

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Financial Statements

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

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

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安侯建業聯合會計師事務所

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Independent Auditors' Review Report

To the Board of Directors of Raydium Semiconductor Corporation:

Introduction

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

Scope of Review

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

Conclusion

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



The engagement partners on the reviews resulting in this independent auditors' review report are An-Chih Cheng and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)

May 5, 2026

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2026		December 31, 2025		March 31, 2025		Liabilities and Equity		March 31, 2026		December 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(1))	\$ 3,213,554	16	3,096,560	16	5,378,197	26	2100	Short-term borrowings (note 6(10))	\$ 669,826	3	860,344	4	204,669	1
1110	Financial assets at fair value through profit or loss – current (note 6(2))	737,463	4	668,479	3	753,884	4	2120	Financial liabilities at fair value through profit or loss – current (note 6(2))	3,865	-	2,004	-	-	-
1120	Financial assets at fair value through other comprehensive income – current (note 6(2))	5,476	-	6,085	-	8,056	-	2130	Contract liabilities – current (note 6(18))	31,577	-	20,735	-	229,353	1
1170	Accounts receivable, net (note 6(3))	2,200,774	11	2,132,923	11	2,089,128	10	2170	Accounts payable	3,331,859	17	3,294,923	17	3,540,844	17
1180	Accounts receivable – related parties, net (notes 6(3) and 7)	1,766,741	9	1,684,342	9	1,638,115	8	2201	Salaries and bonuses payable	1,960,277	10	2,155,852	11	2,458,684	12
130X	Inventories (note 6(4))	2,580,069	13	2,284,130	11	2,553,320	12	2216	Dividends payable (note 6(16))	1,107,486	6	-	-	1,683,986	8
1476	Other financial assets – current (notes 6(1), (3), (8) and 8)	6,358,077	33	7,265,722	37	6,290,162	30	2220	Other payables – related parties (note 7)	8,187	-	10,627	-	4,349	-
1479	Other current assets (note 6(9))	194,211	1	197,403	1	203,399	1	2230	Current tax liabilities	81,886	1	62,913	-	325,621	2
		<u>17,056,365</u>	<u>87</u>	<u>17,335,644</u>	<u>88</u>	<u>18,914,261</u>	<u>91</u>	2250	Provisions – current (note 6(12))	89,659	1	94,692	1	110,282	-
								2300	Other current liabilities (notes 6(11), (14) and 7)	<u>1,207,933</u>	<u>6</u>	<u>1,192,213</u>	<u>6</u>	<u>970,394</u>	<u>5</u>
										<u>8,492,555</u>	<u>44</u>	<u>7,694,303</u>	<u>39</u>	<u>9,528,182</u>	<u>46</u>
									Non-current liabilities:						
	Non-current assets:							2550	Provisions – non-current (note 6(12))	179,317	1	189,383	1	220,564	1
1510	Financial assets at fair value through profit or loss – non-current (note 6(2))	89,992	1	67,978	-	34,771	-	2570	Deferred tax liabilities	10,632	-	9,266	-	8,164	-
1517	Financial assets at fair value through other comprehensive income – non-current (note 6(2))	298,525	2	248,375	1	363,299	2	2580	Lease liabilities – non-current (note 6(11))	66,333	-	88,154	-	12,286	-
1600	Property, plant and equipment (notes 6(5), 7 and 9)	605,733	3	567,644	3	434,193	2	2640	Net defined benefit liability – non-current (note 6(13))	1,090	-	1,090	-	-	-
1755	Right-of-use assets (note 6(6))	124,355	1	136,498	1	20,559	-	2645	Guarantee deposits received (notes 6(14) and 9)	-	-	157,190	1	331,820	1
1780	Intangible assets (note 6(7))	661,108	3	646,374	3	487,402	2			<u>257,372</u>	<u>1</u>	<u>445,083</u>	<u>2</u>	<u>572,834</u>	<u>2</u>
1840	Deferred tax assets	276,545	1	278,669	2	284,057	1		Total liabilities	<u>8,749,927</u>	<u>45</u>	<u>8,139,386</u>	<u>41</u>	<u>10,101,016</u>	<u>48</u>
1980	Other financial assets – non-current (notes 6(8) and 9)	5,051	-	4,536	-	3,610	-		Equity (note 6(16)):						
1900	Other non-current assets (note 6(9))	387,063	2	373,525	2	313,014	2	3110	Common stock	758,552	4	758,552	4	758,552	4
		<u>2,448,372</u>	<u>13</u>	<u>2,323,599</u>	<u>12</u>	<u>1,940,905</u>	<u>9</u>	3200	Capital surplus	4,712,933	24	4,712,933	24	4,712,933	22
								3300	Retained earnings	5,644,225	29	6,462,155	33	5,537,712	27
								3400	Other equity	<u>(360,900)</u>	<u>(2)</u>	<u>(413,783)</u>	<u>(2)</u>	<u>(255,047)</u>	<u>(1)</u>
									Total equity	<u>10,754,810</u>	<u>55</u>	<u>11,519,857</u>	<u>59</u>	<u>10,754,150</u>	<u>52</u>
									Total liabilities and equity	<u>\$ 19,504,737</u>	<u>100</u>	<u>19,659,243</u>	<u>100</u>	<u>20,855,166</u>	<u>100</u>
	Total assets	<u>\$ 19,504,737</u>	<u>100</u>	<u>19,659,243</u>	<u>100</u>	<u>20,855,166</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

		For the three months ended March 31,			
		2026		2025	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(18) and 7)	\$ 5,437,400	100	5,826,314	100
5000	Operating costs (notes 6(4), (5), (12), (13), (20) and 12)	<u>3,883,581</u>	<u>71</u>	<u>4,105,305</u>	<u>70</u>
	Gross profit from operations	<u>1,553,819</u>	<u>29</u>	<u>1,721,009</u>	<u>30</u>
	Operating expenses (notes 6(3), (5), (6), (7), (13), (20), 7 and 12):				
6100	Selling expenses	177,463	3	130,073	2
6200	General and administrative expenses	139,733	3	123,185	2
6300	Research and development expenses	949,699	18	1,013,694	18
6450	Expected credit impairment (gains) losses	<u>-</u>	<u>-</u>	<u>(10,249)</u>	<u>-</u>
	Total operating expenses	<u>1,266,895</u>	<u>24</u>	<u>1,256,703</u>	<u>22</u>
	Operating income	<u>286,924</u>	<u>5</u>	<u>464,306</u>	<u>8</u>
	Non-operating income and expenses (note 6(19)):				
7010	Other income	16,648	-	5,630	-
7020	Other gains and losses	12,689	-	33,754	-
7050	Finance costs	(6,572)	-	(1,022)	-
7100	Interest income	<u>27,004</u>	<u>1</u>	<u>35,155</u>	<u>1</u>
		<u>49,769</u>	<u>1</u>	<u>73,517</u>	<u>1</u>
	Income before income tax	336,693	6	537,823	9
7950	Less: Income tax expenses (note 6(15))	<u>47,137</u>	<u>1</u>	<u>78,706</u>	<u>1</u>
	Net income	<u>289,556</u>	<u>5</u>	<u>459,117</u>	<u>8</u>
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	49,541	1	(138,172)	(2)
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note 6(15))	<u>2,124</u>	<u>-</u>	<u>(23,123)</u>	<u>-</u>
	Total item that will not be reclassified subsequently to profit or loss	<u>47,417</u>	<u>1</u>	<u>(115,049)</u>	<u>(2)</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	6,833	-	1,954	-
8399	Less: Income tax related to items that may be reclassified to profit or loss (note 6(15))	<u>1,367</u>	<u>-</u>	<u>391</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>5,466</u>	<u>-</u>	<u>1,563</u>	<u>-</u>
8300	Other comprehensive income (loss), net of tax	<u>52,883</u>	<u>1</u>	<u>(113,486)</u>	<u>(2)</u>
8500	Total comprehensive income	<u>\$ 342,439</u>	<u>6</u>	<u>345,631</u>	<u>6</u>
	Earnings per share (New Taiwan Dollars) (note 6(17))				
9750	Basic earnings per share	<u>\$ 3.82</u>		<u>6.05</u>	
9850	Diluted earnings per share	<u>\$ 3.77</u>		<u>5.98</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Exchange differences on translation of foreign operations	Other equity Unrealized (losses) gains from financial assets at fair value through other comprehensive income	Subtotal	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings					
						Subtotal				
Balance as of January 1, 2025	\$ 758,552	4,712,933	1,992,006	33,741	4,711,959	6,737,706	1,532	(118,218)	(116,686)	12,092,505
Net income	-	-	-	-	459,117	459,117	-	-	-	459,117
Other comprehensive income (loss)	-	-	-	-	-	-	1,563	(115,049)	(113,486)	(113,486)
Total comprehensive income (loss)	-	-	-	-	459,117	459,117	1,563	(115,049)	(113,486)	345,631
Appropriation and distribution of retained earnings:										
Cash dividends on ordinary shares	-	-	-	-	(1,683,986)	(1,683,986)	-	-	-	(1,683,986)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	24,875	24,875	-	(24,875)	(24,875)	-
Balance as of March 31, 2025	\$ 758,552	4,712,933	1,992,006	33,741	3,511,965	5,537,712	3,095	(258,142)	(255,047)	10,754,150
Balance as of January 1, 2026	\$ 758,552	4,712,933	2,203,036	116,685	4,142,434	6,462,155	1,333	(415,116)	(413,783)	11,519,857
Net income	-	-	-	-	289,556	289,556	-	-	-	289,556
Other comprehensive income	-	-	-	-	-	-	5,466	47,417	52,883	52,883
Total comprehensive income	-	-	-	-	289,556	289,556	5,466	47,417	52,883	342,439
Appropriation and distribution of retained earnings:										
Cash dividends on ordinary shares	-	-	-	-	(1,107,486)	(1,107,486)	-	-	-	(1,107,486)
Balance as of March 31, 2026	\$ 758,552	4,712,933	2,203,036	116,685	3,324,504	5,644,225	6,799	(367,699)	(360,900)	10,754,810

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended	
	March 31,	
	2026	2025
Cash flows from operating activities:		
Income before income tax	\$ 336,693	537,823
Adjustments for:		
Depreciation expense	41,284	28,329
Amortization expense	92,660	83,206
Expected credit impairment (gains) losses	-	(10,249)
Net gains on financial assets and liabilities at fair value through profit or loss	(1,603)	(2,164)
Interest expense	6,572	1,022
Interest income	(27,004)	(35,155)
Provision for inventory obsolescence and devaluation loss recognized (reversed)	(8,261)	54,086
Other non-cash-related gain	(13,719)	(7,135)
Income and expense adjustments	89,929	111,940
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(68,006)	(219,971)
Accounts receivable (including related parties)	(150,250)	(52,584)
Inventories	(287,678)	(288,860)
Other financial assets	113,648	(178,991)
Other operating assets	3,192	(41,679)
Contract liabilities	10,842	(67,528)
Accounts payable (including related parties)	34,496	403,365
Other operating liabilities	(171,499)	(279,600)
Total changes in operating assets and liabilities	(515,255)	(725,848)
Total adjustments	(425,326)	(613,908)
Cash outflow generated from operations	(88,633)	(76,085)
Interest received	27,431	35,596
Interest paid	(6,498)	(1,060)
Income taxes paid	(28,165)	(13,105)
Net cash used in operating activities	(95,865)	(54,654)
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	49,716
Acquisition of financial assets at fair value through profit or loss	(25,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss	5,471	-
Acquisition of property, plant and equipment	(62,493)	(38,250)
Increase in intangible assets	(139,907)	(45,504)
Increase in other non-current assets	(13,538)	(8,656)
Decrease in other financial assets	793,055	54,548
Net cash provided by investing activities	557,588	11,854
Cash flows from financing activities:		
Increase (decrease) in short term borrowings	(189,844)	74,713
Decrease in guarantee deposits received	(138,725)	(138,725)
Repayments of the principal portion of lease liabilities	(21,575)	(1,863)
Net cash used in financing activities	(350,144)	(65,875)
Effect of exchange rate changes on cash and cash equivalents	5,415	1,365
Net increase (decrease) in cash and cash equivalents	116,994	(107,310)
Cash and cash equivalents at beginning of the period	3,096,560	5,485,507
Cash and cash equivalents at end of the period	\$ 3,213,554	5,378,197

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, unless otherwise indicated)

1. Company history:

Raydium Semiconductor Corporation (the “Company”) was organized and approved under the Company Act of the Republic of China (R.O.C.) on October 23, 2003. The Company was formally relocated to Hsinchu Science and Industry Park on January 29, 2007 after being approved by Hsinchu Science Park Bureau on December 12, 2006. Its current registered address is 2F, No.23, Li Hsin Rd., Hsinchu Science Park, Hsinchu City 300, Taiwan, R.O.C.. The Company merged with Dazzo Technology Corporation (hereinafter referred to as Dazzo) on April 1, 2019 (the merger date). Thereafter, the Company became the sole surviving entity. The principal activities of the Company and its subsidiaries (hereinafter referred to as the Group) are the development, design and sale of display driver, sequential control and power management integrated circuit products.

The Company's shares were listed on Taiwan Stock Exchange on January 7, 2022.

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

The consolidated financial statements for the three months ended March 31, 2026 were authorized for issuance by the Board of Directors on May 5, 2026.

3. Application of newly issued or revised standards and interpretations:

- (1) The impact of the International Financial Reporting Standards (“IFRS Accounting Standards”) endorsed by the Financial Supervisory Commission, R.O.C. (the “FSC”) which have already been adopted.

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

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

Raydium Semiconductor Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do so after the FSC has endorsed the standard.

Raydium Semiconductor Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

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

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

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

4. Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC). The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to “IFRS Accounting Standards” endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except as described below, the material accounting policies adopted in the consolidated financial statements are consistent with those applied in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of consolidation

The principle of preparation of the consolidated financial statements is consistent with those of the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2025.

Raydium Semiconductor Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

A. List of subsidiaries in the consolidated financial statements

The list of subsidiaries are included in the consolidated financial statements :

Name of investor	Name of subsidiary	Principal activity	Percentage of ownership			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
the Company	Raydium Semiconductor (SAMOA) Corp. (RSA)	Investment holding company	100.00 %	100.00 %	100.00 %	
RSA	Raydium Semiconductor (Kunshan) Co., Ltd (RKS)	Development, design and sale of the IC	100.00 %	100.00 %	100.00 %	
RSA&RKS	Raydium Semiconductor (Hefei) Co., Ltd (RHF)	Development, design and sale of the IC	100.00 %	100.00 %	100.00 %	Note 1

Note 1: RHF was jointly established by RSA and RKS through a joint investment in March 2025.

B. List of subsidiaries which are not included in the consolidated financial statements: None.

(3) Employee 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 reporting date of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(4) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense for the period is best estimated by multiplying pre-tax income for the reporting period by the effective annual tax rate as forecasted by the management. This is recognized fully as income tax expense for the current period.

Income taxes that are recognized directly in equity or other comprehensive income are measured in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases at the tax rates that are expected to be applied in the year in which the asset is realized or the liability is settled.

5. Significant accounting judgments, and major sources of estimation and assumptions uncertainty:

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

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In preparing the consolidated financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the consolidated financial statements for the year ended December 31, 2025.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Demand deposits	\$ 1,379,904	1,957,510	1,469,147
Time deposits	<u>1,833,650</u>	<u>1,139,050</u>	<u>3,909,050</u>
	<u><u>\$ 3,213,554</u></u>	<u><u>3,096,560</u></u>	<u><u>5,378,197</u></u>

Please refer to note 6(21) for the credit risk, interest rate risk and sensitivity analysis of the financial assets of the Group.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the time deposits with original maturities of more than three months amounted to \$4,550,000 thousand, \$5,350,000 thousand and \$3,750,000 thousand, respectively, which were classified as other financial assets - current; please refer to note 6(8).

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

A. Financial assets at fair value through profit or loss (“FVTPL”)— current

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Beneficiary certificate	\$ 620,888	668,479	753,884
Investments in precious metal commodities	<u>116,575</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 737,463</u></u>	<u><u>668,479</u></u>	<u><u>753,884</u></u>

B. Financial assets at fair value through profit or loss — non-current

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Venture capital funds	\$ <u>89,992</u>	<u>67,978</u>	<u>34,771</u>

C. Financial assets at fair value through other comprehensive income (“FVOCI”)— current

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Listed stocks	<u>\$ 5,476</u>	<u>6,085</u>	<u>8,056</u>

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D. Financial assets at fair value through other comprehensive income — non-current

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Listed stocks	\$ 209,650	177,118	200,749
Unlisted stocks	88,875	71,257	162,550
	<u>\$ 298,525</u>	<u>248,375</u>	<u>363,299</u>

These investments in equity instruments are not held for trading, and therefore, are accounted for as FVOCI.

For the disclosure of market risk, please refer to note 6(22).

The financial assets mentioned above were not pledged as collateral.

E. Financial liabilities at fair value through profit or loss — current

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Held-for-trading financial liabilities			
Forward foreign exchange contracts	\$ <u>3,865</u>	<u>2,004</u>	<u>-</u>

The Group uses derivative financial instruments to hedge certain foreign exchange risks arising from its operating activities. The following derivative instruments, without the application of hedge accounting were recognized as held-for-trading financial liabilities:

<u>March 31, 2026</u>			
	<u>Notional principal (thousand)</u>	<u>Currency</u>	<u>Maturity period</u>
Forward foreign exchange contracts	USD 17,000	USD to TWD	April 2026 - June 2026
<u>December 31, 2025</u>			
	<u>Notional principal (thousand)</u>	<u>Currency</u>	<u>Maturity period</u>
Forward foreign exchange contracts	USD 20,000	USD to TWD	March 2026

(3) Accounts receivable, net (including related parties)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable—measured at amortized cost	\$ 3,758,587	3,649,642	3,715,326
Accounts receivable measured at fair value through other comprehensive income	312,320	271,015	132,190
Less: loss allowance	<u>(103,392)</u>	<u>(103,392)</u>	<u>(120,273)</u>
	<u>\$ 3,967,515</u>	<u>3,817,265</u>	<u>3,727,243</u>

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The Group has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such accounts receivable were measured at fair value through other comprehensive income.

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

The loss allowance provision of customers was determined as follows:

	March 31, 2026		
	Carrying amounts of accounts receivable	Weighted- average loss rate	Loss allowance for life time expected credit losses
Past due less than 90 days	\$ 4,067,348	1-10%	102,974
Past due more than 91 days	<u>3,559</u>	10-100%	<u>418</u>
	<u><u>\$ 4,070,907</u></u>		<u><u>103,392</u></u>
	December 31, 2025		
	Carrying amounts of accounts receivable	Weighted- average loss rate	Loss allowance for life time expected credit losses
Past due less than 90 days	\$ 3,918,105	1-10%	101,225
Past due more than 91 days	<u>2,552</u>	10-100%	<u>2,167</u>
	<u><u>\$ 3,920,657</u></u>		<u><u>103,392</u></u>
	March 31, 2025		
	Carrying amounts of accounts receivable	Weighted- average loss rate	Loss allowance for life time expected credit losses
Past due less than 90 days	\$ 3,847,501	1-10%	120,258
Past due more than 91 days	<u>15</u>	10-100%	<u>15</u>
	<u><u>\$ 3,847,516</u></u>		<u><u>120,273</u></u>

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

	For the three months ended March 31,	
	2026	2025
Beginning balance	\$ 103,392	130,522
Impairment loss reversed	<u>-</u>	<u>(10,249)</u>
Ending balance	<u><u>\$ 103,392</u></u>	<u><u>120,273</u></u>

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The Group entered into an agreement with banks to factor certain of its accounts receivable. According to the agreement, within the factoring line, the Group does not have to ensure the ability of debtors to pay when transferring the rights and obligations. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group reclassified accounts receivable that met the derecognition terms to other receivables (recorded in other financial asset – current) as follows:

(In Thousands of New Taiwan Dollars)

March 31, 2026						
Buyer	Factoring quota	Derecognition amount	Advanced Amount	Service fees	Transfer terms	Guaranteed promissory notes
Taipei Fubon Bank	USD 113,000	USD 48,144	-	0.21%	Notes 1 to 3	None
December 31, 2025						
Buyer	Factoring quota	Derecognition amount	Advanced Amount	Service fees	Transfer terms	Guaranteed promissory notes
Taipei Fubon Bank	USD 127,500	USD 52,588	-	0.22%	Notes 1 to 3	None
March 31, 2025						
Buyer	Factoring quota	Derecognition amount	Advanced Amount	Service fees	Transfer terms	Guaranteed promissory notes
Taipei Fubon Bank	USD 127,500	USD 63,844	-	0.22%	Notes 1 to 3	None

Note 1: The above-mentioned amounts have been reclassified to other receivables. The terms of the transaction relating to factoring are based on the factoring consent for buyer. Such transaction should be factoring without recourse.

Note 2: Within the factoring quota, if the original debtor is unable to pay or may be unable to pay due to financial difficulties, the risk of non-payment will be borne by the purchasing agency, not the Group. The original debtor's credit risk will be borne by the purchasing agency and the credit risk described above is the uncollectable debt risk due to default by the original debtor without reasonable cause.

Note 3: The Group informed the original debtor pursuant to accounts receivable to make payment directly to the Group's restricted account with the purchasing bank.

As of March 31, 2026, December 31, 2025 and March 31, 2025, total outstanding receivables after the above transactions, net of fees charged by purchasing bank, of \$1,539,631 thousand, \$1,653,249 thousand and \$2,267,787 thousand were recognized as other current financial assets; please refer to note 6(8).

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's unused factoring quota amounted to \$2,074,109 thousand, \$2,355,096 thousand and \$1,962,918 thousand, respectively.

Raydium Semiconductor Corporation and Subsidiaries
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(4) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Work in progress	\$ 2,146,054	1,919,943	2,008,184
Finished goods	434,015	364,187	545,136
	\$ 2,580,069	2,284,130	2,553,320
For the three months ended			
	March 31,		
	2026	2025	
Cost of goods sold	\$ 3,891,842	4,051,219	
Provision for inventory obsolescence loss recognized (reversed)	(8,261)	54,086	
	\$ 3,883,581	4,105,305	

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's inventories were not pledged as collateral.

(5) Property, plant and equipment

	Research equipment	Transportation equipment	Office equipment	Leasehold improvements	Construction in progress	Equipment under inspection	Total
Carrying amounts:							
Balance as of January 1, 2026	\$ <u>106,579</u>	<u>9,534</u>	<u>73,118</u>	<u>5,322</u>	<u>369,000</u>	<u>4,091</u>	<u>567,644</u>
Balance as of March 31, 2026	\$ <u>114,043</u>	<u>8,803</u>	<u>64,708</u>	<u>5,982</u>	<u>404,143</u>	<u>8,054</u>	<u>605,733</u>
Balance as of January 1, 2025	\$ <u>90,556</u>	<u>10,521</u>	<u>67,280</u>	<u>10,063</u>	<u>228,429</u>	<u>2,425</u>	<u>409,274</u>
Balance as of March 31, 2025	\$ <u>87,605</u>	<u>9,827</u>	<u>58,613</u>	<u>8,203</u>	<u>263,572</u>	<u>6,373</u>	<u>434,193</u>

There was no significant addition or disposal on property, plant and equipment of the Group for the three months ended March 31, 2026 and 2025. For the depreciation amount in the current period, please refer to note 12. For other related information, please refer to note 6(5) of the consolidated financial statements for the year ended December 31, 2025.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's property, plant and equipment were not pledged as collateral.

(6) Right-of-use assets

	Buildings
Carrying amounts:	
Balance as of January 1, 2026	\$ <u>136,498</u>
Balance as of March 31, 2026	\$ <u>124,355</u>
Balance as of January 1, 2025	\$ <u>13,120</u>
Balance as of March 31, 2025	\$ <u>20,559</u>

There was no significant addition, recognition and reversal of impairment losses of the right-of-use assets recognized by the Group's leased buildings for the three months ended March 31, 2026 and 2025. For other related information, please refer to note 6(6) of the consolidated financial statements for the year ended December 31, 2025.

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(7) Intangible assets

	<u>Goodwill</u>	<u>Patents and technology</u>	<u>Software costs</u>	<u>Total</u>
Carrying amounts:				
Balance as of January 1, 2026	\$ <u>237,800</u>	-	<u>408,574</u>	<u>646,374</u>
Balance as of March 31, 2026	\$ <u>237,800</u>	-	<u>423,308</u>	<u>661,108</u>
Balance as of January 1, 2025	\$ <u>237,800</u>	-	<u>274,007</u>	<u>511,807</u>
Balance as of March 31, 2025	\$ <u>237,800</u>	-	<u>249,602</u>	<u>487,402</u>

There was no significant addition or disposal on intangible assets of the Group for the three months ended March 31, 2026 and 2025. For the amortization amount in the current period, please refer to note 12. For other related information, please refer to note 6(7) of the consolidated financial statements for the year ended December 31, 2025.

(8) Other financial assets – current and non-current

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable factoring	\$ 1,539,631	1,653,249	2,267,787
Restricted bank deposits	262,095	255,665	254,616
Time deposits with original maturities of more than three months	4,550,000	5,350,000	3,750,000
Others	11,402	11,344	21,369
	<u>\$ 6,363,128</u>	<u>7,270,258</u>	<u>6,293,772</u>
Other financial assets – current	\$ 6,358,077	7,265,722	6,290,162
Other financial assets – non-current	5,051	4,536	3,610
	<u>\$ 6,363,128</u>	<u>7,270,258</u>	<u>6,293,772</u>

(9) Other current and non-current assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Sales tax receivable and overpaid VAT	\$ 120,440	127,557	139,848
Prepayments for mask and mold	384,764	371,980	310,449
Net defined benefit assets	-	-	564
Others	76,070	71,391	65,552
	<u>\$ 581,274</u>	<u>570,928</u>	<u>516,413</u>
Other current assets	\$ 194,211	197,403	203,399
Other non-current assets	387,063	373,525	313,014
	<u>\$ 581,274</u>	<u>570,928</u>	<u>516,413</u>

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(10) Short-term borrowings

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured bank loans	\$ <u>669,826</u>	<u>860,344</u>	<u>204,669</u>
Unused credit lines	\$ <u>2,092,895</u>	<u>1,902,866</u>	<u>1,615,056</u>
Range of interest rates	<u>2.50%-4.23%</u>	<u>2.50%-4.34%</u>	<u>2.85%-4.87%</u>

(11) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current (recorded under other current liabilities)	\$ <u>47,981</u>	<u>47,735</u>	<u>9,006</u>
Non-current	\$ <u>66,333</u>	<u>88,154</u>	<u>12,286</u>

For the maturity analysis, please refer to note 6(21) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Interest on lease liabilities	\$ <u>835</u>	<u>136</u>
Expenses relating to short-term leases	\$ <u>2,314</u>	<u>8,665</u>

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

	<u>For the three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Total cash outflow for leases	\$ <u>24,724</u>	<u>10,664</u>

Buildings leases

The Group leases buildings and improvements for its office, with lease terms that typically run for 2~4 years, and some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group has elected not to recognize the right-of-use assets and lease liabilities for its assets, which qualify as short-term leases and low-value asset leases.

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(12) Provisions

	<u>Warranties</u>
Balance as of January 1, 2026	\$ 284,075
Provisions reversed during the period	<u>(15,099)</u>
Balance as of March 31, 2026	<u>\$ 268,976</u>
Provisions – current	\$ 89,659
Provisions – non-current	<u>179,317</u>
	<u>\$ 268,976</u>
Balance as of January 1, 2025	\$ 340,671
Provisions reversed during the period	<u>(9,825)</u>
Balance as of March 31, 2025	<u>\$ 330,846</u>
Provisions – current	\$ 110,282
Provisions – non-current	<u>220,564</u>
	<u>\$ 330,846</u>

The provision for warranties is estimated based on historical warranty data associated with similar products and services. The Group expects to settle majority of its provision within three years from the date of the sale of the product.

(13) Employee benefits

Given there was no significant market fluctuations, significant curtailments, settlements, or other significant one-off event since the prior fiscal year, pension cost in the financial statements are measured and disclosed according to the actuarial results determined on December 31, 2025 and 2024.

For information related to the Group's pension costs for the three months ended March 31, 2026 and 2025, please refer to note 12.

(14) Guarantee deposits received

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
Deposits received for capacity guarantee	<u>\$ 319,800</u>	<u>471,570</u>	<u>663,640</u>
Current (recorded in other current liabilities)	\$ 319,800	314,380	331,820
Non-current	<u>-</u>	<u>157,190</u>	<u>331,820</u>
	<u>\$ 319,800</u>	<u>471,570</u>	<u>663,640</u>

The Group entered into production capacity guarantee agreement with its customers and reserved specific production capacity for them by collecting deposits, which would be refunded upon the fulfillment of the contract.

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(15) Income tax

A. Income tax expenses

The amounts of income tax expense (benefit) were as follows:

	For the three months ended	
	March 31,	
	<u>2026</u>	<u>2025</u>
Current income tax expense (benefit)		
Current period	\$ 47,137	80,673
Adjustment for prior period	-	(1,967)
	<u>\$ 47,137</u>	<u>78,706</u>

B. The amounts of income tax expense (benefit) recognized in other comprehensive income were as follows:

	For the three months ended	
	March 31,	
	<u>2026</u>	<u>2025</u>
Items that will not be reclassified subsequently to profit or loss:		
Unrealized gains or losses from investments in equity instruments measured at FVOCI	\$ <u>2,124</u>	<u>(23,123)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	\$ <u>1,367</u>	<u>391</u>

C. The Company's tax returns have been examined and approved by the tax authorities through 2024.

(16) Equity

Except as the following, there were no significant changes in the capital and other equity of the Group for the three months ended March 31, 2026 and 2025. For relevant information, please refer to note 6(16) of the consolidated financial statements for the year ended December 31, 2025.

A. Issuance of common stock

As of March 31, 2026, December 31, 2025 and March 31, 2025, the authorized capital of the Company amounted to \$1,000,000 thousand (including the amount of \$50,000 thousand authorized for the issuance of the employee stock options), and the Company's issued capital amounted to \$758,552 thousand with a par value of \$10 per share.

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B. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Capital surplus	\$ 4,647,881	4,647,881	4,647,881
Employee remuneration paid in the form of stocks	64,592	64,592	64,592
Others	460	460	460
	\$ 4,712,933	4,712,933	4,712,933

C. Retained earnings

If the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, and setting aside 10% of the remaining profit as legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid in capital. Thereafter, the amount shall be set aside or reversed as special reserve in accordance with related laws, regulations, or provisions of the competent authorities. Then, any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors. The distribution of dividends and bonuses, in whole or in part, by issuing new shares, shall be resolved during the shareholders' general meeting. As for the cash payment, it shall be approved by the Board of Directors and be reported in the shareholders' general meeting.

The Company's dividend policy is to pay dividends from surplus considering factors such as the Company's current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital budget requirements, while taking into account shareholders' interest, maintenance of balanced dividend and the Company's long-term financial plan. An annual dividend of not less than 10% of the distributable earnings shall be allocated to shareholders, and the cash portion of the dividend, if any, shall not be less than 10% of the total dividends (cash and stock) distributed during the year.

The appropriations of 2025 earnings have been approved in the Board of Directors' meeting held on February 24, 2026. Details of distribution were as follows:

	Appropriation earnings	Dividends per share (NT\$)
Legal reserve	\$ 140,844	
Special reserve	297,098	
Cash dividends	1,107,486	14.6
	\$ 1,545,428	

The aforementioned legal reserve and special reserve are yet to be resolved as the general meeting of shareholders will be held on May 27, 2026.

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The appropriations of 2024 earnings have been approved in the Board of Directors' meeting held on February 25, 2025, and in the annual shareholders' meeting held on May 28, 2025. Details of distribution were as follows:

	Appropriation earnings	Dividends per share (NT\$)
Legal reserve	\$ 211,030	
Special reserve	82,944	
Cash dividends	1,683,986	22.2
	\$ 1,977,960	

The aforementioned appropriation of earnings for 2024 was consistent with the resolutions of the Board of Directors' meeting held on February 25, 2025.

The abovementioned relevant information about the Company's appropriations of earnings are available at the Market Observation Post System website.

(17) Earnings per share

	For the three months ended March 31,	
	2026	2025
Basic earnings per share:		
Net income attributable to ordinary shareholders of the Company	\$ 289,556	459,117
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	75,855	75,855
Basic earnings per share (NT dollars)	\$ 3.82	6.05
Diluted earnings per share:		
Net income attributable to ordinary shareholders of the Company	\$ 289,556	459,117
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	75,855	75,855
Effect of employee stock remuneration	992	945
Weighted average number of ordinary shares outstanding (in thousands of shares)(diluted)	76,847	76,800
Diluted earnings per share (NT dollars)	\$ 3.77	5.98

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(18) Revenue from contracts with customers

A. Detail of revenue

	For the three months ended March 31,	
	2026	2025
Revenues from major regional markets:		
China (including Hong Kong)	\$ 4,269,690	4,551,632
Taiwan	919,813	1,077,420
Others	247,897	197,262
	\$ 5,437,400	5,826,314
Revenue from major products:		
Display Driver IC	\$ 5,223,094	5,615,602
Others	214,306	210,712
	\$ 5,437,400	5,826,314

B. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities	\$ 31,577	20,735	229,353

For details on accounts receivable and loss allowance, please refer to note 6(3).

The amount of revenue recognized for the three months ended March 31, 2026 and 2025 that were included in the contract liability balance at the beginning of the period were \$17,076 thousand and \$74,426 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from contracts with goods sold, for which revenue is recognized when products are delivered to customers.

(19) Non-operating income and expenses

A. Other income

	For the three months ended March 31,	
	2026	2025
Income from sale of scrap and waste materials	\$ 13,562	5,373
Others	3,086	257
	\$ 16,648	5,630

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B. Other gains and losses

	For the three months ended March 31,	
	2026	2025
Foreign exchange gains, net	\$ 11,086	31,590
Others	1,603	2,164
	\$ 12,689	33,754

C. Finance costs

	For the three months ended March 31,	
	2026	2025
Interest expense—bank borrowings	\$ (5,737)	(886)
Lease liabilities	(835)	(136)
	\$ (6,572)	(1,022)

D. Interest income

	For the three months ended March 31,	
	2026	2025
Interest income from bank deposits	\$ 27,004	35,155

(20) Remuneration to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year (defined as income before tax excluding the employee and director remuneration), no less than 1% of the profit shall be allocated as employee remuneration, and no more than 1% as director remuneration. The aforementioned employee remuneration, shall be allocated no less than 1% to those base-level employees. However, if the Company had accumulated deficits, including unappropriated retained earnings adjustment, the Company should reserve an amount in advance to offset such losses.

The aforementioned shall be resolved by the Board of Directors and reported to the shareholders' meeting.

Prior to the amendment, the Articles of Association stipulated that if the Company recognized a profit for the fiscal year (defined as income before tax excluding the employee and director remuneration), no less than 1% of the profit shall be allocated as employee remuneration, and no more than 1% for director remuneration. However, if the Company had accumulated deficits, including unappropriated retained earnings adjustment, the Company should reserve an amount in advance to offset such losses.

The aforementioned shall be resolved by the Board of Directors and reported to the shareholders' meeting.

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Employees, including those belonging to affiliate companies that meet certain conditions, are entitled to the abovementioned remuneration, which to be distributed in stock or cash, employee stock option certificates, restricted employee shares, treasury stock purchased and transferred to employees, as well as employee stocks when issuing new shares. The said conditions and distribution method are decided by Board of Directors or the personnel authorized by Board of Directors.

For the three months ended March 31, 2026 and 2025, the amounts of remuneration to employees (including base-level employees) were estimated at \$58,961 thousand and \$94,183 thousand, respectively; and those to the directors were estimated at \$2,732 thousand and \$4,364 thousand, respectively. The estimation basis shall be calculated as the amounts of net income before tax, excluding the remuneration to employees and directors, multiplied by the percentage remuneration to employees and directors, as specified in the Company's articles of incorporation. These remuneration were expensed under operating costs or expenses for the three months ended March 31, 2026 and 2025. If there are changes in the proposed amounts after the annual consolidated financial statements have been authorized for issuance, the differences are accounted for as changes in accounting estimates and adjusted prospectively in profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is to be paid in the form of stocks, the closing price of the ordinary share on the day before the Board of Director's Meeting will be used to calculate the number of stock shares.

The Board of Directors of the Company has resolved to distribute employee remuneration and director remuneration in cash as follows:

	For the three months ended	
	March 31,	
	<u>2025</u>	<u>2024</u>
Board resolution date	February 24, 2026	February 25, 2025
Employee remuneration	\$ <u>274,133</u>	<u>424,658</u>
Director remuneration	\$ <u>12,701</u>	<u>18,943</u>

There were no difference between the aforementioned approved amounts and the amounts charged against earnings of 2025 and 2024, respectively. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(21) Financial instruments

Except as described below, there is no significant change in the fair value of the Group's financial instruments and the Group's exposure to credit risk, liquidity risk and market risk due to financial instruments. For relevant information, please refer to Note 6(21) of the consolidated financial statements for the year ended December 31, 2025.

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represent the maximum amounts exposed to credit risk.

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(b) Credit risk concentration

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As of the financial reporting date, the maximum credit risk exposure of the Group due to non-performance of the counterparty mainly derived from the carrying amount of the financial assets recognized in the balance sheet of the Group.

The Group's potential credit risk is derived primarily from cash and cash equivalents and accounts receivable. The cash is deposited in different financial institutions. The Group manages the credit risk exposure with each of these financial institutions and believes that cash and cash equivalents do not have a significant credit risk concentration.

In addition to granting credit facilities to customers in accordance with the credit procedures, the Group will require insurance for accounts receivable from certain customer groups in order to reducing the credit risk of accounts receivable, and use historical trading experience to continuously assess the financial condition, credit condition and current economic environment of the customers.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's five largest customers accounted for approximately 42%, 43% and 46% of the balance of accounts receivable (including related parties), respectively. After an assessment has been made on the lifetime expected credit losses of the accounts receivable, the management expects no significant losses in the future.

(c) Credit risk of receivables

For credit risk exposure on accounts receivable, please refer to note 6(3).

Other financial assets at amortized cost include other receivables, guarantee deposit and restricted bank deposits.

All of financial assets excluding the abovementioned accounts receivable are considered to be low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses (Please refer to note 4(7) of the consolidated financial statements for the year ended December 31, 2025 for further details on how the Group determines whether credit risk is to be low risk).

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B. Liquidity risk

The contractual maturities of financial liabilities were as follows:

	<u>Carrying amounts</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>Over 1 years</u>
March 31, 2026				
Non-derivative financial liabilities				
Short-term borrowings	\$ 669,826	(672,692)	(672,692)	-
Accounts payable	3,331,859	(3,331,859)	(3,331,859)	-
Salaries and bonuses payable	1,960,277	(1,960,277)	(1,960,277)	-
Dividends payable	1,107,486	(1,107,486)	(1,107,486)	-
Other payables – related parties	8,187	(8,187)	(8,187)	-
Lease liabilities (current and non-current)	114,314	(118,179)	(50,373)	(67,806)
Guarantee deposits received (current and non-current)	319,800	(319,800)	(319,800)	-
Derivative financial liabilities				
Net settlement of forward foreign exchange contracts – outflow	3,865	(3,865)	(3,865)	-
	<u>\$ 7,515,614</u>	<u>(7,522,345)</u>	<u>(7,454,539)</u>	<u>(67,806)</u>
December 31, 2025				
Non-derivative financial liabilities				
Short-term borrowings	\$ 860,344	(864,587)	(864,587)	-
Accounts payable	3,294,923	(3,294,923)	(3,294,923)	-
Salaries and bonuses payable	2,155,852	(2,155,852)	(2,155,852)	-
Other payables – related parties	10,627	(10,627)	(10,627)	-
Lease liabilities (current and non-current)	135,889	(140,801)	(50,354)	(90,447)
Guarantee deposits received (current and non-current)	471,570	(471,570)	(314,380)	(157,190)
Derivative financial liabilities				
Net settlement of forward foreign exchange contracts – outflow	2,004	(2,004)	(2,004)	-
	<u>\$ 6,931,209</u>	<u>(6,940,364)</u>	<u>(6,692,727)</u>	<u>(247,637)</u>

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	<u>Carrying amounts</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>Over 1 years</u>
March 31, 2025				
Non-derivative financial liabilities				
Short-term borrowings	\$ 204,669	(210,316)	(210,316)	-
Accounts payable	3,540,844	(3,540,844)	(3,540,844)	-
Salaries and bonuses payable	2,458,684	(2,458,684)	(2,458,684)	-
Dividends payable	1,683,986	(1,683,986)	(1,683,986)	-
Other payables – related parties	4,349	(4,349)	(4,349)	-
Lease liabilities (current and non-current)	21,292	(21,933)	(9,417)	(12,516)
Guarantee deposits received (current and non-current)	<u>663,640</u>	<u>(663,640)</u>	<u>(331,820)</u>	<u>(331,820)</u>
	<u>\$ 8,577,464</u>	<u>(8,583,752)</u>	<u>(8,239,416)</u>	<u>(344,336)</u>

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

C. Foreign currency risk

(a) Exposure of foreign currency risk

The Group's financial assets and liabilities exposed to significant foreign currency risk were as follows:

	<u>March 31, 2026</u>			<u>December 31, 2025</u>			<u>March 31, 2025</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 173,655	31.980	5,553,487	174,805	31.438	5,495,520	195,835	33.182	6,498,197
JPY	174,839	0.2003	35,020	174,839	0.2008	35,108	174,828	0.2213	38,689
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	\$ 139,074	31.980	4,447,587	144,698	31.438	4,549,016	128,447	33.182	4,262,128

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(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, other financial assets, short-term borrowings, accounts payable and guarantee deposits received, that are denominated in foreign currency. A strengthening (weakening) of 1% of the TWD against the USD and JPY as of March 31, 2026 and March 31, 2025, assuming that all other variables remain constant, would have increased or decreased the profit after tax by \$9,127 thousand and \$18,212 thousand, respectively.

(c) Foreign exchange gains (losses) on monetary items

As the Group deals with diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange gains (losses) for the three months ended March 31, 2026 and 2025 were \$11,086 thousand and \$31,590 thousand, respectively.

D. Interest rate analysis

An increase or decrease of 0.25% in interest rates, mainly from cash and cash equivalents, time deposits with original maturities of more than three months, restricted bank deposits and short-term borrowings, with floating interest rates at the reporting date, assuming all other variables remain constant, would have increased or decreased net income by \$563 thousand and \$836 thousand for the three months ended March 31, 2026 and 2025, respectively.

E. Other market price risk

The impact of the changes in equity price on other comprehensive income was as follows, assuming the analysis use the same basis for both periods, with other factors remaining constant:

	For the three months ended	
	March 31,	
	2026	2025
Prices of securities at the reporting date	Other comprehensive income before tax	Other comprehensive income before tax
Increasing 10%	\$ <u>30,400</u>	<u>37,136</u>
Decreasing 10%	\$ <u>(30,400)</u>	<u>(37,136)</u>

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F. Fair value of financial instruments

(a) Fair value and carrying amount

The fair values of FVTPL and FVOCI are measured on a recurring basis. The Group's carrying amounts and the fair value of financial assets and liabilities (including the information for fair value hierarchy; but excluding financial instruments, whose fair values approximate the carrying amount, and lease liabilities, since the disclosure of fair value are not required) were as follows:

	Carrying amounts	March 31, 2026			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Beneficiary certificate	\$ 620,888	620,888	-	-	620,888
Investments in precious metal commodities	116,575	116,575	-	-	116,575
Venture capital funds	89,992	-	-	89,992	89,992
Financial assets at FVOCI					
Listed stocks	215,126	215,126	-	-	215,126
Unlisted stocks	88,875	-	-	88,875	88,875
Accounts receivable	312,320	-	312,320	-	312,320
	<u>\$ 1,443,776</u>	<u>952,589</u>	<u>312,320</u>	<u>178,867</u>	<u>1,443,776</u>
Financial liabilities at FVTPL					
Forward foreign exchange contracts	\$ 3,865	-	3,865	-	3,865
December 31, 2025					
	Carrying amounts	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Beneficiary certificate	\$ 668,479	668,479	-	-	668,479
Venture capital funds	67,978	-	-	67,978	67,978
Financial assets at FVOCI					
Listed stocks	183,203	183,203	-	-	183,203
Unlisted stocks	71,257	-	-	71,257	71,257
Accounts receivable	271,015	-	271,015	-	271,015
	<u>\$ 1,261,932</u>	<u>851,682</u>	<u>271,015</u>	<u>139,235</u>	<u>1,261,932</u>
Financial liabilities at FVTPL					
Forward foreign exchange contracts	\$ 2,004	-	2,004	-	2,004

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	Carrying amounts	March 31, 2025			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Beneficiary certificate	\$ 753,884	753,884	-	-	753,884
Venture capital funds	34,771	-	-	34,771	34,771
Financial assets at FVOCI					
Listed stocks	208,805	208,805	-	-	208,805
Unlisted stocks	162,550	-	-	162,550	162,550
Accounts receivable	132,190	-	132,190	-	132,190
	<u>\$ 1,292,200</u>	<u>962,689</u>	<u>132,190</u>	<u>197,321</u>	<u>1,292,200</u>

(b) Fair value valuation technique of financial instruments measured at fair value

(i) Non-derivative financial instruments

The listed shares and beneficiary certificates held by the Group are measured at fair value according to standard provision and conditions, and are traded in active markets, the fair value is measured using the quoted price in an active market. In addition to the above mentioned financial assets with active market transactions, the fair value of unlisted shares held by the Group is estimated using the market comparable company method, which is measured by price-book ratio of the peers.

(ii) Derivative financial instruments

Forward foreign exchange contracts are measured based on the current forward exchange rate.

(c) There was no transfer between the different levels of fair value hierarchy for the three months ended March 31, 2026 and 2025.

(d) Quantified information for significant unobservable inputs used in fair value measurement (Level 3).

The Group's financial instruments measured at fair value which are categorized within Level 3 include financial assets at FVTPL – venture capital funds and financial assets at FVOCI – equity investments.

The Group's financial instruments classified as Level 3 fair value are measured using only a single significant unobservable input. Only equity investments without an active market involve multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

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Quantified information regarding significant unobservable inputs are as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at FVTPL – venture capital funds	Asset approach	<ul style="list-style-type: none"> • Lack of market liquidity 	<ul style="list-style-type: none"> • The higher the level of lacking liquidity, the lower the estimate of fair value
Financial assets at FVOCI – equity investments without an active market	Market approach (comparable with price-book ratio of the peers)	<ul style="list-style-type: none"> • P/B ratio multiplier (1.50~6.66, 1.27~8.51 and 1.01~7.10 as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively) • Discount for lack of market liquidity (30%~60% as of March 31, 2026, December 31, 2025 and March 31, 2025) 	<ul style="list-style-type: none"> • The higher the P/B ratio, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

(e) Reconciliation for fair value measurements categorized within level 3:

	Financial assets at FVTPL – venture capital funds	
	For the three months ended March 31,	
	2026	2025
Balance as of January 1	\$ 67,978	35,000
Addition in investments	25,000	-
Disposal of investments	(2,121)	-
Total gain/loss		
Recognized in profit and loss	(865)	(229)
Balance as of March 31	<u>\$ 89,992</u>	<u>34,771</u>
	Financial assets at FVOCI – equity investments without an active market	
	For the three months ended March 31,	
	2026	2025
Balance as of January 1	\$ 71,257	284,575
Total gain/loss		
Recognized in other comprehensive income	17,618	(122,025)
Balance as of March 31	<u>\$ 88,875</u>	<u>162,550</u>

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The total gains and losses above were recognized in “other gains and losses” and “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”, respectively.

(22) Financial risk management

Market price risk of interest rate movements: All of the Group's assets and liabilities bear floating interest rates, and thus suffer from cash flow interest rate risk exposure.

The goals and policies of the Group's financial risk management were not materially different from those disclosed in note 6(22) of the consolidated financial statements for the year ended December 31, 2025.

(23) Capital management

The objectives, policies and procedures of the Group's capital management have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, there was no significant change in the Group's capital management information as disclosed for the year ended December 31, 2025. Refer to Note 6(23) of the consolidated financial statements for the year ended December 31, 2025 for the relevant information.

(24) Financing activities of non-cash transactions

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2026	Cash flows	Changes in foreign exchange and other	March 31, 2026
Short-term borrowings	\$ 860,344	(189,844)	(674)	669,826
Lease liabilities	135,889	(21,575)	-	114,314
Guarantee deposits received	<u>471,570</u>	<u>(138,725)</u>	<u>(13,045)</u>	<u>319,800</u>
Total liabilities used in financing activities	<u>\$ 1,467,803</u>	<u>(350,144)</u>	<u>(13,719)</u>	<u>1,103,940</u>

	January 1, 2025	Cash flows	Changes in foreign exchange and other	March 31, 2025
Short-term borrowings	\$ 130,868	74,713	(912)	204,669
Lease liabilities	13,500	(1,863)	9,655	21,292
Guarantee deposits received	<u>817,925</u>	<u>(138,725)</u>	<u>(15,560)</u>	<u>663,640</u>
Total liabilities used in financing activities	<u>\$ 962,293</u>	<u>(65,875)</u>	<u>(6,817)</u>	<u>889,601</u>

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7. Related-party transactions

(1) Names and relationship with related parties

The following is a summary of related parties that have had transactions with the Group during the periods presented in the consolidated financial statements.

<u>Name of related parties</u>	<u>Relationship with the Group</u>
AUO Corporation (AUO)	AUO accounted for its investments in the Company using the equity method
AUO (Suzhou) Co., Ltd. (AUOSZ)	Subsidiary of AUO
AUO (Xiamen) Co., Ltd. (AUOXM)	Subsidiary of AUO
AUO (Kunshan) Co., Ltd. (AUOKS)	Subsidiary of AUO
AUO Mobility Solutions (Xiamen) Co., Ltd. (AMSCXM)	Subsidiary of AUO
AUO Education Service Corp. (AUES)	Subsidiary of AUO
AUO Display Plus Corporation (ADP)	Subsidiary of AUO
AET Corporation	Subsidiary of AUO
HeilongJiang Talenda Smart Display Technology Co., Ltd (Talenda)	Subsidiary of ADP
Sungen Power Corp.	Subsidiary of AUO

(2) The Group's significant related party transactions and balances were as follows:

A. Sales

The amounts of significant sales transactions between the Group and related parties were as follows:

<u>Relationship</u>	For the three months ended March 31,	
	<u>2026</u>	<u>2025</u>
AUOSZ	\$ 593,329	547,934
AMSCXM	197,326	-
AUO	189,019	166,242
AUOXM	134,349	317,582
Other related parties	<u>37,690</u>	<u>46,796</u>
	<u>\$ 1,151,713</u>	<u>1,078,554</u>

For the three months ended March 31, 2026 and 2025, the collection terms for sales to related parties were 60 to 120 days from the end of the month during which the invoice is issued or the products have been delivered after the advance receipt. The collection terms for sales to non-related parties were 30 to 120 days from the end of the month during which the invoice is issued or the products have been delivered after the advance receipt. The pricing for sales to related parties were not materially different from those with third parties.

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B. Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Receivables from related parties	AUOSZ	\$ 913,626	803,549	898,488
Receivables from related parties	AUOXM	321,416	560,641	474,258
Receivables from related parties	AUO	266,087	254,651	205,040
Receivables from related parties	AMSCXM	207,196	-	-
Receivables from related parties	Other related parties	58,416	65,501	60,329
		<u>\$ 1,766,741</u>	<u>1,684,342</u>	<u>1,638,115</u>

C. Other payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other accounts payable to related parties	AUO	\$ 7,547	10,596	3,336
Other accounts payable to related parties	Other related parties	640	31	1,013
		<u>\$ 8,187</u>	<u>10,627</u>	<u>4,349</u>
Refund liabilities	AUOXM	\$ 16,393	16,115	14,173
Refund liabilities	Other related parties	7,102	-	50
		<u>\$ 23,495</u>	<u>16,115</u>	<u>14,223</u>

D. Other

- (a) The rental expenses and other expenses paid to the related parties under lease contracts were as follows:

	For the three months ended March 31,	
	<u>2026</u>	<u>2025</u>
Other related parties	<u>\$ 742</u>	<u>9,270</u>

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- (b) The costs incurred for acquiring leasehold improvements from related-parties were as follows:

	For the three months ended March 31,	
	2026	2025
Other related parties	\$ -	660

- (3) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2026	2025
Short-term employee benefits	\$ 47,556	49,449
Post-employment benefits	189	189
	\$ 47,745	49,638

8. Assets pledged as security:

The carrying values of pledged assets were as follows:

Asset name	Pledged to secure	March 31, 2026	December 31, 2025	March 31, 2025
Restricted cash in bank (recognized in other financial assets – current)	Import guarantee for customs	\$ 35,565	35,535	34,486
Restricted cash in bank (recognized in other financial assets – current)	Import guarantee	220,130	220,130	220,130
Restricted cash in bank (recognized in other financial assets - current)	Lease guarantee	6,400	-	-
		\$ 262,095	255,665	254,616

9. Commitments and contingencies:

- (1) The Company signed a contract to purchase a real estate located in Tai Yuen Hi-Tech Industrial Park on November 2, 2023, with a total contract price of \$1,845,000 thousand (tax included), of which, the amount of \$424,350 thousand (tax included) had been paid as of March 31, 2026.
- (2) The Company has entered into capacity guarantee contracts with several customers, and collects deposits and advance receipts as agreed to reserve specific production capacity to such customers.

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10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Others:

The following is the summary statement of the current period employee benefits, depreciation, and amortization expenses, by function:

By item	By function	For the three months ended March 31,					
		2026			2025		
		Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits							
Salary		43,056	679,895	722,951	42,458	731,843	774,301
Labor and health insurance		3,389	41,037	44,426	3,284	38,927	42,211
Pension		1,500	21,125	22,625	1,428	18,878	20,306
Other employee benefits		1,478	25,850	27,328	1,376	23,751	25,127
Depreciation		416	40,868	41,284	220	28,109	28,329
Amortization		159	92,501	92,660	86	83,120	83,206

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13. Other disclosures:

(1) Information on significant transactions:

The followings is a summary of the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group for the three months ended March 31, 2026:

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Endorsement / Guarantee Provider	Guarantee Party		Limitation on Endorsement/ Guarantees Amount Provided to Each Guarantee Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantees to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	The Company	Raydium Semiconductor (Kunshan) Co., Ltd.	Subsidiary	2,150,962	639,600	639,600	199,313	-	5.95 %	5,377,405	Y	N	Y

Note 1: The maximum amount of the Group's endorsement/guarantee for a single enterprise shall not exceed 20% of the net value of the latest financial statements audited or reviewed by accountants.

Note 2: The total amount of the Group's endorsement/guarantee for others shall not exceed 50% of the net value of the latest financial statements audited or reviewed by accountants.

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

(In Thousands of shares and Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Ending Balance				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Yuanta Wan Tai Money Market Fund	-	Financial assets at FVTPL – current	22,883	367,427	-	367,427	
The Company	Fubon Chi-Hsiang Money Market Fund	-	"	15,232	253,461	-	253,461	
The Company	Shares of AUO Corporation	AUO accounted for its investments in the Company using the equity method	Financial assets at FVOCI – non-current	14,459	209,650	0.19 %	209,650	
The Company	CDIB-TEN Capital Limited Partnership	-	Financial assets at FVTPL – non-current	-	65,201	- %	65,201	

D. Related-party transactions for purchases and sales with amount exceeding the lower of NT\$100 million or 20% of the stock capital:

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)	
			Purchase/ Sales	Amount	Percentage of Total Purchases/ Sales	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/ Accounts Receivable (Payable)
The Company	AUOSZ	Subsidiary of AUO	Sales	562,012	11 %	EOM 120 days	Please refer to note 7	Please refer to note 7	856,915	23%
The Company	AUOXM	Subsidiary of AUO	Sales	131,510	3 %	EOM 120 days	Please refer to note 7	Please refer to note 7	313,763	8%
The Company	AUO	AUO accounted for its investment in the Company using the equity method	Sales	189,019	4 %	EOM 120 days	Please refer to note 7	Please refer to note 7	266,087	7%
The Company	AMSCXM	Subsidiary of AUO	Sales	197,326	4 %	EOM 120 days	Please refer to note 7	Please refer to note 7	207,196	6%

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E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the stock capital:

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note)	Allowance for Bad Debts
					Amount	Action Taken		
The Company	AUOSZ	Subsidiary of AUO	856,915	2.82	-	On the spot collection	169,553	-
The Company	AUOXM	Subsidiary of AUO	313,763	1.22	5	On the spot collection	99,642	-
The Company	AUO	AUO accounted for its investment in the Company using the equity method	266,087	2.90	-	On the spot collection	51,653	-
The Company	AMSCXM	Subsidiary of AUO	207,196	7.62	-	On the spot collection	-	-

Note: Amounts collected in subsequent period as of April 28, 2026.

F. The business relationship between the parent and the subsidiaries and significant transactions between them: None.

(2) Information on investees (excluding information on investees in Mainland China):

(In Thousands of shares and Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of Profits/Losses of Investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
The Company	RSA	SAMOA	Investment Holding	329,576	329,576	10,550	100.00 %	218,196	(36,948)	(36,948)	Subsidiary of the Company

(3) Information on investment in Mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Investee Company	Main businesses and products	Total amount paid-in capital	Method of investment (note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	Net income (losses) of the investee (Note 3)	Percentage of ownership	Investment income (loss) (Notes 3 and 5)	Carrying amounts (Note 2)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
RKS	Development, design and sale of the IC	245,200 (USD8,000 thousand)	2	245,200	-	-	245,200	(33,417)	100.00%	(33,417)	133,439	-
RHF	Development, design and sale of the IC	164,919 (RMB36,000 thousand)	3	81,296	-	-	81,296	(7,205)	100.00%	(7,205)	162,940	-

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B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 4)
326,496 (USD10,450 thousand)	326,496 (USD10,450 thousand)	6,452,886

Note 1: Method of investment:

1. Direct investment in Mainland China.
2. Investment in companies in Mainland China through the existing companies in SAMOA.
3. Others: Jointly established through RSA and RKS.

Note 2: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rate on the balance sheet date.

Note 3: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the average exchange rate.

Note 4: Pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland Area, the Group's accumulated investments in Mainland China did not exceed the upper limit on investment amount or ratio stipulated by the Investment Commission, Ministry of Economic Affairs (the "MOEA").

Note 5: The financial statements were reviewed by the parent's external accountants.

C. Significant transactions with the investees in Mainland China:

The significant inter-company transactions with the subsidiary in Mainland China for the three months ended March 31, 2026, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

14. Segment information:

The Group mainly engage in development, design and sales of integrate circuits. It only has a single operating segment to be reported. The Group's operating segment above were consistent with the related accounts shown in the consolidated balance sheets and consolidated statements of income. Please refer to the consolidated balance sheet and the consolidated income statement for details of departmental profit and loss, departmental information, and departmental liability information.