	Notes and accounts payable	1,893,865	7	1,896,025	7	2,027,735	8
1170	Accounts receivable, net(note (6)(e))	3,015,048	11	2,840,700	11	3,159,836	12	2200	Other payables	821,945	4	939,521	4	815,084	3
1200	Other receivables, net(note (6)(m))	405,558	2	938,689	4	639,453	2	2216	Dividends payable	-	-	-	-	1,560,534	6
1220	Current tax assets	47,387	-	47,394	-	-	-	2230	Current tax liabilities	52,973	-	12,624	-	124,474	-
130X	Inventories, net(note (6)(f))	2,145,837	8	2,064,700	8	2,832,463	10	2280	Current lease liabilities(note (6)(n))	34,650	-	30,844	-	41,830	-
1410	Prepayments and other current assets(note (6)(g))	111,987	-	232,776	1	168,109	1	2300	Other current liabilities	18,484	-	19,744	-	21,406	-
		<u>18,756,288</u>	<u>70</u>	<u>18,750,616</u>	<u>72</u>	<u>19,862,545</u>	<u>74</u>			<u>2,898,638</u>	<u>11</u>	<u>2,930,568</u>	<u>11</u>	<u>4,626,360</u>	<u>17</u>
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss(note (6)(b))	762,670	4	831,297	3	1,171,638	4	2570	Deferred tax liabilities	340,789	1	294,135	1	236,428	1
1517	Non-current financial assets at fair value through other comprehensive income(note (6)(c))	1,399,312	5	1,427,524	5	1,347,541	5	2580	Non-current lease liabilities(note (6)(n))	49,563	-	34,295	-	54,760	-
1535	Non-current financial assets at amortised cost, net(notes (6)(a) and (d))	3,579,236	13	3,158,825	12	2,455,760	9	2645	Guarantee deposits received	<u>511,050</u>	<u>2</u>	<u>496,510</u>	<u>2</u>	<u>508,316</u>	<u>2</u>
1600	Property, plant and equipment(note (6)(j))	977,352	4	1,037,672	4	1,031,513	4			<u>901,402</u>	<u>3</u>	<u>824,940</u>	<u>3</u>	<u>799,504</u>	<u>3</u>
1755	Right of use assets(note (6)(k))	83,532	-	64,111	-	96,014	-		Total liabilities	<u>3,800,040</u>	<u>14</u>	<u>3,755,508</u>	<u>14</u>	<u>5,425,864</u>	<u>20</u>
1780	Intangible assets(note (6)(l))	176,967	1	161,138	1	200,289	1		Equity attributable to owners of parent:(notes 6(h), (i), (q) and (r))						
1840	Deferred tax assets	53,478	-	50,386	-	51,824	-	3110	Ordinary share	<u>1,212,536</u>	<u>5</u>	<u>1,212,536</u>	<u>5</u>	<u>1,212,545</u>	<u>4</u>
1900	Other non-current assets(note (6)(m))	<u>872,564</u>	<u>3</u>	<u>857,938</u>	<u>3</u>	<u>827,610</u>	<u>3</u>	3200	Capital surplus	<u>8,507,362</u>	<u>32</u>	<u>8,603,298</u>	<u>32</u>	<u>8,562,433</u>	<u>32</u>
		<u>7,905,111</u>	<u>30</u>	<u>7,588,891</u>	<u>28</u>	<u>7,182,189</u>	<u>26</u>		Retained earnings:						
								3310	Legal reserve	1,570,604	6	1,570,604	6	1,375,997	5
								3320	Special reserve	14,272	-	14,272	-	26,923	-
								3350	Unappropriated retained earnings	<u>6,428,938</u>	<u>24</u>	<u>6,201,773</u>	<u>24</u>	<u>5,609,293</u>	<u>21</u>
										<u>8,013,814</u>	<u>30</u>	<u>7,786,649</u>	<u>30</u>	<u>7,012,213</u>	<u>26</u>
								3400	Other equity	<u>107,100</u>	<u>-</u>	<u>(44,185)</u>	<u>-</u>	<u>91,103</u>	<u>-</u>
								3500	Treasury shares	<u>(220,678)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(6,457)</u>	<u>-</u>
									Total equity attributable to owners of parent	<u>17,620,134</u>	<u>66</u>	<u>17,558,298</u>	<u>67</u>	<u>16,871,837</u>	<u>62</u>
								36XX	Non-controlling interests	<u>5,241,225</u>	<u>20</u>	<u>5,025,701</u>	<u>19</u>	<u>4,747,033</u>	<u>18</u>
									Total equity	<u>22,861,359</u>	<u>86</u>	<u>22,583,999</u>	<u>86</u>	<u>21,618,870</u>	<u>80</u>
Total assets		<u>\$ 26,661,399</u>	<u>100</u>	<u>26,339,507</u>	<u>100</u>	<u>27,044,734</u>	<u>100</u>		Total liabilities and equity	<u>\$ 26,661,399</u>	<u>100</u>	<u>26,339,507</u>	<u>100</u>	<u>27,044,734</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000	Operating revenue(note (6)(t))	\$ 4,501,219	100	4,661,262	100
5000	Operating costs(notes (6)(f), (m) and (12))	<u>3,249,939</u>	<u>72</u>	<u>3,295,068</u>	<u>71</u>
5900	Gross profit from operations	<u>1,251,280</u>	<u>28</u>	<u>1,366,194</u>	<u>29</u>
6000	Operating expenses:(notes (6)(e), (m), (n), (o), (r), (u), (7) and (12))				
6100	Selling expenses	136,390	3	149,914	3
6200	Administrative expenses	104,225	2	83,461	2
6300	Research and development expenses	716,078	16	644,465	14
6450	Impairment losses determined in accordance with IFRS 9	<u>14</u>	<u>-</u>	<u>178</u>	<u>-</u>
		<u>956,707</u>	<u>21</u>	<u>878,018</u>	<u>19</u>
6900	Net operating income	<u>294,573</u>	<u>7</u>	<u>488,176</u>	<u>10</u>
7000	Non-operating income and expenses:(notes (6)(b), (l), (n) and (v))				
7100	Interest income	77,553	1	80,468	2
7010	Other income	14,460	-	29,462	1
7020	Other gains and losses	(8,064)	-	28,239	1
7050	Finance costs	<u>(355)</u>	<u>-</u>	<u>(2,019)</u>	<u>-</u>
		<u>83,594</u>	<u>1</u>	<u>136,150</u>	<u>4</u>
7900	Profit before income tax	378,167	8	624,326	14
7950	Less: Income tax expenses(note (6)(p))	<u>58,735</u>	<u>1</u>	<u>80,048</u>	<u>2</u>
8000	Profit	<u>319,432</u>	<u>7</u>	<u>544,278</u>	<u>12</u>
8300	Other comprehensive income: (notes (6)(p) and (q))				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	17,570	-	(4,982)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>1,681</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>15,889</u>	<u>-</u>	<u>(4,982)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	379,206	8	234,377	5
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(40,750)	(1)	(757)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>44,762</u>	<u>1</u>	<u>27,774</u>	<u>1</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>293,694</u>	<u>6</u>	<u>205,846</u>	<u>4</u>
	Other comprehensive income	<u>309,583</u>	<u>6</u>	<u>200,864</u>	<u>4</u>
8500	Total comprehensive income	<u><u>\$ 629,015</u></u>	<u><u>13</u></u>	<u><u>745,142</u></u>	<u><u>16</u></u>
	Profit attributable to:				
8610	Owners of parent	\$ 224,263	5	394,768	9
8620	Non-controlling interests	<u>95,169</u>	<u>2</u>	<u>149,510</u>	<u>3</u>
		<u><u>\$ 319,432</u></u>	<u><u>7</u></u>	<u><u>544,278</u></u>	<u><u>12</u></u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 378,450	8	500,143	11
8720	Non-controlling interests	<u>250,565</u>	<u>5</u>	<u>244,999</u>	<u>5</u>
		<u><u>\$ 629,015</u></u>	<u><u>13</u></u>	<u><u>745,142</u></u>	<u><u>16</u></u>
	Earnings per share (expressed in dollars)(note (6)(s))				
9750	Basic earnings per share	<u><u>\$ 1.86</u></u>		<u><u>3.26</u></u>	
9850	Diluted earnings per share	<u><u>\$ 1.85</u></u>		<u><u>3.25</u></u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
						Total other equity interest						
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non- controlling interests	Total equity
	Ordinary shares	Capital surplus	Retained earnings		Unappropriated retained earnings							
			Legal reserve	Special reserve								
Balance at January 1, 2025	\$ 1,212,545	8,544,547	1,375,997	26,923	6,775,059	121,059	(135,331)	(14,272)	(7,307)	17,913,492	4,503,350	22,416,842
Profit	-	-	-	-	394,768	-	-	-	-	394,768	149,510	544,278
Other comprehensive income	-	-	-	-	-	111,114	(5,739)	105,375	-	105,375	95,489	200,864
Total comprehensive income	-	-	-	-	394,768	111,114	(5,739)	105,375	-	500,143	244,999	745,142
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary share	-	-	-	-	(1,560,534)	-	-	-	-	(1,560,534)	-	(1,560,534)
Changes in ownership interests in subsidiaries	-	16,245	-	-	-	-	-	-	-	16,245	(16,245)	-
Share-based payments transactions	-	1,641	-	-	-	-	-	-	-	1,641	15,957	17,598
Treasury shares transferred to employees	-	-	-	-	-	-	-	-	850	850	-	850
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,028)	(1,028)
Balance at March 31, 2025	<u>\$ 1,212,545</u>	<u>8,562,433</u>	<u>1,375,997</u>	<u>26,923</u>	<u>5,609,293</u>	<u>232,173</u>	<u>(141,070)</u>	<u>91,103</u>	<u>(6,457)</u>	<u>16,871,837</u>	<u>4,747,033</u>	<u>21,618,870</u>
Balance at January 1, 2026	\$ 1,212,536	8,603,298	1,570,604	14,272	6,201,773	60,640	(104,825)	(44,185)	-	17,558,298	5,025,701	22,583,999
Profit	-	-	-	-	224,263	-	-	-	-	224,263	95,169	319,432
Other comprehensive income	-	-	-	-	-	179,048	(24,861)	154,187	-	154,187	155,396	309,583
Total comprehensive income	-	-	-	-	224,263	179,048	(24,861)	154,187	-	378,450	250,565	629,015
Purchase of treasury share	-	-	-	-	-	-	-	-	(220,678)	(220,678)	-	(220,678)
Changes in ownership interests in subsidiaries	-	(95,936)	-	-	-	-	-	-	-	(95,936)	(67,942)	(163,878)
Share-based payments transactions	-	-	-	-	-	-	-	-	-	-	32,334	32,334
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	567	567
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,902	-	(2,902)	(2,902)	-	-	-	-
Balance at March 31, 2026	<u>\$ 1,212,536</u>	<u>8,507,362</u>	<u>1,570,604</u>	<u>14,272</u>	<u>6,428,938</u>	<u>239,688</u>	<u>(132,588)</u>	<u>107,100</u>	<u>(220,678)</u>	<u>17,620,134</u>	<u>5,241,225</u>	<u>22,861,359</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the three months ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2026	2025
Cash flows from operating activities:		
Profit before tax	\$ 378,167	624,326
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation expense	116,559	114,368
Amortization expense	52,252	54,908
Expected credit loss	471	1,108
Net gain on financial assets or liabilities at fair value through profit or loss	(23,618)	(11,935)
Interest expense	355	2,019
Interest income	(77,553)	(80,468)
Dividend income	(1,252)	-
Compensation cost of share-based payment transaction	32,334	17,598
Loss on disposal of property, plant and equipment	3	8,848
Impairments loss and disposal loss on inventories	22,415	40,670
Impairments loss on non-financial assets	-	1,607
Total adjustments to reconcile profit or loss	121,966	148,723
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(174,362)	227,883
Decrease (increase) in other receivables	397,512	(32,257)
Increase in inventories	(103,552)	(392,774)
Decrease in prepayments and other current assets	120,789	273,863
Increase in other non-current assets	(13,469)	(280)
Increase (decrease) in current contract liabilities	40,229	(11,801)
Decrease in accounts payable	(2,160)	(219,477)
Decrease in other payable	(112,400)	(224,924)
Decrease in current provisions	-	(19,737)
Decrease in other current liabilities	(1,260)	(213)
Total changes in operating assets and liabilities	151,327	(399,717)
Cash inflow generated from operations	651,460	373,332
Interest received	212,770	43,910
Interest paid	(5,150)	(2,938)
Income taxes paid	(20,285)	(26,276)
Net cash flows from operating activities	838,795	388,028
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	25,164	-
Acquisition of financial assets at fair value through profit or loss	(2,210,550)	(2,530,659)
Proceeds from disposal of financial assets at fair value through profit or loss	912,581	3,040,054
Decrease (increase) in financial assets at amortized cost	513,588	(506,730)
Acquisition of property, plant and equipment	(35,619)	(71,292)
Acquisition of intangible assets	(66,770)	(62,315)
Decrease (increase) in refundable deposits	12,263	(453,929)
Net cash flows used in investing activities	(849,343)	(584,871)
Cash flows from financing activities:		
Increase in guarantee deposits received	255	178
Payment of lease liabilities	(10,509)	(13,788)
Proceeds from transfer of treasury shares to employees	-	850
Payments to treasury shares	(220,678)	-
Change in non-controlling interests	(163,311)	(1,028)
Net cash flows used in financing activities	(394,243)	(13,788)
Effect of exchange rate changes on cash and cash equivalents	93,075	207,294
Net decrease in cash and cash equivalents	(311,716)	(3,337)
Cash and cash equivalents at the beginning of period	2,325,895	1,779,772
Cash and cash equivalents at the end of period	\$ 2,014,179	1,776,435

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Fitipower Integrated Technology Inc. (hereinafter “the Company”) was incorporated on July 4, 1995, with the approval of the Ministry of Economic Affairs, and its registered office is located at 3F., No.6-8, Duxing Rd., Hsinchu Science Park, Hsinchu City. Upon the resolution of the shareholders' meeting on March 30, 2006, the Company merged with Hongxin Semiconductor Co.(hereinafter referred to as Hongxin) on May 1 of the same year. The Company's primary activities after the merger are research, development, production, manufacturing and sales of integrated circuits (ICs) for integrated service digital network system, memory ICs for communication, analog and digital hybrid ICs, as well as custom design, consumer ICs, and microcomputer peripheral ICs. Upon the resolution of the shareholders' meeting on April 16, 2010, the Company merged with TechPower Semiconductor Co (hereinafter "TechPower") with May 1, 2010 as the merger date, the Company was the surviving company and TechPower was extinguished after the merger. The Company's shares have been listed on Taiwan Stock Exchange since October 17, 2018. JADARD TECHNOLOGY INC., a significant subsidiary of the Company, was officially listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange on September 27, 2022, under the stock code of 688252.SH.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on May 7, 2026.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to “the Regulations”) and the International Accounting Standard No. 34 “Interim Financial Reporting” endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Company. The Company ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group prepares consolidated financial statements using uniform accounting policies for transactions and other events in similar circumstances.

The Group obtains the economic returns of the subsidiary's equity through a total return swap agreement (dividend distributions and gains on disposal), and assumes the risk of changes in its fair value while receiving all related distributions. Consequently, it was determined that the economic benefits effectively pertaining to the subsidiary's equity have already been received, and therefore, the expected acquisition approach is applied for the duration of the total consideration exchange agreement; that is, the equity interest in the subsidiary specified in the agreement is treated as having been acquired during the term of the total consideration exchange agreement.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Trade Logic Limited (Trade Logic)	Investment company	100.00 %	100.00 %	100.00 %	Note 1
The Company	Jadeite Investment Co., Ltd. (Jadeite Investment)	Investment company	100.00 %	100.00 %	100.00 %	-
The Company	Shenzhen Fitipower Microelectronics Technology Inc.(Shenzhen Fitipower)	General Trading	100.00 %	100.00 %	100.00 %	Note 2
The Company	Fiti Technologies USA Inc.(Fiti USA)	Technical services	- %	- %	- %	Note 3
Trade Logic Limited	Ever Harvest Limited (Ever Harvest)	Investment company	100.00 %	100.00 %	100.00 %	-
Ever Harvest Limited and Jadeite Investment	JADARD TECHNOLOGY INC.(Shenzhen Jadard)	IC design	55.25 %	54.93 %	54.96 %	Note 4
JADARD TECHNOLOGY INC.	Hefei Jadard Technology Co., Ltd. (Hefei Jadard)	Supply Chain Management	100.00 %	100.00 %	100.00 %	-
JADARD TECHNOLOGY INC.	Jadard Technology Limited (Jadard Technology)	General Trading	100.00 %	100.00 %	100.00 %	-
The Company and Jadard Technology	fitipower Malaysia Sdn. Bhd.(fitipower Malaysia)	IC design	- %	- %	- %	Note 5

Note 1: On April 30 and July 24, 2024, Trade Logic Limited's Board of Directors approved two resolutions to increase its cash capital by USD20,000 thousand and USD50,000 thousand, respectively, and the Company's Board of Directors approved to subscribe 100% of the capital increase. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Company has completed cash capital increases in the amounts of USD66,000 thousand.

Note 2: On November 11, 2024, Shenzhen Fitipower Microelectronics Technology Inc. was established, with a registered capital of USD 5,000 thousand, 100% held by the Company.[HL1] As of March 31, 2026, December 31 and March 31, 2025, the Company has completed cash capital increases in the amounts of USD4,250 thousand, USD3,300 thousand and USD600 thousand, respectively

Note 3: On January 26, 2026, Fiti Technologies USA Inc. was established, with a registered capital of USD 500 thousand, 100% held by the Company. As of April 1, 2026, the Company has completed the capital increase of USD500 thousand.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 4: During February to June 2025 and January 2026, JADARD TECHNOLOGY INC. exercised its employee Restricted Share Award Plan of the first grant exercise of its 935 thousand and 793 thousand shares, resulting in the Group's shareholding ratio decreasing from 55.05% to 54.93% and decreasing from 54.93% to 54.82%. In addition, in March 2026, Jadeite Investment Co., Ltd. purchased 1,746 thousand shares of JADARD TECHNOLOGY INC under the total return swap (TRS) through a financial institution, resulting in the Group's shareholding ratio increasing from 54.82% to 55.25%.

Note 5: On December 29, 2025, fitipower Malaysia Sdn. Bhd. was established, with a registered capital of MYR 15,000 thousand, 60% held by the Company and 40% by Jadard Technology Limited. As of March 31, 2026, the capital investment has not yet been completed.

(c) Income taxes

The Group measures and discloses income tax expenses for the interim period in accordance with paragraph B12 of IAS 34 'Interim Financial Reporting'.

Income tax expense is measured at the best estimate of the effective tax rate expected for the full year by the management, multiplied by the pre-tax profit for the interim reporting period, and is fully recognized as the current income tax expense.

Income tax expenses that are recognized directly in equity items or other comprehensive income items are measured at the applicable tax rate expected when realizing or settling the temporary differences between the carrying amounts of related assets and liabilities for financial reporting purposes and their tax bases. Items are measured at the applicable tax rate expected when realizing or settling the temporary.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and International Accounting Standard 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission requires management to make judgments, and estimates about the future, including climate-related risks and opportunities that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2025 consolidated financial statements. Please refer to Note 6 to the 2025 annual consolidated financial statements.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Petty cash	\$ 1,815	1,755	1,637
Checking and demand deposits	1,514,364	1,972,940	1,342,940
Time deposits	5,234,488	5,933,513	6,422,488
Less: Time deposits with original maturities of over three months (recorded as current and non-current financial assets measured at amortized cost) (Note 6(d))	<u>(4,736,488)</u>	<u>(5,582,313)</u>	<u>(5,990,630)</u>
	<u>\$ 2,014,179</u>	<u>2,325,895</u>	<u>1,776,435</u>

(i) The interest rate range of the time deposit of the Group is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Interest rate range	<u>1.55% ~ 3.88%</u>	<u>1.51% ~ 3.90%</u>	<u>1.55% ~ 4.39%</u>

(ii) Please refer to Note 6(w) for the interest rate risk and fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

(i) Financial assets and liabilities mandatorily measured at fair value through profit or loss

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss:			
Current:			
Domestic open-ended funds	\$ 5,543,380	5,488,033	6,643,472
Foreign open-ended funds	1,134,596	268,104	68,302
Credit linked notes-linked with convertible bonds	346,962	300,330	68,134
Fixed and floating rate coupon note	<u>464,421</u>	<u>-</u>	<u>276,316</u>
Subtotal	<u>7,489,359</u>	<u>6,056,467</u>	<u>7,056,224</u>

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current :			
Private fund	\$ 223,523	204,536	138,322
Foreign open-ended funds	-	-	204,982
Credit linked notes-linked with convertible bonds	<u>539,147</u>	<u>626,761</u>	<u>828,334</u>
Subtotal	<u>762,670</u>	<u>831,297</u>	<u>1,171,638</u>
Total	<u><u>\$ 8,252,029</u></u>	<u><u>6,887,764</u></u>	<u><u>8,227,862</u></u>
	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities mandatorily measured at fair value through profit or loss:			
Current:			
Currency swaps	\$ -	7,752	9,647
Forward exchange contracts	<u>13,231</u>	<u>797</u>	<u>1,415</u>
Total	<u><u>\$ 13,231</u></u>	<u><u>8,549</u></u>	<u><u>11,062</u></u>

(ii) Details of derivative financial assets and liabilities were as follows:

1) Currency swaps

December 31, 2025					
	Contract Amount	Currency	Due Date	FX Spot Rate	FX Forward Rate
Currency swaps	<u>\$ 24,000</u>	USD/TWD	2026.1	31.120~31.122	31.051~31.053

March 31, 2025					
	Contract Amount	Currency	Due Date	FX Spot Rate	FX Forward Rate
Currency swaps	<u>\$ 30,000</u>	USD/TWD	2025.4	32.770~33.057	32.692~33.030

2) Forward exchange contracts

March 31, 2026				
	Contract Amount	Currency	Due Date	FX Forward Rate
Forward exchange contracts	<u>\$ 29,800</u>	USD	2026.4~2026.9	31.420~32.250

December 31, 2025				
	Contract Amount	Currency	Due Date	FX Forward Rate
Forward exchange contracts	<u>\$ 14,000</u>	USD	2026.1~2026.2	31.047~31.570

March 31, 2025				
	Contract Amount	Currency	Due Date	FX Forward Rate
Forward exchange contracts	<u>\$ 6,000</u>	USD	2025.4	32.840~33.050

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025, the net gain (loss) on valuation of financial assets (liabilities) through profit or loss arising from the above transactions were loss of \$18,147 thousand and \$21,043 thousand, respectively, please refer to Note 6(v).

- 3) Due dates and coupon rates of credit linked notes linked with convertible bonds held by the Group are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Due dates	2026-2028	2026-2028	2025-2028
Coupon rates	<u>2.00% ~ 4.50%</u>	<u>2.00% ~ 4.50%</u>	<u>2.00% ~ 4.50%</u>

- (iii) The Group's financial assets at fair value through profit or loss were not pledged as collateral for its loans.

- (iv) Please refer to Note 6(w) for the disclosure of the financial asset category and fair value measurement of the Group.

- (c) Financial assets at fair value through other comprehensive income

	March 31, 2026	December 31, 2025	March 31, 2025
Debt investments at fair value through other comprehensive income- Non-current:			
Foreign bonds	\$ <u>1,129,421</u>	<u>1,150,040</u>	<u>1,187,002</u>
Equity investments at fair value through other comprehensive income- Non-current:			
Shares in domestic listed entities	\$ 98,730	114,727	9,408
Shares in foreign non-public entities	<u>171,161</u>	<u>162,757</u>	<u>151,131</u>
Subtotal	<u>269,891</u>	<u>277,484</u>	<u>160,539</u>
Total	<u>\$ 1,399,312</u>	<u>1,427,524</u>	<u>1,347,541</u>

- (i) Debt investments at fair value through other comprehensive income- Non-current

- 1) The Group has assessed that the following securities were held within a business model whose objective was achieved by both collecting contractual cash flows and selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) Original currency amount, due dates, as well as coupon rates of foreign financial bonds and foreign corporate bonds purchased by the Group, are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Original currency amount	USD <u>39,717</u>	USD <u>39,717</u>	USD <u>39,717</u>
Due dates	2033-2063	2033-2063	2033-2063
Coupon rates	<u>4.65% ~ 6.40%</u>	<u>4.65% ~ 6.40%</u>	<u>4.65% ~ 6.40%</u>

- 3) As of March 31, 2026, December 31 and March 31, 2025 interests receivable incurred from the above transaction amounted to \$15,315 thousand, \$15,164 thousand and \$15,891 thousand, respectively.
- 4) As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group recognized allowance for impairment losses on financial assets measured at fair value through other comprehensive income in the amounts of \$348 thousand, \$136 thousand, and \$578 thousand, respectively. These amounts were reclassified from “Other equity — unrealized gains or losses on financial assets at fair value through other comprehensive income” to profit or loss, and therefore do not affect the carrying amount of “investments in debt instruments at fair value through other comprehensive income.” The impairment allowance has not been recognized on the balance sheet.
- (ii) Equity investments at fair value through other comprehensive income- Non-current
- 1) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long term strategic purposes.
- 2) For the three months ended March 31, 2026, the Group disposed of a portion of its investments in financial assets at fair value through other comprehensive income. The shares sold had a fair value of \$25,164 thousand, wherein the Group realized a gain of \$2,902 thousand, which were reclassified from other comprehensive income to retained earnings.
- (iii) For credit risk (including the impairment of debt investments) and market risk, please refer to Note 6(w).
- (iv) The Group's financial assets at fair value through other comprehensive income were not pledged as collateral for its loans.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Financial assets measured at amortized cost

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets measured at amortized cost:			
Current:			
Foreign time deposits	\$ 1,689,949	3,211,065	4,230,025
Fixed coupon note	1,481,599	1,032,930	-
Foreign bonds	355,432	-	-
Less: Loss allowance	(47)	-	-
Subtotal	<u>3,526,933</u>	<u>4,243,995</u>	<u>4,230,025</u>
Non-current :			
Foreign time deposits	\$ 3,046,539	2,371,248	1,760,605
Foreign bonds	533,035	787,709	695,516
Less: Loss allowance	(338)	(132)	(361)
Subtotal	<u>3,579,236</u>	<u>3,158,825</u>	<u>2,455,760</u>
Total	<u><u>\$ 7,106,169</u></u>	<u><u>7,402,820</u></u>	<u><u>6,685,785</u></u>

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

- (i) Original currency amount, due dates, as well as coupon rates of foreign financial bonds purchased by the Group, are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Original currency amount	<u>USD 27,748</u>	<u>USD 25,070</u>	<u>USD 20,979</u>
Due dates	<u>2027-2028</u>	<u>2027-2028</u>	<u>2027-2028</u>
Coupon rates	<u>1.90% ~ 5.46%</u>	<u>1.90% ~ 5.46%</u>	<u>3.54% ~ 5.46%</u>

- (ii) As of March 31, 2026, December 31 and March 31, 2025 interests receivable incurred from the foreign bonds amounted to \$7,640 thousand, \$13,661 thousand and \$5,478 thousand, respectively.
- (iii) For credit risk (including the impairment of debt investments) and market risk, please refer to Note 6(w).
- (iv) The Group's financial assets at fair value through other comprehensive income were not pledged as collateral for its loans.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Accounts receivable, net

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	\$ 43,059	-	-
Accounts receivable	2,978,279	2,846,976	3,166,132
Less: Loss allowance	(6,290)	(6,276)	(6,296)
	<u>\$ 3,015,048</u>	<u>2,840,700</u>	<u>3,159,836</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provisions were determined as follows:

March 31, 2026			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 2,956,614	0.15%	4,327
1 to 30 days past due	62,271	0.03%	18
31 to 60 days past due	509	0.20%	1
More than 120 days past due	1,944	50%~100%	1,944
	<u>\$ 3,021,338</u>		<u>6,290</u>
December 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 2,793,851	0.15%	4,317
1 to 30 days past due	51,181	0.03%	15
More than 120 days past due	1,944	50%~100%	1,944
	<u>\$ 2,846,976</u>		<u>6,276</u>
March 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 3,050,084	0.14%	4,320
1 to 30 days past due	114,104	0.03%	32
More than 120 days past due	1,944	50%~100%	1,944
	<u>\$ 3,166,132</u>		<u>6,296</u>

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement in the allowance for accounts receivable was as follows:

	For the three months ended March 31	
	2026	2025
Balance at January 1	\$ 6,276	6,118
Impairment losses recognized	14	178
Balance at March 31	<u><u>\$ 6,290</u></u>	<u><u>6,296</u></u>

The Group's accounts receivable has not been pledged as collateral for its loans.

(f) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	\$ 664,127	773,196	1,108,301
Work in progress	851,326	851,208	1,313,414
Raw materials	630,384	440,296	410,748
	<u><u>\$ 2,145,837</u></u>	<u><u>2,064,700</u></u>	<u><u>2,832,463</u></u>

(i) The details of the cost of sales were as follows:

	For the three months ended March 31	
	2026	2025
Inventory that has been sold	\$ 3,227,524	3,254,398
Impairments loss and disposal loss on inventories	22,415	40,670
	<u><u>\$ 3,249,939</u></u>	<u><u>3,295,068</u></u>

(ii) As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any inventories as collateral for its loans.

(g) Prepayments and other current assets

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayment for purchases	\$ 49,697	27,251	119,956
Prepaid expenses	8,196	2,765	18,900
Overpaid sales tax and prepaid income tax	51,723	22,272	29,253
Payment on behalf of others	2,371	848	-
Prepaid investment	-	179,640	-
	<u><u>\$ 111,987</u></u>	<u><u>232,776</u></u>	<u><u>168,109</u></u>

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Changes in a parent's ownership interest in a subsidiary

During February to June, 2025 and January 2026, JADARD TECHNOLOGY INC. exercised its employee Restricted Share Award Plan of the first grant exercise of its 935 thousand and 793 thousand shares, the shares originated from treasury shares, resulting in the Company's shareholding ratio to decrease from 55.05% to 54.93% and decrease from 54.93% to 54.82%. The change was accounted for as an equity transaction with a increase in capital surplus of 20,963 thousand and 17,050 thousand, respectively, which did not affect the profit or loss. In addition, in March 2026, Jadeite Investment Co., Ltd. purchased 1,746 thousand shares of JADARD TECHNOLOGY INC under a total return swap (TRS) through a financial institution, resulting in the Group's shareholding ratio increasing from 54.82% to 55.25%, which decrease in capital surplus of 112,986 thousand, which did not affect the profit or loss.

(i) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests		
		March 31, 2026	December 31, 2025	March 31, 2025
JADARD TECHNOLOGY INC.	Mainland China	44.75 %	45.07 %	45.04 %

- (i) The above subsidiary, JADARD TECHNOLOGY INC., which is significant to the Group, has the following summarized financial information, which was prepared in accordance with IFRSs as endorsed by the FSC, with adjustments for differences in accounting policies. And such financial information is the amount before elimination of the intercompany transactions:

JADARD TECHNOLOGY INC.'s collective financial information:

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 8,939,389	9,172,229	9,335,094
Non-current assets	4,044,425	3,372,868	2,881,804
Current liabilities	(1,089,325)	(1,244,633)	(1,386,902)
Non- current liabilities	(501,109)	(487,170)	(504,144)
Net assets	<u>\$ 11,393,380</u>	<u>10,813,294</u>	<u>10,325,852</u>
Non-controlling interests	<u>\$ 5,241,225</u>	<u>5,025,701</u>	<u>4,747,033</u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31	
	2026	2025
Sales revenue	<u>\$ 2,429,053</u>	<u>2,506,744</u>
Net income	\$ 210,680	334,583
Other comprehensive loss	(2,547)	(4,053)
Comprehensive income	<u>\$ 208,133</u>	<u>330,530</u>
Profit, attributable to non-controlling interests	<u>\$ 95,169</u>	<u>150,547</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 250,565</u>	<u>148,882</u>
	For the three months ended March 31	
	2026	2025
Net cash flows from operating activities	\$ 617,307	522,405
Net cash flows from investing activities	(772,319)	(324,796)
Net cash flows from financing activities	(2,046)	(3,793)
Increase in cash and cash equivalents	<u>\$ (157,058)</u>	<u>193,816</u>

- (ii) The Group's significant subsidiary, JADARD TECHNOLOGY INC., completed its initial public offering and listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange on September 27, 2022. From the date of listing and trading of JADARD TECHNOLOGY INC.'s shares to March 27, 2026, the Group undertook not to transfer the shares of JADARD TECHNOLOGY INC. held by the company, Trade Logic and Ever Harvest.
- (iii) As of March 31, 2026, December 31 and March 31, 2025, the fair value of JADARD TECHNOLOGY INC. with publicly quoted prices attributable to the Group was \$21,124,548 thousand, \$21,222,154 thousand and \$26,366,419 thousand, respectively.

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group, were as follows:

	Machinery and equipment	Office equipment	Leasehold improvements	Equipment awaiting examination	Total
Cost:					
Balance at 1 January, 2026	\$ 2,823,789	129,138	14,350	1,723	2,969,000
Additions	35,255	364	-	-	35,619
Disposal	(9,558)	(958)	-	-	(10,516)
Transfer from (to)	-	1,723	-	(1,723)	-
Effect of movements in exchange rates	36,043	910	4	-	36,957
Balance at March 31, 2026	<u>\$ 2,885,529</u>	<u>131,177</u>	<u>14,354</u>	<u>-</u>	<u>3,031,060</u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Machinery and equipment	Office equipment	Leasehold improvements	Equipment awaiting examination	Total
Balance at 1 January, 2025	\$ 2,495,401	113,602	16,225	10,154	2,635,382
Additions	66,972	1,885	2,435	-	71,292
Disposal	(19,161)	(1,298)	(55)	-	(20,514)
Transfer from (to)	5,603	4,509	-	(10,154)	(42)
Effect of movements in exchange rates	23,688	632	131	-	24,451
Balance at March 31, 2025	<u>\$ 2,572,503</u>	<u>119,330</u>	<u>18,736</u>	<u>-</u>	<u>2,710,569</u>
Depreciation and impairments loss:					
Balance at 1 January, 2026	\$ 1,822,893	101,837	6,598	-	1,931,328
Depreciation for the year	103,444	2,977	439	-	106,860
Disposal	(9,558)	(955)	-	-	(10,513)
Effect of movements in exchange rates	25,206	824	3	-	26,033
Balance at March 31, 2026	<u>\$ 1,941,985</u>	<u>104,683</u>	<u>7,040</u>	<u>-</u>	<u>2,053,708</u>
Balance at 1 January, 2025	\$ 1,459,524	101,736	13,178	-	1,574,438
Depreciation for the year	99,206	2,389	302	-	101,897
Disposal	(10,313)	(1,295)	(58)	-	(11,666)
Effect of movements in exchange rates	13,698	564	125	-	14,387
Balance at March 31, 2025	<u>\$ 1,562,115</u>	<u>103,394</u>	<u>13,547</u>	<u>-</u>	<u>1,679,056</u>
Carrying amount:					
Balance at March 31, 2026	<u>\$ 943,544</u>	<u>26,494</u>	<u>7,314</u>	<u>-</u>	<u>977,352</u>
Balance at January 1, 2026	<u>\$ 1,000,896</u>	<u>27,301</u>	<u>7,752</u>	<u>1,723</u>	<u>1,037,672</u>
Balance at March 31, 2025	<u>\$ 1,010,388</u>	<u>15,936</u>	<u>5,189</u>	<u>-</u>	<u>1,031,513</u>

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any Property, plant and equipment as collateral for its loans.

(k) Right-of-use assets

The Group leases many assets including buildings equipment. Information about leases for which the Group as a lessee was presented below:

	Buildings	Transportation equipment	Total
Cost:			
Balance at 1 January, 2026	\$ 125,571	8,131	133,702
Additions	28,968	-	28,968
Effect of movements in exchange rates	663	-	663
Balance at March 31, 2026	<u>\$ 155,202</u>	<u>8,131</u>	<u>163,333</u>
Balance at 1 January, 2025	\$ 144,720	5,447	150,167
Additions	7,387	-	7,387
Decrease	(6,856)	-	(6,856)
Effect of movements in exchange rates	445	-	445
Balance at March 31, 2025	<u>\$ 145,696</u>	<u>5,447</u>	<u>151,143</u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Buildings	Transportation equipment	Total
Depreciation:			
Balance at 1 January, 2026	\$ 66,488	3,103	69,591
Depreciation for the year	9,022	677	9,699
Effect of movements in exchange rates	511	-	511
Balance at March 31, 2026	<u><u>\$ 76,021</u></u>	<u><u>3,780</u></u>	<u><u>79,801</u></u>
Balance at 1 January, 2025	\$ 48,634	691	49,325
Depreciation for the year	12,017	454	12,471
Decrease	(6,856)	-	(6,856)
Effect of movements in exchange rates	189	-	189
Balance at March 31, 2025	<u><u>\$ 53,984</u></u>	<u><u>1,145</u></u>	<u><u>55,129</u></u>
Carrying amount:			
Balance at March 31, 2026	<u><u>\$ 79,181</u></u>	<u><u>4,351</u></u>	<u><u>83,532</u></u>
Balance at January 1, 2026	<u><u>\$ 59,083</u></u>	<u><u>5,028</u></u>	<u><u>64,111</u></u>
Balance at March 31, 2025	<u><u>\$ 91,712</u></u>	<u><u>4,302</u></u>	<u><u>96,014</u></u>

(l) Intangible assets

(i) The movements of cost and accumulated amortization of intangible assets were as follows:

	Goodwill	Computer software	Patent and Technical Know-how	Total
Cost:				
Balance at 1 January, 2026	\$ 184,972	235,819	62,226	483,017
Additions	-	62,403	4,367	66,770
Disposal	-	(66,625)	(13,321)	(79,946)
Effect of movements in exchange rates	-	1,717	893	2,610
Balance at March 31, 2026	<u><u>\$ 184,972</u></u>	<u><u>233,314</u></u>	<u><u>54,165</u></u>	<u><u>472,451</u></u>
Balance at 1 January, 2025	\$ 185,097	246,194	121,049	552,340
Additions	-	62,315	-	62,315
Disposal	(125)	(83,036)	(44,908)	(128,069)
Effect of movements in exchange rates	-	1,242	764	2,006
Balance at March 31, 2025	<u><u>\$ 184,972</u></u>	<u><u>226,715</u></u>	<u><u>76,905</u></u>	<u><u>488,592</u></u>
Amortization and impairment losses:				
Balance at 1 January, 2026	\$ 184,972	98,784	38,123	321,879
Amortization for the year	-	47,446	4,806	52,252
Disposal	-	(66,625)	(13,321)	(79,946)
Effect of movements in exchange rates	-	840	459	1,299
Balance at March 31, 2026	<u><u>\$ 184,972</u></u>	<u><u>80,445</u></u>	<u><u>30,067</u></u>	<u><u>295,484</u></u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Goodwill</u>	<u>Computer software</u>	<u>Patent and Technical Know-how</u>	<u>Total</u>
Balance at 1 January, 2025	\$ 183,490	93,834	81,847	359,171
Amortization for the year	-	47,465	7,443	54,908
Disposal	(125)	(83,036)	(44,908)	(128,069)
Effect of movements in exchange rates	-	210	476	686
Impairment loss	1,607	-	-	1,607
Balance at March 31, 2025	<u>\$ 184,972</u>	<u>58,473</u>	<u>44,858</u>	<u>288,303</u>
Carrying amount:				
Balance at March 31, 2026	<u>\$ -</u>	<u>152,869</u>	<u>24,098</u>	<u>176,967</u>
Balance at January 1, 2026	<u>\$ -</u>	<u>137,035</u>	<u>24,103</u>	<u>161,138</u>
Balance at March 31, 2025	<u>\$ -</u>	<u>168,242</u>	<u>32,047</u>	<u>200,289</u>

The Group acquired the goodwill of \$125 thousand in 2020 due to the merger between the Company and Visual Sensing Technology, which was dissolved and liquidated in March 2025. Therefore, the Group deducted the cost of goodwill and accumulated impairment loss of \$125 thousand for the three months ended March 31, 2025.

(ii) Impairment testing for goodwill

Goodwill acquired by the Group merged with Hongxin Semiconductor Co. in 2006, due to rapid market changes, the revenue in the period from January 1 to March 31, 2025 did not turn out as expected, wherein the Group recognized an impairment loss on the carrying amount of amortized goodwill of the former Hongxin Semiconductor's cash-generating unit amounting to \$1,607 thousand for the three months ended March 31, 2025, recorded under "Other gains and losses" in the consolidated statements of comprehensive income.

The cash-generating unit of the original Hongxin Semiconductor's products was based on the revenue growth rate for the three months ended March 31, 2025, wherein the future cash flows generated from the sale of these products, calculated using the annual discount rates of 7.28%, were estimated.

(m) Other non current assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Prepaid Bonus	\$ 296,069	284,234	244,157
Guarantee deposits paid	528,337	528,461	583,058
Others	48,158	45,243	395
	<u>\$ 872,564</u>	<u>857,938</u>	<u>827,610</u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) The Group provides special incentive bonuses to employees who meet certain criteria, and the payments are paid in a lump sum upon the signing of the contract. The contracted employee must commit to a period of continuous service, and if the employee fails to meet the commitment, the full amount of the special incentive shall be returned for any reason. The Group amortized the total prepaid bonuses as manufacturing and operating expenses over the contractual service period, and recognized manufacturing and operating expenses of \$49,926 thousand and \$51,151 thousand for the three months ended March 31, 2026 and 2025, respectively.
- (ii) To ensure stable outsourced production capacity, the Group has signed capacity guarantee contracts with suppliers, the contract period was from 2021 to 2027, stipulating the minimum quantity to be purchased by the Group. According to the agreement, they pay a deposit, which will be returned upon the fulfillment of the contracts terms. The security deposit will be refunded upon fulfillment of the contractual obligations. As of March 31, 2026, December 31 and March 31, 2025, the Group paid the security deposit of \$516,648 thousand, \$516,936 thousand and \$571,244 thousand in accordance with the contracts, which was recognized under other non-current assets - refundable deposits. In addition, the Group paid the security deposit of \$483,277 thousand in 2025 met the minimum purchase quantity stipulated in the contract and was recognized under other receivables. The amount had been fully paid as of March 31, 2026.

(n) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	\$ 34,650	30,844	41,830
Non-current	\$ 49,563	34,295	54,760

For the maturity analysis, please refer to Note 6(w).

The amounts recognized in profit or loss was as follows:

	For the three months ended March 31	
	2026	2025
Interest on lease liabilities	\$ 480	566
Expenses relating to short-term leases	\$ 515	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 508	819

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the three months ended March 31	
	2026	2025
Total cash outflow for leases	\$ 12,012	15,173

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Real estate leases

The Group leases buildings for its office space. The leases of buildings for 1 to 5 years. Some leases provide for additional rent payments that are based on changes in local price indices.

(ii) Other leases

The Group leases transportation equipment with leases terms of 1 to 3 years.

(o) Employee benefits

Defined contribution plans

If the Group is a domestic company, the Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation. The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$11,203 thousand and \$11,174 thousand for the three months ended March 31, 2026 and 2025, respectively.

If the Group is a foreign company, it contributes to the pension funds in accordance with local laws and regulations, and recognizes the required contributions in each period as current expenses. The Group's subsidiaries in Mainland China, which are included in the consolidated entity, are required by the Chinese government to contribute to the basic pension insurance premiums based on the statutory percentage of the approved salaries of employees and recognize the premiums as current expenses. The pension costs and pension insurance premiums amounting to \$7,381 thousand and \$5,832 thousand were contributed for the three months ended March 31, 2026 and 2025, respectively.

(p) Income taxes

- (i) Domestic consolidated entities is subject to Taiwan income tax at rates of 20%, and also adopted the "Income Basic Tax Act" to calculate the tax. Trade Logic and Ever Harvest are established in the British Virgin Islands and Samoa, respectively. According to the laws of their respective registered countries, they do not levy profit-seeking enterprise income tax on international business companies established within their borders that have no local income. The statutory income tax rate for JADARD TECHNOLOGY INC., Hefei Jadard Technology Co., Ltd., and Shenzhen Fitipower Microelectronics Technology Inc. is 25%. JADARD TECHNOLOGY INC. enjoys a preferential tax rate of 15% for high-tech enterprises in China ; Jadard Technology Limited has an income tax rate of 16.5%.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Income tax expense

The Group's income tax expenses are detailed as follows:

	For the three months ended March 31	
	2026	2025
Current tax expense	\$ 60,619	83,806
Deferred tax benefit	(1,884)	(3,758)
Income tax expense	\$ 58,735	80,048

The amount of income tax recognized in other comprehensive income for the three months ended March 31, 2026 and 2025 were as follows:

	For the three months ended March 31	
	2026	2025
Items that will not be reclassified subsequently to profit or loss:		
Unrealized gains on equity instruments at fair value through other comprehensive income	\$ 1,681	-
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation	44,762	27,774
	\$ 46,443	27,774

- (iii) The income tax returns of the Company for the years through 2023, were approved by the tax authorities. The income tax returns of Jadeite Investment Co., Ltd. and Jadard Technology Limited Taiwan Branch for the years through 2024, were approved by the tax authorities. All overseas subsidiaries have filed tax returns with their local tax authorities up to 2024.

(q) Capital and other equity

(i) Ordinary share

As of March 31, 2026, December 31 and March 31, 2025, the authorized capital of the Company amounted to \$3,000,000 thousand, divided into 121,253 thousand, 121,253 thousand and 121,254 thousand ordinary shares, with par value of \$10 per share.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Reconciliation of shares (in thousand) outstanding were as follows:

	For the three months ended March 31	
	2026	2025
Balance on January 1	121,253	121,039
Treasury shares transferred to employees	-	25
Purchase of treasury shares	(1,500)	-
Balance on March 31	119,753	121,064

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Share capital	\$ 6,102,376	6,102,376	6,102,418
Treasury share transactions	49,074	49,074	12,885
Changes in ownership interests in subsidiaries	2,355,462	2,451,398	2,446,680
Other	450	450	450
	\$ 8,507,362	8,603,298	8,562,433

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common share or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital share and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common share outstanding.

(iii) Retained earnings

The Company's Article of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. The special reserve is appropriated or reversed as required by law or by the competent authority. The Board of Directors shall prepare a proposal for the distribution of the remaining earnings, together with the undistributed earnings at the beginning of the period, and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company, in accordance with the Company Act, the distributable dividends and bonuses, legal reserve and capital surplus, in whole or in part, will be paid in cash by the Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition, a report of such distribution shall be submitted to the shareholder's meeting.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Company's dividend policy is to allocate no less than 50% of the new available distributable earnings for the current year as dividends each year, taking into account the current and future development plans, the investment environment, capital requirements, domestic and international competition, as well as the interests of shareholders, among which, no less than 10% of the total dividends shall be paid in cash.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1090150022 issued by the Financial Supervisory Commission on March 31, 2021, a portion of currentperiod earnings and undistributed priorperiod earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the currentperiod total net reduction of other shareholders' equity. Similarly, a portion of undistributed priorperiod earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends for the 2025 earnings distribution had been approved in the board meeting held on April 2, 2026; while the 2024 earnings distribution had been approved during the shareholders' meeting on May 26, 2025 as follows:

	2025		2024	
	Amount per share	Total amount (in thousands)	Amount per share	Total amount (in thousands)
Dividends distributed to ordinary shareholders				
Cash	\$ 7.72	<u>924,498</u>	12.87	<u>1,560,534</u>

The related information is available on the Market Observation Post System.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Treasury shares

The Company purchased shares as treasury share for the purpose of transferring to employees in accordance with the requirements under section 167(1) of the R.O.C. Company Act. The movements of treasury share were as follow:

	For the three months ended March 31			
	2026		2025	
	Shares (in thousands)	Total amount	Shares (in thousands)	Total amount
Beginning balance	-	\$ -	215	7,307
Repurchase during the period	1,500	220,678	-	-
Shares transferred to employees	-	-	(25)	(850)
Ending balance	1,500	\$ 220,678	190	6,457

On January 5, 2026, the Company's Board of Directors approved resolutions to purchased 1,500 thousand shares as treasury shares for the purpose of transferring them to employees in accordance with the requirements, which has been completed in March 2026.

In 2020, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased 369 thousand shares as treasury share for the purpose of transferring to employees in accordance with the requirements. After the approval of the capital reduction to refund the share capital in 2023, the remaining shares were 240 thousand shares. On July 30, 2025, the Board of Directors of the Company resolved to cancel the treasury shares overdue and not yet transferred. The cancellation of 1 thousand shares offset \$18 thousand of capital reserve. After the cancellation, the paid-in capital is \$1,212,536 thousand, divided into 121,253 thousand shares. The change of registration has been completed.

As of March 31, 2026 and 2025, the amount of shares transferred to employees was 0 thousand and 50 thousand, respectively, and a total of 1,500 thousand shares and 190 thousand shares were not yet transferred or cancelled, respectively.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and should not hold any shareholder rights before their transfer.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Other equity

The movements of other equity were as follows:

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2026	\$ 60,640	(104,825)	(44,185)
Exchange differences on foreign operation	179,048	-	179,048
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(24,861)	(24,861)
Disposal of investments in equity instruments designated at fair value through other comprehensive income that will be reclassified to retained earnings	-	(2,902)	(2,902)
Balance at March 31, 2026	<u>\$ 239,688</u>	<u>(132,588)</u>	<u>107,100</u>
Balance at January 1, 2025	\$ 121,059	(135,331)	(14,272)
Exchange differences on foreign operation	111,114	-	111,114
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(5,739)	(5,739)
Balance at March 31, 2025	<u>\$ 232,173</u>	<u>(141,070)</u>	<u>91,103</u>

(vi) Non-controlling Interests

	For the three months ended March 31	
	2026	2025
Balance at January 1	\$ 5,025,701	4,503,350
Net profit (loss) attributable to Non controlling interests:		
Profit	95,169	149,510
Exchange differences on translation of foreign financial statements	155,396	95,489
Changes in ownership interests in subsidiaries	(67,942)	(16,245)
Share based payment	32,334	15,957
Changes in non-controlling interests	567	(1,028)
Balance at March 31	<u>\$ 5,241,225</u>	<u>4,747,033</u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
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(r) Share based payment

(i) JADARD TECHNOLOGY INC. — Restricted Share Award Plan in 2023

A subsidiary, JADARD TECHNOLOGY INC., resolved through a shareholders' meeting on September 11, 2023, to issue the "Restricted Share Award Plan in 2023", with the total of 4,500 thousand shares. On the same date, 3,603 thousand restricted shares were granted and 897 thousand restricted shares were reserved at an exercise price of CNY11.04 per share. The Board of Directors resolved to adjust the price to CNY10.91 per share due to earnings distribution to be followed thereafter. The Board of Directors resolved on April 1, April 23 and August 23, 2024, a grant of the reserved shares of 67 thousand shares, 735 thousand shares and 95 thousand shares, respectively, at an exercise price of CNY8.63, CNY8.34 and CNY8.25 per share, respectively. The Board of Directors resolved to adjust the price to CNY8.50, CNY8.21 and CNY8.18 per share due to earnings distribution to be followed thereafter. The grantees of this plan will receive the common share on SSE A Share Index of JADARD TECHNOLOGY INC. issued as capital increase in installments at a grant exercise price, after meeting the respective performance and vesting conditions. The grantees are entitled to acquire the common share on SSE A Share Index issued by JADARD TECHNOLOGY INC. on the following schedule after one year from the grant date:

Grant Period	Available percentage (cumulative)	
	The first grant for the year 2023	The advance reserved partial grant for the year 2024
Period of one year	25 %	30 %
Period of two year	50 %	60 %
Period of three year	75 %	100 %
Period of four year	100 %	- %

JADARD TECHNOLOGY INC. adopted the Black Scholes model to measure the fair value of the share based payment at the grant date. The measurement inputs were as follows:

Restricted Share Award Plan issued in 2023				
	The first grant for the year 2023	The first advance reserved partial grant for the year 2024	The second advance reserved partial grant for the year 2024	The third advance reserved partial grant for the year 2024
Fair value at grant date (CNY/\$)	\$9.02-10.04	\$6.00-6.57	\$4.81-5.37	\$7.53-8.06
Exercise price (CNY/\$)	10.91	8.50	8.21	8.18
Expected volatility (%)	13.34%-16.40%	13.47%-14.64%	13.72%-14.73%	13.15%-14.45%
Risk-free interest rate (%)	1.5%-2.75%	1.5%-2.75%	1.5%-2.75%	1.5%-2.75%
Expected life	1-4 year	1-3 year	1-3 year	1-3 year

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Details on the number and weighted average exercise price related to JADARD TECHNOLOGY INC.'s restricted share award plan for the three months ended March 31, 2026 and 2025 are as follows:

	For the three months ended March 31			
	2026		2025	
	Number of options(in thousands)	Weighted average exercise price (CNY/\$)	Number of options(in thousands)	Weighted average exercise price (CNY/\$)
Outstanding at January 1	3,082	\$ 10.98	4,335	10.98
Granted during the year	-	-	-	-
Exercised during the year	(793)	8.18-10.91	(708)	10.98
Forfeited during the year	(45)	-	(172)	-
Outstanding at March 31	<u>2,244</u>		<u>3,455</u>	
Exercisable at March 31	<u>-</u>		<u>-</u>	

(ii) JADARD TECHNOLOGY INC. — Restricted Share Award Plan in 2026

A subsidiary, JADARD TECHNOLOGY INC., resolved through a shareholders' meeting on February 2, 2026, to issue the "Restricted Share Award Plan in 2026", with the total of 2,800 thousand shares. The grantees of this plan will receive the common share on SSE A Share Index of JADARD TECHNOLOGY INC. issued as capital increase in installments at a grant exercise price of CNY12.93, after meeting the respective performance and vesting conditions. The grantees are entitled to acquire the common share on SSE A Share Index issued by JADARD TECHNOLOGY INC. on the following schedule after one year from the grant date.

Grant Period	Available percentage (cumulative)
Period of one year	30 %
Period of two year	60 %
Period of three year	100 %

JADARD TECHNOLOGY INC. adopted the Black Scholes model to measure the fair value of the share based payment at the grant date. The measurement inputs were as follows:

	Restricted Share Award Plan issued in 2026
Fair value at grant date (CNY/\$)	\$10.45-10.67
Exercise price (CNY/\$)	12.93
Expected volatility (%)	12.97%-17.04%
Risk-free interest rate (%)	0.95%-1.25%
Expected life	1-3year

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
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Details on the number and weighted average exercise price related to JADARD TECHNOLOGY INC.'s restricted share award plan for the three months ended March 31, 2026 and 2025 are as follows:

	For the three months ended March 31 2026	
	Number of options(in thousands)	Weighted average exercise price (CNY/\$)
Outstanding at January 1	-	\$ -
Granted during the year	2,800	12.93
Exercised during the year	-	-
Forfeited during the year	-	-
Outstanding at March 31	2,800	
Exercisable at March 31	-	

(iii) The Company- Treasury Shares Transferred To Employees Plan

On March 26, 2020, the Board of Directors resolved to repurchased 369 thousand treasury shares to be transferred to its employees. After the approval of the capital reduction to refund the share capital in 2023, the remaining shares were 240 thousand shares. In addition, the Board of Directors resolved on December 26, 2023 to implement the first 50 treasury shares to be transferred to its employees in installment basis, which had been completed as of January, 2025. In addition, the Board of Directors resolved on February 26, 2025 to implement the transfer of its second treasury shares (189 thousand in total) to its employees using the Black-Scholes option pricing model while taking into account the factors in estimating the fair value of the share-based compensation at the grant date as follows:

Black-Scholes model	Treasury Shares Transferred To Employees Plan issued in 2023	Treasury Shares Transferred To Employees Plan issued in 2025
Exercise price	\$ 34.02	\$ 34.02
Fair value at grant date	227~208.4	169.9
Expected life (days)	18~385	17
Volatility (%)	5.921%~64.696%	73.821%
Risk-free interest rate (%)	1.0795%	1.1825%

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
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Details on the treasury share transfer plan for the three months ended March 31, 2026 and 2025 are as follows:

	For the three months ended March 31			
	2026		2025	
	Number of treasury shares(in thousands)	Weighted average exercise price (\$)	Number of treasury shares(in thousands)	Weighted average exercise price (\$)
Outstanding at January 1	-	\$ -	25	34.02
Granted during the year	-	-	189	34.02
Exercised during the year	-	-	(25)	34.02
Outstanding at March 31	-		189	
Exercisable at March 31	-		-	

(iv) Employees expense

The Group incurred expenses and liabilities of share-based arrangements amounted to \$32,334 thousand and \$17,598 thousand for the three months ended March 31, 2026 and 2025, respectively.

(s) Earnings per share

The Company earnings per share for the three months ended March 31, 2026 and 2025 were calculated as follows:

(i) Basic earnings per share

1) Profit attributable to ordinary shareholders of the Company

	For the three months ended March 31	
	2026	2025
Profit attributable to ordinary shareholders of the Company	\$ 224,263	394,768

2) Weighted average number of ordinary shares

	For the three months ended March 31	
	2026	2025
Issued ordinary shares at 1 January	\$ 121,253	121,039
Effect of treasury shares held	(781)	21
Weighted average number of ordinary shares at 31 March	\$ 120,472	121,060

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Basic earnings per share

	For the three months ended March 31	
	2026	2025
Basic earnings per share (NTD)	\$ <u>1.86</u>	<u>3.26</u>

(ii) Diluted earnings per share

	For the three months ended March 31	
	2026	2025
Profit attributable to ordinary shareholders of the Company	\$ <u>224,263</u>	<u>394,768</u>
Weighted average number of ordinary shares	120,472	121,060
Effect of dilutive potential ordinary shares:		
— employee share bonus and treasury shares transferred to employees	<u>431</u>	<u>530</u>
Weighted average number of ordinary shares (diluted)	<u>120,903</u>	<u>121,590</u>
Diluted earnings per share (NTD)	\$ <u>1.85</u>	<u>3.25</u>

(t) Revenue from contracts with customers

(i) Details of revenue

The details of revenue were as follows:

	For the three months ended March 31	
	2026	2025
Sale of goods	\$ 4,497,409	4,660,725
Service revenue	<u>3,810</u>	<u>537</u>
	<u>\$ 4,501,219</u>	<u>4,661,262</u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Disaggregation of revenue

	For the three months ended March 31	
	2026	2025
Primary geographical markets:		
Taiwan	\$ 219,079	303,095
Mainland China	3,223,208	3,610,145
Hong Kong	1,057,520	743,416
South Korea	407	649
Netherlands	80	2,948
Other	925	1,009
	\$ 4,501,219	4,661,262
Major products:		
Display driver IC	\$ 2,432,797	2,696,833
Power management IC	476,035	486,628
Other related semiconductor	1,588,577	1,477,264
Service revenue	3,810	537
	\$ 4,501,219	4,661,262

(iii) Contract balances

For details on accounts receivable and allowance for impairment, please refer to Note 6(e).

The initial balance of contract liabilities on January 1, 2026 and 2025, was recognized as income for the three months ended March 31, 2026 and 2025, amounting to \$14,526 thousand and \$29,086 thousand, respectively. The change in contract liabilities mainly resulted from the difference in the timing between when the Group delivered goods to customers to satisfy the performance obligations and when the customers made payments.

(u) Employee compensation and directors' remuneration

On May 26, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, no less than 5% shall be allocated as employee remuneration (including a minimum of 10% to those base-level employees) and a maximum of 1% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. The compensation of the directors mentioned above shall be paid in cash only. The first two items shall be resolved by the Board of Directors and reported to the shareholders' meeting.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025, the Company estimated its directors' remuneration amounting to \$1,216 thousand and \$1,419 thousand respectively; and employee remuneration amounted to \$14,394 thousand and \$28,707 thousand, respectively. The estimated amounts mentioned above are calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employee remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

For the year, 2025 and 2024, the Company estimated its directors' remuneration amounting to \$4,100 thousand and \$6,900 thousand, respectively; and employee remuneration amounted to \$69,813 thousand and \$115,876 thousand, respectively. The compensation and remuneration were all paid in cash. There were no differences between the distribution amounts and remuneration decided by the Board of Directors and the estimated amounts. Related information would be available at the Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended March 31	
	2026	2025
Interest income from bank deposits	\$ 38,904	55,083
Other interest income	38,649	25,385
Total interest income	<u><u>\$ 77,553</u></u>	<u><u>80,468</u></u>

(ii) Other income

	For the three months ended March 31	
	2026	2025
Government grants	\$ 10,128	25,625
Dividend income	1,252	-
Rent income	23	23
Other	3,057	3,814
Total other income	<u><u>\$ 14,460</u></u>	<u><u>29,462</u></u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

	For the three months ended March 31	
	2026	2025
Losses on disposals of property, plant and equipment	\$ (3)	(8,848)
Foreign exchange (losses) gains	(31,161)	27,689
Gains on financial assets (liabilities) at fair value through profit	23,618	11,935
Impairments loss on non-financial assets	-	(1,607)
Impairment loss on financial assets	(457)	(930)
Other	(61)	-
	<u><u>\$ (8,064)</u></u>	<u><u>28,239</u></u>

(iv) Finance costs

	For the three months ended March 31	
	2026	2025
Interest expense	\$ <u><u>(355)</u></u>	<u><u>(2,019)</u></u>

(w) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(W) of the consolidated financial statements for the year ended December 31, 2025.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The major customers of the Group are centralized in the high-tech computer industry. To minimize credit risk, the Group periodically evaluates the financial positions of clients and the possibility of collecting accounts receivables. Where necessary, the Group will require the customers to provide guarantees or collateral against their debts.

Furthermore, the Group monitors and reviews the recoverable amount of the accounts receivables to ensure the uncollectible amount is recognized appropriately as impairment loss.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of March 31, 2026, December 31 and March 31, 2025, 65%, 65% and 59% respectively, of trade receivables were due from the five major customers. Thus, credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure in respect of notes and accounts receivable, please refer to Note 6(e). Other financial assets at amortized cost, including time deposits with maturities more than three months, Fixed coupon note and other receivables, are considered to have low risk, and thus, the impairment provision recognized during was limited to lifetime expected credit losses.

Debt investments at fair value through other comprehensive income and financial assets at amortized cost, including foreign corporate bonds and foreign financial bonds, the impairment provision recognized during the period was limited to 12 months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(g) of the consolidated financial statements for the year ended December 31, 2025.

The loss allowances for the three months ended March 31, 2026 were determined as follows:

	Debt investments at amortized cost	Debt investments at FVOCI	Total
Balance at January 1, 2026	\$ 132	136	268
Impairment loss recognized	245	212	457
Effect of movements in exchange rates	8	-	8
Balance at March 31, 2026	\$ 385	348	733
Balance at January 1, 2025	\$ -	-	-
Impairment loss recognized	357	573	930
Effect of movements in exchange rates	4	5	9
Balance at March 31, 2025	\$ 361	578	939

Financial assets at fair value through profit or loss held by the Group - Credit risk of credit linked notes linked with convertible bonds arises if the issuing securities firms breached the contracts or the debt issuer could not pay off the debts. Since the maximum exposure is the carrying value of those financial instruments, the Group minimizes the credit risk by only transacting with counter parties who are reputable, transparent and in good financial standing.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities and including estimated interest payments.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2026							
Non derivative financial liabilities							
Notes and accounts payable	\$ 1,893,865	1,893,865	1,893,865	-	-	-	-
Other payables	821,945	821,945	821,945	-	-	-	-
Lease liabilities	84,213	87,462	19,746	16,875	26,568	24,273	-
Deposits Received	511,050	511,050	511,050	-	-	-	-
Subtotal	<u>3,311,073</u>	<u>3,314,322</u>	<u>3,246,606</u>	<u>16,875</u>	<u>26,568</u>	<u>24,273</u>	<u>-</u>
Derivative financial liabilities							
Forward exchange contracts:							
Outflow	13,231	13,231	13,231	-	-	-	-
Subtotal	<u>13,231</u>	<u>13,231</u>	<u>13,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,324,304</u>	<u>3,327,553</u>	<u>3,259,837</u>	<u>16,875</u>	<u>26,568</u>	<u>24,273</u>	<u>-</u>
December 31, 2025							
Non derivative financial liabilities							
Notes and accounts payable	\$ 1,896,025	1,896,025	1,896,025	-	-	-	-
Other payables	939,521	939,521	939,521	-	-	-	-
Lease liabilities	65,139	67,035	17,407	14,779	23,631	11,218	-
Deposits Received	496,510	496,510	496,510	-	-	-	-
Subtotal	<u>3,397,195</u>	<u>3,399,091</u>	<u>3,349,463</u>	<u>14,779</u>	<u>23,631</u>	<u>11,218</u>	<u>-</u>
Derivative financial liabilities							
Current swaps:							
Outflow	7,752	753,020	753,020	-	-	-	-
Inflow	-	(745,268)	(745,268)	-	-	-	-
Carrying values	<u>7,752</u>	<u>7,752</u>	<u>7,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Forward exchange contracts:							
Outflow	797	797	797	-	-	-	-
Subtotal	<u>8,549</u>	<u>8,549</u>	<u>8,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,405,744</u>	<u>3,407,640</u>	<u>3,358,012</u>	<u>14,779</u>	<u>23,631</u>	<u>11,218</u>	<u>-</u>

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2025							
Non derivative financial liabilities							
Notes and accounts payable	\$ 2,027,735	2,027,735	2,027,735	-	-	-	-
Dividends payable	1,560,534	1,560,534	1,560,534	-	-	-	-
Other payables	815,084	815,084	815,084	-	-	-	-
Lease liabilities	96,590	101,705	25,461	18,977	29,865	27,402	-
Deposits Received	<u>508,316</u>	<u>508,316</u>	<u>508,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>5,008,259</u>	<u>5,013,374</u>	<u>4,937,130</u>	<u>18,977</u>	<u>29,865</u>	<u>27,402</u>	<u>-</u>
Derivative financial liabilities							
Currency swaps:							
Outflow	9,647	994,845	994,845	-	-	-	-
Inflow	-	(985,198)	(985,198)	-	-	-	-
Carrying values	<u>9,647</u>	<u>9,647</u>	<u>9,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Forward exchange contracts:							
Outflow	1,415	1,415	1,415	-	-	-	-
Subtotal	<u>11,062</u>	<u>11,062</u>	<u>11,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,019,321</u>	<u>5,024,436</u>	<u>4,948,192</u>	<u>18,977</u>	<u>29,865</u>	<u>27,402</u>	<u>-</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk were as follows:

	<u>March 31, 2026</u>			<u>December 31, 2025</u>			<u>March 31, 2025</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets									
<u>Monetary items</u>									
USD	\$ 111,088	32.016	3,556,646	124,819	31.476	3,928,778	137,583	33.047	4,546,739
<u>Non-Monetary items</u>									
USD	5,135	32.00	164,352	5,135	32.00	164,352	5,135	32.000	164,352
Financial liabilities									
<u>Monetary items</u>									
USD	81,201	32.084	2,605,288	83,811	31.408	2,632,314	92,980	33.113	3,078,881

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the retranslation of foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, other non-current assets and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD as of March 31, 2026 and 2025 would have decreased (increased) the net profit after tax by \$38,054 thousand and \$58,715 thousand for the three months ended March 31, 2026 and 2025, respectively, with all other variables remaining constant. The analysis is performed on the same basis in 2026 and 2025.

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Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. The foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(31,161) thousand and 27,689 thousand for the three months ended March 31, 2026 and 2025, respectively.

(iv) Interest rate analysis

The Group is exposed to interest rate risks primarily in relations to its investment portfolio. Changes in interest rates affect the interest earned on the Group's cash and cash equivalents and fixed income securities, as well as the fair value of those securities. The majority of the Group's fixed income investments are fixed rate securities, which are classified as financial assets at FVTPL, financial assets at FVTOCI and financial assets at amortized cost. Moreover, the market value of the Group's investments in credit linked notes linked with convertible bonds and interest rate-linked deposits are affected by interest rates. The market value would decrease (even lower than the principal) when the interest rate increases, and vice versa. Based on a sensitivity analysis performed on the Group's fixed income investments at the end of the reporting period, an increase of 100 basis points (1.00%) in the interest rates across all maturities would have decreased (increased) the Group's other comprehensive income by \$8,944 thousand and \$4,813 thousand for the three months ended March 31, 2026 and 2025, respectively.

(v) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the three months ended March 31			
	2026		2025	
	Other comprehensive income after tax		Other comprehensive income after tax	
	Net income		Net income	
Prices of securities at the reporting date				
Increasing 5%	\$ 10,796	311,504	6,422	329,114
Decreasing 5%	\$ (10,796)	(311,504)	(6,422)	(329,114)

(vi) Fair value of financial instruments

1) Fair value hierarchy

The management of the Group believes the carrying amount of receivables, financial assets measured at amortized cost, and financial liabilities measured at amortized cost are reasonably closed to its fair value in the current period. Also, a disclosure of the fair value information for lease liabilities is not required under regulations. The Group valued its financial assets measured at fair value through profit or loss based on recurring fair value measurement method. The details are as follows:

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March 31, 2026					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Domestic open-ended funds	\$ 5,543,380	5,543,380	-	-	5,543,380
Foreign open-ended funds	1,134,596	1,134,596	-	-	1,134,596
Credit linked notes-linked with convertible bonds	886,109	-	-	886,109	886,109
Fixed and floating rate coupon note	464,421	-	464,421	-	464,421
Private fund	<u>223,523</u>	<u>-</u>	<u>-</u>	<u>223,523</u>	<u>223,523</u>
Subtotal	<u>8,252,029</u>	<u>6,677,976</u>	<u>464,421</u>	<u>1,109,632</u>	<u>8,252,029</u>
Financial assets at fair value through other comprehensive income					
Shares in domestic listed entities	98,730	98,730	-	-	98,730
Shares in foreign non-public entities	171,161	-	-	171,161	171,161
Foreign bonds	<u>1,129,421</u>	<u>-</u>	<u>1,129,421</u>	<u>-</u>	<u>1,129,421</u>
Subtotal	<u>1,399,312</u>	<u>98,730</u>	<u>1,129,421</u>	<u>171,161</u>	<u>1,399,312</u>
Financial assets measured at amortized cost					
Foreign bonds	<u>888,082</u>	<u>-</u>	<u>888,082</u>	<u>-</u>	<u>888,082</u>
Total	<u>\$ 10,539,423</u>	<u>6,776,706</u>	<u>2,481,924</u>	<u>1,280,793</u>	<u>10,539,423</u>
Financial liabilities at fair value through profit or loss- Current	<u>\$ 13,231</u>	<u>-</u>	<u>13,231</u>	<u>-</u>	<u>13,231</u>
December 31, 2025					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Domestic open-ended funds	\$ 5,488,033	5,488,033	-	-	5,488,033
Foreign open-ended funds	268,104	268,104	-	-	268,104
Credit linked notes-linked with convertible bonds	927,091	-	-	927,091	927,091
Private fund	<u>204,536</u>	<u>-</u>	<u>-</u>	<u>204,536</u>	<u>204,536</u>
Subtotal	<u>6,887,764</u>	<u>5,756,137</u>	<u>-</u>	<u>1,131,627</u>	<u>6,887,764</u>
Financial assets at fair value through other comprehensive income					
Shares in domestic listed entities	114,727	114,727	-	-	114,727
Shares in foreign non-public entities	162,757	-	-	162,757	162,757
Foreign bonds	<u>1,150,040</u>	<u>-</u>	<u>1,150,040</u>	<u>-</u>	<u>1,150,040</u>
Subtotal	<u>1,427,524</u>	<u>114,727</u>	<u>1,150,040</u>	<u>162,757</u>	<u>1,427,524</u>
Financial assets measured at amortized cost					
Foreign bonds	<u>787,577</u>	<u>-</u>	<u>787,577</u>	<u>-</u>	<u>787,577</u>
Total	<u>\$ 9,102,865</u>	<u>5,870,864</u>	<u>1,937,617</u>	<u>1,294,384</u>	<u>9,102,865</u>
Financial liabilities at fair value through profit or loss- Current	<u>\$ 8,549</u>	<u>-</u>	<u>8,549</u>	<u>-</u>	<u>8,549</u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Domestic open-ended funds	\$ 6,643,472	6,643,472	-	-	6,643,472
Foreign open-ended funds	273,284	273,284	-	-	273,284
Credit linked notes-linked with convertible bonds	896,468	-	-	896,468	896,468
Fixed and floating rate coupon note	276,316	-	276,316	-	276,316
Private fund	138,322	-	-	138,322	138,322
Subtotal	8,227,862	6,916,756	276,316	1,034,790	8,227,862
Financial assets at fair value through other comprehensive income					
Shares in domestic listed entities	9,408	9,408	-	-	9,408
Shares in foreign non-public entities	151,131	-	-	151,131	151,131
Foreign bonds	1,187,002	-	1,187,002	-	1,187,002
Subtotal	1,347,541	9,408	1,187,002	151,131	1,347,541
Financial assets measured at amortized cost					
Foreign bonds	695,155	-	695,155	-	695,155
Total	\$ 10,270,558	6,926,164	2,158,473	1,185,921	10,270,558
Financial liabilities at fair value through profit or loss-Current					
	\$ 11,062	-	11,062	-	11,062

2) Valuation techniques for financial instruments measured at fair value

(2.1) Non-derivative financial instruments

The fair value of financial instruments which traded in an active market was based on the quoted market price. The quotation announced by the stock exchange center or exchange center of central government bond, might be regarded as the fair value of the listed equity securities and debt instruments which was traded in an active market.

A financial instrument was regarded as being quoted in an active market if quoted prices were readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions taking place 'regularly' was a matter of judgment and depended on the facts and circumstances of the market of the market for the instrument.

Quoted market prices might not be indicative of the fair value of an instrument if the activity in the market was infrequent, the market was not well-established, only small volumes were traded, or bid-ask spreads were very wide. Determining whether a market was active involves judgment.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Measurements of fair value of financial instruments without an active market were based on quoted price from a competitor. Foreign corporate bonds are estimated based on the public market prices provided by third party agencies.

If the Group's financial instruments do not have an active market, their fair value classifications are determined to be equity instruments with no observable prices, and their fair values are estimated by comparing with competitors whose market prices are available. The main assumption used in this estimation is to calculate the product of the earnings before interest, tax, depreciation and amortization and the price to earnings ratio of listed companies on the stock market. This estimate is discounted by the fact that the equity is not readily available to be traded because there is no active market.

(2.2) Derivative financial instruments

Foreign exchange forward contracts and currency swap contracts are estimated based on the future cash flow at the end of the period by observing the forward exchange rate, as well as the exchange rate and interest rate set by the contract, and those transactions that have already been discounted using the discount rate of each counterparty's credit risk. Credit linked notes linked with convertible bonds are based on the public market quotation of convertible bond, wherein the parameters of the repurchase, the coupon interest, and the interest compensation, are considered as the basis for fair value measurement.

3) Reconciliation of Level 3 fair values

	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2026	\$ 1,131,627	162,757	1,294,384
Total gains and losses recognized:			
In gains	15,705	-	15,705
In other comprehensive income	-	8,404	8,404
Disposal	(37,700)	-	(37,700)
Balance at March 31, 2026	<u>\$ 1,109,632</u>	<u>171,161</u>	<u>1,280,793</u>

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ 668,163	155,324	823,487
Total gains and losses recognized:			
In gains	327	-	327
In other comprehensive income	-	(4,193)	(4,193)
Purchased	437,000	-	437,000
Disposal	(70,700)	-	(70,700)
Balance at March 31, 2025	<u>\$ 1,034,790</u>	<u>151,131</u>	<u>1,185,921</u>

For the three months ended March 31, 2026 and 2025, the total gains and losses that were included in “other gains and losses” or “other comprehensive income” was as follows:

	For the three months ended March 31	
	2026	2025
In Gains (losses), and presented in “other gains and losses”	\$ 15,705	327
In other comprehensive income, and presented in “unrealized gains (losses) on financial assets at fair value through other comprehensive income”	8,404	(4,193)

- 4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets at fair value through profit or loss –Private fund ” and “financial assets at fair value through other comprehensive income-Shares in foreign non-public entities”.

Most of the fair value measurements categorized within level 3 used the single and significant unobservable input. Equity investments without an active market contained multiple significant unobservable inputs.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – private fund	Net Asset Value Method	Net Asset Value	The estimated fair value would increase (decrease) if the net asset value were higher (lower).
Equity investments without an active market	Market Comparison Method	Liquidity discount (March 31, 2026, December 31 and March 31, 2025: 19%, 18% and 18%)	The estimated fair value would decrease (increase) if the liquidity discount were higher (lower).

The Group's credit linked notes linked with convertible bonds of the fair value hierarchy are based on unadjusted quoted price of trading partners. Therefore, the quantitative information and sensitivity analysis are not available.

- 5) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions by the following percentages to reflect reasonably possible alternative assumptions would have the following effects:

		Increase or decrease	Profit or loss	
	Inputs		Favorable	Unfavorable
Balance at March 31, 2026				
Financial assets at fair value through profit or loss				
Private fund	Net Asset Value Method	1%	2,235	(2,235)
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount	1%	1,712	(1,712)
Balance at December 31, 2025				
Financial assets at fair value through profit or loss				
Private fund	Net Asset Value Method	1%	2,045	(2,045)
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount	1%	1,628	(1,628)
Balance at March 31, 2025				
Financial assets at fair value through profit or loss				
Private fund	Net Asset Value Method	1%	1,383	(1,383)
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount	1%	1,511	(1,511)

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(x) of the consolidated financial statements for the year ended December 31, 2025.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of March 31, 2026, December 31 and March 31, 2025, the Group's unused credit line were amounted to \$11,955,110 thousand, \$11,704,800 thousand and \$11,968,133 thousand, respectively.

(y) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to Note 6(y) to the consolidated financial statements for the year ended December 31, 2025 for further details.

(z) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2026 and 2025, were as follows:

(i) For right-of-use assets under leases, please refer to Note 6(k)

(ii) Reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes		March 31, 2026
			Foreign exchange movement	Other	
	January 1, 2026	Cash flows			
Lease liabilities	\$ 65,139	(10,509)	135	29,448	84,213
Guarantee deposits received	496,510	255	14,285	-	511,050
Total liabilities from financing activities	<u>\$ 561,649</u>	<u>(10,254)</u>	<u>14,420</u>	<u>29,448</u>	<u>595,263</u>

			Non-cash changes		March 31, 2025
			Foreign exchange movement	Other	
	January 1, 2025	Cash flows			
Lease liabilities	\$ 102,170	(13,788)	255	7,953	96,590
Guarantee deposits received	498,357	178	9,781	-	508,316
Total liabilities from financing activities	<u>\$ 600,527</u>	<u>(13,610)</u>	<u>10,036</u>	<u>7,953</u>	<u>604,906</u>

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

(a) Names and relationship with the related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Fitipower Environmental Sustainability Foundation (Fitipower Foundation)	Other related parties

(b) Significant transactions with related parties

Donation expenses

For the three months ended March 31, 2026 and 2025, the Group donated \$0 thousand and \$2,500 thousand, respectively, to the Fitipower Foundation, which was recorded under operating expenses.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2026	2025
Short-term employee benefits	\$ 16,276	19,781
Post-employment benefits	54	54
	<u><u>\$ 16,330</u></u>	<u><u>19,835</u></u>

(8) Pledged assets:None

(9) Commitments and contingencies

Except for the explanation in Note 6(m), the remaining commitments and contingencies are as follows:

- (a) As of March 31, 2026, December 31 and March 31, 2025, the refundable notes payable for short-term borrowings amounted to \$4,010,000 thousand, \$3,984,500 thousand and \$4,061,213 thousand, respectively.
- (b) JADARD TECHNOLOGY INC., a subsidiary of the Group, applied for listing on the Sci-Tech Innovation Board (STAR Market) of the Shanghai Stock Exchange on June 29, 2021. The Company, Ever Harvest Limited and Trade Logic Limited are the controlling shareholders of JADARD TECHNOLOGY INC. (hereinafter collectively referred to as the controlling shareholders and parties acting in concert with them). In accordance with the requirements of the China Securities Regulatory Commission, the Shanghai Stock Exchange and other securities regulatory authorities, JADARD TECHNOLOGY INC., the controlling shareholders and parties acting in concert with them are required to give stock transfer restrictions and relevant undertakings. The share transfer restrictions were lifted on March 27, 2026. Information on related undertakings is available on the Market Observation Post System.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the three months ended March 31					
		2026			2025		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salary		16,566	553,844	570,410	15,619	491,770	507,389
Labor and health insurance		937	22,379	23,316	858	20,994	21,852
Pension		653	17,931	18,584	630	16,376	17,006
Remuneration of directors		-	1,966	1,966	-	2,169	2,169
Others		892	19,854	20,746	583	14,160	14,743
Depreciation		12,030	104,529	116,559	18,092	96,276	114,368
Amortization		-	52,252	52,252	-	54,908	54,908

(b) Seasonality of operations

The sale of the Group products follows the cycle of the consumer electronics industry and is subject to seasonal fluctuations in demand in the end market.

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:None

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No. (note 1)	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (note 2)										
1	JADARD TECHNOLOGY INC.	Hefei Jadard Technology Co., Ltd.	2	4,557,352	926,000	926,000	-	-	5.26 %	6,836,028	Y	N	Y
1	JADARD TECHNOLOGY INC.	Jadard Technology Limited	2	4,557,352	926,000	926,000	-	-	5.26 %	6,836,028	Y	N	N

Note 1: The number field should be completed as follows:

- Enter 0 for the issuer.
- Subsidiaries are sequentially numbered starting from “1”.

Note 2: The relationship between the endorser/guarantor and the party being endorsed/guarantees is classified into following categories:

- Having business transaction with each other.
- The Company, directly or indirectly, owns more than 50% equity voting shares in the entity.
- An entity owns, directly or indirectly, more the 50% equity voting shares of the Company.

Note3: The aggregate endorsement/guarantee amount of JADARD TECHNOLOGY INC. is limited to 60% of the net worth as stated in its most recent financial statements audited or reviewed by CPAs.

Note4: The amount of the endorsements/guarantees made by JADARD TECHNOLOGY INC. for any single entity shall be capped at 40% of the above net worth.

Note5: Upon approval by the Board of Directors, the subsidies in which JADARD TECHNOLOGY INC., directly and indirectly, holds the entire voting shares are exempt from the aforementioned net worth limit, regardless of the ceilings on the amounts they are permitted to make in endorsements/guarantees.

(iii) Material securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Taishin 1669 Money Market Fund	-	Current financial assets at fair value through profit or loss	120,574	1,739,154	- %	1,739,154	
The Company	Fubon Money Market Fund	-	Current financial assets at fair value through profit or loss	62,677	988,293	- %	988,293	
The Company	FSITC Taiwan Money Market Fund	-	Current financial assets at fair value through profit or loss	21,113	343,470	- %	343,470	
The Company	UPAMC James Bond Money Market Fund	-	Current financial assets at fair value through profit or loss	91,641	1,624,610	- %	1,624,610	
Jadeite Investment Co., Ltd.	Taishin 1669 Money Market Fund	-	Current financial assets at fair value through profit or loss	27,835	401,496	- %	401,496	
JADARD TECHNOLOGY INC.	Shenwan Hongyuan Long Ding 2796 Floating rate coupon note	-	Current financial assets at fair value through profit or loss	-	464,421	- %	464,421	
JADARD TECHNOLOGY INC.	Huaxi Zunxiang 202601 Fixed Coupon Note		Current financial assets measured at amortized cost	-	277,800	- %	277,800	

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FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
JADARD TECHNOLOGY INC.	China CICC Wealth Securities Anxiang No. 1034 Fixed Coupon Note		Current financial assets measured at amortized cost	-	463,000	- %	463,000	

Note 1: This table is based on the materiality principle to determine the listed marketable securities.

Note 2: If the amount at the end of the period does not reach more than 1% of the consolidated total assets, disclosure will not be required.

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period(note 1)	Allowance for bad debts
					Amount	Action taken		
JADARD TECHNOLOGY INC.	Jadard Technology Limited	Associates	134,743	1.04	-	-	96,511	-
Hefei Jadard Technology Co., Ltd.	Jadard Technology Limited Taiwan Branch	Associates	150,869	0.29	-	-	15,841	-

Note 1: The amounts received from related parties as of April 30, 2026.

Note 2: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

- (vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	JADARD TECHNOLOGY INC.	Jadard Technology Limited	3	Sales	46,075	O/A 120 days	1.02%
1	JADARD TECHNOLOGY INC.	Jadard Technology Limited Taiwan Branch	3	Sales	75,796	O/A 120 days	1.68%
2	Jadard Technology Limited	JADARD TECHNOLOGY INC.	3	Other Sales	87,955	O/A 120 days	1.95%

Note 1: Numbers are filled in as follows:

1. "0" represents the parent entity.
2. Subsidiaries are sequentially numbered starting from "1".

Note 2: Relationships with transaction counterparties are categorized as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: For balance sheet accounts, transactions exceeding 1% of the consolidated total assets should be disclosed; for income statement accounts, transactions exceeding 1% of the consolidated total revenue should be disclosed. The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2026 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares (thousands)	Percentage of wnership	Carrying value			
The Company	Trade Logic Limited	BVI	Investment	2,466,301	2,466,301	30	100.00 %	8,370,912	142,247	142,247	note 1
Trade Logic Limited	Ever Harvest Limited	Samoa	Investment	302,296	302,296	10,000	100.00 %	6,101,317	115,510	115,510	note 1
JADARD TECHNOLOGY INC.	Jadard Technology Limited	Hong Kong	General trade	270,264	270,264	9,200	100.00 %	432,603	(76,159)	(76,159)	note 1
The Company	Jadeite Investment Co., Ltd.	Tainan, Taiwan	Investment	1,000,000	1,000,000	100,000	100.00 %	1,062,877	22,036	22,036	note 1

Note 1: Investments in subsidiaries the Company has control over have been eliminated at the Group level from long-term investment.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (note1)	Accumulated outflow of investment from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (note2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
JADARD TECHNOLOGY INC.	IC design	1,790,797 (note 3)	(1)	302,296	-	-	302,296	210,680	55.25%	115,510	6,101,263	127,631 (note 6)
Hefei Jadard Technology Co., Ltd.	Supply chain management	224,523 (note 4)	(2)	-	-	-	-	(7,531)	55.25%	(4,161)	297,696	-
Shenzhen Fitipower Micorelectronics Technology Inc.	General Trading	132,955 (note 5)	(3)	102,891	30,064	-	132,955	(8,262)	100.00%	(8,262)	37,189	-

Note 1: Method of investment:

- (1) Indirect investment in Mainland China through a holding company established in other countries (Trade Logic Limited and Ever Harvest Limited)
- (2) The investment method refers to a direct investment by JADARD TECHNOLOGY INC. in a mainland company.
- (3)The investment method refers to a direct investment by the Company in a mainland company.

Note 2: The investment gains (losses) were recognized in the financial statements audited by the auditors of the parent company.

Note 3: The paid-in capital was CNY409,021 thousand, which was translated into NT1,790,797 thousand at the exchange rate at the time of investment.

Note 4: The paid-in capital was CNY50,000 thousand, which was translated into NT224,523 thousand at the exchange rate at the time of investment.

Note 5: The paid-in capital was USD4,250 thousand, which was translated into NT132,955 thousand at the exchange rate at the time of investment.

Note 6: As of the end of the period, JADARD TECHNOLOGY INC. has remitted its investment income to Trade Logic Limited, who has not yet to remit it to the parent company.

Note 7: Investments in subsidiaries the Company has control over have been eliminated at the Group level from long term investment.

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars)

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
435,251	466,546	10,572,080

Note: The investment limit was calculated on the official document No. 09704604680 announced by the MOEAIC on August 29, 2008.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(14) Segment information

There is only one reportable operating segment of the Group, which is mainly engaged in research and development, production and sales of integrated circuits. In addition, the departmental profit and loss, departmental assets and departmental liabilities are consistent with the information stated in financial statements; please refer to the Consolidated Balance Sheet and the Consolidated Statement of Income.