Princeton Technology Corp.
and Subsidiaries
Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025
Together with Independent Auditors' Review Report

<u>English Translation of Financial Statements Originally Issued in Chinese</u>

Independent Auditors' Review Report

The Board of Directors and Stockholders
Princeton Technology Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Princeton Technology Corp. and subsidiaries (the Company) as of March 31, 2026 and 2025, and the consolidated statements of comprehensive income, consolidated changes in equity and cash flows for the three month ended and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statement"). 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 Standards 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 Statement on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters the might be identified in an audit. Accordingly, we do not express such an audit opinion.

Conclusion

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

<u>WU MENG TA</u>
<u>PAN JIN SHU</u>
Crowe (TW) CPAs
May 6, 2026

<u>Notice to Readers</u>

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

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Princeton Technology Corp. and Subsidiaries

Consolidated Balance Sheets

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

(Expressed in Thousand New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
Assets	Note	Amount	%	Amount	%	Amount	%
Current assets							
Cash and cash equivalents	Note 6	$ 344,509	15	$ 318,059	15	$ 407,272	18
Financial assets at fair value through profit or loss	Note 7	80,295	3	121,201	6	76,285	3
Financial assets at amortized cost	Note 9	108,177	5	53,660	2	45,489	2
Notes receivable, net	Note 10	3,958	-	2,044	-	6,983	-
Accounts receivable, net	Note 10	309,937	14	269,888	13	220,780	10
Other receivables	Notes 10&32	8,342	-	8,398	-	5,146	-
Current tax assets	Note 28	341	-	341	-	-	-
Inventories, net	Note 11	414,854	18	391,761	18	483,648	22
Prepayments		33,414	2	13,497	1	19,758	1
Other financial assets	Notes 6&33	27,403	1	27,414	1	27,060	1
Total current assets		1,331,230	58	1,206,263	56	1,292,421	57
Non-current assets							
Financial assets at fair value through profit or loss	Note 7	91,643	4	67,732	3	60,300	3
Financial assets at fair value through other comprehensive income	Note 8	50,716	2	50,158	2	53,233	2
Investments accounted for under the equity method	Note 12	38,128	2	41,183	2	44,766	2
Property, plant and equipment	Notes 13&33	443,689	20	448,363	21	454,318	21
Right-of-use assets	Note 14	3,989	-	3,943	-	4,245	-
Investment property	Notes 15&33	267,217	12	263,970	13	283,590	13
Intangible assets	Note 16	4,196	-	4,069	-	4,145	-
Deferred tax assets	Note 28	9,413	-	9,006	-	12,722	-
Net defined benefit assets	Note 20	9,394	-	8,951	-	-	-
Other noncurrent assets	Notes 17&34	49,918	2	65,399	3	47,078	2
Total non-current assets		968,303	42	962,774	44	964,397	43
Total assets		$ 2,299,533	100	$ 2,169,037	100	$ 2,256,818	100
Liabilities and stockholders' equity							
Current liabilities							
Short-term loans	Notes 18&33	$ 292,066	13	$ 149,433	7	$ 54,586	2
Contract liability	Note 23	7,358	-	6,841	-	4,601	-
Accounts payable		120,565	5	114,954	5	79,176	4
Other payables	Note 19	134,402	6	142,205	7	88,429	4
Current tax liabilities	Note 28	312	-	-	-	89	-
Other current liabilities		415	-	589	-	496	-
Total current liabilities		555,118	24	414,022	19	227,377	10
Non-current liabilities							
Deferred tax liability	Note 28	20,471	1	14,653	1	20,058	1
Net defined benefit liability	Note 20	-	-	-	-	2,341	-
Refundable deposits	Note 21	25,870	1	26,103	1	38,509	2
Total non-current liabilities		46,341	2	40,756	2	60,908	3
Total liabilities		601,459	26	454,778	21	288,285	13
Equity attributable to the parent company							
Capital	Note 22	1,809,437	79	1,809,437	84	1,809,437	80
Additional paid-in capital	Note 22	73,967	3	73,923	3	73,923	3
Retained earnings	Note 22						
Legal reserve		118,086	5	118,086	6	118,086	5
Special capital reserve		5,957	-	5,957	-	45,891	2
Accumlated losses		(358,138)	(15)	(327,739)	(15)	(259,302)	(11)
Total retained earnings		(234,095)	(10)	(203,696)	(9)	(95,325)	(4)
Other components of equity	Note 22	2,421	-	(18,606)	(1)	9,562	-
Total equity attributable to the parent		1,651,730	72	1,661,058	77	1,797,597	79
Non-controlling interests	Note 22	46,344	2	53,201	2	170,936	8
Total equity		1,698,074	74	1,714,259	79	1,968,533	87
Total liabilities and equity		$ 2,299,533	100	$ 2,169,037	100	$ 2,256,818	100

The accompanying notes are integral part of consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Princeton Technology Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 & 2025

(Expressed in Thousand New Taiwan Dollars, Except for Earnings Per Share Amounts)

		2026.01.01~2026.03.31		2025.01.01~2025.03.31	
	Note	Amount	%	Amount	%
Net sales	Notes 23&32	$ 332,276	100	$ 206,263	100
Cost of goods sold	Notes 11.20&24	(220,259)	(66)	(140,995)	(68)
Gross profit		112,017	34	65,268	32
Operating expenses	Notes 20.24&32				
Marketing		(13,377)	(4)	(13,405)	(7)
General and administrative		(48,816)	(15)	(49,026)	(24)
Research and development		(101,200)	(30)	(94,846)	(46)
Total operating expenses		(163,393)	(49)	(157,277)	(77)
Operating loss		(51,376)	(15)	(92,009)	(45)
Non-operating income and expenses					
Interest income	Note 25	916	-	903	-
Other gain and loss	Notes 26&32	25,772	7	11,418	6
Finance costs	Note 27	(1,032)	-	(416)	-
Share of loss of associates and joint ventures	Note 12	(3,134)	(1)	(2,861)	(1)
Subtotal		22,522	6	9,044	5
Loss from continuing operations before income tax		(28,854)	(9)	(82,965)	(40)
Income tax expense	Note 28	(569)	-	(28)	-
Net loss		(29,423)	(9)	(82,993)	(40)
Other comprehensive income and loss					
Items that will not be reclassified subsequently to profit or loss:					
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	Note 22	(272)	-	1,267	-
Income tax expense related to items that will not be reclassified subsequently to profit or loss	Note 28	-	-	-	-
Subtotal		(272)	-	1,267	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	Note 22	27,432	9	19,950	10
Share of other comprehensive income of subsidiaries and associates	Note 22	35	-	87	-
Income tax expense related to items that may be reclassified subsequently to profit or loss	Notes 22&28	(5,316)	(2)	(3,541)	(2)
Subtotal		22,151	7	16,496	8
Total other comprehensive income, net of tax		21,879	7	17,763	8
Total comprehensive income		$ (7,544)	(2)	$ (65,230)	(32)
Net (loss) income attributable to:					
Stockholders of the parent		(30,399)	(9)	$ (84,881)	(41)
Non-controlling interests		976	-	1,888	1
		$ (29,423)	(9)	$ (82,993)	(40)
Comprehensive income attributable to:					
Stockholders of the parent		$ (9,372)	(2)	$ (69,362)	(34)
Non-controlling interests		1,828	-	4,132	2
		$ (7,544)	(2)	$ (65,230)	(32)
Earnings per share	Note 29				
Earnings per share-basic		$ (0.17)		$ (0.47)	
Diluted earnings per share		$ (0.17)		$ (0.47)	

The accompanying notes are integral part of consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Princeton Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2026 & 2025

(Expressed in Thousand New Taiwan Dollars)

	Equity attributable to the parent												
		Additional pain-in capital				Retained earnings			Other components of equity				
	Common Stock	Premiums	Recognize changes in subsidiaries' ownership	Share of changes in equities of associates and joint venture	Employee stock options	Legal reserve	Special reserve	Accumulated losses	Exchange differences arising on translation of foreign operations	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	Total equity attributable to the parent	Non-controlling interests	Total Equity
Balance as of January 1, 2025	$ 1,809,437	$ 1,102	$ 39	$ 68,190	$ 4,592	$ 118,086	45,891	$ (174,421)	$ 33,755	$ (39,712)	$ 1,866,959	$ 190,581	$ 2,057,540
Net (loss) income for the three months ended March 31, 2025	-	-	-	-	-	-	-	(84,881)	-	-	(84,881)	1,888	(82,993)
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	-	-	14,252	1,267	15,519	2,244	17,763
Total comprehensive income	-	-	-	-	-	-	-	(84,881)	14,252	1,267	(69,362)	4,132	(65,230)
Cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(23,777)	(23,777)
Balance as of March 31, 2025	$ 1,809,437	$ 1,102	$ 39	$ 68,190	$ 4,592	$ 118,086	$ 45,891	$ (259,302)	$ 48,007	$ (38,445)	$ 1,797,597	$ 170,936	$ 1,968,533
Balance as of January 1, 2026	$ 1,809,437	$ 1,102	$ 39	$ 68,190	$ 4,592	$ 118,086	5,957	$ (327,739)	$ 18,964	$ (37,570)	$ 1,661,058	$ 53,201	$ 1,714,259
Adjustments to share of changes in equities of associates and join venture	-	-	-	44	-	-	-	-	-	-	44	-	44
Net (loss) income for the three months ended March 31, 2026	-	-	-	-	-	-	-	(30,399)	-	-	(30,399)	976	(29,423)
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	-	-	21,299	(272)	21,027	852	21,879
Total comprehensive income	-	-	-	-	-	-	-	(30,399)	21,299	(272)	(9,372)	1,828	(7,544)
Cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(8,685)	(8,685)
Balance as of March 31, 2026	$ 1,809,437	$ 1,102	$ 39	$ 68,234	$ 4,592	$ 118,086	$ 5,957	$ (358,138)	$ 40,263	$ (37,842)	$ 1,651,730	$ 46,344	$ 1,698,074

The accompanying notes are integral part of financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Princeton Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 & 2025

(Expressed in Thousand New Taiwan Dollars)

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Cash flows from operating activities:		
Net loss before tax	$ (28,854)	$ (82,965)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	18,635	14,096
Amortization expense	6	7
Net (income) loss of financial assets at fair value through profit or loss	(8,723)	2,367
Finance costs	1,032	416
Interest income	(916)	(903)
Dividend income	(1,675)	-
Share of loss of associates and joint ventures	3,134	2,861
Gain on disposal of property, plant and equipment, net	-	(132)
Changes in operating assets and liabilities:		
Decrease (increase) in：		
Mandatorily classified FVTPL	44,265	25,520
Notes receivable	(1,914)	(4,879)
Accounts receivable	(40,049)	60,080
Other receivables	522	(1,183)
Inventories	(23,093)	(7,871)
Prepayments	(19,917)	(3,930)
Other financial asset	11	(6)
Net defined benefit assets	(443)	-
Increase (decrease) in：		
Contract liability	517	(280)
Accounts payable	5,611	(16,284)
Other payables	(8,942)	(1,189)
Other current liabilities	(174)	(320)
Net defined benefit liabilities	-	(494)
Cash used in operations	(60,967)	(15,089)
Interest received	450	932
Interest paid	(912)	(411)
Income tax paid	-	-
Net cash used in operating activities	(61,429)	(14,568)

（Continued）

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Cash flows from investing activities:		
Acquisition of Financial assets at amortized cost	(54,517)	(969)
Acquisition of financial assets at fair value through profit or loss	(16,440)	(17,500)
Acquisition of property, plant and equipment	(8,549)	(11,171)
Proceeds from disposal of property, plant and equipment	-	132
Acquisition of intangible assets	(14)	(14)
Decrease in other noncurrent assets	16,614	16,946
Dividend received	1,675	-
Net cash used in investing activities	(61,231)	(12,576)
Cash flows from financing activities		
Increase in long-term loans	140,000	-
Increase in guarantee deposits received	-	489
Decrease in guarantee deposits received	(233)	-
Decrease in non-controlling interests	(7,833)	(21,533)
Net cash provided by (used in) financing activities	131,934	(21,044)
Effect of exchange rate changes on cash and cash equivalents	17,176	10,447
Net increase (decrease) in cash and cash equivalents	26,450	(37,741)
Cash and cash equivalents at beginning of period	318,059	445,013
Cash and cash equivalents at end of period	$ 344,509	$ 407,272

(Concluded)

The accompanying notes are integral part of consolidated financial statements.

English Translation of Financial Statements Originally Issued in Chinese

Princeton Technology Corp. and Subsidiaries

Notes to Consolidated Financial Statements

For the three months ended March 31, 2026 & 2025

(Expressed in Thousand New Taiwan Dollars, unless otherwise specified)

1. Company establishment

Princeton Technology Corp. (PTC) was established in May 1986. It specializes in the development, design, testing and sales of high quality, high value-added consumer integrated circuits (ICs). PTC's common shares were publicly listed on the Gre Tai Securities Market (GTSM) in December, 2001.

2. Date and procedures of authorization of financial statements for issue

The financial statements were reported to the Board of Directors and issued on May 6, 2026.

3. Newly issued or revised standards and interpretations

a. Initial application of the amendments to the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

New standards, interpretations and amendments as endorsed by FSC effective from 2026 are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 —Comparative Information"	January 1, 2023
Annual Improvements to IFRS Accounting Standards－Volume 11	January 1, 2026

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"— the amendments are described as follows:

- The amendments clarify and add further guidance on assessing whether financial assets meet the solely payments of principal and interest (SPPI) criteria, including the scope of contract terms that modify cash flows based on contingent events (e.g., interest rates linked to environmental, social, and governance (ESG) goals), instruments with nonrecourse features, and contract-linked instruments.
- The amendments add that instruments with contract terms that can change cash flows (e.g., some instruments with features related to ESG goals) should disclose qualitative descriptions of the contingent nature of such terms; quantitative information about the range of possible changes in contractual cash flows resulting from such terms; and the gross carrying amount of financial assets and the amortized cost of financial liabilities under such terms.
- The amendments clarify the dates of recognition and derecognition of certain financial assets and liabilities, adding that when using an electronic payment system to settle a financial liability (or part of a financial liability) in cash, an entity is permitted to consider the liability as discharged before the settlement date only when the entity has initiated a payment instruction that results in the following circumstances:

(a)The entity does not have the ability to revoke, stop, or cancel the payment instruction.

(b)The entity, as a result of the payment instruction, does not have the practical ability to access the cash that will be used for settlement.

(c)The settlement risk associated with the electronic payment system is not significant.

●The amendments update that equity instruments designated at fair value through other comprehensive income (FVTOCI) by an irrevocable choice should disclose their fair value by category, rather than by each individual asset. Additionally, they should disclose the fair value gains and losses recognized in other comprehensive income during the reporting period, separately showing the fair value gains and losses related to investments derecognized during the reporting period, and the fair value gains and losses related to investments still held at the end of the reporting period. They should also disclose the cumulative gains and losses transferred to equity from derecognized investments during the reporting period.

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company accounting policies.

b.Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted: None.

c.The IFRSs issued by IASB but not yet endorsed and issued into effect by FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027(Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency	January 1, 2027

Note: In its press release on September 25, 2025, the Financial Supervisory Commission announced that publicly listed companies will be required to apply IFRS 18 starting in 2028; additionally, if companies wish to apply IFRS 18 early, they may choose to do so after IFRS 18 has been approved by FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements”

●IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1, updates the structure of the statement of comprehensive income, introduces disclosures for management performance measures, and enhances the principles of aggregation and disaggregation applied in the primary financial statements and notes.

As of the date the accompanying consolidated financial statements were issued, the Company continue to evaluate the impact of the above amended standards and interpretations on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

4.Summary of significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2025. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of Compliance

The accompany consolidated financial statements have been prepared in conformity with the Requlations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed and issued into effect the FSC.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

Basis of Consolidation

a.The basis for the consolidated financial statements

The consolidated financial statements incorporate the financial statements of PTC and entities controlled by PTC (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the Company should recognize any resulting differences between (1) the fair value of the consideration received, from the transaction, event or circumstances that resulted in the loss of control; and any investment retained in the former subsidiary at its fair value at the date when control is lost, and (2) the assets (including any goodwill), liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost.

If the Company loses control of a subsidiary, the Company shall account for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the cost on initial recognition of an investment in an associate.

b.The subsidiaries in the consolidated financial statements

The detail information of the subsidiaries at the end of reporting period was as follows:

			Percentage of Ownership		
Name of Investor	Name of Investee	Main Businesses and Products	March 31, 2026	December 31, 2025	March 31, 2025
Princeton Technology Corp.	PRINCETON SILICON LIMITED (PRINCETON SILICON)	Holding company	100.00%	100.00%	100.00%
Princeton Technology Corp.	Princeton Capital Corp. (Princeton Capital)	Investment holding	100.00%	100.00%	100.00%
PRINCETON SILICON	Princeton Technology (Shenzhen) Ltd. (Princeton Technology (Shenzhen)	IC sales, design & marketing and software research; the research and development of separators for lithium-ion batteries; communications equipment technical consulting and after-sale service	100.00%	100.00%	100.00%
PRINCETON SILICON	Princeton Technology (Chengdu) Corp. (Princeton Technology (Chengdu))	IC design and software research, technology transfer, technical consulting, after-sales service; modular design of electronic systems, development and sale; IC sale, import and export, communications equipment research, sales, import and export, technical consulting, after-sale service; lithium-ion batteries research, sales, import and export; own house rental	100.00%	100.00%	100.00%
Princeton Technology (Shenzhen)	Chengdu Chip-Rail Microelectronics Co., Ltd. (Chengdu Chip-Rail)(Note1)	Computer systems development, IC design, computer hardware and software design and technical services	85.00%	85.00%	51.00%

Note:1. The Company acquired 34% equity of Chengdu Chip-Rail from non-controlling interests in June 2025. The Company's equity interest increased from 51% to 85%. Refer to Note 30.

c.Unconsolidated subsidiaries: None.

d.Non-wholly owned subsidiaries that have noncontrolling material interests:

The information on non-controlling interest and respective subsidiaries are as follows:

		Percentage of Ownership of Non-controlling Interest		
Name of subsidiary	Principal place of business	March 31, 2026	December 31, 2025	March 31, 2025
Chengdu Chip-Rail	China	15.00%	15.00%	49.00%

	Profit or Loss Distribute to Non-controlling Interest	
Name of subsidiary	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Chengdu Chip-Rail	$ 976	$ 1,888

	Non-controlling Interest		
Name of subsidiary	March 31, 2026	December 31, 2025	March 31, 2025
Chengdu Chip-Rail	$ 46,344	$ 53,201	$ 170,936

The summary financial information (including the intra-company transactions) of subsidiaries are as follows：

Balance sheets

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 423,373	$ 398,996	$ 435,047
Non-current assets	8,039	7,644	8,769
Current liabilities	(122,455)	(51,964)	(94,966)
Non-current liabilities	—	—	—
Equity	$ 308,957	$ 354,676	$ 348,850
Equity attributable to :			
Stockholders of the parent	$ 262,613	$ 301,475	$ 177,914
Non-controlling interests	46,344	53,201	170,936
	$ 308,957	$ 354,676	$ 348,850

Statements of comprehensive incomes

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Net sales	$ 106,419	$ 76,159
Net profit for the period	$ 6,504	$ 3,853
Other comprehensive income	5,679	4,580
Total comprehensive income	$ 12,183	$ 8,433
Net profit attributable to :		
Stockholders of the parent	$ 5,528	$ 1,965
Non-controlling interests	976	1,888
	$ 6,504	$ 3,853
Comprehensive income attributable to:		
Stockholders of the parent	$ 10,355	$ 4,301
Non-controlling interests	1,828	4,132
	$ 12,183	$ 8,433
Dividends paid to non-controlling interests	$ 8,685	$ 23,777

Statements of cash flows

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Net cash provided by operating activities	$ 40,051	$ 99,986
Net cash used in investing activities	(377)	(45,107)
Net cash used in financing activities	(57,903)	(45,042)
Net (decrease) increase in cash and cash equivalents	$ (18,229)	$ 9,837

e.Adjustments for subsidiaries with different balance sheet dates: None.

f.Issuance of securities held by a subsidiary of the parent content: None.

g.Significant restrictions: None.

Retirement Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations, significant plan amendments, settlements, or other significant one-off events occurred for the period.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income tax rate that would be applicable to expected total annual earnings.

5.Critical accounting judgments and key sources of estimation and uncertainty

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2025.

6.Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 476	$ 473	$ 527
Checking and savings accounts	258,872	214,738	384,001
Time deposits	85,161	102,848	22,744
	$ 344,509	$ 318,059	$ 407,272

As of March 31, 2026, December 31, 2025 and March 31, 2025, the pledged certificates of bank deposits have been reclassified to other financial assets. Refer to Note 33.

7.Financial assets at FVTPL

a.The details of financial assets at FVTPL are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at FVTPL - current			
Mandatorily classified financial assets as at FVTPL			
Wealth management products	$ 73,690	$ 71,583	$ 22,750
Mutual funds	6,605	49,618	52,861
Listed stocks	—	—	674
	$ 80,295	$ 121,201	$ 76,285
Financial assets at FVTPL – non- current			
Mandatorily classified financial assets as at FVTPL			
Limited partnership	$ 91,643	$ 67,732	$ 60,300

b.The above financial assets at FVTPL were all not pledged.

8. Financial assets at FVTOCI

a.The details of financial assets at FVTOCI are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Finanical assets at FVTOCI – non- current			
Investment in equity instruments			
Foreign unlisted equity investment	$ 46,959	$ 46,129	$ 47,743
Non-publicly traded stocks	3,757	4,029	5,490
	$ 50,716	$ 50,158	$ 53,233

b.These investments in equity instruments are not held for trading; instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Companys' strategy of holding these investments for long-term purposes.

c.On May, 2025, the shareholder's meeting of Innorich Venture Capital Corp., the investee of the Company, resolved to reduce the capital and refund shares in cash. The Company received the refund of share capital in November 2025.

d.The above financial assets at FVTOCI were all not pledged.

9.Financial assets at amortized cost, current

a.The details of financial assets at amortized cost, current are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with original maturity of more than 3 months	$ 108,177	$ 53,660	$ 45,489
Interest rate	1.30%～1.50%	1.30%	1.45%

b.The above financial assets at amortized cost, current were all not pledged.

10.Notes and accounts receivable,net and other receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
Notes receivable-operating activities	$ 3,958	$ 2,044	$ 6,983
Notes receivable-non operating activities	—	—	—
Less:allowance for doubtful accounts	—	—	—
	$ 3,958	$ 2,044	$ 6,983
Accounts receivable			
Accounts receivable	$ 319,784	$ 279,512	$ 232,648
Less:allowance for doubtful accounts	(9,847)	(9,624)	(11,868)
	$ 309,937	$ 269,888	$ 220,780
Other receivables			
Tax refund receivable	$ 8,342	$ 8,398	$ 5,146
Less:allowance for doubtful accounts	—	—	—
	$ 8,342	$ 8,398	$ 5,146

a.The Company applies the simplified approach to provisions for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected credit losses provision for all trade receivables. The expected credit losses on receivables are estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customers' current financial positions, as well as the forward-looking indicators such as macroeconomic business indicator. The Company estimates expected credit losses based on the number of days for which receivables are past due. As the Company's historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status is not further distinguished according to the Company's different customer base.

b.The following table details the loss allowance of accounts receivable and other receivables.

	March 31, 2026					
	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	$ 318,279	$ —	$ —	$ —	$ 9,847	$ 328,126
Estimates expected credit loss rate	0%	0%	0%	0%	100%	
Loss allowance (Lifetime ECL)	—	—	—	—	(9,847)	(9,847)
Amortized cost	$ 318,279	$ —	$ —	$ —	$ —	$ 318,279

	December 31, 2025					
	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	$ 278,286	$ —	$ —	$ —	$ 9,624	$ 287,910
Estimates expected credit loss rate	0%	0%	0%	0%	100%	
Loss allowance (Lifetime ECL)	—	—	—	—	(9,624)	(9,624)
Amortized cost	$ 278,286	$ —	$ —	$ —	$ —	$ 278,286

	March 31, 2025					
	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	$ 225,926	$ —	$ —	$ —	$ 11,868	$ 237,794
Estimates expected credit loss rate	0%	0%	0%	0%	100%	
Loss allowance (Lifetime ECL)	—	—	—	—	(11,868)	(11,868)
Amortized cost	$ 225,926	$ —	$ —	$ —	$ —	$ 225,926

<u>The movements of the allowance for doubtful accounts and other receivables</u>

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Balance, beginning of period	$ 9,624	$ 11,660
Effect of exchange rate changes	223	208
Balance, end of period	$ 9,847	$ 11,868

c.The above notes and accounts receivable, net and other receivables were all not pledged.

11.<u>Inventories, net</u>

	March 31, 2026	December 31, 2025	March 31, 2025
Merchandises	$ 8,002	$ 6,377	$ 6,724
Finished goods	105,052	94,200	142,438
Work in progress	216,230	191,554	215,125
Raw materials	85,570	99,630	119,361
	$ 414,854	$ 391,761	$ 483,648

a.The cost of goods sold of the Company consisted of the following:

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Selling cost of inventories	$ 218,386	$ 138,571
Loss on decline in value of inventory	1,889	2,430
Others	(16)	(6)
	$ 220,259	$ 140,995

b.The above inventories, net were all not pledged.

12. Investments accounted for under the equity method

	March 31, 2026	December 31, 2025	March 31, 2025
Investments in associates	$ 38,128	$ 41,183	$ 44,766

Associates consisted of the following:

	March 31, 2026		December 31, 2025		March 31, 2025	
	Carrying value	%	Carrying value	%	Carrying value	%
Common stock						
Foresight Energy Technology Co., Ltd.	$ 38,128	8.80%	$ 41,183	8.80%	$ 44,766	8.80%
Morelink Technology Corporation	－	7.87%	－	7.87%	－	7.87%
Microlink Communications Inc.	－	25.00%	－	25.00%	－	25.00%
	$ 38,128		$ 41,183		$ 44,766	

a. Refer to Note 42 (Table 5) for the nature of activities, principal places of business and countries of incorporation of the associates.

b. As of March 31, 2026, the Company's equity in Foresight Energy Technology Co., Ltd. and Morelink Technology Corporation are 8.80% and 7.87%. The Company held less than 20% of Foresight Energy Technology Co., Ltd. and Morelink Technology Corporation's stock with voting rights, but has significant influence over this investee and accounted for the investment by equity method.

c. The stockholders' equity of Morelink Technology Corporation and Microlink Communications Inc. had become negative, and the Company didn't intend to continue its support for the investee company. The Company recognized investment loss that make the carrying amount of long-term investment equal to zero.

Unrecognized investment loss of Morelink Technology Corporation and Microlink Communications Inc. were summarized as follows:

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Unrecognized investment loss:		
Current year amount	$ 631	$ 603
Accumulatd amount	$ 30,179	$ 28,366

d. Financial information of the Company's associates was summarized as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Total assets	$ 1,003,046	$ 955,495	$ 759,948
Total liabilities	$ 716,666	$ 629,323	$ 371,769

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Net revenue	$ 93,399	$ 6,494
Net loss	$ (40,681)	$ (40,559)
The Company's share of other comprehensive income of associates	$ 392	$ 990

e. The investment loss for the three months ended March 31, 2026 and 2025 were based on the investees' financial statements review by the auditors for the same years, respectively.

f. All the investments accounted for under equity method were not pledged.

13.Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture	Other equipment	Subtotal
Cost：							
January 1, 2026	$ 133,228	$ 408,034	$ 90	$ 10,298	$ 14,366	$ 105,577	$ 671,593
Additional	—	15	—	—	556	7,864	8,435
Disposals	—	—	—	—	(211)	(3,444)	(3,655)
Exchange effect	—	5,196	—	189	236	877	6,498
March 31, 2026	$ 133,228	$ 413,245	$ 90	$ 10,487	$ 14,947	$ 110,874	$ 682,871
January 1, 2025	$ 133,228	$ 420,495	$ 980	$ 6,888	$ 14,578	$ 86,454	$ 662,623
Additional	—	—	—	3,430	246	5,622	9,298
Disposals	—	—	—	(622)	(17)	(1,070)	(1,709)
Exchange effect	—	3,862	—	135	177	723	4,897
March 31, 2025	$ 133,228	$ 424,357	$ 980	$ 9,831	$ 14,984	$ 91,729	$ 675,109
Accumulated depreciation：							
January 1, 2026	$ 6,201	$ 142,760	$ 5	$ 6,206	$ 10,954	$ 57,104	$ 223,230
Depreciation	—	3,206	6	197	282	13,434	17,125
Disposals	—	—	—	—	(211)	(3,444)	(3,655)
Exchange effect	—	1,425	—	165	195	697	2,482
March 31, 2026	$ 6,201	$ 147,391	$ 11	$ 6,568	$ 11,220	$ 67,791	$ 239,182
January 1, 2025	$ 6,201	$ 132,756	$ 949	$ 6,056	$ 10,673	$ 51,549	$ 208,184
Depreciation	—	3,349	31	123	344	8,674	12,521
Disposals	—	—	—	(622)	(17)	(1,070)	(1,709)
Exchange effect	—	934	—	172	144	545	1,795
March 31, 2025	$ 6,201	$ 137,039	$ 980	$ 5,729	$ 11,144	$ 59,698	$ 220,791

a.Depreciation is computed by the average method over these estimated service live to reflect estimated salvage value :

Buildings	10～55 years
Machinery and equipment	2～3 years
Transportation equipment	4～5 years
Furniture	1～5 years
Other equipment	1～5 years

b. All the property, plant and equipment were pledged. Refer to Notes 18 and 33.

14.Lease arrangements

a.Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Land	$ 3,989	$ 3,943	$ 4,245

	Land
Cost：	
January 1, 2026	$ 4,628
Additional	—
Disposals and reclassification	—
Exchange effect	83
March 31, 2026	$ 4,711
January 1, 2025	$ 4,827
Additional	—
Disposals and reclassification	—
Exchange effect	62
March 31, 2025	$ 4,889

		Land
Accumulated depreciation：		
January 1, 2026	$	685
Depreciation		25
Disposals		—
Exchange effect		12
March 31, 2026	$	722
January 1, 2025	$	610
Depreciation		26
Disposals		—
Exchange effect		8
March 31, 2025	$	644

b.Material lease-in activities and terms

The Company leases certain leasehold land for the use of office with lease terms of 47 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

c.Subleases

The Company subleased part of its right-of-use assets for land in Chengdu, China under operating leases. Right-of-use assets that meet the definition of investment properties are reclassified to investment properties. Refer to Note 15 for further information on investment properties.

d.Other lease information

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Expenses relating to low-value asset leases	$ 748	$ 542
Total cash outflow for leases	$ (748)	$ (542)

The Company applies the recognition exemption to leases of equipment and others qualifying as short-term leases and low-value asset leases and does not recognize right-of-use assets and lease liabilities for these leases.

15. Investment Property

	Buildings	Right-of-use assets	Subtotal
Cost：			
January 1, 2026	$ 297,269	$ 10,963	$ 308,232
Additional	—	—	—
Disposals and reclassification	—	—	—
Exchange effect	5,352	197	5,549
March 31, 2026	$ 302,621	$ 11,160	$ 313,781
January 1, 2025	$ 310,105	$ 11,437	$ 321,542
Additional	—	—	—
Disposals and reclassification	—	—	—
Exchange effect	3,978	146	4,124
March 31, 2025	$ 314,083	$ 11,583	$ 325,666

	Buildings	Right-of-use assets	Subtotal
Accumulated amortization and impairment：			
January 1, 2026	$ 42,649	$ 1,613	$ 44,262
Depreciation	1,426	59	1,485
Disposals and reclassification	—	—	—
Exchange effect	788	29	817
March 31, 2026	$ 44,863	$ 1,701	$ 46,564
January 1, 2025	$ 38,564	$ 1,437	$ 40,001
Depreciation	1,487	62	1,549
Disposals and reclassification	—	—	—
Exchange effect	508	18	526
March 31, 2025	$ 40,559	$ 1,517	$ 42,076

a.The Company's R&D building construction in Chengdu, China had been completed and transferred the cost of building to PP&E and investment properties according to estimated purpose, respectively. Because the market for comparable properties is inactive and alternative reliable measurements of fair value were not available; therefore, the Company determined that the fair value of the investment property is not reliably measurable.

b.Rental income from investment property and direct operating expenses arising from investment property are shown below:

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Rental income from investment property	$ 5,029	$ 5,744
Direct operating expenses arising from the investment property that generated rental income during the period	$ 1,044	$ 1,089
Direct operating expenses arising from the investment property that did not generate rental income during the period	$ 441	$ 460

c.The investment property was depreciated on a straight-line basis over its estimated lives as follows :

Buildings	47 years
Right-of-use assets	47 years

d.All the investment Property were pledged. Refer to Notes 18 and 33.

16. Intangible Assets

	Goodwill	Patents	Subtotal
Cost：			
January 1, 2026	$ 3,974	$ 1,693	$ 5,667
Additional	—	14	14
Disposals and reclassification	—	—	—
Exchange effect	117	49	166
March 31, 2026	$ 4,091	$ 1,756	$ 5,847
January 1, 2025	$ 3,956	$ 1,659	$ 5,615
Additional	—	14	14
Disposals and reclassification	—	—	—
Exchange effect	87	35	122
March 31, 2025	$ 4,043	$ 1,708	$ 5,751

	Goodwill	Patents	Subtotal
Accumulated amortization and impairment：			
January 1, 2026	$ －	$ 1,598	$ 1,598
Amortization expenses	－	6	6
Disposals and reclassification	－	－	－
Exchange effect	－	47	47
March 31, 2026	$ －	$ 1,651	$ 1,651
January 1, 2025	$ －	$ 1,565	$ 1,565
Amortization expenses	－	7	7
Disposals and reclassification	－	－	－
Exchange effect	－	34	34
March 31, 2025	$ －	$ 1,606	$ 1,606

a.Intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Patents	5～10 years

b.The Company assesses the recoverable amount of goodwill as of the end of the annual financial reporting period, using the value in use as the basis for calculating the recoverable amount. For the purpose of impairment testing, the recoverable amount was determined on the basis of value in use, a calculation that used the cash flow projections in the financial budgets covering a 5-year period and a discount rate of 10.05% and 16.08% for the years ended December 31, 2026 and 2025, respectively. Since the recoverable amount is greater than the carrying amount, no impairment loss was recognized.

17.Other noncurrent assets

	March 31, 2026	December 31, 2025	March 31, 2025
Capacity guarantee	$ 43,707	$ 42,847	$ 45,242
Balance prepaid-machinery and equipment	4,349	3,216	－
Rental deposit	419	393	393
Prepayments for investments	－	17,500	－
Others	1,443	1,443	1,443
	$ 49,918	$ 65,399	$ 47,078

In order to ensure steady capacity, the Company entered into some capacity reservation contracts with suppliers and paid for the purchases over the long-term prepayments in order to ensure fulfillment to the contract. The long-term prepayment will be refunded when terms and conditions set forth in the contract have been satisfied.

18.Short-term loans

	March 31, 2026	December 31, 2025	March 31, 2025
Secured loans			
Bank loans	$ 292,066	$ 149,433	$ 54,586
Range of interest rate	1.998%～2.40%	1.998%～2.85%	2.85%～3.20%

a.The details of assets pledged as collateral for short-term loans are set in Notes 13, 15 and 33.

b.Unused credit line as of March 31, 2026, December 31, 2025 and March 31, 2025, were amounted to NT$46,033 thousand, NT$184,717 thousand and NT$236,391 thousand, respectively.

19.Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and wages payable	$ 45,570	$ 66,700	$ 44,210
Payable for equity acquisition	58,040	57,014	−
Dividends payable to non-controlling interests	8,631	−	22,289
Service payable	3,935	4,392	3,121
Others	18,226	14,099	18,809
	$ 134,402	$ 142,205	$ 88,429

20.Retirement benefit plans

a.Defined contribution plans

The pension mechanism under the Labor Pension Act (the "Act") is deemed a defined contribution plan. Pursuant to the Act, PTC and Princeton Capital Corp., have made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Furthermore, Princeton Technology (Shenzhen) Ltd., Princeton Technology (Chengdu) Corp. and Chengdu Chip-Rail Microelectronics Co., Ltd are required by local regulations to make monthly contributions at certain percentages of the basic salary of their employees. Pursuant to the aforementioned Act and local regulations, the Company recognized expenses of NT$9,456 thousand and NT$8,957 thousand in the consolidated statements of comprehensive income for the three months ended March 31, 2026 and 2025, respectively. The net pension cost under the Labor Pension Act amounted to NT$2,129 thousand and NT$2,149 thousand were not paid as of March 31, 2026 and 2025, respectively.

b.Defined benefit plans

PTC have defined benefit plans under the Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The aforementioned companies contribute an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the following categories:

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Cost of goods sold	$ 1	$ 1
Marketing expenses	2	2
General and administrative expenses	15	11
Research and development expenses	15	16
	$ 33	$ 30

The Company expects to make contributions of NT$1,859 thousand to the defined benefit plans in the next year starting from March 31, 2026.

21.Guarantee deposits

	March 31, 2026	December 31, 2025	March 31, 2025
Capacity guarantee	$ 21,150	$ 20,777	$ 32,922
Others	4,720	5,326	5,587
	$ 25,870	$ 26,103	$ 38,509

Capacity guarantee deposit mainly consisted of cash received under deposit agreements with customers to ensure they have access to the Company's specified capacity. Guarantee deposits will be refunded to customers when terms and conditions set forth in the deposit agreements have been satisfied.

22.Equity

a.Capital

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares (thousand shares)	250,000	250,000	250,000
Authorized	$ 2,500,000	$ 2,500,000	$ 2,500,000
Issued and paid capital shares (thousand shares)	180,943.7	180,943.7	180,943.7
Issued	$ 1,809,437	$ 1,809,437	$ 1,809,437

As of March 31, 2026, December 31, 2025 and March 31, 2025, the authorized capital shares are 250,000 thousand shares, with par value of $10 per share entitled the right to vote and to receive dividends.

b.Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)			
Premiums	$ 1,102	$ 1,102	$ 1,102
May be used to offset a deficit only			
Recognize changes in subsidiaries' ownership (b)	39	39	39
Share of changes in equities of associates and joint venture	68,234	68,190	68,190
May not be used for any purpose			
Employee stock options	4,592	4,592	4,592
	$ 73,967	$ 73,923	$ 73,923

(a)Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid-in capital and once a year).

(b)Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c.Retained earnings and dividend policy

According to the retained earnings distribution policy in the Incorporation of the Company, if the Company has earning upon settlement for a fiscal year, after taxes are paid by law and accumulated deficits are set off, ten percent shall be appropriated as legal earning reserves; however, if the amount of the legal earning reserves has attained the amount of paid-in capital of the Company, no further appropriation shall be made. The remainder shall be appropriated or reversed as special earning reserves. If there still has balance, considering together with accumulated undistributed earnings, the Board of Directors shall prepare the proposal for earning distribution, which shall be submitted to the stockholders' meeting for a resolution of distribution of dividends and bonuses to stockholders.

According the amended Article of Incorporation of the Company, the dividend policy of the Company is to deliberately distribute dividends, in the light of present and future development plan, taking into consideration the investment environments, fund demands, and domestic competition status, as well as factors of interests of stockholders; provided. However, the amount of proposed earning distribution of current year may not be less than 50% of accumulated distributable earnings. In distributing dividends and bonuses to stockholders, the distribution may be made by stocks or cash, of which cash dividends may not be less than 50% of total amount of dividends.

The Company no longer has supervisors since June 13, 2008. The required duties of supervisors are being fulfilled by the Audit Committee.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity, such as the accumulated balance of foreign currency translation reserve, unrealized valuation gain/loss from available-for-sale financial assets, gain/loss from changes in fair value of hedging instruments in cash flow hedges, etc. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

In order to improve the Company's financial structure, the Board of Directors of the Company resolved a proposal for a capital reduction to offset accumulated deficits on May 6, 2026. Under the proposal, the legal reserve of NT$118,086 thousand and the special reserve of NT$5,957 thousand will be used to offset the accumulated deficits. After the offset, the remaining accumulated deficits amount to NT$203,695 thousand. Accordingly, a capital reduction of NT$203,695 thousand will be conducted to offset the remaining deficit and cancel 20,370 thousand issued shares, representing a capital reduction ratio of 11.26%. Upon completion of capital reduction, the Company's capital will be NT$1,605,741 thousand, and the number of issued shares will be 160,574 thousand shares. The proposal remains subject to the resolution and approval of the Shareholders' Meeting on June 16, 2026, as well as the approval of the competent authorities before implementation.

The resolution of 2024 deficit compensation was approved in the shareholders' meeting held on June 17, 2025. The Company didn't appropriate dividend, besides reverse special reserve NT$39,934 thousand.

The Company still had accumulated deficit to be offset as of December 31, 2025, therefore the Company didn't disclosure information about dividend per share.

Information about the bonus to employees and remuneration to directors is available on the Market Observation Post System Website of the Taiwan Stock Exchange.

d.Others

(a)Foreign Currency Translation Reserve

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Balance, beginning of period	$ 18,964	$ 33,755
Foreign currency translation reserve	26,580	17,706
Share of other comprehensive loss of subsidiaries and associates	35	87
Income tax effect	(5,316)	(3,541)
Balance, end of period	$ 40,263	$ 48,007

The exchange differences arising from the translation of foreign operation's net assets from its functional currency to PTC's presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve. When those foreign operation's net assets have been disposed of or are determined to be impaired subsequently, the related cumulative gains or losses in other comprehensive income are reclassified to profit or loss.

(b)Changes in Unrealized loss on financial assets at FVTOCI

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Balance, beginning of period	$ (37,570)	$ (39,712)
Changes in unrealized (loss) gain on financial assets at FVTOCI	(272)	1,267
Balance, end of period	$ (37,842)	$ (38,445)

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

e.Noncontrolling interests

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Balance, beginning of period	$ 53,201	$ 190,581
Share of noncontrolling interests:		
Net income	976	1,888
Other comprehensive income	852	2,244
Cash dividends to non-controlling interests	(8,685)	(23,777)
Balance, end of period	$ 46,344	$ 170,936

23.Revenue

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Revenue from contracts with customers		
Net revenue from sale of goods	$ 327,214	$ 206,083
Net revenue from rendering of services	5,062	180
	$ 332,276	$ 206,263

Relevant information of revenue from contracts with customers for the three months ended March 31, 2026 and 2025 is as follows:

a.Disaggregation of revenue

The revenue of the Company could be breakdown by major products and geographical locations, the related information was refer to Note 43. The disaggregation of revenue recognition point is as follows:

	2026.01.01~2026.03.31	2025.01.01~2025.03.31
Revenue recognition point:		
At a point in time	$ 327,214	$ 206,083
Satisfies the performance obligation over time	5,062	180
	$ 332,276	$ 206,263

b.Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities - current			
Sales of goods	$ 7,358	$ 6,841	$ 4,601

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment.

The Company recognized revenue from the beginning balance of contract liability, which amounted to NT$6,106 thousand and NT$4,557 thousand for the three months ended March 31, 2026 and 2025, respectively.

c.Transaction price allocated to unsatisfied performance obligations

As of March 31, 2026 and 2025, there is no need to provide relevant information of the unsatisfied performance obligations as the contracts with customers about the sales of goods are all lower than one year.

d.Assets recognized from costs to fulfil a contact: None.

24.Additional information of expenses by nature

	2026.01.01~2026.03.31			2025.01.01~2025.03.31		
	As cost of goods sold	As operating expenses	Total	As cost of goods sold	As operating expenses	Total
Employment expenses						
Salaries	$ 868	$ 89,364	$ 90,232	$ 1,400	$ 85,785	$ 87,185
Insurance	111	5,274	5,385	190	5,155	5,345
Pension						
Defined contribution plans	42	9,414	9,456	72	11,214	11,286
Defined benefit plans	1	32	33	1	29	30
Remuneration of directors	–	180	180	–	180	180
Others	58	3,674	3,732	107	3,336	3,443
	$ 1,080	$ 107,938	$ 109,018	$ 1,770	$ 105,699	$ 107,469
Depreciation expenses	$ 127	$ 18,508	$ 18,635	$ 165	$ 13,931	$ 14,096
Amortization expenses	$ –	$ 6	$ 6	$ –	$ 7	$ 7

In accordance with to the R.O.C. Company Act and the articles of incorporation of the Company, the Company shall allocate 5%~20% of profit as employees' profit sharing bonus and no more 1.5% of profit as directors' compensation for each profitable fiscal year. However, the Company's accumulated losses shall be reserved. The employees' profit sharing bonus under the preceding paragraph will be entitled to receive shares or cash. The employees of the PTC's subsidiaries who fulfill specific requirements finalized by the Board of Directors may be granted such bonus. The appropriations of profit sharing bonus to employees and compensation to directors shall be submitted to the stockholders' meeting.

The Company didn't accrue any compensation expenses for the three months ended March 31, 2026 and 2025 due to the accumulated deficit.

The differences of the amounts between the resolved and accrual amounts of the profit sharing bonus to employees and the compensation to directors resulted from changing the base of the estimate and had been adjusted in profit and loss for the next year.

Information about the profit sharing bonus to employees and compensation to directors is available on the Market Observation Post System Website of the Taiwan Stock Exchange.

25.Other income

	For the three months ended	
	March 31, 2026	March 31, 2025
Interest income		
Bank deposits	$ 916	$ 903

26.Other gains and losses

	For the three months ended	
	March 31, 2026	March 31, 2025
Other gains:		
Net gain on financial instruments at FVTPL	$ 8,723	$ —
Gain on disposal of property, plant and equipment, net	—	132
Net exchange gain	2,339	1,108
Cash dividend	1,675	—
Rent income	5,029	5,744
Others	8,006	6,801
Other losses:		
Net loss on financial instruments at FVTPL	—	(2,367)
	$ 25,772	$ 11,418

27.Finance costs

	For the three months ended	
	March 31, 2026	March 31, 2025
Interest Expense:		
Interest on loans	$ 1,032	$ 416

28.Income tax

a.Income tax expense consisted of the following

(a)Income tax expense recognized in profit or loss:

	For the three months ended	
	March 31, 2026	March 31, 2025
Current income tax expense		
Current tax expense recognized for the current period	$ 312	$ —
Deferred income tax expense		
Temporary differences	257	28
Income tax expense recorded in profit or loss	$ 569	$ 28

(b)Income tax expense recognized in other comprehensive income:

	For the three months ended	
	March 31, 2026	March 31, 2025
Deferred income tax expense		
Foreign currency translation reserve	$ 5,316	$ 3,541

b.The differences between the expected income tax based on the pre-tax loss at the statutory income tax rate and the actual income tax expense reported in the accompanying statements of income are summarized as follows:

	For the three months ended	
	March 31, 2026	March 31, 2025
Expected income tax expense calculated using the statutory tax date	$ (2,352)	$ (17,625)
Additional income tax under the Alternative Minimum Tax Act	312	—
Permanent differences	(2,023)	517
Tax loss carry forward	7,113	13,208
(Gain) loss recognized by equity method	(3,083)	3,413
Loss on decline in value of inventory	602	515
Income tax expense recorded in profit or loss	$ 569	$ 28

Princeton Technology (Shenzhen) Ltd. and Princeton Technology (Chengdu) Corp. amended income tax rate of 25% in accordance with the law of the "People's Republic of China on Enterprise Income Tax" and related laws.

Princeton Technology (Chengdu) Corp. and Chengdu Chip-Rail Microelectronics Co ., Ltd. meet the regulations has the local taxation bureau filed and approved the application of high-tech enterprises within three years from 2025 and 2023 had been approved to apply preferential tax rate is 15%.

c.Current tax assets and liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Current tax assets			
Income tax receivable	$ 341	$ 341	$ —
Current tax liabilities			
Income tax payable	$ 312	$ —	$ 89

d.The analysis of deferred income tax in the consolidated balance sheets was as follows:

For the three months ended March 31, 2026	Balance, Beginning of Period	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange effect	Balance, End of Period
Deferred income tax assets					
Loss on decline value of inventory	$ 7,637	$ —	$ —	$ 132	$ 7,769
Unrealized intercompany profits	173	251	—	—	424
Others	1,196	(6)	—	30	1,220
	$ 9,006	$ 245	$ —	$ 162	$ 9,413
Deferred income tax liabilities					
Unrealized foreign exchange gain	$ 445	$ 502	$ —	$ —	$ 947
Foreign currency translation reserve	9,098	—	5,316	—	14,414
Actuarial gains and losses on defined benefit plan	5,110	—	—	—	5,110
	$ 14,653	$ 502	$ 5,316	$ —	$ 20,471

For the three months ended March 31, 2025	Balance, Beginning of Period	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange effect	Balance, End of Period
Deferred income tax assets					
Loss on decline value of inventory	$ 10,369	$ —	$ —	$ 98	$ 10,467
Unrealized intercompany profits	519	93	—	—	612
Others	1,646	(30)	—	27	1,643
	$ 12,534	$ 63	$ —	$ 125	$ 12,722
Deferred income tax liabilities					
Unrealized foreign exchange gain	$ 498	$ 91	$ —	$ —	$ 589
Foreign currency translation reserve	12,796	—	3,541	—	16,337
Actuarial gains and losses on defined benefit plan	3,132	—	—	—	3,132
	$ 16,426	$ 91	$ 3,541	$ —	$ 20,058

e.Investment tax credits, tax loss carry forward and five-year exemption from tax on income from sales:

There were no unused investment tax credits available as of March 31, 2026.

Tax loss carry forward were as follows:

	Unused tax loss carry forward	Expiration date
PTC	$ 390,162	December 31, 2036
Princeton Capital Corp.	44,138	December 31, 2032
Princeton Technology(Shenzehn) Corp.	11,522	December 31, 2035
Princeton Technology(Chengdu) Corp.	214,379	December 31, 2035
Chengdu Chip-Rail	112,561	December 31, 2034
	$ 772,762	

f.Income tax examination

The tax authorities have examined income tax returns of PTC and Princeton Capital Corp. through 2023.

29.Earning per shares

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Earning per shares		
Basic EPS	$ (0.17)	$ (0.47)
Diluted EPS	$ (0.17)	$ (0.47)
Net loss		
Net loss used to compute the basic and diluted EPS	$ (30,399)	$ (84,881)
The number of common stocks		
Weighted average number of common shares used in the computation of basic and diluted EPS (in thousands)	$ 180,944	180,944

30. Equity transactions with non- controlling interests

a. Acquisition of additional equity interest in a subsidiary

The Company's Board of Directors resolved to acquire 34% equity of Chengdu Chip-Rail from non-controlling interests on June 16, 2025. The Company's equity interest increased from 51% to 85%.

The above transactions that did not change the Company's control over subsidiaries are accounted for as equity transactions.

		Chengdu Chip-Rail
Consideration paid	$	115,098
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests		(111,683)
Differences recognized from equity transaction	$	3,415

31. Cash flow information

a. Non-cash transactions:

	For the three months ended			
	March 31, 2026		March 31, 2025	
Additions of property, plant and equipment	$	8,435	$	9,298
Changes in prepaid to contractors and equipment suppliers		1,133		—
Changes in payables to contractors and equipment suppliers		(1,019)		1,873
Payments for acquisition of property, plant and equipment	$	8,549	$	11,171

b. Reconciliation of liabilities arising from financing activities:

For the three months ended March 31, 2026	Balance, Beginning of Period		Financing Cash Flow		Non-cash changes Other Changes		Balance, End of Period	
Short-term loans	$	149,433	$	140,000	$	2,633	$	292,066
Guarantee deposits		26,103		(233)		—		25,870
	$	175,536	$	139,767	$	2,633	$	317,936

For the three months ended March 31, 2025	Balance, Beginning of Period		Financing Cash Flow		Non-cash changes Other Changes		Balance, End of Period	
Short-term loans	$	53,424	$	—	$	1,162	$	54,586
Guarantee deposits		38,020		489		—		38,509
	$	91,444	$	489	$	1,162	$	93,095

32. Related-party transactions

Intercompany balances and transactions between PTC and its subsidiaries, which are related parties of PTC, have been eliminated upon consolidation; therefore those items are not disclosed in this note. The following is a summary of transactions between the Company and other related parties:

a. Related party name and nature of relationship

Related Parties	Relationship
Morelink Technology Corporation	Associates
Foresight Energy Technology Co., Ltd.	Associates
All directors, supervisors, general manager and deputy general manager	Main manager echelon of the Company

b. Professional fee

	Account	For the three months ended March 31, 2026	March 31, 2025
Associates	Other revenue	$ 286	$ 286

c. Receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables			
Associates	$ 100	$ 100	$ 100

d. Compensation of key management personnel

	For the three months ended March 31, 2026	March 31, 2025
Short-term employee benefits	$ 5,378	$ 6,056
Retirement benefits	27	2,399
	$ 5,405	$ 8,455

The information about the Company's appropriation of remuneration to all directors, supervisors, general manager and deputy general manager is available on the shareholders' meeting annual report.

33. Assets mortgaged or pledged

As of March 31, 2026, December 31, 2025 and March 31, 2025, the following assets had been pledged or mortgaged as collateral:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 80,881	$ 80,881	$ 80,881
Buildings	145,049	144,126	153,907
Investment Property	257,758	257,460	273,524
Other financial assets-bank deposits	27,403	27,414	27,060
	$ 511,091	$ 509,881	$ 535,372

34. Significant contingent liabilities and unrecognized commitments

1. Under certain agreement, the Company shall pay royalties at a percentage of net sales (as defined in the agreement) with respect to certain products.
2. Refer to Table of Note 42 (Table 2) for endorsements/guarantees provided.
3. In order to ensure steady capacity, the Company entered into some capacity reservation contracts with suppliers and paid for the purchases over the long-term prepayments in order to ensure fulfillment to the contract. The long-term prepayment will be refunded when terms and conditions set forth in the contract have been satisfied.

35. Significant loss: None.

36. Subsequent events: None.

37. Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize the stockholders' value.

The management reviews the capital structure of the Company quarterly. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. According to the management's suggestion, the Company maintains a balanced capital structure through paying cash dividends, increasing its share capital, purchasing treasury stock, proceeds from new debt or repayment of debt.

38.Financial risks of financial instruments

a.Financial risk management objectives

The Company seeks to ensure sufficient cost-efficient funding readily available when needed. The Company manages its exposure to foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

b.Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise foreign currency risk, interest rate risk and other price risk.

(a)Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries. Some assets and liabilities of the Company denominated in the same foreign currency and were expected to mostly offset gains or losses of changes in foreign exchange rate. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The carrying amounts of significant foreign currency denominated monetary assets and monetary liabilities are as follows:

	March 31, 2026		December 31, 2025		March 31, 2025	
	Foreign Currency (thousand)	Exchange Rate	Foreign Currency (thousand)	Exchange Rate	Foreign Currency (thousand)	Exchange Rate
(Foreign currencies：functional currency)						
Financial Assets						
Monetary items						
USD：TWD	$ 8,232	31.945	$ 8,652	31.38	$ 6,539	33.155
JPY：TWD	13,759	0.1985	39,577	0.1988	43,507	0.2207
CNY：USD	171,279	0.1441	149,700	0.425	162,126	0.1372
HKD：TWD	5	4.051	5	4.008	5	4.238
EUR：TWD	2	36.51	2	36.70	2	35.77
Non-monetary items						
CNY：USD	$ 161,742	0.1517	$ 172,144	0.1516	$ 145,664	0.1514
USD：CNY	1,470	31.945	1,470	31.38	1,440	33.155
Investments accounted for under the equity method						
USD：TWD	$ 29,494	31.945	$ 28,856	31.38	$ 27,927	33.155
Financial Liabilities						
Monetary items						
USD：TWD	$ 3,972	32.045	$ 3,733	31.48	$ 3,263	33.255
JPY：TWD	108	0.2025	847	0.2028	2,964	0.2247
HKD：USD	—	—	—	—	2	4.2980
CNY：USD	65,115	0.1441	50,288	0.1425	36,982	0.1372

The Company's sensitivity analysis to foreign currency risk mainly focuses on the foreign currency monetary items at the end of the reporting period. Assuming depreciation /

appreciation of 1% in the foreign exchanges against the New Taiwan dollar, the net loss for the three months ended March 31, 2026 and 2025 would have increased /decreased by NT$6,276 thousand and NT$6,868 thousand, respectively.

(b)Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans at floating interest rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Sensitivity analysis of interest is calculated based on the financial liabilities exposed to cash flow interest rate risk at the end of each reporting period.

If interest rates had been 0.25% higher/lower, the Company's net cash flows for the three months ended March 31, 2026 and 2025 would increase/decrease by NT$28 thousand and NT$3 thousand.

(c)Other price risk

The Company were exposed to equity price risk through their investments in Financial assets at FVTPL.

A change of 5% in the price of the listed stocks classified under at fair value through profit or loss could cause the net loss for three months ended March 31, 2026 and 2025 to increase/decrease by NT$330 thousand and NT$2,677 thousand.

The sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3 of the fair value hierarchy. Please refer to Note 40.

c.Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

(a)Business related credit risk

In order to maintain the credit quality of trade receivables, the Company has established procedures to monitor and limit exposure to credit risk on trade receivables.

Credit evaluation is performed in the consideration of the relevant factors which may affects the customer's paying ability such as financial condition, external and internal credit scoring, historical experience, and economic conditions. The Company holds some of the credit enhancements such as prepayments and collateral to mitigate its credit risks.

As of March 31, 2026, December 31, 2025 and March 31, 2025 the Company's ten largest customers accounted for 74%, 83% and 88% of total trade receivables, respectively.

(b)Financial credit risk

The Company's exposure to financial credit risk which pertained to bank deposits, fixed income investments and other financial instruments were evaluated and monitored by Corporate Treasury function. The Company only deals with creditworthy counterparties and banks so that no significant credit risk was identified.

d.Liquidity risk

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements of cash and cash equivalents and the unused of financing facilities associated with existing operations.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	March 31, 2026				
	Less Than 1 Year	2-3 Years	4 to 5 Years	5+ Years	Total
Non-derivative financial liabilities					
Short-term loans	$ 292,066	$ —	$ —	$ —	$ 292,066
Accounts payable (including related parties)	120,565	—	—	—	120,565
Other payables	134,402	—	—	—	134,402
	$ 547,033	$ —	$ —	$ —	$ 547,033

	December 31, 2025				
	Less Than 1 Year	2-3 Years	4 to 5 Years	5+ Years	Total
Non-derivative financial liabilities					
Short-term loans	$ 149,433	$ —	$ —	$ —	$ 149,433
Accounts payable (including related parties)	114,954	—	—	—	114,954
Other payables	142,205	—	—	—	142,205
	$ 406,592	$ —	$ —	$ —	$ 406,592

	March 31, 2025				
	Less Than 1 Year	2-3 Years	4 to 5 Years	5+ Years	Total
Non-derivative financial liabilities					
Short-term loans	$ 54,586	$ —	$ —	$ —	$ 54,586
Accounts payable (including related parties)	79,176	—	—	—	79,176
Other payables	88,429	—	—	—	88,429
	$ 222,191	$ —	$ —	$ —	$ 222,191

39. Disclosure of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
FVTPL			
Mandatorily classified financial assets as at FVTPL	$ 171,938	$ 188,933	$ 136,585
FVTOCI			
Equity instruments	50,716	50,158	53,233
Financial assets measured at amortized cost (Note 1)	846,452	722,703	758,365
	$ 1,069,106	$ 961,794	$ 948,183
Financial liabilities			
Financial liabilities measured at amortized cost (Note 2)	$ 572,903	$ 432,695	$ 260,700

Note 1:Including cash and cash equivalents, financial assets at amortized cost, notes & accounts receivable-net, other receivables, refundable deposit.

Note 2:Including short-term loans, notes & accounts payable, other payables, refundable deposits and other financial liabilities.

40. Fair value of financial instruments

(a)The Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

●Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- ●Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- ●Level 3 inputs are unobservable inputs for the asset or liability.

(b)Fair value of financial instruments carried at amortized cost

The Company considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

(c)Fair value of financial instruments

The follopwing table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value:

	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Wealth management products	$ －	$ 73,690	$ －	$ 73,690
Mutual funds	6,605	－	－	6,605
Limited partnerships	－	－	91,643	91,643
	$ 6,605	$ 73,690	$ 91,643	$ 171,938
Financial assets at FVTOCI				
Unlisted equity investment	$ －	$ －	$ 50,716	$ 50,716

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Wealth management products	$ －	$ 71,583	$ －	$ 71,583
Mutual funds	49,618	－	－	49,618
Limited partnerships	－	－	67,732	67,732
	$ 49,618	$ 71,583	$ 67,732	$ 188,933
Financial assets at FVTOCI				
Unlisted equity investment	$ －	$ －	$ 50,158	$ 50,158

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Wealth management products	$ －	$ 22,750	$ －	$ 22,750
Mutual funds	52,861	－	－	52,861
Listed stocks	674	－	－	674
Limited partnerships	－	－	60,300	60,300
	$ 53,535	$ 22,750	$ 60,300	$ 136,585
Financial assets at FVTOCI				
Unlisted equity investment	$ －	$ －	$ 53,233	$ 53,233

There were no transfers between Level 1 and 2 for the three months ended March 31, 2026 and 2025.

(d)Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- ●The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks and money market funds).

- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- The fair values of private funds are determined using the asset based approach. The Company assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Company assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

(e)Reconciliation of Level 3 recurring fair value measurements of financial instruments:

	Financial Assets at FVTPL	Financial Assets at FVTOCI	Subtotal
For the three months ended March 31, 2026			
Balance, beginning of Period	$ 67,732	$ 50,158	$ 117,890
Additional/ Disposals	16,439	－	16,439
Recognized in profit or loss	7,472	－	7,472
Recognized in other comprehensive income	－	(272)	(272)
Exchange effect	－	830	830
Balance, end of Period	$ 91,643	$ 50,716	$ 142,539
For the three months ended March 31, 2025			
Balance, beginning of Period	$ 45,495	$ 51,362	$ 96,857
Additional/ Disposals	17,500	－	17,500
Recognized in profit or loss	(2,695)	－	(2,695)
Recognized in other comprehensive income	－	1,267	1,267
Exchange effect	－	604	604
Balance, end of Period	$ 60,300	$ 53,233	$ 113,533

(f)Quantified information on significant unobservable inputs (Level 3) used in fair value measurement:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable inputs	Range (weighted average)	Interrelationship between inputs and fair value
Non-derivative financial assets					
Unlisted shares	$ 46,959	Discounted cash flow method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Venture capital and Private equity fund	95,400	Net asset value method	Net asset value	Not applicable	The higher net asset value, the higher the fair value

	Fair Value at December 31, 2025	Valuation technique	Significant unobservable inputs	Range (weighted average)	Interrelationship between inputs and fair value
Non-derivative financial assets					
Unlisted shares	$ 46,129	Discounted cash flow method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Venture capital and Private equity fund	71,761	Net asset value method	Net asset value	Not applicable	The higher net asset value, the higher the fair value

	Fair Value at March 31, 2025	Valuation technique	Significant unobservable inputs	Range (weighted average)	Interrelationship between inputs and fair value
Non-derivative financial assets					
Unlisted shares	$ 47,743	Discounted cash flow method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Venture capital and Private equity fund	65,790	Net asset value method	Net asset value	Not applicable	The higher net asset value, the higher the fair value

(g)Valuation procedures for fair value measurements being categorized within Level 3:

The Company's financial department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. Investment property is valuated regularly by the Company's financial department based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer.

(h)Fair value measurements in the Level 3 － sensitivity analysis of the reasonably possible alternative assumptions:

			March 31, 2026			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ －	$ －	$ 470	$ (470)

			December 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ －	$ －	$ 461	$ (461)

			March 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ －	$ －	$ 477	$ (477)

41.Reclassifications

Certain 2025 accounts have been reclassified to conform to the 2026 financial statement presentation.

42.Additional disclosures

Following are the additional disclosures:

a.Financial provided : Table 1 (attached)

b.Endorsement/guarantee provided : Table 2 (attached)

c.Marketable securities held (excluding investments in subsidiaries and jointly controlled entities): Table 3 (attached)

d.Total purchase from or sale to related parties amounting to at least NT$100 million or 20% of the paid-in capital : None e.Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital : None

f.The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 4 (attached)

g.Names, locations and related information of investees on which the Company exercises significant influence : Table 5 (attached)

h.Investment in Mainland China : Table 6 (attached)

43.Operating segments information

a.The Company mainly develops, design, testing and sales of high quality, high value-added consumer integrated circuits (ICs) and operates in the IC design industry only.

b.Major product and service revenue:

Product and Service	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Integrated circuits (ICs) revenue	$ 327,214	$ 206,083
Design revenue	5,062	180
	$ 332,276	$ 206,263

c.Operations in different geographic areas：

Area	2026.01.01~2026.03.31 Revenue	2026.01.01~2026.03.31 Noncurrent assets	2025.01.01~2025.03.31 Revenue	2025.01.01~2025.03.31 Noncurrent assets
Japan	$ 76,438	$ －	$ 35,224	$ －
Mainland China(including HK)	227,065	504,174	143,808	541,060
Taiwan	17,953	302,963	19,565	297,082
Korea	7,775	－	4,411	－
Other	3,045	－	3,255	－
	$ 332,276	$ 807,137	$ 206,263	$ 838,142

d.Major customers with sales at least 10% of the Company's total sales were as follows:

	2026.01.01~2026.03.31 Amount	2026.01.01~2026.03.31 Percentage of net sales	2025.01.01~2025.03.31 Amount	2025.01.01~2025.03.31 Percentage of net sales
C16	$ 47,336	14.25	$ 21,285	10.32
C20	43,094	12.97	24,211	11.74
C6	34,437	10.36	13,835	6.71
C22	30,290	9.12	25,538	12.38
	$ 155,157	46.70	$ 84,869	41.15

Table 1

Financial provided

For the three months ended March 31, 2026

(Amounts in Thousands of New Taiwan Dollars and RMB Dollars, unless otherwise specified)

No	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance (Note 1)	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 3)	Financing Company's Total Financing Amount Limits (Notes 4)
													Item	Value		
1	Princeton Technology (Shenzhen) Ltd..	Princeton Technology (Chengdu) Corp.	Other receivables from related parties	Yes	RMB30,000	RMB30,000	—	—	Note 2	—	Operating capital	—	—	—	207,229	248,674

Note1 : The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Note2 : The need for short-term financing.

Note3 : The amount that can be financing limits for each borrowing company is 50% of the guarantor's net assets.

(NT$ 414,457× 50% ＝ NT$207,229)

Note4 : The amount that can be financing company's total financing is 60% of the guarantor's net assets.

(NT$ 414,457× 60% ＝ NT$248,674)

Table 2

Endorsement/guarantee provided

For the three months ended March 31, 2026

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

No	Endorser/ guarantor	Counter-party		Limits on endorsement/ guarantee amount provided to each guaranteed party	Maximum balance for the period	Ending balance	Amount actually drawn	Value of collaterals property, plant, or equipment	Ratio of accumulated amount of collateral to net equity as shown in the latest financial statement	Maximum collateral/ guarantee amounts allowable	The holding company to subsidiary	Subsidiary to holding company	Endorsement/ guarantee in Mainland China
		Name	Relation										
0	Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	2	743,279	15,658	—	—	—	—	808,348	Y	N	Y
1	Princeton Technology (Shenzhen)	Princeton Technology (Chengdu) Corp.	4	124,337	46,040	46,040	—	—	11.11%	165,783	N	N	Y

Note1 : Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note2 : The amount for guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 45% and 30% of the Company’s and its subsidiaries net worth, which was audited by Certified Public Accountant.

Note3 : The total amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed 49% and 40% of the Company’s and its subsidiaries net worth, which was audited by Certified Public Accountant.

Table 3

Marketable securities held

For the three months ended March 31, 2026

(Shares in thousands ,Amounts in Thousands of New Taiwan Dollars, unless specified)

Investor	Description of Stock		Relationship with the Investor	Financial statement account	March 31, 2026			
					Shares	Carrying value	Percentage of ownership	Fair Value
Princeton Technology Corp.	Common stock	Innorich Venture Capital Corp.	—	Financial assets at FVTOCI	939	3,757	—	3,757
Princeton Capital Corp.	Fund	Eastspring Investments Umbrella Fund - Global Bond Fund of Fund A TWD	—	Financial assets at FVTPL- current	471	6,605	—	6,605
Princeton Capital Corp.	Limited partnership	Foryou Private Equity Limited Partnership	—	Financial assets at FVTPL – non current	—	28,359	—	28,359
Princeton Capital Corp.	Limited partnership	Qingfeng Capital Venture Capital Limited Partnership	—	Financial assets at FVTPL – non current	—	28,296	—	28,296
Princeton Capital Corp.	Limited partnership	CDIB-TEN Capital Limited Partnership	—	Financial assets at FVTPL – non current	—	34,988	—	34,988
Princeton Capital Corp.	Common stock	Advanced Microelectronic Products Inc.	—	Financial assets at FVTOCI	288	—	—	—
Chengdu Chip-Rail Microelectronics Co.,Ltd.	Wealth management products	Bank of Communications contains wealth-type structured deposits	—	Financial assets at FVTPL- current	16,000	73,690	—	73,690
Princeton Silicon LTD	Unlisted equity investment	ARK HDPS SEMICONDUCTOR PTE. (Shenzhen) Ltd.	—	Financial assets at FVTOCI	—	46,959	3.07%	46,959

Table 4

Significant intercompany transactions between consolidated entities
For the three months ended March 31, 2026
(Shares in thousands ,Amounts in Thousands of New Taiwan Dollars, unless specified)

Related Party	Counterparty	Relationship with the Company(Note1)	Transactions			
			Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Sales	90,144	No significant difference	27.13%
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Purchase	7,655	No significant difference	2.30%
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Manufacturing expenses	560	No significant difference	0.17%
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Accounts receivable	69,714	No significant difference	3.03%
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Accounts payable	2,275	No significant difference	0.10%
Princeton Technology (Shenzhen) Ltd.	Princeton Technology (Chengdu) Corp.	2	Service incomes	4,759	No significant difference	1.43%
Princeton Technology (Shenzhen) Ltd.	Princeton Technology (Chengdu) Corp.	2	Accounts receivable	2,142	No significant difference	0.09%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Sales	4,863	No significant difference	1.46%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Rental incomes	464	No significant difference	0.14%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Accounts receivable	3,097	No significant difference	0.13%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Other incomes	131	No significant difference	0.04%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Other advances	388	No significant difference	0.02%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Refundable deposits	333	No significant difference	0.01%
Princeton Technology (Chengdu) Corp.	Princeton Technology (Shenzhen) Ltd.	2	Rental incomes	150	No significant difference	0.05%

Note 1: Transactions are categorized as follows:

1. The holding company to subsidiary.
2. The subsidiary company to subsidiary.

Table 5

Name, locations, and other information of investee on which the Company exercises significant influence

For the three months ended March 31, 2026

(Amounts in Thousands of New Taiwan Dollars and Chinese Yuan, unless otherwise specified)

Investor	Investee	Location	Main business and products	Original investment amount		Balance as of March 31, 2026			Net income (loss) of the investee	Equity in net income (net loss)
				Mar 31, 2026	Dec 31, 2025	Shares (in thousand)	Percentage of ownership	Carrying value		
Princeton Technology Corp.	Princeton Silicon LTD	Hong Kong	Holding company	1,056,197	1,056,197	33,500	100.00%	988,090	10,962	10,913
Princeton Technology Corp.	Princeton Capital Corp.	Taiwan	Investment holding	150,000	150,000	15,000	100.00%	197,064	7,636	7,636
Princeton Technology Corp.	Microlink Communications Inc.	Taiwan	Wireless communications products research , manufacture and sales & marketing	80,000	80,000	8,000	25.00%	—	(1,366)	—
Princeton Technology Corp	Morelink Technology Corporation	Taiwan	Wireless communications products and Electronic components maintenance & sales; Importer of Restricted RF/Telecom device	15,800	15,800	1,580	7.87%	—	(3,682)	—
Princeton Technology Corp	Foresight Energy Technology Co., LTD	Taiwan	Electronic components and battery manufacturing, Electric equipment wholesale, Electronic material wholesale and sales	13,442	13,442	1,344	2.59%	11,206	(35,633)	(921)
Princeton Capital Corp.	Foresight Energy Technology Co., LTD	Taiwan	Electronic components and battery manufacturing, Electric equipment wholesale, Electronic material wholesale and sales	40,905	40,905	3,229	6.21%	26,922	(35,633)	(2,213)
Princeton Technology (Shenzhen) Ltd.	Chengdu Chip-Rail Microelectronics Co ., Ltd.	China	Computer systems development, IC design, computer hardware and software design and technical services	RMB 42,030	RMB 42,030	10,625	85.00%	RMB 57,054	RMB 1,429	RMB 1,215

Table 6
Investment in Mainland China
For the three months ended March 31, 2026

Investee	Main business and products	Total amount of paid-in capital	Investment type	Accumulated outflow of investment from Taiwan as of December 31, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	Net income of the investee	% Ownership director or indirect investment	Investment gain(loss)	Carrying value as of March 31, 2026	Accumulated inward remittance of earnings as of March 31, 2026
					Outflow	Inflow						
Princeton Technology (Shenzhen) Ltd.	IC sales, design & marketing and software research; the research and development of separators for lithium-ion batteries; communications equipment technical consulting and after-sale service	417,942 (USD13,000)	Indirect : Through Princeton Silicon Inc(a wholly owned subsidiary of Princeton Technology Corp.)	417,942 (USD13,000)	–	–	417,942 (USD13,000)	4,337 (USD 138)	100%	4,290	414,457	–
Princeton Technology (Chengdu) Corp.	IC design and software research, technology transfer, technical consulting, after-sales service; modular design of electronic systems, development and sale; IC sale, import and export, communications equipment research, sales, import and export, technical consulting, after-sale service; lithium-ion batteries research, sales, import and export; own house rental	591,690 (USD19,000)	Indirect : Through Princeton Silicon Inc(a wholly owned subsidiary of Princeton Technology Corp.)	591,690 (USD19,000)	–	–	591,690 (USD19,000)	6,816 (USD 216)	100%	6,672	527,702	–
ARK HDPS SEMICON DUCTOR PTE. (Shenzhen) Ltd.	R&D and sales of semiconductors, testing equipment, automation equipment, electromechanical equipment and related equipment, materials and consumables; related technical consulting, technology transfer and scientific and technological services; technology development, technology transfer and technical services in the field of new energy; import and export related matters	RMB10,905	Indirect : Through Princeton Silicon Inc(a wholly owned subsidiary of Princeton Technology Corp.)	43,343 (USD 1,396)	–	–	43,343 (USD1,396)	28,416	3.07%	Note2	46,959	–

Accumulated investment in Mainland China as of March 31, 2026	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment defined by Investment Commission, MOEA(Note1)
1,052,975(USD 33,396)	1,056,197(USD 33,500)	991,038

Note1: Recognition of the upper limit was based on reviewed financial statement as of March 31, 2026. The limit was NT$991,038 (NT$1,651,730× 60% ＝ NT$991,038)

Note2: Financial assets measured at FVTOCI – non- current.