

Advanced Wireless Semiconductor Company

Financial Statements

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

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The independent auditors' report and the accompanying 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 financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of
Advanced Wireless Semiconductor Company:

Introduction

We have reviewed the balance sheets of Advanced Wireless Semiconductor Company as of June 30, 2026 and 2025, and the related statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the 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 financial statements based on our reviews.

Scope of Review

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 the 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 financial statements do not present fairly, in all material respects, the financial position of Advanced Wireless Semiconductor Company as of June 30, 2026 and 2025, and of its financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Chun-Yuan Wu and Yung-Hua Huang.

KPMG

Taipei, Taiwan (Republic of China)
August 6, 2026

Notes to Readers

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

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

(English Translation of Financial Statements and Report Originally Issued in Chinese)

Advanced Wireless Semiconductor Company

Balance Sheets

June 30, 2026, December 31, 2025, and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025				June 30, 2026		December 31, 2025		June 30, 2025	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(1))	\$ 1,207,411	11	3,450,343	33	3,426,339	35	2100	Short-term borrowings (note 6(10))	\$ 50,000	1	150,000	1	-	-
1170	Notes and accounts receivable, net (note 6(3))	685,627	6	697,600	7	591,465	6	2120	Financial liabilities at fair value through profit or loss—current (note 6(2))	93	-	138	-	-	-
1210	Other receivables—related parties (note 7)	158	-	48	-	180	-	2130	Contract liabilities—current (note 6(18))	113,460	1	115,458	1	70,644	1
130X	Inventories (note 6(4))	1,247,629	12	922,703	9	747,688	8	2170	Accounts payable	394,159	4	337,465	3	308,583	3
1410	Prepayments	15,285	-	21,274	-	13,584	-	2180	Other payables - related parties (note 7)	-	-	230	-	-	-
1476	Other financial assets—current (notes 6(8) and 8)	2,813,463	26	470,447	4	15,299	-	2201	Payroll and bonus payable	207,583	2	164,057	2	122,209	1
1479	Other current assets (note 6(9))	15,631	-	6,875	-	5,215	-	2216	Dividends payable	330,147	3	-	-	233,854	2
		5,985,204	55	5,569,290	53	4,799,770	49	2230	Current tax liabilities	111,661	1	88,355	1	32,815	-
Non-current assets:								2322	Long-term borrowings, current portion (note 6(11))	480,790	4	472,873	4	294,748	3
1600	Property, plant and equipment (note 6(5))	4,622,650	43	4,792,904	45	4,964,014	50	2300	Other current liabilities (notes 6(12) and (13))	155,475	1	180,559	2	104,130	1
1755	Right-of-use assets (note 6(6))	77,863	1	74,977	1	78,448	1			1,843,368	17	1,509,135	14	1,166,983	11
1780	Intangible assets (note 6(7))	30,251	-	24,443	-	10,246	-	Non-Current liabilities:							
1840	Deferred tax assets	10,818	-	10,818	-	9,376	-	2540	Long-term borrowings (note 6(11))	377,390	4	698,341	7	902,121	9
1980	Other financial assets—non-current (note 6(8))	119	-	119	-	119	-	2570	Deferred tax liabilities	851	-	851	-	-	-
1990	Other non-current assets (note 6(9))	59,341	1	52,904	1	48,967	-	2600	Other non-current liabilities (notes 6(12) and (13))	86,733	1	84,309	1	87,690	1
		4,801,042	45	4,956,165	47	5,111,170	51			464,974	5	783,501	8	989,811	10
								Total liabilities		2,308,342	22	2,292,636	22	2,156,794	21
								Equity (note 6(16)):							
								3110	Ordinary shares	1,965,161	18	1,965,161	19	1,965,161	20
								3280	Capital surplus	4,140,631	38	4,140,631	39	4,140,631	42
								3350	Retained earnings	2,372,112	22	2,127,027	20	1,648,354	17
								Total equity		8,477,904	78	8,232,819	78	7,754,146	79
Total assets		\$ 10,786,246	100	10,525,455	100	9,910,940	100	Total liabilities and equity		\$ 10,786,246	100	10,525,455	100	9,910,940	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Advanced Wireless Semiconductor Company

Statements of Comprehensive Income

For the three months and six months ended June 30, 2026 and 2025

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

		For the three months ended June 30,				For the six months ended June 30,			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (note 6(18))	\$ 1,298,439	100	974,422	100	2,520,757	100	1,746,180	100
5000	Operating costs (notes 6(4), (13), (14) and (19))	909,180	70	742,201	76	1,708,197	68	1,352,576	77
	Gross profit from operations	389,259	30	232,221	24	812,560	32	393,604	23
	Operating expenses (notes 6(13), (14), (19) and 7):								
6100	Selling expenses	7,907	1	4,906	1	17,176	-	11,945	1
6200	Administrative expenses	26,226	2	27,806	3	52,416	2	59,010	3
6300	Research and development expenses	65,583	5	41,162	4	119,072	5	85,221	5
		99,716	8	73,874	8	188,664	7	156,176	9
	Net operating income	289,543	22	158,347	16	623,896	25	237,428	14
	Non-operating income and expenses:								
7100	Interest income (note 6(20))	17,738	1	14,265	1	34,816	1	27,090	1
7020	Other gains and losses (notes 6(20) and 7)	703	-	(55,388)	(5)	10,197	-	(49,716)	(3)
7050	Finance costs (notes 6(13) and (20))	(1,092)	-	(887)	-	(3,349)	-	(1,354)	-
		17,349	1	(42,010)	(4)	41,664	1	(23,980)	(2)
	Income before income tax	306,892	23	116,337	12	665,560	26	213,448	12
7950	Less: Income tax expenses (note 6(15))	28,517	2	17,386	2	90,328	3	31,973	2
	Net income	278,375	21	98,951	10	575,232	23	181,475	10
8300	Other comprehensive income (after tax)	-	-	-	-	-	-	-	-
8500	Total comprehensive income	<u>\$ 278,375</u>	<u>21</u>	<u>98,951</u>	<u>10</u>	<u>575,232</u>	<u>23</u>	<u>181,475</u>	<u>10</u>
	Earnings per share (NT dollars) (note 6(17))								
9750	Basic earnings per share	<u>\$ 1.42</u>		<u>0.50</u>		<u>2.93</u>		<u>0.92</u>	
9850	Diluted earnings per share	<u>\$ 1.41</u>		<u>0.50</u>		<u>2.92</u>		<u>0.92</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Advanced Wireless Semiconductor Company

Statements of Changes in Equity

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

				Retained earnings		
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Total equity
Balance at January 1, 2025	\$ 1,965,161	4,140,631	466,033	1,234,700	1,700,733	7,806,525
Net income for the period	-	-	-	181,475	181,475	181,475
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	181,475	181,475	181,475
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	52,092	(52,092)	-	-
Cash dividends of ordinary shares	-	-	-	(233,854)	(233,854)	(233,854)
Balance at June 30, 2025	\$ 1,965,161	4,140,631	518,125	1,130,229	1,648,354	7,754,146
Balance at January 1, 2026	\$ 1,965,161	4,140,631	518,125	1,608,902	2,127,027	8,232,819
Net income for the period	-	-	-	575,232	575,232	575,232
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	575,232	575,232	575,232
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	66,015	(66,015)	-	-
Cash dividends of ordinary shares	-	-	-	(330,147)	(330,147)	(330,147)
Balance at June 30, 2026	\$ 1,965,161	4,140,631	584,140	1,787,972	2,372,112	8,477,904

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Advanced Wireless Semiconductor Company

Statements of Cash Flows

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2026	2025
Cash flows from operating activities:		
Income before income tax	\$ 665,560	213,448
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	358,121	338,162
Amortization expenses	4,984	3,897
Finance costs	3,349	1,354
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	18	(198)
Interest income	(34,816)	(27,090)
Gain on disposal or retirement of property, plant and equipment	(68)	(295)
Reversal of inventory write-down	(3,928)	(1,953)
Reversal of provision	(24)	-
Total adjustments to reconcile profit	327,636	313,877
Changes in operating assets and liabilities:		
Notes and accounts receivable	11,973	(39,080)
Other receivables — related parties	(110)	-
Inventories	(320,999)	65,105
Prepayments of materials	(414)	345
Other financial assets	(2,852)	(1,956)
Other operating assets	(2,353)	1,005
Contract liabilities	(1,998)	9,861
Accounts payable	56,694	70,754
Other payables — related parties	(230)	(50)
Other operating liabilities	52,018	(20,469)
Total changes in operating assets and liabilities	(208,271)	85,515
Total adjustments	119,365	399,392
Cash inflow generated from operations	784,925	612,840
Interest received	35,052	26,597
Interest paid	(8,169)	(7,440)
Income taxes paid	(67,022)	(68,711)
Net cash flows generated from operating activities	744,786	563,286
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(139,832)	(27,829)
Proceeds from disposal of financial assets at fair value through profit or loss	139,769	28,027
Acquisition of property, plant and equipment and prepayments of equipment	(219,188)	(96,401)
Proceeds from disposal of property, plant and equipment	88	296
Acquisition of intangible assets	(10,792)	(5,045)
Decrease (increase) in other financial assets	(2,340,400)	631
Net cash flows used in investing activities	(2,570,355)	(100,321)
Cash flows from financing activities:		
Decrease in short-term borrowings	(100,000)	-
Proceeds from long-term borrowings	-	220,000
Repayments of long-term borrowings	(313,034)	(78,722)
Payment of lease liabilities	(4,329)	(4,003)
Net cash flows generated from (used in) financing activities	(417,363)	137,275
Net increase (decrease) in cash and cash equivalents	(2,242,932)	600,240
Cash and cash equivalents at beginning of period	3,450,343	2,826,099
Cash and cash equivalents at end of period	\$ 1,207,411	3,426,339

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Advanced Wireless Semiconductor Company

Notes to the Financial Statements

June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

Advanced Wireless Semiconductor Company (the “Company”) was incorporated on December 30, 1998, as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and other applicable regulations. The Company is primarily engaged in the research, development, production, testing, and manufacturing and sales of gallium arsenide (GaAs) wafers.

The common stocks of the Company had been traded in the Taipei Exchange since June 2009.

2. Approval date and procedures of the financial statements:

The financial statements were authorized for issue by the Board of Directors on August 6, 2026.

3. New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its 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
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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

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

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

Advanced Wireless Semiconductor Company

Notes to the Financial Statements

The Company expects to adopt the following new and amended standards, which are effective for annual periods beginning on January 1, 2028:

(i) IFRS 18 “Presentation and Disclosure in Financial Statements”

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Company is evaluating the impact on its financial statements upon the initial adoption of the new standard.

(ii) Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

The Company does not expect the amendments to have a significant impact on its financial statements.

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 20 “Regulatory Assets and Regulatory Liabilities”

Advanced Wireless Semiconductor Company

Notes to the Financial Statements

4. Summary of material accounting policies:

(1) Statement of compliance

These 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 FSC. The 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 financial statements.

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

(2) Provision

Carbon fees

Carbon fees levied in accordance with Taiwan's Climate Change Response Act and Regulations Governing the Collection of Carbon Fees are recognized when the annual greenhouse gas emissions are likely to exceed the threshold, and the amount is estimated based on the proportion of greenhouse gas emissions that have occurred as of the reporting date divided by the total annual greenhouse gas emissions.

(3) Income taxes

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

Income tax expenses for the period are measured by multiplying the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

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

The preparation of the 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.

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

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

6. Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim financial statements for the current period and the 2025 financial statements. Please refer to the note 6 of the financial statements for the year ended December 31, 2025.

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash	\$ 50	20	20
Demand deposits	165,613	149,474	125,201
Time deposit	974,418	3,262,849	3,301,118
Bond investments with repurchase agreements	57,330	38,000	-
Notes investments with repurchase agreements	10,000	-	-
	<u>\$ 1,207,411</u>	<u>3,450,343</u>	<u>3,426,339</u>

For details of the interest rate risk and sensitivity analysis of the company financial assets and liabilities, please refer to note 6(21).

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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities at fair value through profit or loss — current:			
Forward exchange contracts	<u>\$ 93</u>	<u>138</u>	<u>-</u>

The Company holds derivative financial instruments to hedge certain foreign exchange risk exposures arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified as financial liabilities at fair value through profit or loss:

June 30, 2026			
	Contract amount (in thousands)	Currency	Maturity date
Forward exchange sold	USD 300	USD to NTD	2026.7.3
December 31, 2025			
	Contract amount (in thousands)	Currency	Maturity date
Forward exchange sold	USD 1,160	USD to NTD	2026.1.5

For details of the amounts remeasured at fair value through profit or loss, please refer to note 6(20).

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

(3) Notes and accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	\$ 1,941	-	765
Accounts receivable	683,686	697,600	590,700
	<u>\$ 685,627</u>	<u>697,600</u>	<u>591,465</u>

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

June 30, 2026			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 565,009	0%	-
1 to 30 days past due	96,279	0%	-
31 to 60 days past due	24,339	0%	-
	<u>\$ 685,627</u>		<u>-</u>
December 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 617,894	0%	-
1 to 30 days past due	79,706	0%	-
	<u>\$ 697,600</u>		<u>-</u>
June 30, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 485,146	0%	-
1 to 30 days past due	95,888	0%	-
31 to 60 days past due	10,412	0%	-
91 to 120 days past due	19	0%	-
	<u>\$ 591,465</u>		<u>-</u>

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

The movements in the allowance for notes and accounts receivable were as follows:

	For the six months ended June 30,	
	2026	2025
Balance at January 1	\$ -	4,521
Amounts written off	-	(4,521)
	<u>\$ -</u>	<u>-</u>

The Company's notes and accounts receivable have not been pledged as collateral.

(4) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Work in progress	\$ 506,914	435,472	315,834
Raw materials	739,038	487,231	431,854
Finished goods	1,677	-	-
	<u>\$ 1,247,629</u>	<u>922,703</u>	<u>747,688</u>

The details of operating costs were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Cost of goods sold	\$ 916,006	699,160	1,696,261	1,242,973
Write-down of inventories (Reversal of write-downs)	(6,826)	1,134	(3,928)	(1,953)
Unallocated fixed production overheads	-	41,907	15,864	111,556
	<u>\$ 909,180</u>	<u>742,201</u>	<u>1,708,197</u>	<u>1,352,576</u>

The Company's inventories have not been pledged as collateral.

(5) Property, plant and equipment

	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:					
Balance at January 1, 2026	\$ 789,953	8,397,401	425,466	751,356	10,364,176
Additions	1,523	52,153	31,716	98,725	184,117
Disposals	-	(7,869)	-	-	(7,869)
Reclassification	597	136,834	(19,571)	(117,860)	-
Balance at June 30, 2026	<u>\$ 792,073</u>	<u>8,578,519</u>	<u>437,611</u>	<u>732,221</u>	<u>10,540,424</u>

Advanced Wireless Semiconductor Company
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		Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
	Buildings				
Balance at January 1, 2025	\$ 789,465	7,811,289	442,351	1,003,551	10,046,656
Additions	400	48,822	643	100,369	150,234
Disposals	-	(4,439)	-	-	(4,439)
Reclassification	-	268,980	(14,587)	(254,393)	-
Balance at June 30, 2025	<u><u>\$ 789,865</u></u>	<u><u>8,124,652</u></u>	<u><u>428,407</u></u>	<u><u>849,527</u></u>	<u><u>10,192,451</u></u>
Depreciation and impairment loss:					
Balance at January 1, 2026	\$ 105,073	5,142,323	323,876	-	5,571,272
Depreciation	8,106	338,997	7,248	-	354,351
Disposals	-	(7,849)	-	-	(7,849)
Balance at June 30, 2026	<u><u>\$ 113,179</u></u>	<u><u>5,473,471</u></u>	<u><u>331,124</u></u>	<u><u>-</u></u>	<u><u>5,917,774</u></u>
Balance at January 1, 2025	\$ 88,880	4,500,232	309,073	-	4,898,185
Depreciation	8,094	318,429	8,167	-	334,690
Disposals	-	(4,438)	-	-	(4,438)
Balance at June 30, 2025	<u><u>\$ 96,974</u></u>	<u><u>4,814,223</u></u>	<u><u>317,240</u></u>	<u><u>-</u></u>	<u><u>5,228,437</u></u>
Carrying amounts:					
Balance at January 1, 2026	<u><u>\$ 684,880</u></u>	<u><u>3,255,078</u></u>	<u><u>101,590</u></u>	<u><u>751,356</u></u>	<u><u>4,792,904</u></u>
Balance at June 30, 2026	<u><u>\$ 678,894</u></u>	<u><u>3,105,048</u></u>	<u><u>106,487</u></u>	<u><u>732,221</u></u>	<u><u>4,622,650</u></u>
Balance at January 1, 2025	<u><u>\$ 700,585</u></u>	<u><u>3,311,057</u></u>	<u><u>133,278</u></u>	<u><u>1,003,551</u></u>	<u><u>5,148,471</u></u>
Balance at June 30, 2025	<u><u>\$ 692,891</u></u>	<u><u>3,310,429</u></u>	<u><u>111,167</u></u>	<u><u>849,527</u></u>	<u><u>4,964,014</u></u>

A. Collateral

The Company's property, plant and equipment have not been pledged as collateral.

B. Property, plant and equipment construction in progress

In response to its capacity expansion plan, the Company incurred expenditures of \$732,221 thousand and \$849,527 thousand on construction in progress as of June 30, 2026 and 2025, respectively.

For the six months ended June 30, 2026 and 2025, the Company capitalized borrowing costs of \$5,237 thousand and \$6,831 thousand, respectively, at capitalization rates ranging from 1.17% to 1.46% and from 1.22% to 1.45%, respectively.

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

(6) Right-of-use assets

	<u>Land</u>
Carrying amounts:	
Balance at January 1, 2026	\$ <u>74,977</u>
Balance at June 30, 2026	\$ <u>77,863</u>
Balance at January 1, 2025	\$ <u>81,920</u>
Balance at June 30, 2025	\$ <u>78,448</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of Right-of-use assets recognized for leased land for the six months ended June 30, 2026 and 2025. Please refer to note 6(6) to the 2025 annual financial statements for other related information.

(7) Intangible assets

	<u>Computer software</u>
Carrying amounts:	
Balance at January 1, 2026	\$ <u>24,443</u>
Balance at June 30, 2026	\$ <u>30,251</u>
Balance at January 1, 2025	\$ <u>13,798</u>
Balance at June 30, 2025	\$ <u>10,246</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of Intangible assets for the six months ended June 30, 2026 and 2025. Please refer to note 6(7) to the 2025 annual financial statements for other related information.

(8) Other current and non-current financial assets

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Time deposits with maturities exceeding three months	\$ 2,798,400	458,000	-
Restricted assets	9,300	9,300	9,300
Others	5,882	3,266	6,118
	<u>\$ 2,813,582</u>	<u>470,566</u>	<u>15,418</u>
Current	<u>\$ 2,813,463</u>	<u>470,447</u>	<u>15,299</u>
Non-current	<u>\$ 119</u>	<u>119</u>	<u>119</u>

For details regarding the Company's restricted assets pledged as performance bonds, please refer to note 8.

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

(9) Other current and non-current assets

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments of equipment	\$ 59,341	52,904	48,967
Tax refund receivables	15,631	6,788	5,127
Others	-	87	88
	<u>\$ 74,972</u>	<u>59,779</u>	<u>54,182</u>
Current	<u>\$ 15,631</u>	<u>6,875</u>	<u>5,215</u>
Non-current	<u>\$ 59,341</u>	<u>52,904</u>	<u>48,967</u>

(10) Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	\$ 50,000	150,000	-
Unused credit lines	\$ 2,038,889	1,900,000	1,550,000
Range of interest rates	<u>1.89%</u>	<u>1.89%</u>	<u>-</u>

(11) Long-term borrowings

<u>June 30, 2026</u>			
	<u>Range of interest rates</u>	<u>Due date</u>	<u>Amount</u>
Unsecured bank loans	1.320%~1.375%	2028.2~2028.5	\$ 858,180
Less: current portion			(480,790)
			<u>\$ 377,390</u>
Unused credit lines			<u>\$ 95,000</u>
<u>December 31, 2025</u>			
	<u>Range of interest rates</u>	<u>Due date</u>	<u>Amount</u>
Unsecured bank loans	1.320%~1.375%	2028.2~2028.5	\$ 1,171,214
Less: current portion			(472,873)
			<u>\$ 698,341</u>
Unused credit lines			<u>\$ 95,000</u>
<u>June 30, 2025</u>			
	<u>Range of interest rates</u>	<u>Due date</u>	<u>Amount</u>
Unsecured bank loans	1.320%~1.375%	2028.2~2028.5	\$ 1,196,869
Less: current portion			(294,748)
			<u>\$ 902,121</u>
Unused credit lines			<u>\$ 190,000</u>

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(12) Other current and non-current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities	\$ 82,073	79,042	82,366
Guarantee deposit received	12,000	12,000	12,000
Other payables	135,896	159,638	90,710
Accrued remuneration of directors	5,906	6,861	1,876
Others	6,333	7,327	4,868
	<u>\$ 242,208</u>	<u>264,868</u>	<u>191,820</u>
Current	<u>\$ 155,475</u>	<u>180,559</u>	<u>104,130</u>
Non-current	<u>\$ 86,733</u>	<u>84,309</u>	<u>87,690</u>

(13) Lease liabilities

The carrying amounts of lease liabilities of the Company were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	\$ 7,340	6,733	6,676
Non-current	<u>\$ 74,733</u>	<u>72,309</u>	<u>75,690</u>

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

The amounts recognized in profit or loss was as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest on lease liabilities	\$ 349	351	705	707
Expenses relating to short-term leases	\$ 59	59	116	116
Expenses relating to leases of low value assets, excluding short term leases of low value asset	<u>\$ 133</u>	<u>131</u>	<u>266</u>	<u>244</u>

The amounts recognized in the statements of cash flows by the Company were as follows:

	For the six months ended June 30,	
	2026	2025
Total cash outflow for leases	\$ 4,711	4,363

The Company leases land for use as plant sites and office premises. The lease terms are generally twenty years, and certain leases include options to extend the lease for a period equal to the original term upon expiration.

Lease payments under the land leases are linked to changes in the local consumer price index and are adjusted to reflect the amortized portion of public infrastructure reinvestment costs within the industrial parks. Such expenses usually arise once every two years.

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Notes to the Financial Statements

(14) Employee benefits

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company's allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from contributions to the defined contribution plan were \$7,666 thousand, \$6,150 thousand, \$14,843 thousand and \$12,781 thousand for the three months and six months ended June 30, 2026 and 2025, respectively. Such contributions were made to the Bureau of the Labor Insurance, Ministry of Labor.

(15) Income tax

The income tax expense of the Company is calculated by the Income before income tax of interim reporting period multiplied by the best estimated measurement of the expected effective tax rate of the year made by the management.

A. Income tax expense

The components of income tax expenses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Income tax expense	<u>\$ 28,517</u>	<u>17,386</u>	<u>90,328</u>	<u>31,973</u>

B. Assessment of tax

The Company's income tax returns have been assessed by the tax authorities through 2024.

(16) Capital and other equity

Except as described below, there were no significant changes in the capital and other equity for the period from January 1 to June 30, 2026 and 2025. For related information, please refer to note 6(16) to the financial statements for the year ended December 31, 2025.

A. Ordinary shares

As of June 30, 2026, December 31, 2025 and June 30, 2025, the authorized ordinary shares of the Company amounted to \$5,000,000 thousand, with a par value of \$10 per share, of which \$300,000 thousand were reserved for employee stock options, and the issued and outstanding ordinary shares were 196,516 thousand shares.

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

B. Capital surplus

The balances of capital surplus were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Additional paid in capital	\$ 4,113,703	4,113,703	4,113,703
Expired stock options	25,765	25,765	25,765
Unclaimed cash dividends past the statutory claim period	1,163	1,163	1,163
	<u>\$ 4,140,631</u>	<u>4,140,631</u>	<u>4,140,631</u>

C. Retained earnings

In accordance with the Company's Articles of Incorporation, any earnings for the year shall first be used to pay taxes and to offset accumulated deficits. Thereafter, 10% of the remaining earnings shall be appropriated as legal reserve; however, this requirement does not apply once the legal reserve has reached the Company's paid-in capital. In addition, a special reserve shall be appropriated when required by laws or regulations or deemed necessary for operating purposes.

Pursuant to Article 240, Paragraph 5 of the Company Act, when the Company distributes earnings in the form of cash together with the beginning unappropriated earnings, such distribution shall be approved by a resolution of the Board of Directors attended by at least two-thirds of all directors and approved by more than half of the directors present, and shall be reported to the shareholders' meeting. When the distribution is made in the form of new shares, such distribution shall be submitted to the shareholders' meeting for approval before allocation.

When distributing earnings, the Company is required to appropriate a special reserve for any debit balance in other equity items as of the balance sheet date in accordance with applicable regulations. When the debit balance is subsequently reversed, the reversed amount may be included in distributable earnings.

To balance dividend distribution with financial planning considerations, and to assess the potential dilution effects of stock dividends on future earnings per share, the Company aims to maintain a stable dividend policy without causing excessive dilution. Cash dividends shall not be less than 10% of the total dividends distributed, with the remainder distributed in the form of stock dividends.

(a) Legal reserve

Except for offsetting the Company's deficits or being distributed as cash or stock dividends in proportion to shareholders' existing shareholdings, this reserve may not be used. However, distributions of cash or stock dividends shall be limited to the portion of such reserve that exceeds 25% of the Company's paid-in capital.

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

(b) Earnings distribution

On March 5, 2026, the Board of Directors approved the distribution of earnings for the year ended December 31, 2025. The cash dividends approved for distribution to shareholders were as follows:

	2025	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders		
Cash	\$ <u>1.68</u>	<u>330,147</u>

On May 28, 2025, the shareholders' meeting approved the distribution of earnings for the year ended December 31, 2024. The cash dividends approved for distribution to shareholders were as follows:

	2024	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders		
Cash	\$ <u>1.19</u>	<u>233,854</u>

(17) Earnings per share

A. Basic earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Profit attributable to the shareholders of the Company	\$ <u>278,375</u>	<u>98,951</u>	<u>575,232</u>	<u>181,475</u>
Weighted average number of ordinary shares outstanding during the period (in thousands of shares)	<u>196,516</u>	<u>196,516</u>	<u>196,516</u>	<u>196,516</u>
Basic earnings per share (dollars)	\$ <u>1.42</u>	<u>0.50</u>	<u>2.93</u>	<u>0.92</u>

Advanced Wireless Semiconductor Company
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B. Diluted earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Profit attributable to the shareholders of the Company	\$ <u>278,375</u>	<u>98,951</u>	<u>575,232</u>	<u>181,475</u>
Weighted average number of ordinary shares outstanding during the period (in thousands of shares)	196,516	196,516	196,516	196,516
Effect of dilutive potential ordinary shares (in thousands of shares):				
Effect of employee stock remuneration	<u>446</u>	<u>247</u>	<u>640</u>	<u>396</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)(diluted)	<u>196,962</u>	<u>196,763</u>	<u>197,156</u>	<u>196,912</u>
Diluted earnings per share (dollars)	\$ <u>1.41</u>	<u>0.50</u>	<u>2.92</u>	<u>0.92</u>

(18) Revenue from contracts with customers

A. Details of revenue

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
<u>Primary geographical markets</u>				
Taiwan	\$ 155,832	178,746	347,272	353,267
Asia – others	938,190	567,322	1,770,827	1,022,624
America	192,683	205,621	368,647	335,783
Northeast Asia (Japan and Korea)	<u>11,734</u>	<u>22,733</u>	<u>34,011</u>	<u>34,506</u>
	<u>\$ 1,298,439</u>	<u>974,422</u>	<u>2,520,757</u>	<u>1,746,180</u>
<u>Major product categories</u>				
GaAs wafers	<u>\$ 1,298,439</u>	<u>974,422</u>	<u>2,520,757</u>	<u>1,746,180</u>

B. Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Contract liabilities	\$ <u>113,460</u>	<u>115,458</u>	<u>70,644</u>

For the disclosures relating to notes and accounts receivable and their impairment, please refer to note 6(3)

The amount of revenue recognized for the six months ended June 30, 2026 and 2025, which was included in the contract liability balance at the beginning of the period, was \$103,416 thousand and \$59,199 thousand, respectively.

Advanced Wireless Semiconductor Company

Notes to the Financial Statements

Contract liabilities primarily arise from advance receipts under product sales contracts, and revenue is recognized when the products are delivered to the customers.

(19) Employee compensation and directors' and supervisors' remuneration

On May 28, 2025, the shareholders' meeting resolved to amend the Company's Articles of Incorporation. Under the amended Articles, when the Company generates profit for the year, 5% to 10% shall be allocated as employee compensation (of which no less than 50% shall be allocated to non-managerial employees) and no more than 2% shall be allocated as directors' remuneration. However, if the Company has accumulated deficits, amounts required to offset such deficits shall be reserved in advance. Employee compensation shall be distributed in the form of cash or shares as resolved by the Board of Directors, and the recipients may include employees of subsidiaries who meet certain eligibility criteria. Before the amendment, the Articles provided that 5% to 10% of annual profit shall be allocated as employee compensation and no more than 2% as directors' remuneration, and amounts required to offset accumulated deficits shall be reserved before such allocations. Employee compensation was likewise determined by the Board to be distributed in cash or shares, and could be granted to eligible subsidiary employees.

For the three months and six months ended June 30, 2026 and 2025, the Company accrued and recognized its employee remuneration (including non-managerial employee compensation) amounting to \$34,404 thousand, \$10,483 thousand, \$66,724 thousand and \$19,234 thousand and directors remuneration amounting to \$2,753 thousand, \$1,022 thousand, \$5,906 thousand and \$1,876 thousand, respectively. These amounts were calculated by using the Company's pre tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If there would be any changes in accounting estimates, the changes shall be accounted for as profit or loss in the following year.

The Company's employee compensation for 2025 and 2024 amounted to \$70,328 thousand (including non-managerial employee compensation) and \$53,825 thousand, respectively. Remuneration for directors was \$6,861 thousand and \$5,251 thousand, respectively, which were not significantly different from actual distribution, and the information is available on the Market Observation Post System website.

(20) Non-operating income and expenses

A. Interest income

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest income from bank deposits	\$ 17,738	14,265	34,816	27,090

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Notes to the Financial Statements

B. Other gains and losses

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Foreign exchange gains (losses)	\$ (274)	(56,109)	9,146	(49,493)
Gains on disposal and write-off of property, plant and equipment	68	295	68	295
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	178	190	(18)	198
Others	731	236	1,001	(716)
	<u>\$ 703</u>	<u>(55,388)</u>	<u>10,197</u>	<u>(49,716)</u>

C. Finance costs

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest on lease liabilities	\$ 349	351	705	707
Interest expense of borrowings	3,199	3,871	7,881	7,478
Less: Amount of interest eligible for capitalization	(2,456)	(3,335)	(5,237)	(6,831)
	<u>\$ 1,092</u>	<u>887</u>	<u>3,349</u>	<u>1,354</u>

(21) Financial instruments

A. Credit risk

(a) Credit risk exposure

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

(b) Concentration of credit risk

The Company's major customers are in the GaAs wafer industry and related industries. The Company generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Company is mainly influenced by the GaAs wafer products industry. As of June 30, 2026, December 31, 2025 and June 30, 2025, 51%, 61% and 59%, respectively, of the Company's notes and accounts receivable were due from two customers. Although there is a potential for concentration of credit risk, the Company routinely assesses the collectability of the notes and accounts receivable and makes a corresponding allowance for doubtful accounts.

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Notes to the Financial Statements

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
June 30, 2026							
Non-derivative financial liabilities							
Short-term borrowings	\$ 50,000	(50,101)	(50,101)	-	-	-	-
Accounts payable	394,159	(394,159)	(394,159)	-	-	-	-
Payroll and bonus payable	207,583	(207,583)	(196,196)	(11,387)	-	-	-
Dividends payable	330,147	(330,147)	(330,147)	-	-	-	-
Accrued remuneration of directors	5,906	(5,906)	(5,906)	-	-	-	-
Other payables	135,896	(135,896)	(135,896)	-	-	-	-
Guarantee deposit received	12,000	(12,000)	-	-	-	-	(12,000)
Long-term borrowings	858,180	(874,080)	(246,376)	(245,348)	(382,356)	-	-
Lease liabilities	82,073	(90,255)	(4,329)	(4,329)	(8,535)	(23,750)	(49,312)
Forward exchange contracts							
Outflows	93	(9,567)	(9,567)	-	-	-	-
Inflows	-	9,474	9,474	-	-	-	-
	<u>\$ 2,076,037</u>	<u>(2,100,220)</u>	<u>(1,363,203)</u>	<u>(261,064)</u>	<u>(390,891)</u>	<u>(23,750)</u>	<u>(61,312)</u>
December 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	\$ 150,000	(151,106)	(101,005)	(50,101)	-	-	-
Accounts payable	337,465	(337,465)	(337,465)	-	-	-	-
Other payable—related parties	230	(230)	(230)	-	-	-	-
Payroll and bonus payable	164,057	(164,057)	(153,031)	(11,026)	-	-	-
Accrued remuneration of directors	6,861	(6,861)	(6,861)	-	-	-	-
Other payables	159,638	(159,638)	(159,638)	-	-	-	-
Guarantee deposit received	12,000	(12,000)	-	-	-	-	(12,000)
Long-term borrowings	1,171,214	(1,199,620)	(209,165)	(279,443)	(555,372)	(155,640)	-
Lease liabilities	79,042	(87,226)	(4,003)	(4,003)	(8,005)	(22,164)	(49,051)
Forward exchange contracts:							
Outflows	138	(36,440)	(36,440)	-	-	-	-
Inflows	-	36,302	36,302	-	-	-	-
	<u>\$ 2,080,645</u>	<u>(2,118,341)</u>	<u>(971,536)</u>	<u>(344,573)</u>	<u>(563,377)</u>	<u>(177,804)</u>	<u>(61,051)</u>
June 30, 2025							
Non-derivative financial liabilities							
Accounts payable	\$ 308,583	(308,583)	(308,583)	-	-	-	-
Payroll and bonus payable	122,209	(122,209)	(111,850)	(10,359)	-	-	-
Dividends payable	233,854	(233,854)	(233,854)	-	-	-	-
Accrued remuneration of directors	1,876	(1,876)	(1,876)	-	-	-	-
Other payables	90,710	(90,710)	(90,710)	-	-	-	-
Guarantee deposit received	12,000	(12,000)	-	-	-	-	(12,000)
Long-term borrowings	1,196,869	(1,232,037)	(119,931)	(190,835)	(521,409)	(399,862)	-
Lease liabilities	82,366	(91,229)	(4,003)	(4,003)	(8,005)	(22,511)	(52,707)
	<u>\$ 2,048,467</u>	<u>(2,092,498)</u>	<u>(870,807)</u>	<u>(205,197)</u>	<u>(529,414)</u>	<u>(422,373)</u>	<u>(64,707)</u>

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

C. Currency risk

(a) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

June 30, 2026			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$	25,314	31.85
JPY		26,132	0.1963
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD		9,249	31.85
JPY		67,576	0.1963
<u>Non-monetary items</u>			
USD		300	31.85
			Note
December 31, 2025			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$	27,208	31.43
JPY		36,218	0.2008
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD		7,199	31.43
JPY		108,789	0.2008
<u>Non-monetary items</u>			
USD		1,160	31.43
			Note

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

June 30, 2025			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$	23,089	29.30
JPY		36,700	0.2034
			7,465
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD		7,876	29.30
JPY		84,624	0.2034
			17,212

Note: The Company measures its forward foreign exchange contracts at fair value as of the reporting date. For related information, please refer to note 6(2).

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, and other accounts receivable which are denominated in foreign currencies. A weakening (strengthening) of 1% of the NTD against the USD and JPY as of June 30, 2026 and 2025, would have increased or decreased the net income before income tax by \$5,036 thousand and \$4,360 thousand, respectively. The analysis was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

The foreign exchange gains (losses) arising from the Company's monetary items (including realized and unrealized amounts) amounted to \$(274) thousand, \$(56,109) thousand, \$9,146 thousand and \$(49,493) thousand for the three and six months ended June 30, 2026 and 2025, respectively.

D. Interest rate analysis

Please refer to the notes on liquidity risk management for interest rate exposure of the Company's financial assets and financial liabilities.

Assuming a 0.25% increase or decrease in interest rates, with all other variables held constant, the Company's profit for the three and six months ended June 30, 2026 and 2025 would have decreased or increased by \$(620) thousand and \$1,094 thousand, respectively. This is primarily attributable to the Company's variable-rate bank deposits and borrowings.

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Notes to the Financial Statements

E. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

		June 30, 2026				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	1,207,411				
Notes and accounts receivable		685,627				
Other receivables — related parties		158				
Other financial assets		<u>2,813,582</u>				
		<u>\$ 4,706,778</u>				
Financial liabilities at fair value through profit or loss — current:						
Forward exchange contracts	\$	<u>93</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>93</u>
Financial liabilities measured with amortized costs						
Short-term borrowings	\$	50,000				
Accounts payable		394,159				
Payroll and bonus payable		207,583				
Dividends Payable		330,147				
Accrued remuneration of directors		5,906				
Other payables		135,896				
Guarantee deposit received		12,000				
Long-term borrowings		858,180				
Lease liabilities		<u>82,073</u>				
		<u>\$ 2,075,944</u>				

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Notes to the Financial Statements

		December 31, 2025				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost						
Cash and cash equivalents	\$ 3,450,343					
Notes and accounts receivable	697,600					
Other receivables — related parties	48					
Other financial assets	470,566					
	<u>\$ 4,618,557</u>					
Financial liabilities at fair value through profit or loss — current:						
Forward exchange contracts	\$ <u>138</u>	<u>-</u>	<u>138</u>	<u>-</u>		<u>138</u>
Financial liabilities measured with amortized costs						
Short-term borrowings	\$ 150,000					
Accounts payable	337,465					
Other accounts payable — related parties	230					
Payroll and bonus payable	164,057					
Accrued remuneration of directors	6,861					
Other payables	159,638					
Guarantee deposit received	12,000					
Long-term borrowings	1,171,214					
Lease liabilities	79,042					
	<u>\$ 2,080,507</u>					

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		June 30, 2025				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	3,426,339				
Notes and accounts receivable		591,465				
Other receivables — related parties		180				
Other financial assets		15,418				
		<u>\$ 4,033,402</u>				
Financial liabilities measured with amortized costs						
Accounts payable	\$	308,583				
Payroll and bonus payable		122,209				
Dividends Payable		233,854				
Accrued remuneration of directors		1,876				
Other payables		90,710				
Guarantee deposit received		12,000				
Long term borrowings		1,196,869				
Lease liabilities		82,366				
		<u>\$ 2,048,467</u>				

(b) Valuation techniques of financial instruments not measured at fair value

The management of the company believes that the carrying amounts of financial assets and financial liabilities measured at amortized cost in this financial report approximate their fair values.

(22) Financial risk management

The Company's financial risk management objectives and policies have not changed significantly from those disclosed in note 6(22) to the 2025 annual financial statements.

(23) Capital management

The capital management objectives, policies, and procedures of the Company are consistent with the financial report of 2025; there have been no significant changes in the aggregate information relating to capital management from those disclosed in the financial report of 2025. For relevant information, please refer to note 6(23) of the financial report of 2025.

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

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

The Company's investing and financing activities which did not affect cash flows in the six months ended June 30, 2026 and 2025, were as follows:

A. For right-of-use assets under leases, please refer to note 6(6).

B. Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2026	Cash flows	Non-cash changes	June 30, 2026
Short-term borrowings	\$ 150,000	(100,000)	-	50,000
Long-term borrowings	1,171,214	(313,034)	-	858,180
Guarantee deposits received	12,000	-	-	12,000
Lease liabilities	<u>79,042</u>	<u>(4,329)</u>	<u>7,360</u>	<u>82,073</u>
Total liabilities from financing activities	<u>\$ 1,412,256</u>	<u>(417,363)</u>	<u>7,360</u>	<u>1,002,253</u>
	January 1, 2025	Cash flows	Non-cash changes	June 30, 2025
Long-term borrowings	\$ 1,055,591	141,278	-	1,196,869
Guarantee deposits received	12,000	-	-	12,000
Lease liabilities	<u>85,662</u>	<u>(4,003)</u>	<u>707</u>	<u>82,366</u>
Total liabilities from financing activities	<u>\$ 1,153,253</u>	<u>137,275</u>	<u>707</u>	<u>1,291,235</u>

7. Related-party transactions:

(1) Parent company and ultimate controlling company

Sino-American Silicon Products Inc. ("SAS") is both the parent company and the ultimate controlling company. As of June 30, 2026, SAS owns 28.46% of all shares outstanding of Company and has issued consolidated financial statements available for public use.

(2) Names and relationship with related parties

The followings are entities that have had transactions with the Company during the periods covered in the financial statements:

<u>Name of related party</u>	<u>Relationship with the Company</u>
SAS	Parent company of the Company
GlobalWafers Co., Ltd. ("GlobalWafers")	A subsidiary of SAS
Sunrise PV Electric Power Five Co., Ltd. ("SPV5")	A second-tier subsidiary of SAS
Crystalwise Technology Inc ("CWT")	A second-tier subsidiary of SAS

Advanced Wireless Semiconductor Company
Notes to the Financial Statements

(3) Significant transactions with related parties

A. Purchases

The amounts of purchases from related parties were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Other related party—CWT	\$ <u>-</u>	<u>64</u>	<u>-</u>	<u>64</u>

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

For the six months ended June 30, 2026 and 2025, except for purchases of precious metals for which prepayments were required, payment terms with general suppliers ranged from 10 to 90 days after the month-end billing date. Payment terms with related parties were 30 days after the month-end billing date.

B. Lease

The Company has entered into solar power generation system lease agreements with related parties. The details of the related lease income and the resulting receivables are as follows:

		For the three months ended June 30,		For the six months ended June 30,	
		2026	2025	2026	2025
Categories of related parties					
Other related party—SPV5		\$ <u>236</u>	<u>196</u>	<u>412</u>	<u>209</u>

Items	Categories	June 30, 2026	December 31, 2025	June 30, 2025
Other receivables	Other related party—SPV5	\$ <u>158</u>	<u>48</u>	<u>180</u>

C. Others

Related parties provide the Company with consumables and information security testing services. The details of the related costs, expenses, and the resulting payables are as follows:

Items	Categories	June 30, 2026	December 31, 2025	June 30, 2025
Other payables	Other related party—GlobalWafers	\$ <u>-</u>	<u>230</u>	<u>-</u>

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Notes to the Financial Statements

(4) Key management personnel compensation

Key management personnel compensation comprised of:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Short-term employee benefits	\$ 7,191	3,987	15,561	8,788
Post-employment benefits	48	27	75	54
	<u>\$ 7,239</u>	<u>4,014</u>	<u>15,636</u>	<u>8,842</u>

8. Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Purpose of pledge	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits (recognized in other financial assets- current)	Performance guarantee			
		<u>\$ 9,300</u>	<u>9,300</u>	<u>9,300</u>

9. Commitments and contingencies:

As of June 30, 2026, December 31, 2025 and June 30, 2025, the amounts of construction in progress and prepayments for equipment that had been contracted but not yet paid were \$159,491 thousand, \$127,151 thousand and \$126,174 thousand, respectively.

10. Losses due to major disasters: None

11. Subsequent events: None

12. Other:

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

	By function	For the three months ended June 30,					
		2026			2025		
		Cost of Sales	Operating Expense	Total	Cost of Sales	Operating Expense	Total
By item							
Employee benefits							
Salary		165,413	45,424	210,837	117,241	30,610	147,851
Labor and health insurance		16,074	2,353	18,427	12,574	2,400	14,974
Pension		6,462	1,204	7,666	5,051	1,099	6,150
Others		5,985	1,085	7,070	5,408	970	6,378
Depreciation		178,817	1,556	180,373	166,937	3,464	170,401
Amortization		87	2,492	2,579	177	1,772	1,949

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Notes to the Financial Statements

By item	By function	For the six months ended June 30,					
		2026			2025		
		Cost of Sales	Operating Expense	Total	Cost of Sales	Operating Expense	Total
Employee benefits							
Salary		325,877	89,659	415,536	224,085	59,679	283,764
Labor and health insurance		31,208	6,470	37,678	26,320	6,080	32,400
Pension		12,503	2,340	14,843	10,563	2,218	12,781
Others		11,850	2,026	13,876	12,208	4,816	17,024
Depreciation		355,019	3,102	358,121	331,168	6,994	338,162
Amortization		190	4,794	4,984	322	3,575	3,897

13. Other disclosures:

(1) Information on significant transactions:

- A. Loans to other parties: None.
- B. Guarantees and endorsements for other parties: None.
- C. Material securities held as of June 30, 2026 (excluding investment in subsidiaries, associates and joint ventures): None.
- D. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

(2) Information on investees:

The following is the information on investees for the six months ended June 30, 2026 (excluding information on investees in Mainland China): None.

(3) Information on investment in mainland China:

- A. The names of investees in Mainland China, the main businesses and products, and other information: None.
- B. Limitation on investment in Mainland China: None.
- C. Significant transactions: None.

14. Segment information:

The Company's reportable operating segment is a single segment, primarily engaged in the research, development, production, testing, manufacturing and sale of GaAs wafers. The segment's profit and loss, assets, and liabilities information are consistent with the financial statements. Please refer to the balance sheets and comprehensive income statements for details.