

**FITIPOWER INTEGRATED TECHNOLOGY INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025**

Address: 3F, No.6-8, Duxing Rd., Hsinchu Science Park, Hsinchu City
Telephone: (03)5788-618

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.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~9
(4) Summary of material accounting policies	9~11
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	12~48
(7) Related-party transactions	49
(8) Pledged assets	49
(9) Commitments and contingencies	50
(10) Losses Due to Major Disasters	50
(11) Subsequent Events	50
(12) Other	50~51
(13) Other disclosures	
(a) Information on significant transactions	52~54
(b) Information on investees	54
(c) Information on investment in Mainland China	54~55
(14) Segment information	55



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	kpmg.com/tw

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 June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 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 June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)

August 5, 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
June 30, 2026, December 31, 2025, and June 30, 2025
(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025				June 30, 2026		December 31, 2025		June 30, 2025	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents(note (6)(a))	\$ 1,797,284	6	2,325,895	9	2,490,199	10	2120	Current financial liabilities at fair value through profit or loss(note (6)(b))	\$ 9,516	-	8,549	-	-	-
1110	Current financial assets at fair value through profit or loss(notes (6)(b) and (13))	8,034,377	28	6,056,467	23	7,399,301	28	2130	Current contract liabilities(note (6)(t))	182,354	1	23,261	-	26,174	-
1136	Current financial assets at amortised cost, net(notes (6)(a), (d) and (13))	3,517,671	12	4,243,995	16	3,947,815	15	2170	Notes and accounts payable	2,722,645	10	1,896,025	7	1,986,742	7
1170	Accounts receivable, net(note (6)(e))	3,027,585	11	2,840,700	11	3,011,149	11	2200	Other payables	910,409	3	939,521	4	821,909	3
1200	Other receivables, net(note (6)(m))	597,271	2	938,689	4	613,111	2	2216	Dividends payable	1,023,343	4	-	-	1,560,534	6
1220	Current tax assets	50,532	-	47,394	-	-	-	2230	Current tax liabilities	102,472	-	12,624	-	166,079	1
130X	Inventories, net(note (6)(f))	2,441,112	9	2,064,700	8	2,333,003	9	2280	Current lease liabilities(note (6)(n))	31,808	-	30,844	-	35,203	-
1410	Prepayments and other current assets(note (6)(g))	90,374	-	232,776	1	111,593	-	2300	Other current liabilities	14,147	-	19,744	-	16,592	-
		<u>19,556,206</u>	<u>68</u>	<u>18,750,616</u>	<u>72</u>	<u>19,906,171</u>	<u>75</u>			<u>4,996,694</u>	<u>18</u>	<u>2,930,568</u>	<u>11</u>	<u>4,613,233</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))	1,613,775	6	831,297	3	1,245,586	5	2570	Deferred tax liabilities	369,413	1	294,135	1	177,446	1
1517	Non-current financial assets at fair value through other comprehensive income(note (6)(c))	1,552,991	5	1,427,524	5	1,217,489	5	2580	Non-current lease liabilities(note (6)(n))	42,297	-	34,295	-	47,977	-
1535	Non-current financial assets at amortised cost, net(notes (6)(a) and (d))	3,351,641	12	3,158,825	12	1,697,949	6	2645	Guarantee deposits received	<u>516,299</u>	<u>2</u>	<u>496,510</u>	<u>2</u>	<u>453,838</u>	<u>2</u>
1600	Property, plant and equipment(note (6)(j))	1,409,374	5	1,037,672	4	942,340	4			<u>928,009</u>	<u>3</u>	<u>824,940</u>	<u>3</u>	<u>679,261</u>	<u>3</u>
1755	Right of use assets(note (6)(k))	73,791	-	64,111	-	82,605	-		Total liabilities	<u>5,924,703</u>	<u>21</u>	<u>3,755,508</u>	<u>14</u>	<u>5,292,494</u>	<u>20</u>
1780	Intangible assets(note (6)(l))	140,918	1	161,138	1	150,565	1		Equity attributable to owners of parent:(notes 6(h), (i), (q) and (r))						
1840	Deferred tax assets	56,317	-	50,386	-	164,813	1	3110	Ordinary share	<u>1,212,536</u>	<u>4</u>	<u>1,212,536</u>	<u>5</u>	<u>1,212,545</u>	<u>5</u>
1900	Other non-current assets(note (6)(m))	<u>867,041</u>	<u>3</u>	<u>857,938</u>	<u>3</u>	<u>792,446</u>	<u>3</u>	3200	Capital surplus	<u>8,507,362</u>	<u>30</u>	<u>8,603,298</u>	<u>32</u>	<u>8,603,316</u>	<u>32</u>
		<u>9,065,848</u>	<u>32</u>	<u>7,588,891</u>	<u>28</u>	<u>6,293,793</u>	<u>25</u>		Retained earnings:						
								3310	Legal reserve	1,687,525	6	1,570,604	6	1,570,604	6
								3320	Special reserve	44,185	-	14,272	-	14,272	-
								3350	Unappropriated retained earnings	<u>5,741,664</u>	<u>20</u>	<u>6,201,773</u>	<u>24</u>	<u>5,744,512</u>	<u>22</u>
										<u>7,473,374</u>	<u>26</u>	<u>7,786,649</u>	<u>30</u>	<u>7,329,388</u>	<u>28</u>
								3400	Other equity	<u>299,361</u>	<u>1</u>	<u>(44,185)</u>	<u>-</u>	<u>(589,151)</u>	<u>(2)</u>
								3500	Treasury shares	<u>(220,678)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(27)</u>	<u>-</u>
									Total equity attributable to owners of parent	<u>17,271,955</u>	<u>60</u>	<u>17,558,298</u>	<u>67</u>	<u>16,556,071</u>	<u>63</u>
								36XX	Non-controlling interests	<u>5,425,396</u>	<u>19</u>	<u>5,025,701</u>	<u>19</u>	<u>4,351,399</u>	<u>17</u>
									Total equity	<u>22,697,351</u>	<u>79</u>	<u>22,583,999</u>	<u>86</u>	<u>20,907,470</u>	<u>80</u>
Total assets		<u>\$ 28,622,054</u>	<u>100</u>	<u>26,339,507</u>	<u>100</u>	<u>26,199,964</u>	<u>100</u>		Total liabilities and equity	<u>\$ 28,622,054</u>	<u>100</u>	<u>26,339,507</u>	<u>100</u>	<u>26,199,964</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 and six months ended June 30, 2026 and 2025

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

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue(note (6)(t))	\$ 5,385,869	100	5,076,385	100	9,887,088	100	9,737,647	100
5000	Operating costs(notes (6)(f), (m), (o) and (12))	<u>3,938,563</u>	<u>73</u>	<u>3,623,218</u>	<u>71</u>	<u>7,188,502</u>	<u>73</u>	<u>6,918,286</u>	<u>71</u>
5900	Gross profit from operations	<u>1,447,306</u>	<u>27</u>	<u>1,453,167</u>	<u>29</u>	<u>2,698,586</u>	<u>27</u>	<u>2,819,361</u>	<u>29</u>
6000	Operating expenses:(notes (6)(e), (m), (n), (o), (r), (u), (7) and (12))								
6100	Selling expenses	139,608	3	166,666	3	275,998	3	316,580	3
6200	Administrative expenses	100,453	2	101,876	2	204,678	2	185,337	2
6300	Research and development expenses	713,693	13	689,772	14	1,429,771	14	1,334,237	14
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9	<u>(12)</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>172</u>	<u>-</u>
		<u>953,742</u>	<u>18</u>	<u>958,308</u>	<u>19</u>	<u>1,910,449</u>	<u>19</u>	<u>1,836,326</u>	<u>19</u>
6900	Net operating income	<u>493,564</u>	<u>9</u>	<u>494,859</u>	<u>10</u>	<u>788,137</u>	<u>8</u>	<u>983,035</u>	<u>10</u>
7000	Non-operating income and expenses:(notes (6)(b), (l), (n) and (v))								
7100	Interest income	76,993	2	91,656	2	154,546	2	172,124	2
7010	Other income	11,980	-	21,355	-	26,440	-	50,817	1
7020	Other gains and losses	73,804	1	(33,174)	(1)	65,740	-	(4,935)	-
7050	Finance costs	<u>(1,574)</u>	<u>-</u>	<u>(2,772)</u>	<u>-</u>	<u>(1,929)</u>	<u>-</u>	<u>(4,791)</u>	<u>-</u>
		<u>161,203</u>	<u>3</u>	<u>77,065</u>	<u>1</u>	<u>244,797</u>	<u>2</u>	<u>213,215</u>	<u>3</u>
7900	Profit before income tax	654,767	12	571,924	11	1,032,934	10	1,196,250	13
7950	Less: Income tax expenses(note (6)(p))	<u>81,330</u>	<u>1</u>	<u>87,454</u>	<u>2</u>	<u>140,065</u>	<u>1</u>	<u>167,502</u>	<u>2</u>
8000	Profit	<u>573,437</u>	<u>11</u>	<u>484,470</u>	<u>9</u>	<u>892,869</u>	<u>9</u>	<u>1,028,748</u>	<u>11</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	146,073	2	8,382	-	163,643	2	3,400	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>16,548</u>	<u>-</u>	<u>(682)</u>	<u>-</u>	<u>18,229</u>	<u>-</u>	<u>(682)</u>	<u>-</u>
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>129,525</u>	<u>2</u>	<u>9,064</u>	<u>-</u>	<u>145,414</u>	<u>2</u>	<u>4,082</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	128,984	2	(1,395,416)	(26)	508,190	5	(1,161,039)	(12)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	13,706	-	1,417	-	(27,044)	-	660	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>12,258</u>	<u>-</u>	<u>(172,770)</u>	<u>(3)</u>	<u>57,020</u>	<u>1</u>	<u>(144,996)</u>	<u>(1)</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>130,432</u>	<u>2</u>	<u>(1,221,229)</u>	<u>(23)</u>	<u>424,126</u>	<u>4</u>	<u>(1,015,383)</u>	<u>(11)</u>
	Other comprehensive income	<u>259,957</u>	<u>4</u>	<u>(1,212,165)</u>	<u>(23)</u>	<u>569,540</u>	<u>6</u>	<u>(1,011,301)</u>	<u>(11)</u>
8500	Total comprehensive income	<u>\$ 833,394</u>	<u>15</u>	<u>(727,695)</u>	<u>(14)</u>	<u>1,462,409</u>	<u>15</u>	<u>17,447</u>	<u>-</u>
	Profit attributable to:								
8610	Owners of parent	\$ 384,057	7	317,175	6	608,320	6	711,943	8
8620	Non-controlling interests	<u>189,380</u>	<u>4</u>	<u>167,295</u>	<u>3</u>	<u>284,549</u>	<u>3</u>	<u>316,805</u>	<u>3</u>
		<u>\$ 573,437</u>	<u>11</u>	<u>484,470</u>	<u>9</u>	<u>892,869</u>	<u>9</u>	<u>1,028,748</u>	<u>11</u>
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 576,318	11	(363,079)	(7)	954,768	10	137,064	1
8720	Non-controlling interests	<u>257,076</u>	<u>4</u>	<u>(364,616)</u>	<u>(7)</u>	<u>507,641</u>	<u>5</u>	<u>(119,617)</u>	<u>(1)</u>
		<u>\$ 833,394</u>	<u>15</u>	<u>(727,695)</u>	<u>(14)</u>	<u>1,462,409</u>	<u>15</u>	<u>17,447</u>	<u>-</u>
	Earnings per share (expressed in dollars)(note (6)(s))								
9750	Basic earnings per share	<u>\$ 3.21</u>		<u>2.62</u>		<u>5.07</u>		<u>5.88</u>	
9850	Diluted earnings per share	<u>\$ 3.20</u>		<u>2.61</u>		<u>5.04</u>		<u>5.85</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 six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
						Total other equity interest						
	Ordinary shares	Capital surplus	Retained earnings		Unappropriated retained earnings	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
			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	-	-	-	-	711,943	-	-	-	-	711,943	316,805	1,028,748
Other comprehensive income	-	-	-	-	-	(579,621)	4,742	(574,879)	-	(574,879)	(436,422)	(1,011,301)
Total comprehensive income	-	-	-	-	711,943	(579,621)	4,742	(574,879)	-	137,064	(119,617)	17,447
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	194,607	-	(194,607)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(12,651)	12,651	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,560,534)	-	-	-	-	(1,560,534)	-	(1,560,534)
Changes in ownership interests in subsidiaries	-	20,963	-	-	-	-	-	-	-	20,963	(20,963)	-
Share-based payments transactions	-	37,806	-	-	-	-	-	-	-	37,806	34,891	72,697
Treasury shares transferred to employees	-	-	-	-	-	-	-	-	7,280	7,280	-	7,280
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(46,262)	(46,262)
Balance at June 30, 2025	<u>\$ 1,212,545</u>	<u>8,603,316</u>	<u>1,570,604</u>	<u>14,272</u>	<u>5,744,512</u>	<u>(458,562)</u>	<u>(130,589)</u>	<u>(589,151)</u>	<u>(27)</u>	<u>16,556,071</u>	<u>4,351,399</u>	<u>20,907,470</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	-	-	-	-	608,320	-	-	-	-	608,320	284,549	892,869
Other comprehensive income	-	-	-	-	-	228,078	118,370	346,448	-	346,448	223,092	569,540
Total comprehensive income	-	-	-	-	608,320	228,078	118,370	346,448	-	954,768	507,641	1,462,409
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	116,921	-	(116,921)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	29,913	(29,913)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(924,497)	-	-	-	-	(924,497)	-	(924,497)
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	-	-	-	-	-	-	-	-	-	-	54,477	54,477
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(94,481)	(94,481)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,902	-	(2,902)	(2,902)	-	-	-	-
Balance at June 30, 2026	<u>\$ 1,212,536</u>	<u>8,507,362</u>	<u>1,687,525</u>	<u>44,185</u>	<u>5,741,664</u>	<u>288,718</u>	<u>10,643</u>	<u>299,361</u>	<u>(220,678)</u>	<u>17,271,955</u>	<u>5,425,396</u>	<u>22,697,351</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 six months ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2026	2025
Cash flows from operating activities:		
Profit before tax	\$ 1,032,934	1,196,250
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation expense	232,985	224,941
Amortization expense	105,173	104,677
Expected credit loss	300	668
Net gain on financial assets or liabilities at fair value through profit or loss	(124,154)	(133,106)
Interest expense	1,929	4,791
Interest income	(154,546)	(172,124)
Compensation cost of share-based payment transaction	54,477	72,697
Loss on disposal of property, plant and equipment	3	8,846
Impairment loss and disposal loss on inventory	28,293	46,663
Impairments loss on non-financial assets	-	1,607
Total adjustments to reconcile profit or loss	144,460	159,660
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(186,887)	376,576
Decrease (increase) in other receivables	195,624	(35,389)
(Increase) decrease in inventories	(404,705)	100,693
Decrease in prepayments and other current assets	142,402	330,379
Increase in other non-current assets	(3,123)	(23,354)
Increase (decrease) in current contract liabilities	159,093	(9,862)
Increase (decrease) in accounts payable	826,620	(260,470)
Decrease in other payable	(24,600)	(218,983)
Decrease in current provisions	-	(19,737)
Decrease in other current liabilities	(5,597)	(5,027)
Total changes in operating assets and liabilities	698,827	234,826
Cash inflow generated from operations	1,876,221	1,590,736
Interest received	299,751	164,763
Interest paid	(5,641)	(4,538)
Income taxes paid	(57,668)	(72,925)
Net cash flows from operating activities	2,112,663	1,678,036
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	(7,499,369)	(5,173,866)
Proceeds from disposal of financial assets at fair value through profit or loss	4,904,184	5,314,930
Decrease (increase) in financial assets at amortized cost	828,673	(6,644)
Acquisition of property, plant and equipment	(570,218)	(128,656)
Proceeds from disposal of property, plant and equipment	-	6
Acquisition of intangible assets	(83,149)	(68,639)
Decrease (increase) in refundable deposits	12,561	(440,913)
Net cash flows used in investing activities	(2,382,154)	(503,782)
Cash flows from financing activities:		
Increase (decrease) in guarantee deposits received	187	(1,481)
Payment of lease liabilities	(21,070)	(26,554)
Proceeds from transfer of treasury shares to employees	-	7,280
Payments to treasury shares	(220,678)	-
Change in non-controlling interests	(161,334)	(46,262)
Net cash flows used in financing activities	(402,895)	(67,017)
Effect of exchange rate changes on cash and cash equivalents	143,775	(396,810)
Net (decrease) increase in cash and cash equivalents	(528,611)	710,427
Cash and cash equivalents at the beginning of period	2,325,895	1,779,772
Cash and cash equivalents at the end of period	\$ 1,797,284	2,490,199

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
June 30, 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 August 5, 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”

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

In addition, the Group is still assessing the potential impact of the adoption of the following new amendments, effective for annual period beginning on January 1, 2028, on its consolidated financial statements. The results thereof will be disclosed when the Group completes its evaluation.

- IFRS 18 “Presentation and Disclosure in Financial Statements”
- Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

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

The Group does not expect the following 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 20 “Regulatory Assets and Regulatory Liabilities”

(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.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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.

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
			June 30, 2026	December 31, 2025	June 30, 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	100.00 %	- %	- %	Note 3
Trade Logic Limited	Ever Harvest Limited (Ever Harvest)	Investment company	100.00 %	100.00 %	100.00 %	-

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2026	December 31, 2025	June 30, 2025	
Ever Harvest Limited and Jadeite Investment	JADARD TECHNOLOGY INC.(Shenzhen Jadard)	IC design	55.25 %	54.93 %	54.93 %	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	82.10 %	- %	- %	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 June 30, 2026, December 31 and June 30, 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 USD5,000 thousand, 100% held by the Company. As of June 30, 2026, December 31 and June 30, 2025, the Company has completed cash capital increases in the amounts of USD5,000 thousand, USD3,300 thousand and USD1,350 thousand, respectively

Note 3: On January 26, 2026, Fiti Technologies USA Inc. was established, with a registered capital of USD500 thousand, 100% held by the Company, the capital contribution has been completed.

Note 4: On 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 to 55.25%.

Note 5: On December 19, 2025, fitipower Malaysia Sdn. Bhd. was established, with a registered capital of MYR15,000 thousand, 60% held by the Company and 40% by Jadard Technology Limited. The Company has completed the capital contribution of MYR1,170 thousand.

(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.

(Continued)

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

(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.

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Petty cash	\$ 1,816	1,755	1,629
Checking and demand deposits	811,734	1,972,940	2,079,455
Time deposits	5,030,680	5,933,513	5,441,045
Repurchase agreement	238,800	-	-
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))	(4,285,746)	(5,582,313)	(5,031,930)
	<u><u>\$ 1,797,284</u></u>	<u><u>2,325,895</u></u>	<u><u>2,490,199</u></u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Interest rate range	<u><u>1.00% ~ 3.97%</u></u>	<u><u>1.51% ~ 3.90%</u></u>	<u><u>1.53% ~ 4.40%</u></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.

(Continued)

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

(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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss:			
Current:			
Domestic open-ended funds	\$ 4,744,176	5,488,033	6,928,044
Foreign open-ended funds	2,045,368	268,104	122,013
Currency swaps	-	-	7,888
Forward exchange contracts	-	-	4,545
Credit linked notes-linked with convertible bonds	772,448	300,330	88,211
Fixed and floating rate coupon note	472,385	-	248,600
Subtotal	<u>8,034,377</u>	<u>6,056,467</u>	<u>7,399,301</u>
Non-current :			
Private fund	\$ 1,274,851	204,536	135,526
Foreign open-ended funds	-	-	122,110
Credit linked notes-linked with convertible bonds	338,924	626,761	987,950
Subtotal	<u>1,613,775</u>	<u>831,297</u>	<u>1,245,586</u>
Total	<u><u>\$ 9,648,152</u></u>	<u><u>6,887,764</u></u>	<u><u>8,644,887</u></u>
	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities mandatorily measured at fair value through profit or loss:			
Current:			
Currency swaps	\$ -	7,752	-
Forward exchange contracts	9,516	797	-
Total	<u><u>\$ 9,516</u></u>	<u><u>8,549</u></u>	<u><u>-</u></u>

(Continued)

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

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

1) Currency swaps

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

June 30, 2025					
	<u>Contract Amount</u>	<u>Currency</u>	<u>Due Date</u>	<u>FX Spot Rate</u>	<u>FX Forward Rate</u>
Currency swaps	\$ <u>25,000</u>	USD/TWD	2025.7	29.151~29.756	29.077~29.681

2) Forward exchange contracts

June 30, 2026				
	<u>Contract Amount</u>	<u>Currency</u>	<u>Due Date</u>	<u>FX Forward Rate</u>
Forward exchange contracts	\$ 40,800	USD/TWD	2026.7~2026.12	31.425~32.250
	7,000	USD/RMB	2026.7	6.759~6.767
	\$ <u>47,800</u>			

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

June 30, 2025				
	<u>Contract Amount</u>	<u>Currency</u>	<u>Due Date</u>	<u>FX Forward Rate</u>
Forward exchange contracts	\$ <u>22,200</u>	USD/TWD	2025.7~2025.8	28.834~29.926

For the three months and six months ended June 30, 2026 and 2025, the net gain (loss) on valuation of financial assets (liabilities) through profit or loss arising from the above transactions were gain (loss) of \$7,069 thousand, \$56,385 thousand, \$(11,078) thousand and \$77,428 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:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Due dates	<u>2026-2029</u>	<u>2026-2028</u>	<u>2025-2028</u>
Coupon rates	<u>2.20% ~ 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.

(Continued)

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

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

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Debt investments at fair value through other comprehensive income- Non-current:			
Foreign bonds	\$ <u>1,137,028</u>	<u>1,150,040</u>	<u>1,048,567</u>
Equity investments at fair value through other comprehensive income- Non-current:			
Shares in domestic listed entities	\$ 162,060	114,727	7,980
Shares in foreign non-public entities	<u>253,903</u>	<u>162,757</u>	<u>160,942</u>
Subtotal	<u>415,963</u>	<u>277,484</u>	<u>168,922</u>
Total	<u><u>\$ 1,552,991</u></u>	<u><u>1,427,524</u></u>	<u><u>1,217,489</u></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.
- 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:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Original currency amount	USD <u>39,717</u>	USD <u>39,717</u>	USD <u>39,717</u>
Due dates	<u>2033-2063</u>	<u>2033-2063</u>	<u>2033-2063</u>
Coupon rates	<u>4.65% ~ 6.40%</u>	<u>4.65% ~ 6.40%</u>	<u>4.65% ~ 6.40%</u>

- 3) As of June 30, 2026, December 31 and June 30, 2025 interests receivable incurred from the above transaction amounted to \$15,169 thousand, \$15,164 thousand and \$13,984 thousand, respectively.
- 4) As of June 30, 2026, December 31 and June 30, 2025, the Group recognized allowance for impairment losses on financial assets measured at fair value through other comprehensive income in the amounts of \$187 thousand, \$136 thousand, and \$242 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.

(Continued)

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

(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 six months ended June 30, 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.

(d) Financial assets measured at amortized cost

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Financial assets measured at amortized cost:			
Current:			
Foreign time deposits	\$ 1,566,126	3,211,065	3,947,815
Fixed coupon note	1,500,480	1,032,930	-
Structured investment	47,543	-	-
Domestic bonds	50,000	-	-
Foreign bonds	353,562	-	-
Less: Loss allowance	(40)	-	-
Subtotal	<u>3,517,671</u>	<u>4,243,995</u>	<u>3,947,815</u>
Non-current :			
Foreign time deposits	\$ 2,719,620	2,371,248	1,084,115
Foreign bonds	632,367	787,709	614,051
Less: Loss allowance	(346)	(132)	(217)
Subtotal	<u>3,351,641</u>	<u>3,158,825</u>	<u>1,697,949</u>
Total	<u><u>\$ 6,869,312</u></u>	<u><u>7,402,820</u></u>	<u><u>5,645,764</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.

(Continued)

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Original currency amount	USD <u>31,010</u>	USD <u>25,070</u>	USD <u>20,979</u>
Due dates	2027-2028	2027-2028	2027-2028
Coupon rates	<u>1.90% ~ 7.77%</u>	<u>1.90% ~ 5.46%</u>	<u>3.54% ~ 5.46%</u>

- (ii) As of June 30, 2026, December 31 and June 30, 2025 interests receivable incurred from the foreign bonds amounted to \$15,290 thousand, \$13,661 thousand and \$10,398 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.

- (e) Accounts receivable, net

	June 30, 2026	December 31, 2025	June 30, 2025
Notes and Accounts receivable	\$ 3,031,919	2,846,976	3,017,439
Less: Loss allowance	<u>(4,334)</u>	<u>(6,276)</u>	<u>(6,290)</u>
	<u>\$ 3,027,585</u>	<u>2,840,700</u>	<u>3,011,149</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:

	June 30, 2026	
	Weighted-	
	Gross carrying	average loss
	amount	rate
		Loss allowance
		provision
Current	\$ 2,994,386	0.14% 4,292
1 to 30 days past due	33,083	0.01% 4
31 to 60 days past due	2,614	0.15% 4
61 to 90 days past due	<u>1,836</u>	<u>1.85% 34</u>
	<u>\$ 3,031,919</u>	<u>4,334</u>

(Continued)

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

	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
	\$ 2,846,976		6,276

	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 2,925,540	0.15%	4,319
1 to 30 days past due	88,267	0.02%	22
31 to 60 days past due	792	0.13%	1
61 to 90 days past due	896	0.45%	4
More than 120 days past due	1,944	50%~100%	1,944
	\$ 3,017,439		6,290

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

	For the six months ended June 30	
	2026	2025
Balance at January 1	\$ 6,276	6,118
Impairment losses recognized	2	172
Amounts written off during the year as uncollectible	(1,944)	-
Balance at June 30	\$ 4,334	6,290

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

(f) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	\$ 644,611	773,196	874,069
Work in progress	1,146,108	851,208	1,145,169
Raw materials	650,393	440,296	313,765
	\$ 2,441,112	2,064,700	2,333,003

(Continued)

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

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Inventory that has been sold	\$ 3,932,685	3,617,225	7,160,209	6,871,623
Impairments loss and disposal loss on inventories	5,878	5,993	28,293	46,663
	\$ 3,938,563	3,623,218	7,188,502	6,918,286

- (ii) As of June 30, 2026, December 31 and June 30, 2025, the Group did not provide any inventories as collateral for its loans.

- (g) Prepayments and other current assets

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayment for purchases	\$ 27,993	27,251	80,622
Prepaid expenses	13,520	2,765	9,124
Overpaid sales tax and prepaid income tax	48,600	22,272	21,847
Payment on behalf of others	261	848	-
Prepaid investment	-	179,640	-
	\$ 90,374	232,776	111,593

- (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.

(Continued)

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

(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		
		June 30, 2026	December 31, 2025	June 30, 2025
JADARD TECHNOLOGY INC.	Mainland China	44.75 %	45.07 %	45.07 %

- (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:

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 8,948,410	9,172,229	9,256,312
Non-current assets	5,056,449	3,372,868	2,046,054
Current liabilities	(1,735,218)	(1,244,633)	(1,406,059)
Non- current liabilities	(505,624)	(487,170)	(448,249)
Net assets	<u>\$ 11,764,017</u>	<u>10,813,294</u>	<u>9,448,058</u>
Non-controlling interests	<u>\$ 5,425,505</u>	<u>5,025,701</u>	<u>4,351,399</u>

	For the six months ended June 30	
	2026	2025
Sales revenue	<u>\$ 5,506,419</u>	<u>5,360,028</u>
Net income	\$ 634,109	685,838
Other comprehensive loss	(11,370)	(25,465)
Comprehensive income	<u>\$ 622,739</u>	<u>660,373</u>
Profit, attributable to non-controlling interests	<u>\$ 285,605</u>	<u>317,842</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 507,786</u>	<u>297,658</u>

	For the six months ended June 30	
	2026	2025
Net cash flows from operating activities	\$ 1,699,210	806,446
Net cash flows from investing activities	(2,694,542)	134,089
Net cash flows from financing activities	(2,585)	(122,968)
(Decrease) increase in cash and cash equivalents	<u>\$ (997,917)</u>	<u>817,567</u>

(Continued)

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

- (ii) As of June 30, 2026, December 31 and June 30, 2025, the fair value of JADARD TECHNOLOGY INC. with publicly quoted prices attributable to the Group was \$25,119,849 thousand, \$21,222,154 thousand and \$22,263,258 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 and prepayments on construction	Total
Cost:					
Balance at 1 January, 2026	\$ 2,823,789	129,138	14,350	1,723	2,969,000
Additions	106,565	3,528	-	460,125	570,218
Disposal	(10,150)	(1,798)	-	-	(11,948)
Transfer from (to)	-	1,723	-	(1,723)	-
Effect of movements in exchange rates	51,289	1,284	4	(10)	52,567
Balance at June 30, 2026	<u>\$ 2,971,493</u>	<u>133,875</u>	<u>14,354</u>	<u>460,115</u>	<u>3,579,837</u>
Balance at 1 January, 2025	\$ 2,495,401	113,602	16,225	10,154	2,635,382
Additions	118,291	3,821	6,544	-	128,656
Disposal	(33,362)	(2,906)	(55)	-	(36,323)
Transfer from (to)	5,603	4,509	-	(10,154)	(42)
Effect of movements in exchange rates	(98,119)	(2,638)	(538)	-	(101,295)
Balance at June 30, 2025	<u>\$ 2,487,814</u>	<u>116,388</u>	<u>22,176</u>	<u>-</u>	<u>2,626,378</u>
Depreciation and impairments loss:					
Balance at 1 January, 2026	\$ 1,822,893	101,837	6,598	-	1,931,328
Depreciation for the year	206,648	5,994	864	-	213,506
Disposal	(10,150)	(1,795)	-	-	(11,945)
Effect of movements in exchange rates	36,406	1,164	4	-	37,574
Balance at June 30, 2026	<u>\$ 2,055,797</u>	<u>107,200</u>	<u>7,466</u>	<u>-</u>	<u>2,170,463</u>
Balance at 1 January, 2025	\$ 1,459,524	101,736	13,178	-	1,574,438
Depreciation for the year	194,738	4,481	733	-	199,952
Disposal	(24,511)	(2,902)	(58)	-	(27,471)
Effect of movements in exchange rates	(59,990)	(2,380)	(511)	-	(62,881)
Balance at June 30, 2025	<u>\$ 1,569,761</u>	<u>100,935</u>	<u>13,342</u>	<u>-</u>	<u>1,684,038</u>
Carrying amount:					
Balance at June 30, 2026	<u>\$ 915,696</u>	<u>26,675</u>	<u>6,888</u>	<u>460,115</u>	<u>1,409,374</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 June 30, 2025	<u>\$ 918,053</u>	<u>15,453</u>	<u>8,834</u>	<u>-</u>	<u>942,340</u>

As of June 30, 2026, December 31 and June 30, 2025, the Group did not provide any Property, plant and equipment as collateral for its loans.

(Continued)

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

(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	949	-	949
Balance at June 30, 2026	<u><u>\$ 155,488</u></u>	<u><u>8,131</u></u>	<u><u>163,619</u></u>
Balance at 1 January, 2025	\$ 144,720	5,447	150,167
Additions	7,368	2,684	10,052
Decrease	(19,781)	-	(19,781)
Effect of movements in exchange rates	(1,801)	-	(1,801)
Balance at June 30, 2025	<u><u>\$ 130,506</u></u>	<u><u>8,131</u></u>	<u><u>138,637</u></u>
Depreciation:			
Balance at 1 January, 2026	\$ 66,488	3,103	69,591
Depreciation for the year	18,124	1,355	19,479
Effect of movements in exchange rates	758	-	758
Balance at June 30, 2026	<u><u>\$ 85,370</u></u>	<u><u>4,458</u></u>	<u><u>89,828</u></u>
Balance at 1 January, 2025	\$ 48,634	691	49,325
Depreciation for the year	23,932	1,057	24,989
Decrease	(17,369)	-	(17,369)
Effect of movements in exchange rates	(913)	-	(913)
Balance at June 30, 2025	<u><u>\$ 54,284</u></u>	<u><u>1,748</u></u>	<u><u>56,032</u></u>
Carrying amount:			
Balance at June 30, 2026	<u><u>\$ 70,118</u></u>	<u><u>3,673</u></u>	<u><u>73,791</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 June 30, 2025	<u><u>\$ 76,222</u></u>	<u><u>6,383</u></u>	<u><u>82,605</u></u>

(Continued)

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

(l) Intangible assets

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

	<u>Goodwill</u>	<u>Computer software</u>	<u>Patent and Technical Know-how</u>	<u>Total</u>
Cost:				
Balance at 1 January, 2026	\$ 184,972	235,819	62,226	483,017
Additions	-	66,656	16,493	83,149
Disposal	-	(69,202)	(20,519)	(89,721)
Effect of movements in exchange rates	-	2,425	1,129	3,554
Balance at June 30, 2026	<u>\$ 184,972</u>	<u>235,698</u>	<u>59,329</u>	<u>479,999</u>
Balance at 1 January, 2025	\$ 185,097	246,194	121,049	552,340
Additions	-	64,822	3,817	68,639
Disposal	(125)	(83,416)	(51,335)	(134,876)
Effect of movements in exchange rates	-	(5,116)	(3,945)	(9,061)
Balance at June 30, 2025	<u>\$ 184,972</u>	<u>222,484</u>	<u>69,586</u>	<u>477,042</u>
Amortization and impairment losses:				
Balance at 1 January, 2026	\$ 184,972	98,784	38,123	321,879
Amortization for the year	-	95,568	9,605	105,173
Disposal	-	(69,202)	(20,519)	(89,721)
Effect of movements in exchange rates	-	1,270	480	1,750
Balance at June 30, 2026	<u>\$ 184,972</u>	<u>126,420</u>	<u>27,689</u>	<u>339,081</u>
Balance at 1 January, 2025	\$ 183,490	93,834	81,847	359,171
Amortization for the year	-	91,548	13,129	104,677
Disposal	(125)	(83,416)	(51,335)	(134,876)
Impairment loss	1,607	-	-	1,607
Effect of movements in exchange rates	-	(1,246)	(2,856)	(4,102)
Balance at June 30, 2025	<u>\$ 184,972</u>	<u>100,720</u>	<u>40,785</u>	<u>326,477</u>
Carrying amount:				
Balance at June 30, 2026	<u>\$ -</u>	<u>109,278</u>	<u>31,640</u>	<u>140,918</u>
Balance at January 1, 2026	<u>\$ -</u>	<u>137,035</u>	<u>24,103</u>	<u>161,138</u>
Balance at June 30, 2025	<u>\$ -</u>	<u>121,764</u>	<u>28,801</u>	<u>150,565</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 six months ended June 30, 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 June 30, 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 six months ended June 30, 2025, recorded under "Other gains and losses" in the consolidated statements of comprehensive income.

(Continued)

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

The cash-generating unit of the original Hongxin Semiconductor's products was based on the revenue growth rate for the six months ended June 30, 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

	June 30, 2026	December 31, 2025	June 30, 2025
Prepaid Bonus	\$ 320,653	284,234	267,626
Guarantee deposits paid	534,441	528,461	524,820
Others	11,947	45,243	-
	<u>\$ 867,041</u>	<u>857,938</u>	<u>792,446</u>

- (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 \$47,913 thousand, \$45,469 thousand, \$97,839 thousand and \$96,620 thousand for the three months and six months ended June 30, 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 June 30, 2026, December 31 and June 30, 2025, the Group paid the security deposit of \$522,726 thousand, \$516,936 thousand and \$510,068 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 June 30, 2026.

(n) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	\$ 31,808	30,844	35,203
Non-current	\$ 42,297	34,295	47,977

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

(Continued)

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

The amounts recognized in profit or loss was as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest on lease liabilities	\$ <u>422</u>	<u>509</u>	<u>902</u>	<u>1,075</u>
Expenses relating to short-term leases	\$ <u>518</u>	<u>389</u>	<u>1,033</u>	<u>738</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>429</u>	<u>111</u>	<u>937</u>	<u>580</u>

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

	For the six months ended June 30	
	2026	2025
Total cash outflow for leases	\$ <u>23,942</u>	<u>30,423</u>

(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 \$11,149 thousand, \$11,236 thousand, \$22,352 thousand and \$22,410 thousand for the three months and six months ended June 30, 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 \$7,709 thousand, \$6,361 thousand, \$15,090 thousand and \$12,193 thousand were contributed for the three months and six months ended June 30, 2026 and 2025, respectively.

(Continued)

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

(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% ; Fiti USA has an income tax rate of 21% ; fitipower Malaysia has an income tax rate of 24%.

(ii) Income tax expense

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Current tax expense \$	83,885	88,918	144,504	172,724
Deferred tax benefit	(2,555)	(1,464)	(4,439)	(5,222)
Income tax expense \$	<u>81,330</u>	<u>87,454</u>	<u>140,065</u>	<u>167,502</u>

The amount of income tax recognized in other comprehensive income for the three months and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	\$ 16,548	(682)	18,229	(682)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	\$ 12,258	(172,770)	57,020	(144,996)
	<u>\$ 28,806</u>	<u>(173,452)</u>	<u>75,249</u>	<u>(145,678)</u>

(Continued)

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

- (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 2025.

(q) Capital and other equity

(i) Ordinary share

As of June 30, 2026, December 31 and June 30, 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.

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

	For the six months ended June 30	
	2026	2025
Balance on January 1	121,253	121,039
Treasury shares transferred to employees	-	214
Purchase of treasury shares	(1,500)	-
Balance on June 30	119,753	121,253

(ii) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Share capital	\$ 6,102,376	6,102,376	6,102,418
Treasury share transactions	49,074	49,074	49,050
Changes in ownership interests in subsidiaries	2,355,462	2,451,398	2,451,398
Other	450	450	450
	\$ 8,507,362	8,603,298	8,603,316

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.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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.

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.

(Continued)

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

3) Earnings distribution

Earnings distribution for 2025 and 2024 was decided by the resolution adopted, at the general meeting of shareholders held on May 29, 2026 and May 26, 2025, respectively.

The relevant dividend distributions to shareholders were 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>924,497</u>	12.87	<u>1,560,534</u>

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

(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 six months ended June 30			
	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	-	-	(214)	(7,280)
Ending balance	<u>1,500</u>	<u>\$ 220,678</u>	<u>1</u>	<u>27</u>

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 June 30, 2026 and 2025, the amount of shares transferred to employees was 0 thousand and 239 thousand, respectively, and a total of 1,500 thousand shares and 1 thousand shares were not yet transferred or cancelled, respectively.

(Continued)

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

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.

(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	228,078	-	228,078
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	118,370	118,370
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 June 30, 2026	<u>\$ 288,718</u>	<u>10,643</u>	<u>299,361</u>
Balance at January 1, 2025	\$ 121,059	(135,331)	(14,272)
Exchange differences on foreign operation	(579,621)	-	(579,621)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	4,742	4,742
Balance at June 30, 2025	<u>\$ (458,562)</u>	<u>(130,589)</u>	<u>(589,151)</u>

(vi) Non-controlling Interests

	For the six months ended June 30	
	2026	2025
Balance at January 1	\$ 5,025,701	4,503,350
Net profit (loss) attributable to Non controlling interests:		
Profit	284,549	316,805
Exchange differences on translation of foreign financial statements	223,092	(436,422)
Changes in ownership interests in subsidiaries	(67,942)	(20,963)
Share based payment	54,477	34,891
Cash dividends of ordinary share	(97,025)	(58,778)
Changes in non-controlling interests	2,544	12,516
Balance at June 30	<u>\$ 5,425,396</u>	<u>4,351,399</u>

(Continued)

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

(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 six months ended June 30, 2026 and 2025 are as follows:

	For the six months ended June 30			
	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	(935)	8.28-10.98
Forfeited during the year	(137)	-	(187)	-
Outstanding at June 30	<u>2,152</u>		<u>3,213</u>	
Exercisable at June 30	<u>200</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
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 six months ended June 30, 2026 and 2025 are as follows:

	For the six months ended June 30 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 June 30	<u>2,800</u>	
Exercisable at June 30	<u>-</u>	

(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
Notes to the Consolidated Financial Statements

Details on the treasury share transfer plan for the six months ended June 30, 2026 and 2025 are as follows:

	For the six months ended June 30			
	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	-	-	(214)	34.02
Outstanding at June 30	-		-	
Exercisable at June 30	-		-	

(iv) Employees expense

The Group incurred expenses and liabilities of share-based arrangements amounted to \$22,143 thousand, \$55,099 thousand, \$54,477 thousand and \$72,697 thousand for the three months and six months ended June 30, 2026 and 2025, respectively.

(s) Earnings per share

The Company earnings per share for the six months ended June 30, 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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Profit attributable to ordinary shareholders of the Company	\$ <u>384,057</u>	<u>317,175</u>	<u>608,320</u>	<u>711,943</u>
Weighted average number of ordinary shares	<u>119,753</u>	<u>121,254</u>	<u>120,089</u>	<u>121,173</u>
Earnings per share	\$ <u>3.21</u>	<u>2.62</u>	<u>5.07</u>	<u>5.88</u>

(Continued)

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

2) Weighted average number of ordinary shares

	For the six months ended June 30	
	2026	2025
Issued ordinary shares at 1 January	\$ 121,253	121,039
Effect of treasury shares held	(1,164)	134
Weighted average number of ordinary shares at 30 June	<u><u>\$ 120,089</u></u>	<u><u>121,173</u></u>

(ii) Diluted earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Profit attributable to ordinary shareholders of the Company	<u><u>\$ 384,057</u></u>	<u><u>317,175</u></u>	<u><u>608,320</u></u>	<u><u>711,943</u></u>
Weighted average number of ordinary shares	\$ 119,753	121,254	120,089	121,173
Effect of dilutive potential ordinary shares:				
— employee share bonus and treasury shares transferred to employees	<u>357</u>	<u>268</u>	<u>525</u>	<u>449</u>
Weighted average number of ordinary shares (diluted)	<u><u>120,110</u></u>	<u><u>121,522</u></u>	<u><u>120,614</u></u>	<u><u>121,622</u></u>
Diluted earnings per share (NTD)	<u><u>\$ 3.20</u></u>	<u><u>2.61</u></u>	<u><u>5.04</u></u>	<u><u>5.85</u></u>

(t) Revenue from contracts with customers

(i) Details of revenue

The details of revenue were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Sale of goods	\$ 5,385,802	5,076,328	9,883,211	9,737,053
Service revenue	<u>67</u>	<u>57</u>	<u>3,877</u>	<u>594</u>
	<u><u>\$ 5,385,869</u></u>	<u><u>5,076,385</u></u>	<u><u>9,887,088</u></u>	<u><u>9,737,647</u></u>

(Continued)

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

(ii) Disaggregation of revenue

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Primary geographical markets:				
Taiwan	\$ 236,121	367,598	455,200	670,693
Mainland China	3,843,137	3,670,731	7,066,345	7,280,876
Hong Kong	1,303,670	1,031,439	2,361,190	1,774,855
South Korea	400	896	807	1,545
Thailand	-	407	609	638
Other	2,541	5,314	2,937	9,040
	\$ 5,385,869	5,076,385	9,887,088	9,737,647
Major products:				
Display driver IC	\$ 3,401,882	2,870,858	5,834,679	5,567,691
Power management IC	555,328	587,201	1,031,363	1,073,829
Other related semiconductor	1,428,592	1,618,269	3,017,169	3,095,533
Service revenue	67	57	3,877	594
	\$ 5,385,869	5,076,385	9,887,088	9,737,647

(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 six months ended June 30, 2026 and 2025, amounting to \$14,939 thousand and \$28,344 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

According to the Company's Articles of Incorporation, 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.

(Continued)

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

For the three months and six months ended June 30, 2026 and 2025, the Company estimated its directors' remuneration amounting to \$961 thousand, \$1,827 thousand, \$2,177 thousand and \$3,246 thousand respectively; and employee remuneration amounted to \$44,572 thousand, \$25,832 thousand, \$58,966 thousand and \$54,539 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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest income from bank deposits	\$ 33,749	61,229	72,653	116,312
Other interest income	43,244	30,427	81,893	55,812
Total interest income	\$ 76,993	91,656	154,546	172,124

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Government grants	\$ 10,170	18,349	20,298	43,974
Rent income	16	22	39	45
Other	1,794	2,984	6,103	6,798
Total other income	\$ 11,980	21,355	26,440	50,817

(Continued)

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

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Gain (loss) on disposals of property, plant and equipment	\$ -	2	(3)	(8,846)
Foreign exchange losses	(26,430)	(155,020)	(57,591)	(127,331)
Gains on financial assets (liabilities) at fair value through profit	100,536	121,171	124,154	133,106
Impairments loss on non-financial assets	-	-	-	(1,607)
Impairment gain (loss) on financial assets	159	434	(298)	(496)
Other	(461)	239	(522)	239
	\$ 73,804	(33,174)	65,740	(4,935)

(iv) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expense	\$ (1,574)	(2,772)	(1,929)	(4,791)

(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.

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

As of June 30, 2026, December 31 and June 30, 2025, 70%, 65% and 66% 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 six months ended June 30, 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	247	51	298
Effect of movements in exchange rates	7	-	7
Balance at June 30, 2026	<u>\$ 386</u>	<u>187</u>	<u>573</u>
Balance at January 1, 2025	\$ -	-	-
Impairment loss recognized	234	262	496
Effect of movements in exchange rates	(17)	(20)	(37)
Balance at June 30, 2025	<u>\$ 217</u>	<u>242</u>	<u>459</u>

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>
June 30, 2026							
Non derivative financial liabilities							
Notes and accounts payable	\$ 2,722,645	2,722,645	2,722,645	-	-	-	-
Other payables	910,409	910,409	910,409	-	-	-	-
Dividends payable	1,023,343	1,023,343	1,023,343	-	-	-	-
Lease liabilities	74,105	77,026	18,090	15,656	23,409	19,871	-
Deposits Received	516,299	516,299	516,299	-	-	-	-
Subtotal	<u>5,246,801</u>	<u>5,249,722</u>	<u>5,190,786</u>	<u>15,656</u>	<u>23,409</u>	<u>19,871</u>	<u>-</u>
Derivative financial liabilities							
Forward exchange contracts:							
Outflow	9,516	9,516	9,516	-	-	-	-
Subtotal	<u>9,516</u>	<u>9,516</u>	<u>9,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,256,317</u>	<u>5,259,238</u>	<u>5,200,302</u>	<u>15,656</u>	<u>23,409</u>	<u>19,871</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>
June 30, 2025							
Non derivative financial liabilities							
Notes and accounts payable	\$ 1,986,742	1,986,742	1,986,742	-	-	-	-
Other payables	821,909	821,909	821,909	-	-	-	-
Dividends payable	1,560,534	1,560,534	1,560,534	-	-	-	-
Lease liabilities	83,180	86,596	19,451	17,430	27,355	22,360	-
Deposits Received	453,838	453,838	453,838	-	-	-	-
Total	<u>\$ 4,906,203</u>	<u>4,909,619</u>	<u>4,842,474</u>	<u>17,430</u>	<u>27,355</u>	<u>22,360</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.

(Continued)

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	June 30, 2026				December 31, 2025			June 30, 2025		
	Foreign currency	Exchange rate	NTD		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets										
<u>Monetary items</u>										
USD	\$	131,960	31.871	4,205,687	124,819	31.476	3,928,778	170,121	29.328	4,989,253
<u>Non-Monetary items</u>										
USD		5,136	32.00	164,352	5,136	32.00	164,352	5,136	32.000	164,352
Financial liabilities										
<u>Monetary items</u>										
USD		119,516	31.894	3,811,901	83,811	31.408	2,632,314	103,064	29.330	3,022,882

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 June 30, 2026 and 2025 would have decreased (increased) the net profit after tax by \$15,751 thousand and \$78,655 thousand for the six months ended June 30, 2026 and 2025, respectively, with all other variables remaining constant. The analysis is performed on the same basis in 2026 and 2025.

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 \$26,430 thousand, \$155,020 thousand, \$57,591 thousand and \$127,331 thousand for the three months and six months ended June 30, 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 \$9,419 thousand, \$6,164 thousand, \$18,363 thousand and \$10,977 thousand for the three months and six months ended June 30, 2026 and 2025, respectively.

(Continued)

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

(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:

Prices of securities at the reporting date	For the six months ended June 30			
	2026		2025	
	Other comprehensive income after tax		Other comprehensive income after tax	
		Net income		Net income
Increasing 5%	\$ 16,639	367,031	6,757	345,298
Decreasing 5%	\$ (16,639)	(367,031)	(6,757)	(345,298)

(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:

	Book Value	June 30, 2026			
		Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Domestic open-ended funds	\$ 4,744,176	4,744,176	-	-	4,744,176
Foreign open-ended funds	2,045,368	2,045,368	-	-	2,045,368
Credit linked notes-linked with convertible bonds	1,111,372	-	-	1,111,372	1,111,372
Fixed and floating rate coupon note	472,385	-	472,385	-	472,385
Private fund	1,274,851	-	938,502	336,349	1,274,851
Subtotal	9,648,152	6,789,544	1,410,887	1,447,721	9,648,152
Financial assets at fair value through other comprehensive income					
Shares in domestic listed entities	162,060	162,060	-	-	162,060
Shares in foreign non-public entities	253,903	-	-	253,903	253,903
Foreign bonds	1,137,028	-	1,137,028	-	1,137,028
Subtotal	1,552,991	162,060	1,137,028	253,903	1,552,991
Financial assets measured at amortized cost					
Structured investment	47,543	-	47,543	-	47,543
Domestic bonds	50,000	-	50,000	-	50,000
Foreign bonds	985,543	-	985,543	-	985,543
Subtotal	1,083,086	-	1,083,086	-	1,083,086
Total	\$ 12,284,229	6,951,604	3,631,001	1,701,624	12,284,229

(Continued)

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

		June 30, 2026			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss- Current	\$ 9,516	-	9,516	-	9,516
December 31, 2025					
	Book Value	Level 1	Level 2	Level 3	Total
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	204,536	-	-	204,536	204,536
Subtotal	6,887,764	5,756,137	-	1,131,627	6,887,764
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	1,150,040	-	1,150,040	-	1,150,040
Subtotal	1,427,524	114,727	1,150,040	162,757	1,427,524
Financial assets measured at amortized cost					
Foreign bonds	787,577	-	787,577	-	787,577
Total	\$ 9,102,865	5,870,864	1,937,617	1,294,384	9,102,865
Financial liabilities at fair value through profit or loss- Current	\$ 8,549	-	8,549	-	8,549
June 30, 2025					
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Domestic open-ended funds	\$ 6,928,044	6,928,044	-	-	6,928,044
Foreign open-ended funds	244,123	244,123	-	-	244,123
Currency swaps	7,888	-	7,888	-	7,888
Forward exchange contracts	4,545	-	4,545	-	4,545
Credit linked notes-linked with convertible bonds	1,076,161	-	-	1,076,161	1,076,161
Private fund	135,526	-	-	135,526	135,526
Fixed and floating rate coupon note	248,600	-	248,600	-	248,600
Subtotal	8,644,887	7,172,167	261,033	1,211,687	8,644,887
Financial assets at fair value through other comprehensive income					
Shares in domestic listed entities	7,980	7,980	-	-	7,980
Shares in foreign non-public entities	160,943	-	-	160,942	160,942
Foreign bonds	1,048,566	-	1,048,567	-	1,048,567
Subtotal	1,217,489	7,980	1,048,567	160,942	1,217,489

(Continued)

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

	June 30, 2025				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Foreign bonds	613,834	-	613,834	-	613,834
Total	<u>\$ 10,476,210</u>	<u>7,180,147</u>	<u>1,923,434</u>	<u>1,372,629</u>	<u>10,476,210</u>

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.

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.

(Continued)

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

(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	80,694	-	80,694
In other comprehensive income	-	91,146	91,146
Purchased	549,500	-	549,500
Disposal	(314,100)	-	(314,100)
Balance at June 30, 2026	<u>\$ 1,447,721</u>	<u>253,903</u>	<u>1,701,624</u>
Balance at January 1, 2025	\$ 668,163	155,324	823,487
Total gains and losses recognized:			
In gains	(6,776)	-	(6,776)
In other comprehensive income	-	5,618	5,618
Purchased	637,000	-	637,000
Disposal	(86,700)	-	(86,700)
Balance at June 30, 2025	<u>\$ 1,211,687</u>	<u>160,942</u>	<u>1,372,629</u>

(Continued)

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

For the three months and six months ended June 30, 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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
In Gains (losses), and presented in “other gains and losses”	\$ 64,989	(7,103)	80,694	(6,776)
In other comprehensive income, and presented in “unrealized gains (losses) on financial assets at fair value through other comprehensive income”	82,742	9,811	91,146	5,618

- 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.

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).

(Continued)

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

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity investments without an active market	Market Comparison Method	Liquidity discount (June 30, 2026, December 31, 2025 and June 30, 2025: 19%, 19% 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 June 30, 2026				
Financial assets at fair value through profit or loss				
Private fund	Net Asset Value Method	1%	3,364	(3,364)
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount	1%	2,539	(2,539)
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 June 30, 2025				
Financial assets at fair value through profit or loss				
Private fund	Net Asset Value Method	1%	1,355	(1,355)
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount	1%	1,609	(1,609)

(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 June 30, 2026, December 31 and June 30, 2025, the Group's unused credit line were amounted to \$9,299,617 thousand, \$11,704,800 thousand and \$8,221,650 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 six months ended June 30, 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:

			<u>Non-cash changes</u>		
			<u>Foreign exchange movement</u>	<u>Other</u>	
	<u>January 1, 2026</u>	<u>Cash flows</u>			<u>June 30, 2026</u>
Lease liabilities	\$ 65,139	(21,070)	166	29,870	74,105
Guarantee deposits received	496,510	187	19,602	-	516,299
Total liabilities from financing activities	<u>\$ 561,649</u>	<u>(20,883)</u>	<u>19,768</u>	<u>29,870</u>	<u>590,404</u>
			<u>Non-cash changes</u>		
			<u>Foreign exchange movement</u>	<u>Other</u>	
	<u>January 1, 2025</u>	<u>Cash flows</u>			<u>June 30, 2025</u>
Lease liabilities	\$ 102,170	(26,554)	(1,150)	8,714	83,180
Guarantee deposits received	498,357	(1,481)	(43,038)	-	453,838
Total liabilities from financing activities	<u>\$ 600,527</u>	<u>(28,035)</u>	<u>(44,188)</u>	<u>8,714</u>	<u>537,018</u>

(Continued)

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.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Fitipower Environmental Sustainability Foundation (Fitipower Foundation)	Other related parties
Key management personnel	All directors, president and vice president of the Group's key management personnel

(b) Significant transactions with related parties

Donation expenses

For the three months and six months ended June 30, 2026 and 2025, the Group donated \$500 thousand, \$0 thousand, \$500 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:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Short-term employee benefits	\$ 17,367	21,770	33,643	41,551
Post-employment benefits	<u>54</u>	<u>54</u>	<u>108</u>	<u>108</u>
	<u><u>\$ 17,421</u></u>	<u><u>21,824</u></u>	<u><u>33,751</u></u>	<u><u>41,659</u></u>

(8) Pledged assets:None

(Continued)

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

(9) Commitments and contingencies

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

- (a) As of June 30, 2026, December 31 and June 30, 2025, the refundable notes payable for short-term borrowings amounted to \$4,003,200 thousand, \$3,984,500 thousand and \$3,895,250 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.

(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 June 30					
		2026			2025		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salary		15,695	541,732	557,427	18,644	560,038	578,682
Labor and health insurance		896	22,207	23,103	864	20,871	21,735
Pension		661	18,197	18,858	629	16,968	17,597
Remuneration of directors		-	1,711	1,711	-	2,577	2,577
Others		685	16,401	17,086	799	20,070	20,869
Depreciation		12,378	104,048	116,426	17,236	93,337	110,573
Amortization		-	52,921	52,921	-	49,769	49,769

(Continued)

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

	By function	For the six months ended June 30					
		2026			2025		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
By item							
Employee benefits							
Salary		32,261	1,095,576	1,127,837	34,263	1,051,808	1,086,071
Labor and health insurance		1,833	44,586	46,419	1,722	41,865	43,587
Pension		1,314	36,128	37,442	1,259	33,344	34,603
Remuneration of directors		-	3,677	3,677	-	4,746	4,746
Others		1,577	36,255	37,832	1,382	34,230	35,612
Depreciation		24,408	208,577	232,985	35,328	189,613	224,941
Amortization		-	105,173	105,173	-	104,677	104,677

(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.

(Continued)

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	4,705,606	937,800	937,800	-	-	5.43 %	7,058,410	Y	N	Y
1	JADARD TECHNOLOGY INC.	Jadard Technology Limited	2	4,705,606	937,800	937,800	-	-	5.43 %	7,058,410	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 June 30, 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	1,745,966	- %	1,745,966	
The Company	UPAMC James Bond II Money Market Fund	-	Current financial assets at fair value through profit or loss	51,295	515,527	- %	515,527	
The Company	Fubon Money Market Fund	-	Current financial assets at fair value through profit or loss	51,222	810,772	- %	810,772	
The Company	UPAMC James Bond Money Market Fund	-	Current financial assets at fair value through profit or loss	69,696	1,240,242	- %	1,240,242	
Jadeite Investment Co., Ltd.	Taishin 1669 Money Market Fund	-	Current financial assets at fair value through profit or loss	25,690	372,011	- %	372,011	
Jadeite Investment Co., Ltd.	CDIB-Innolux FundIII	-	Non current financial assets at fair value through profit or loss	-	336,349	- %	336,349	
JADARD TECHNOLOGY INC.	Shenwan Hongyuan Long Ding 2796 Floating rate coupon note		Current financial assets at fair value through profit or loss	-	472,385	- %	472,385	

(Continued)

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.	Huaxi Securities Huacai Zhuanxiang Tianying No. 1 Single Asset Management Plan		Non current financial assets at fair value through profit or loss	-	938,502	- %	938,502	
JADARD TECHNOLOGY INC.	China CICC Wealth Securities Anxiang No. 1034 Fixed Coupon Note		Current financial assets measured at amortized cost	-	468,900	- %	468,900	

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:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
JADARD TECHNOLOGY INC.	Jadard Technology Limited	Associates	Sales	109,168	1.10 %	O/A 120 days	-	-	78,814	2.60%	
JADARD TECHNOLOGY INC.	Jadard Technology Limited Taiwan Branch	Associates	Sales	204,786	2.07 %	O/A 120 days	-	-	187,856	6.20%	

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

- (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 Taiwan Branch	Associates	187,856	4.36	-	-	54,982	-
Jadard Technology Limited	JADARD TECHNOLOGY INC.	Associates	181,923	0.16	-	-	-	-

Note 1: The amounts received from related parties as of July 25, 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	109,168	O/A 120 days	1.10%
1	JADARD TECHNOLOGY INC.	Jadard Technology Limited Taiwan Branch	3	Sales	204,786	O/A 120 days	2.07%
2	Jadard Technology Limited	JADARD TECHNOLOGY INC.	3	Other Sales	179,050	O/A 120 days	1.81%

Note 1: Numbers are filled in as follows:

1. "0" represents the parent entity.

2. Subsidiaries are sequentially numbered starting from "1".

(Continued)

FITIPOWER INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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.

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 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 June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 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 %	8,708,086	401,976	401,976	note 1
Trade Logic Limited	Ever Harvest Limited	Samoa	Investment	302,296	302,296	10,000	100.00 %	6,408,457	347,634	347,634	note 1
JADARD TECHNOLOGY INC.	Jadard Technology Limited	Hong Kong	General trade	270,264	270,264	9,200	100.00 %	456,952	(67,695)	(67,695)	note 1
The Company	Jadeite Investment Co., Ltd.	Tainan, Taiwan	Investment	1,000,000	1,000,000	100,000	100.00 %	1,091,876	87,509	87,509	note 1
The Company	Fiti Technologies USA Inc.	USA	Technical services	15,965	-	-	100.00 %	14,682	(1,219)	(1,219)	note 1
The Company	fitipower Malaysia Sdn.Bhd.	Malaysia	IC design	5,721	-	-	60.00 %	3,786	(2,537)	(1,522)	note 1
Jadard Technology Limited	fitipower Malaysia Sdn.Bhd.	Malaysia	IC design	3,833	-	-	40.00 %	2,632	(2,537)	(1,015)	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 June 30, 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	634,109	55.25%	349,601	6,338,512	127,631 (note 6)
Hefei Jadard Technology Co., Ltd.	Supply chain management	224,523 (note 4)	(2)	-	-	-	-	(14,501)	55.25%	(8,012)	294,607	-
Shenzhen Fitipower Microelectronics Technology Inc.	General Trading	156,815 (note 5)	(3)	102,891	53,924	-	156,815	(5,865)	100.00%	(5,865)	64,071	-

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 USD5,000 thousand, which was translated into NT156,815 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.

(Continued)

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 June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
459,111	466,546	10,363,173

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.