DAVICOM SEMICONDUCTOR, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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

INDEPENDENT AUDITORS’ REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of DAVICOM SEMICONDUCTOR, INC.

Introduction

We have reviewed the accompanying consolidated balance sheets of DAVICOM Semiconductor, Inc. and subsidiaries (the "Group") as at June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT$278,883 thousand and NT$211,668 thousand, constituting 23.67% and 19.07% of the consolidated total assets as at June 30, 2026 and 2025, respectively, total liabilities amounted to NT$2,611 thousand and NT$81 thousand, constituting 1.86% and 0.07% of the consolidated total liabilities as at June 30, 2026 and 2025, respectively, and the total comprehensive (loss) income amounted to NT$241 thousand, NT($1,929) thousand, NT$(1,721) thousand and NT($1,281) thousand, constituting 0.92%, 11.07%, (5.06%) and 11.32% of the consolidated total comprehensive income for the three months and six months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Lin, Se-Kai Lin, Chia-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

August 7, 2026

DAVICOM SEMICONDUCTOR, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 702,134	60	$ 679,643	60	$ 666,349	60
1170	Accounts receivable, net	6(3)	36,770	3	27,238	3	27,306	3
1200	Other receivables		967	-	24,499	2	863	-
1220	Current tax assets		-	-	3,921	-	3,424	-
130X	Inventories, net	6(4)	52,914	4	45,162	4	33,218	3
1410	Prepayments		2,012	-	943	-	1,843	-
1470	Other current assets		-	-	-	-	3,994	-
11XX	**Total Current Assets**		794,797	67	781,406	69	736,997	66
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	72,416	6	36,366	3	55,333	5
1600	Property, plant and equipment, net	6(5)	131,344	11	133,315	12	135,528	12
1755	Right-of-use assets	6(6)	83,365	7	78,975	7	80,177	7
1760	Investment property, net	6(8)	84,847	7	86,232	8	87,763	8
1780	Intangible assets		95	-	134	-	347	-
1840	Deferred income tax assets	6(23)	5,907	1	5,826	-	7,691	1
1900	Other non-current assets	6(9)	5,458	1	5,975	1	5,989	1
15XX	**Total Non-current Assets**		383,432	33	346,823	31	372,828	34
1XXX	**Total Assets**		$ 1,178,229	100	$ 1,128,229	100	$ 1,109,825	100

(Continued)

DAVICOM SEMICONDUCTOR, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current liabilities							
2130	Current contract liabilities		$ 97	-	$ 307	-	$ 97	-
2150	Notes payable		168	-	161	-	163	-
2170	Accounts payable		13,389	1	10,511	1	2,625	-
2200	Other payables	6(10)	44,437	4	19,954	2	36,352	4
2230	Current income tax liabilities		4,188	1	-	-	-	-
2280	Current lease liabilities	12(2)	1,688	-	1,508	-	1,502	-
2300	Other current liabilities		1,773	-	1,344	-	1,275	-
21XX	**Current Liabilities**		65,740	6	33,785	3	42,014	4
	Non-current liabilities							
2570	Deferred income tax liabilities	6(23)	1,607	-	1,478	-	1,271	-
2580	Non-current lease liabilities	12(2)	70,964	6	66,293	6	67,049	6
2600	Other non-current liabilities		2,018	-	2,018	-	3,491	-
25XX	**Non-current liabilities**		74,589	6	69,789	6	71,811	6
2XXX	**Total Liabilities**		140,329	12	103,574	9	113,825	10
	Equity attributable to owners of parent							
	Share capital	6(13)						
3110	Common stock		831,171	71	831,171	74	831,171	75
	Capital surplus	6(14)						
3200	Capital surplus		64,585	5	64,585	5	64,585	6
	Retained earnings	6(15)						
3310	Legal reserve		104,888	9	102,680	9	102,680	9
3320	Special reserve		10,461	1	5,714	1	5,714	1
3350	Undistributed earnings		35,710	3	30,966	3	10,018	1
	Other equity interest							
3400	Other equity interest		(8,915)	(1)	(10,461)	(1)	(18,168)	(2)
31XX	**Equity attributable to owners of the parent**		1,037,900	88	1,024,655	91	996,000	90
3XXX	**Total Equity**		1,037,900	88	1,024,655	91	996,000	90
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	**Total Liabilities and Equity**		$ 1,178,229	100	$ 1,128,229	100	$ 1,109,825	100

The accompanying notes are an integral part of these consolidated financial statements.

DAVICOM SEMICONDUCTOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings (loss) per share amounts)

			Three months ended June 30				Six months ended June 30			
			2026		2025		2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(16)	$ 63,688	100	$ 47,013	100	$ 110,894	100	$ 98,605	100
5000	Operating costs	6(4)(21)(22)	(16,310)	(26)	(11,239)	(24)	(28,121)	(26)	(21,009)	(21)
5900	Net operating margin		47,378	74	35,774	76	82,773	74	77,596	79
	Operating expenses	6(21)(22)								
6100	Selling expenses		(6,577)	(10)	(3,020)	(7)	(12,864)	(12)	(13,191)	(13)
6200	General and administrative expenses		(13,380)	(21)	(10,537)	(22)	(24,592)	(22)	(25,164)	(26)
6300	Research and development expenses		(15,864)	(25)	(18,915)	(40)	(31,413)	(28)	(33,221)	(34)
6450	Impairment on expected credit losses	6(3) and 12(2)	-	-	100	-	-	-	100	-
6000	Total operating expenses		(35,821)	(56)	(32,372)	(69)	(68,869)	(62)	(71,476)	(73)
6900	Operating income		11,557	18	3,402	7	13,904	12	6,120	6
	Non-operating income and expenses									
7100	Interest income	6(17)	2,546	4	3,175	7	4,027	4	5,263	5
7010	Other income	6(18)	6,684	10	6,699	14	13,365	12	13,314	14
7020	Other gains and losses	6(19)	8,724	14	(16,420)	(35)	5,842	5	(21,300)	(22)
7050	Finance costs	6(20)	(172)	-	(158)	-	(321)	-	(316)	-
7000	Total non-operating income and expenses		17,782	28	(6,704)	(14)	22,913	21	(3,039)	(3)
7900	**Income (loss) from continuing operations before income tax**		29,339	46	(3,302)	(7)	36,817	33	3,081	3
7950	Income tax expense	6(23)	(2,622)	(4)	(184)	-	(4,339)	(4)	(1,947)	(2)
8000	**Profit (loss) for the period from continuing operations**		26,717	42	(3,486)	(7)	32,478	29	1,134	1
8200	**Profit (loss) for the period**		$ 26,717	42	($ 3,486)	(7)	$ 32,478	29	$ 1,134	1
	Other comprehensive income Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statement translation differences of foreign operations		($ 527)	(1)	($ 13,944)	(30)	$ 1,546	2	($ 12,454)	(12)
8360	Components of other comprehensive income that will be reclassified to profit or loss		(527)	(1)	(13,944)	(30)	1,546	2	(12,454)	(12)
8300	**Total other comprehensive income (loss) for the period**		($ 527)	(1)	($ 13,944)	(30)	$ 1,546	2	($ 12,454)	(12)
8500	**Total comprehensive income (loss) for the period**		$ 26,190	41	($ 17,430)	(37)	$ 34,024	31	($ 11,320)	(11)
	Profit (loss), attributable to:									
8610	Owners of parent		$ 26,717	42	($ 3,486)	(7)	$ 32,478	29	$ 1,134	1
	Comprehensive income (loss), attributable to:									
8710	Owners of parent		$ 26,190	41	($ 17,430)	(37)	$ 34,024	31	($ 11,320)	(11)
	Basic earnings (loss) per share	6(24)								
9750	Total basic earnings (loss) per share		$ 0.32		($ 0.04)		$ 0.39		$ 0.01	
	Diluted earnings (loss) per share	6(24)								
9850	Total diluted earnings (loss) per share		$ 0.32		($ 0.04)		$ 0.39		$ 0.01	

The accompanying notes are an integral part of these consolidated financial statements.

DAVICOM SEMICONDUCTOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
			Capital Surplus			Retained Earnings					
	Notes	Common stock	Additional paid-in capital	Treasury share transactions	Others	Legal reserve	Special reserve	Undistributed earnings	Exchange differences from translation of foreign operations	Treasury shares	Total equity
Six months ended June 30, 2025											
Balance at January 1, 2025		$ 831,171	$ 13,702	$ 6,225	$ 38,714	$ 100,978	$ 12,859	$ 17,571	($ 5,714)	($ 8,315)	$1,007,191
Profit for the period		-	-	-	-	-	-	1,134	-	-	1,134
Other comprehensive loss for the period		-	-	-	-	-	-	-	(12,454)	-	(12,454)
Total comprehensive income (loss)		-	-	-	-	-	-	1,134	(12,454)	-	(11,320)
Appropriation and distribution of earnings											
Legal reserve		-	-	-	-	1,702	-	(1,702)	-	-	-
Reversal of special reserve		-	-	-	-	-	(7,145)	7,145	-	-	-
Cash dividends		-	-	-	-	-	-	(14,130)	-	-	(14,130)
Treasury stock transferred to employees	6(14)(15)	-	-	5,944	-	-	-	-	-	8,315	14,259
Balance at June 30, 2025		$ 831,171	$ 13,702	$ 12,169	$ 38,714	$ 102,680	$ 5,714	$ 10,018	($ 18,168)	$ -	$ 996,000
Six months ended June 30, 2026											
Balance at January 1, 2026		$ 831,171	$ 13,702	$ 12,169	$ 38,714	$ 102,680	$ 5,714	$ 30,966	($ 10,461)	$ -	$1,024,655
Profit for the period		-	-	-	-	-	-	32,478	-	-	32,478
Other comprehensive income for the period		-	-	-	-	-	-	-	1,546	-	1,546
Total comprehensive income		-	-	-	-	-	-	32,478	1,546	-	34,024
Appropriation and distribution of earnings	6(15)										
Legal reserve		-	-	-	-	2,208	-	(2,208)	-	-	-
Special reserve		-	-	-	-	-	4,747	(4,747)	-	-	-
Cash dividends		-	-	-	-	-	-	(20,779)	-	-	(20,779)
Balance at June 30, 2026		$ 831,171	$ 13,702	$ 12,169	$ 38,714	$ 104,888	$ 10,461	$ 35,710	($ 8,915)	$ -	$1,037,900

The accompanying notes are an integral part of these consolidated financial statements.

DAVICOM SEMICONDUCTOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 36,817	$ 3,081
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use assets)	6(5)(6)(8)	5,055	4,945
Amortisation	6(21)	756	612
Impairment on expected credit gain	12(2)	-	(100)
Net loss on financial assets at fair value through profit or loss	6(2)(19)	(7,463)	8,164
Interest expense	6(20)	321	316
Interest income	6(17)	(4,027)	(5,263)
Stock-based payment	6(13)	-	5,934
Deferred charges transferred to research and experimental expenses		-	797
Changes in operating assets and liabilities			
Changes in operating assets			
Proceeds from disposal of financial assets at fair value through profit or loss		(28,587)	-
Accounts receivable		(9,532)	(2,296)
Other receivables		23,711	40
Inventories		(7,752)	(10,294)
Prepayments		(1,069)	(593)
Net defined benefit assets		(57)	(3)
Other current assets		-	13
Changes in operating liabilities			
Current contract liabilities		(210)	(38)
Notes payable		7	9
Accounts payable		2,878	(3,529)
Other payables		3,704	(1,660)
Other current liabilities		429	(96)
Cash inflow generated from operations		14,981	39
Interest received		3,853	5,970
Interest paid		(321)	(316)
Income tax paid		(2,659)	(155)
Income tax refunded		6,493	-
Net cash flows from operating activities		22,347	5,538
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(5)	(254)	(242)
Increase in intangible assets		(143)	(120)
Acquisition of investment property	6(8)	(146)	(171)
Net cash flows used in investing activities		(543)	(533)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liabilities	6(6)(25)	(838)	(745)
Employee stock purchase of treasury shares		-	8,325
Net cash flows (used in) from financing activities		(838)	7,580
Effect of foreign exchange rate changes on cash and cash equivalents		1,525	(12,396)
Net increase in cash and cash equivalents		22,491	189
Cash and cash equivalents at beginning of period		679,643	666,160
Cash and cash equivalents at end of period		$ 702,134	$ 666,349

The accompanying notes are an integral part of these consolidated financial statements.

DAVICOM SEMICONDUCTOR, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION
   (1) Davicom Semiconductor, Inc. (the "Company") was incorporated as a corporation under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the research, development, production, manufacturing, and sales of communications network ICs.
   (2) On August 6, 2007, the Company was authorized to trade its common stocks on the Taiwan Stock Exchange.
2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION
   These consolidated financial statements were reported to the Board of Directors on August 7, 2026.
3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS
   (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")
   New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of 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
Amendment 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

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) <u>Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group</u>

New standards, interpretations and amendments endorsed by the FSC effective from 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS 28 investments in associates and joint ventures'	January 1, 2027 (Note 2)

Note 1：The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.

Note 2：The entities shall apply the amendment simultaneously with IFRS 18.

Except for the impact of IFRS 18, 'Presentation and disclosure in financial statements' which will be disclosed upon completion of the assessment, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements' replace IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

(3) <u>IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC</u>

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

4. <u>SUMMARY OF MATERIAL ACCOUNTING POLICIES</u>

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of investor	Name of subsidiary	Main business activities	June 30, 2026	December 31, 2025	June 30, 2025	Description
Davicom Semiconductor, Inc.	Medicom Corp.	Manufacturing and designing of IC	100.00	100.00	100.00	(a)
Davicom Semiconductor, Inc.	Davicom Investment Inc.	Investment company	100.00	100.00	100.00	(a)
Davicom Semiconductor, Inc.	TSCC Inc.	Reinvestment business	100.00	100.00	100.00	-
Davicom Semiconductor, Inc.	Aidialink Corp.	Wireless communication machinery and equipment manufacturing industry	100.00	100.00	100.00	(b)
TSCC Inc.	JUBILINK LIMITED	Reinvestment business	100.00	100.00	100.00	-

(a) The financial statements of the entity as of and for the six months ended June 30, 2026 and 2025 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

(b) The financial statements of the entity as of and for the six months ended June 30, 2026 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

C. Subsidiaries not included in the consolidated financial statements: None.

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

E. Significant restrictions on fund remittance from subsidiaries to the parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefit

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(5) <u>Income tax</u>

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

G. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes as of June 30, 2026. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 161	$ 112	$ 117
Checking accounts and demand deposits	331,374	285,623	306,787
Time deposits	370,599	393,908	359,445
	$ 702,134	$ 679,643	$ 666,349

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

Items	June 30, 2026	December 31, 2025	June 30, 2025
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted stocks	$ 32,537	$ 25,458	$ 23,364
Beneficiary certificates	29,154	-	22,441
Limited partnership	10,725	10,908	9,528
	$ 72,416	$ 36,366	$ 55,333

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended June 30, 2026	Three months ended June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 10,688	($ 2,728)
Beneficiary certificates	154	-
Limited partnership	(314)	(628)
	$ 10,528	($ 3,356)

	Six months ended June 30, 2026	Six months ended June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 7,491	($ 6,980)
Beneficiary certificates	154	-
Limited partnership	(182)	(1,184)
	$ 7,463	($ 8,164)

B. As of June 30, 2026, the Group has no financial assets at amortised cost pledged to others.

(3) Accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	$ 37,286	$ 27,754	$ 27,822
Less: Allowance for uncollectible accounts	(516)	(516)	(516)
	$ 36,770	$ 27,238	$ 27,306

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
	Accounts receivable	Accounts receivable	Accounts receivable
Not past due	$ 36,701	$ 27,595	$ 27,624
Up to 30 days	585	159	198
	$ 37,286	$ 27,754	$ 27,822

The above ageing analysis was based on past due date.

B. As of June 30, 2026, December 31, 2025 and June 30, 2025, accounts receivable were all from contracts with customers. And as of January 1, 2025, the balance of receivables from contracts with customers amounted to $24,910.

C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	June 30, 2026		
	Cost	Allowance for valuation loss	Book value
Work in progress	$ 19,786	($ 6,313)	$ 13,473
Finished goods	52,036	(12,595)	39,441
	$ 71,822	($ 18,908)	$ 52,914

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Work in progress	$ 13,866	($ 4,929)	$ 8,937
Finished goods	50,004	(13,779)	36,225
	$ 63,870	($ 18,708)	$ 45,162

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Work in progress	$ 17,646	($ 6,035)	$ 11,611
Finished goods	34,280	(12,673)	21,607
	$ 51,926	($ 18,708)	$ 33,218

The cost of inventories recognised as expenses for the period:

	Three months ended June 30, 2026	Three months ended June 30, 2025
Cost of goods sold	$ 16,610	$ 11,359
Gain from price recovery of inventory	(300)	(120)
	$ 16,310	$ 11,239

	Six months ended June 30, 2026	Six months ended June 30, 2025
Cost of goods sold	$ 27,921	$ 23,829
Loss (gain) from price recovery of inventory	200	(2,820)
	$ 28,121	$ 21,009

For the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2025, the Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because the inventories which were previously provided with allowance for inventory valuation losses were subsequently sold.

(5) Property, plant and equipment

2026	Buildings and structures	Computer communications equipment	Transportation equipment	Others	Total
At January 1					
Cost	$ 208,089	$ 264	$ 60	$ 641	$ 209,054
Accumulated depreciation	(75,275)	(114)	(22)	(328)	(75,739)
	$ 132,814	$ 150	$ 38	$ 313	$ 133,315
Opening net book amount as at January 1	$ 132,814	$ 150	$ 38	$ 313	$ 133,315
Additions	164	-	-	90	254
Depreciation charge	(2,105)	(35)	(10)	(75)	(2,225)
Closing net book amount as at June 30	$ 130,873	$ 115	$ 28	$ 328	$ 131,344
At June 30					
Cost	$ 208,253	$ 264	$ 60	$ 731	$ 209,308
Accumulated depreciation	(77,380)	(149)	(32)	(403)	(77,964)
	$ 130,873	$ 115	$ 28	$ 328	$ 131,344

	2025				
	Buildings and structures	Computer communications equipment	Transportation equipment	Others	Total
At January 1					
Cost	$ 207,981	$ 264	$ 60	$ 679	$ 208,984
Accumulated depreciation	(71,165)	(48)	(2)	(261)	(71,476)
	$ 136,816	$ 216	$ 58	$ 418	$ 137,508
Opening net book amount as at January 1	$ 136,816	$ 216	$ 58	$ 418	$ 137,508
Additions	193	-	-	49	242
Depreciation charge	(2,090)	(34)	(10)	(88)	(2,222)
Closing net book amount as at June 30	$ 134,919	$ 182	$ 48	$ 379	$ 135,528
At June 30					
Cost	$ 208,174	$ 264	$ 60	$ 728	$ 209,226
Accumulated depreciation	(73,255)	(82)	(12)	(349)	(73,698)
	$ 134,919	$ 182	$ 48	$ 379	$ 135,528

The Group has no financial assets at fair value through profit or loss pledged to others.

(6) Leasing arrangements－lessee

A. The Group leases assets including land. Rental contracts are made for periods of 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
	Carrying amount	Carrying amount	Carrying amount
Land	$ 56,722	$ 52,019	$ 52,908
Buildings	26,643	26,956	27,269
	$ 83,365	$ 78,975	$ 80,177

	Three months ended June 30,	
	2026	2025
	Depreciation charge	Depreciation charge
Land	$ 541	$ 444
Buildings	157	157
	$ 698	$ 601

	Six months ended June 30,	
	2026	2025
	Depreciation charge	Depreciation charge
Land	$ 986	$ 889
Buildings	313	313
	$ 1,299	$ 1,202

C. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended June 30,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 164	$ 142
Expense on short-term lease contracts	$ 3	$ 3
Expense on leases of low-value assets	$ 51	$ 51

	Six months ended June 30,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 304	$ 286
Expense on short-term lease contracts	$ 17	$ 45
Expense on leases of low-value assets	$ 108	$ 107

D. For the three months and six months ended June 30, 2026 and 2025, the Group's total cash outflow for leases were $680, $568, $1,267 and $1,183, respectively.

(7) Leasing arrangements – lessor

A. The Group leases assets including buildings. Rental contracts are typically made for periods of 1 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Group has no overdue lease receivables from the lessee, and the amount of loss arising from credit risk is assessed to be insignificant.

C. For the three months and six months ended June 30, 2026 and 2025, the Group recognised rent income in the amounts of $6,596, $6,536, $13,185 and $13,065, respectively, based on the operating lease agreement, which does not include variable lease payments.

D. The maturity analysis of the lease payments under the operating leases is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current year	$ 13,600	$ 26,623	$ 7,919
Within 1 year	25,038	24,222	6,623
2 years	8,999	8,183	-
3 years	204	-	-
	$ 47,841	$ 59,028	$ 14,542

(8) Investment property

	Six months ended June 30,	
	2026	2025
At January 1		
Cost	$ 150,304	$ 150,271
Accumulated depreciation	(64,072)	(61,158)
	$ 86,232	$ 89,113
Opening net book amount as at January 1	$ 86,232	$ 89,113
Additions	146	171
Depreciation charge	(1,531)	(1,521)
Closing net book amount as at June 30	$ 84,847	$ 87,763
At June 30		
Cost	$ 150,450	$ 150,379
Accumulated depreciation	(65,603)	(62,616)
	$ 84,847	$ 87,763

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

	Three months ended June 30,	
	2026	2025
Rental income from investment property	$ 6,596	$ 6,536
Direct operating expenses arising from the investment property that generated rental income during the period	($ 1,565)	($ 1,543)

	Six months ended June 30,	
	2026	2025
Rental income from investment property	$ 13,185	$ 13,065
Direct operating expenses arising from the investment property that generated rental income during the period	($ 3,133)	($ 3,084)

B. The fair value of the investment property held by the Group as at June 30, 2026, December 31, 2025 and June 30, 2025 were $178,929, $178,929 and $178,929, respectively which was valued by independent valuers. Valuations were made using the cost approach and income approach for each approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	Overall capital interest rate	Ratio of salvage value
Cost approach	2.48%	5.00%

	Capitalisation rate
Income approach	7.50%

(9) Other non-current assets

	June 30, 2026	December 31, 2025	June 30, 2025
Deferred charges	$ 797	$ 1,370	$ 3,538
Net defined benefit assets	2,419	2,363	209
Guarantee deposits paid	102	102	102
Restricted assets	2,140	2,140	2,140
	$ 5,458	$ 5,975	$ 5,989

Details of the Group's financial assets pledged to others as collateral are provided in Note 8.

(10) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Cash dividend payable	$ 20,779	$ -	$ 14,130
Wages and bonus payable	19,280	15,880	15,131
Others	4,378	4,074	7,091
	$ 44,437	$ 19,954	$ 36,352

(11) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(b) The Company suspended to contribute pension for the year ended December 31, 2026 as approved by Hsinchu Science Park Bureau, National Science and Technology Council.

(c) For the aforementioned pension plan, the Group recognised pension costs of $0, $0, ($56) and ($3) for the three months and six months ended June 30, 2026 and 2025, respectively.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2026 and 2025, were $993, $1,053, $1,993 and $2,106, respectively.

(12) Share-based payment (For the six months ended June 30, 2026: None.)

A. For the six months ended June 30, 2025, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousand shares)	Contract period	Vesting conditions
Treasury stock transferred to employees	2025.01.22	512	-	Vested immediately

B. The information on the fair value of the transferred employees of the Company's treasury shares is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Fair value per unit
Treasury stock transferred to employees	2025.01.22	27.85	16.26	11.59

C. For the six months ended June 30, 2025, compensation costs for employees of the Company due to the transfer of treasury shares amounted to $5,934, respectively.

(13) Share capital

As of June 30, 2026, the Company's authorized capital was $1,200,000, consisting of 120,000 thousand shares of ordinary stock (including 18,000 thousand shares reserved for employee stock options and 400 thousand shares reserved for convertible bonds issued by the Company), and the paid-in capital was $831,171 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2026	2025
At January 1	$ 83,117	$ 82,605
Treasury stock transferred to employees	-	512
At June 30	$ 83,117	$ 83,117

(14) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(15) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings shall first be used to pay all taxes and offset prior years' operating losses and 10% of the remaining amount shall be set aside as legal reserve, then set aside or reverse special reserve in accordance with related regulations. The appropriation of the remainder along with the earnings in prior years shall be proposed by the Board of Directors and resolved at the stockholders' meeting. The Company shall appropriate all the current distributable earnings, taking into consideration the Company's financials, business and operations. Dividends to shareholders can be distributed in the form of cash or shares and cash dividends to shareholders shall account for at least 80% of the total dividends to shareholders.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The appropriation of 2025 and 2024 earnings was resolved by the shareholders on May 28, 2026 and May 28, 2025, respectively. Details are as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 2,208		$ 1,702	
Special reserve appropriated	4,747		(7,145)	
Cash dividends	20,779	$ 0.25	14,130	$ 0.17

For the information relating to the abovementioned appropriation of earnings as approved by the Board of Directors and resolved by the shareholders, please refer to the Market Observation Post System.

(16) Operating revenue

	Three months ended June 30,	
	2026	2025
Revenue from contracts with customers	$ 63,688	$ 47,013

	Six months ended June 30,	
	2026	2025
Revenue from contracts with customers	$ 110,894	$ 98,605

Disaggregation of revenue from contracts with customers.

The Group derives revenue at a point in time in the following geographical regions:

	Three months ended June 30,	
	2026	2025
China	$ 35,523	$ 30,749
Taiwan	14,703	7,241
USA	3,855	39
Other	9,607	8,984
	$ 63,688	$ 47,013

	Six months ended June 30,	
	2026	2025
China	$ 65,100	$ 61,621
Taiwan	22,775	15,225
USA	4,215	1,493
Other	18,804	20,266
	$ 110,894	$ 98,605

(17) Interest income

	Three months ended June 30,	
	2026	2025
Interest income from bank deposits	$ 2,403	$ 2,914
Other interest income	143	261
	$ 2,546	$ 3,175

	Six months ended June 30,	
	2026	2025
Interest income from bank deposits	$ 3,884	$ 4,741
Other interest income	143	522
	$ 4,027	$ 5,263

(18) Other income

	Three months ended June 30, 2026	Three months ended June 30, 2025
Rent income	$ 6,596	$ 6,536
Dividend income	-	92
Other income, others	88	71
	$ 6,684	$ 6,699

	Six months ended June 30, 2026	Six months ended June 30, 2025
Rent income	$ 13,185	$ 13,065
Dividend income	-	92
Other income, others	180	157
	$ 13,365	$ 13,314

(19) Other gains and losses

	Three months ended June 30, 2026	Three months ended June 30, 2025
Net gains (losses) on financial assets at fair value through profit (loss)	$ 10,528	($ 3,356)
Net currency exchange gains (losses)	(239)	(11,521)
Disposal of investment losses	-	-
Other losses	(1,565)	(1,543)
	$ 8,724	($ 16,420)

	Six months ended June 30, 2026	Six months ended June 30, 2025
Net gains (losses) on financial assets at fair value through profit (loss)	$ 7,463	($ 8,164)
Net currency exchange gains (losses)	1,528	(10,052)
Disposal of investment losses	(16)	-
Other losses	(3,133)	(3,084)
	$ 5,842	($ 21,300)

(20) Finance costs

	Three months ended June 30, 2026	Three months ended June 30, 2025
Interest expense	$ 172	$ 158

	Six months ended June 30, 2026	Six months ended June 30, 2025
Interest expense	$ 321	$ 316

(21) Expenses by nature

	Three months ended June 30, 2026	Three months ended June 30, 2025
Changes in finished goods, work-in-process and raw materials inventory	$ 8,034	$ 4,586
Employee benefit expense	27,932	25,484
Product testing fees	6,208	4,619
Depreciation charges on property, plant and equipment (including right-of-use assets)	1,812	1,719
Amortisation charges	373	397
Other costs and expenses	7,772	6,806
Operating costs and expenses	$ 52,131	$ 43,611

	Six months ended June 30, 2026	Six months ended June 30, 2025
Changes in finished goods, work-in-process and raw materials inventory	$ 14,375	$ 6,266
Employee benefit expense	54,279	58,612
Product testing fees	9,502	10,375
Depreciation charges on property, plant and equipment (including right-of-use assets)	3,524	3,424
Amortisation charges	756	612
Other costs and expenses	14,554	13,196
Operating costs and expenses	$ 96,990	$ 92,485

(22) Employee benefit expense

	Three months ended June 30, 2026	Three months ended June 30, 2025
Wages and salaries	$ 23,093	$ 21,377
Labour and health insurance fees	1,863	1,895
Pension costs	993	1,053
Directors' remuneration	1,093	292
Other personnel expenses	890	867
	$ 27,932	$ 25,484

	Six months ended June 30, 2026	Six months ended June 30, 2025
Wages and salaries	$ 44,951	$ 50,090
Labour and health insurance fees	3,825	4,026
Pension costs	1,937	2,103
Directors’ remuneration	1,636	677
Other personnel expenses	1,930	1,716
	$ 54,279	$ 58,612

A. According to the Articles of Incorporation of the Company, a ratio of gain on current pre-tax profit before deduction of employees' compensation and directors' remuneration, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 8.5% for employees' compensation and shall not be higher than 2% for directors' remuneration. A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by at least two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. Directors' remuneration shall be distributed in cash. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive employees' compensation in the form of stock or cash are set by the Board of Directors.

B. For the three months and six months ended June 30, 2026 and 2025, employees' compensation were accrued at $2,787, ($313), $3,497 and $293, respectively; directors' and supervisors' remuneration were accrued at $655, ($75), $822 and $68, respectively. The aforementioned amounts were recognised in salary expenses.

   The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 8.5% and 2% of distributable profit of current year as of the end of reporting period.

   Employees' compensation and directors' and supervisors' remuneration of 2025 as resolved at the meeting of the Board of Directors were in agreement with those amounts recognised in the 2025 financial statements.

   Information about employees' bonus and directors' and supervisors' remuneration of the Company as approved at the meeting of Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

	Three months ended June 30,	
	2026	2025
Current tax:		
Current tax on profits for the period	$ 2,476	$ 1,301
Additional income tax imposed on unappropriated earnings	-	417
Prior year income tax under estimation	92	192
Total current tax	$ 2,568	$ 1,910
Deferred tax:		
Origination and reversal of temporary differences	54	(1,726)
Income tax expense	$ 2,622	$ 184

	Six months ended June 30,	
	2026	2025
Current tax:		
Current tax on profits for the period	$ 4,199	$ 2,633
Additional income tax imposed on unappropriated earnings	-	417
Prior year income tax under estimation	92	192
Total current tax	4,291	3,242
Deferred tax:		
Origination and reversal of temporary differences	48	(1,295)
Income tax expense	$ 4,339	$ 1,947

B. The Company’s income tax returns through 2024 have been assessed and approved by the Tax Authority.

(24) Earnings per share

	Three months ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 26,717	83,117	$ 0.32
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 26,717	83,117	
Restricted stocks to employees			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	71	
Profit attributable to shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 26,717	83,188	$ 0.32

	Three months ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share /Diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 3,486)	82,605	($ 0.04)

	Six months ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 32,478	83,117	$ 0.39
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 32,478	83,117	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	124	
Profit attributable to shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 32,478	83,241	$ 0.39

	Six months ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,134	83,055	$ 0.01
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,134	83,055	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	28	
Profit attributable to shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,134	83,083	$ 0.01

(25) Changes in liabilities from financing activities

	Six months ended June 30, 2026			
	Lease liability	Cash dividends	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 67,801	$ -	$ 2,018	$ 69,819
Changes in cash flow from financing activities	(838)	-	-	(838)
Changes in other non-cash items	5,689	20,779	-	26,468
At June 30	$ 72,652	$ 20,779	$ 2,018	$ 95,449

	Six months ended June 30, 2025			
	Lease liability	Cash dividends	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 71,520	$ -	$ 3,491	$ 75,011
Changes in cash flow from financing activities	(745)	-	-	(745)
Changes in other non-cash items	(2,224)	14,130	-	11,906
At June 30	$ 68,551	$ 14,130	$ 3,491	$ 86,172

7. RELATED PARTY TRANSACTIONS

Key management compensation

	Three months ended June 30,	
	2026	2025
Salaries and other short-term employee benefits	$ 4,952	$ 4,026

	Six months ended June 30,	
	2026	2025
Salaries and other short-term employee benefits	$ 9,026	$ 7,938

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value			
Pledged asset	June 30, 2026	December 31, 2025	June 30, 2025	Purpose
Time deposits (shown as other non-current assets)	$ 2,140	$ 2,140	$ 2,140	Performance guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

The Group leases out properties under operating leases. Please refer to Note 6(7) for details.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 72,416	$ 36,366	$ 55,333
Financial assets at amortised cost			
Cash and cash equivalents	$ 702,134	$ 679,643	$ 666,349
Accounts receivable	36,770	27,238	27,306
Other receivables	967	24,499	863
Guarantee deposits paid	102	102	102
Other financial assets	2,140	2,140	2,140
	$ 742,113	$ 733,622	$ 696,760

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities			
Financial liabilities at amortised cost			
Notes payable	$ 168	$ 161	$ 163
Accounts payable	13,389	10,511	2,625
Other accounts payable	44,437	19,954	36,352
Guarantee deposits received	2,018	2,018	3,491
	$ 60,012	$ 32,644	$ 42,631
Lease liability	$ 72,652	$ 67,801	$ 68,551

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2026					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 8,101	31.85	$258,017	1%	2,580	$ -
CNY:NTD	14	4.69	66	1%	1	-
HKD:NTD	499	4.06	2,026	1%	20	-
Financial liabilities						
Monetary items						
USD:NTD	$ 239	31.85	$ 7,612	3%	$ 228	$ -

	December 31, 2025					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 8,320	31.43	$261,498	3%	$ 7,845	$ -
CNY:NTD	14	4.50	63	1%	1	-
HKD:NTD	499	4.04	2,016	1%	20	-
Financial liabilities						
Monetary items						
USD:NTD	$ 166	31.43	$ 5,217	3%	$ 157	$ -

	June 30, 2025					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
USD:NTD	$ 7,165	29.30	$209,935	1%	$ 2,099	$ -
CNY:NTD	14	4.09	57	1%	1	-
HKD:NTD	499	3.73	1,861	1%	19	-
Financial liabilities						
Monetary items						
USD:NTD	$ 42	29.30	$ 1,231	1%	$ 12	$ -

ii. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2026 and 2025, amounted to ($239), ($11,521), $1,528 and ($10,052), respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six months ended June 30, 2026 and 2025, other components of equity would have increased/decreased by $724 and $553, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.

v. The Group used the forecast ability of Taiwan Institute of Economic Research report to adjust historical and timely information to assess the default possibility of accounts receivable. On June 30, 2026, December 31, 2025 and June 30, 2025, the provision matrix, loss rate methodology is as follows:

	Group A	Group B	Total
At June 30, 2026			
Expected loss rate	0.05%	4.04%~4.07%	
Total book value	$ 33,777	$ 3,509	$ 37,286
Loss allowance	$ 17	$ 499	$ 516

	Group A	Group B	Total
At December 31, 2025			
Expected loss rate	0.05%	4.10%~8.17%	
Total book value	$ 25,875	$ 1,879	$ 27,754
Loss allowance	$ 12	$ 504	$ 516

	Group A	Group B	Total
At June 30, 2025			
Expected loss rate	0.03%	4.04%~4.06%	
Total book value	$ 25,666	$ 2,156	$ 27,822
Loss allowance	$ 8	$ 508	$ 516

vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	Six months ended June 30,	
	2026	2025
	Accounts receivable	Accounts receivable
At January 1	$ 516	$ 616
Reversal of impairment loss	-	(100)
At June 30	$ 516	$ 516

According to the above method, the allowance loss on the accounts receivable as of June 30, 2026, December 31, 2025 and June 30, 2025, should be $149, $84 and $96, respectively, which is not significantly different from the amount of allowance loss on the current account. For the three months and six months ended June 30, 2026 and 2025, there was no impairment loss arising from customers' contracts.

(c) Liquidity risk

i. Cash flow forecasting is performed by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

ii. Surplus cash held by the operating entities over and above balance required for working capital management will be invested in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The table below analyses the Group's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Except for notes payable, accounts payable and other payables, the amount of undiscounted contractual cash flows is approximately at its carrying amount and is due within one year. The amount of undiscounted contractual cash flows of the remaining financial liabilities is as follows:

June 30, 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Lease liability	$ 2,284	$ 2,284	$ 6,852	$ 72,122
Other financial liabilities (shown as other non-current liabilities)	-	66	1,952	-

December 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Lease liability	$ 2,065	$ 2,065	$ 6,194	$ 67,950
Other financial liabilities (shown as other non-current liabilities)	1,042	-	976	-

June 30, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Lease liability	$ 2,065	$ 2,065	$ 6,194	$ 68,983
Other financial liabilities (shown as other non-current liabilities)	2,515	-	976	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(8).

C. Financial instruments not measured at fair value

The Group's financial instruments not measured at fair value including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposits paid, notes and accounts payables, other payables and lease liability (includes current and non-current) approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

June 30, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 29,154	$ -	$ 10,725	$ 39,879
Limited partnership	-	-	32,537	32,537
Total	$ 29,154	$ -	$ 43,262	$ 72,416

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 25,458	$ 25,458
Limited partnership	-	-	10,908	10,908
Total	$ -	$ -	$ 36,366	$ 36,366

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 22,442	$ -	$ 23,363	$ 45,805
Limited partnership	-	-	9,528	9,528
Total	$ 22,442	$ -	$ 32,891	$ 55,333

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Open-end fund
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

iv. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the six months ended June 30, 2026 and 2025, there were no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the six months ended June 30, 2026 and 2025:

	Six months ended June 30,	
	2026	2025
	Non-derivative equity instruments	Non-derivative equity instruments
At January 1	$ 36,366	$ 39,045
Disposals for the period	(412)	-
Gains (losses) recognised in profit or loss	7,308	(6,154)
At June 30	$ 43,262	$ 32,891

G. For the six months ended June 30, 2026 and 2025, there were no transfer into or out from Level 3.

H. Finance department is in charge of valuation procedures for fair value measurements being categorised 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 updating inputs and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 32,537	Net asset value	Control premium	0.20	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	0.25	The higher the discount for lack of marketability, the lower the fair value
Limited partnership	10,725	Net asset value	Not applicable	-	Not applicable

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 25,458	Market comparable companies	Discount for lack of marketability	0.25	The higher the discount for lack of marketability, the lower the fair value
		Net asset value	Control premium	0.20	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	0.25	The higher the discount for lack of marketability, the lower the fair value
Limited partnership	10,908	Net asset value	Not applicable	-	Not applicable

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 23,363	Market comparable companies	Discount for lack of marketability	0.25	The higher the discount for lack of marketability, the lower the fair value
		Net asset value	Control premium	0.20	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	0.25	The higher the discount for lack of marketability, the lower the fair value
Limited partnership	9,528	Net asset value	Not applicable	-	Not applicable

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 2.

(3) Information of investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry and is mainly engaged in distribution of communications network ICs or related services. The Chief Operating Decision-Maker who allocates resources and assesses performance of the Group as a whole has identified that the Group has only one reportable operating segment.

(2) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Six months ended June 30,	
	2026	2025
Revenue from external customers	$ 110,894	$ 98,605
Depreciation and amortisation (including investment property, right-of-use assets)	5,811	5,557
Income tax expense	4,339	1,947
Reportable segments income	32,478	1,134
Assets of reportable segments	1,178,229	1,109,825
Capital expenditure in non-current assets of reportable segments	543	533
Liabilities of reportable segments	140,329	113,825

DAVICOM Semiconductor, Inc. and subsidiaries

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2026

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2026 Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
The Company	Unitech Capital Inc.	—	Financial assets at fair value through profit or loss - non-current	1,000,000	$ 32,537	2.00%	$ 32,537	
The Company	Mesh Cooperative Ventures, Inc.	—	Financial assets at fair value through profit or loss - non-current	1,000,000	10,725	0.82%	10,725	
Davicom Investment Inc.	Global Mobile Corp.	—	Financial assets at fair value through profit or loss - non-current	892,458	-	0.32%	-	
Davicom Investment Inc.	CTBC Hua Win Money Market Fund	—	Financial assets at fair value through profit or loss - non-current	24,000,000	24,034	-	24,034	
Davicom Investment Inc.	CTBC Taiwan Income and Growth Active ETF	—	Available-for-sale financial assets - non-current	5,000,000	5,120	-	5,120	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

DAVICOM Semiconductor, Inc. and subsidiaries

Information on investees (not including investees in Mainland China)

June 30, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at June 30, 2026					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2026	Investment income (loss) recognised by the Company for the six months ended June 30, 2026	Footnote
The Company	TSCC Inc.	Samoa	General investment	$ 143,224	$ 143,224	4,400,000	100.00%	$ 117,845	$ 1,448	$ 1,448	-
The Company	Davicom Investment Inc.	Taiwan	General investment	222,000	222,000	21,200,000	100.00%	213,092	761	761	-
The Company	Medicom Corp.	Taiwan	Designing and manufacturing of IC	20,036	20,036	100,000	100.00%	599	(4)	(4)	-
The Company	Aidialink Corp.	Taiwan	Wireless communication machinery and equipment manufacturing industry	81,070	81,070	8,000,000	100.00%	62,581	(2,478)	(2,478)	-
TSCC Inc.	Jubilink Ltd.	British Virgin Islands	General investment	-	-	22,775,207	100.00%	-	-	-	-