Stock Code: 3611

TSC Auto ID Technology Co., Ltd.
And Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 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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Independent Auditors' Review Report

To the Board of Directors of TSC Auto ID Technology Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of TSC Auto ID Technology Co., Ltd. ("the Company") and its subsidiaries ("the Group") as of June 30, 2026 and 2025, and the related consolidated statement of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant 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

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of 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.

Basis for Qualified Conclusion on the Consolidated Financial Statements for the Second Quarter of 2025

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $2,822,677 thousand, constituting 23.41% of the consolidated total assets, and the total liabilities amounting to $600,583 thousand, constituting 7.99% of the consolidated total liabilities as of June 30, 2025, as well as total comprehensive income (loss) amounting to $132,598 thousand and $184,685 thousand, constituting (62.36)% and (853.84)% of the consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2025.

Unqualified Conclusion and Qualified Conclusion

Based on our reviews and the review report of other auditors (refer to the Other Matters paragraph), except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph on the consolidated financial statements for the second quarter of 2025 been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matters

We did not review the financial statements of certain subsidiaries of the Group. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts, is based solely on the review report of the other auditors. The financial statements of certain subsidiaries reflect total assets amounting to $2,559,736 thousand and $2,334,779 thousand, constituting 18.47% and 19.36% of the consolidated total assets as of June 30, 2026 and 2025, respectively, and the total revenues amounting to $1,046,376 thousand, $933,600 thousand, $2,060,818 thousand and $1,871,126 thousand, constituting 33.28%, 30.30%, 34.89% and 31.51% of the consolidated total revenues for the three months and six months ended June 30, 2026 and 2025, respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are Kuo, Yang-Lun and Hsiao, Pei-Ju.

KPMG
Taipei, Taiwan (Republic of China)
August 7, 2026

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheet

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

Unit: NT$ thousand

	Assets	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	Current assets:						
1100	Cash and cash equivalents (Note 6(a))	$ 958,612	7	1,543,385	12	1,593,222	13
1110	Current financial assets at fair value through profit or loss (Note 6(b))	-	-	376	-	-	-
1151	Notes receivable (Note 6(d))	35	-	69	-	-	-
1170	Accounts receivable, net (Notes 6(d) and 7)	2,078,950	15	1,792,281	14	1,898,890	16
1200	Other receivables (Note 7)	106,967	1	57,800	-	48,281	-
130X	Inventories (Note 6(e))	3,036,419	22	2,287,386	18	2,044,491	17
1410	Prepayments	207,916	1	196,057	2	155,497	1
1470	Other current assets	17,973	-	22,681	-	55,842	-
		6,406,872	46	5,900,035	46	5,796,223	47
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	1,923,180	14	823,536	7	766,878	6
1600	Property, plant and equipment (Note 6(f))	1,601,409	11	1,583,470	13	1,386,729	12
1755	Right-of-use assets (Note 6(g))	586,616	4	656,437	5	556,677	5
1805	Goodwill (Note 6(h))	1,894,880	13	1,907,986	15	1,814,709	15
1822	Other intangible assets (Note 6(i))	858,225	6	947,491	7	975,458	8
1840	Deferred tax assets	721,561	5	754,450	6	689,275	6
1990	Other non-current assets (Note 6(n))	82,892	1	76,466	1	73,027	1
		7,668,763	54	6,749,836	54	6,262,753	53
	Total assets	**$ 14,075,635**	**100**	**12,649,871**	**100**	**12,058,976**	**100**

	Liabilities and equity	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	Current liabilities:						
2100	Short-term borrowings (Note 6(j))	$ 1,172,571	8	1,131,513	9	1,642,395	14
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	25,722	-	67,420	1	35,014	-
2170	Accounts payable (Note 7)	1,106,673	8	904,427	7	882,865	7
2200	Other payables (Note 6(l))	968,961	7	497,130	4	937,691	8
2230	Current tax liabilities	119,647	1	99,058	1	106,895	1
2280	Current lease liabilities (Note 6(m))	139,798	1	140,361	1	116,956	1
2322	Current portion of long-term borrowings (Note 6(k))	456,902	3	276,921	2	219,197	2
2399	Other current liabilities (Note 6(r))	353,120	4	287,551	2	321,599	2
		4,343,394	32	3,404,381	27	4,262,612	35
	Non-current liabilities:						
2500	Non-current financial liabilities at fair value through profit or loss (Note 6(b))	-	-	-	-	27,176	-
2540	Long-term borrowings (Note 6(k))	2,025,576	14	2,420,774	19	1,980,742	16
2570	Deferred tax liabilities	768,084	6	791,342	6	695,575	6
2580	Lease liabilities, non-current (Note 6(m))	481,812	3	550,879	4	459,606	4
2640	Net defined benefit liabilities, non-current	18,577	-	17,613	-	23,338	-
2670	Other non-current liabilities	60,262	-	70,135	1	67,616	1
		3,354,311	23	3,850,743	30	3,254,053	27
	Total liabilities	7,697,705	55	7,255,124	57	7,516,665	62
	Equity attributable to owners of the parent company: (Note 6(p))						
3110	Common stock	475,546	3	475,546	4	475,396	4
3200	Capital surplus	758,340	5	755,141	6	746,267	6
3300	Retained earnings	4,020,481	29	4,036,199	32	3,516,197	30
3400	Other equity	1,117,783	8	122,039	1	(200,962)	(2)
	Total equity attributable to owners of the parent company	6,372,150	45	5,388,925	43	4,536,898	38
36XX	Non-controlling interest	5,780	-	5,822	-	5,413	-
	Total equity	6,377,930	45	5,394,747	43	4,542,311	38
	Total liabilities and equity	**$ 14,075,635**	**100**	**12,649,871**	**100**	**12,058,976**	**100**

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Wang Hsing Lei **Chief Executive Officer: Chen Ming-Yi** **Chief Accounting Officer: Lan Yi-Hsuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2026 and 2025

Unit: NT$ thousand

		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** (Notes 6(r), 7)	$ 3,143,864	100	3,081,540	100	5,909,403	100	5,937,633	100
5000	**Operating costs** (Notes 6(e)(n), 7)	2,158,590	69	2,060,476	67	3,989,059	68	4,067,863	69
	Gross profits	985,274	31	1,021,064	33	1,920,344	32	1,869,770	31
6000	**Operating expenses:** (Notes 6(n)(q), 7)								
6100	Selling expenses	351,520	11	354,881	11	698,913	12	671,898	11
6200	Administrative expenses	169,406	5	157,208	5	338,016	6	305,790	5
6300	Research and development expenses	165,955	5	144,715	5	329,930	6	295,206	5
6450	Expected credit losses (Note 6(d))	3,591	-	6	-	6,044	-	1,909	-
		690,472	21	656,810	21	1,372,903	24	1,274,803	21
	Operating profits	294,802	10	364,254	12	547,441	8	594,967	10
	Non-operating incomes and expenses: (Notes 6(t), 7)								
7100	Interest income	5,617	-	5,696	-	7,380	-	9,543	-
7190	Other incomes	37,038	1	32,173	1	41,566	1	37,159	1
7020	Other gains and losses	15,287	-	(87,900)	(3)	54,099	1	(58,791)	(1)
7050	Financial costs	(34,170)	(1)	(35,777)	(1)	(64,850)	-	(77,915)	(1)
		23,772	-	(85,808)	(3)	38,195	2	(90,004)	(1)
	Profits before tax	318,574	10	278,446	9	585,636	10	504,963	9
7950	**Less: Income tax expenses** (Note 6(o))	75,623	2	50,159	2	125,575	2	91,338	2
	Profits	242,951	8	228,287	7	460,061	8	413,625	7
8300	**Other comprehensive income:** (Note 6(o))								
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 incomes	1,090,068	35	19,950	1	1,099,644	19	(82,194)	(1)
8349	Income tax components that will not be reclassified	-	-	-	-	-	-	-	-
		1,090,068	35	19,950	1	1,099,644	19	(82,194)	(1)
8360	**Items that may be reclassified subsequently to profit or loss**								
8361	Exchange differences on translation of financial statements of foreign operations	(62,847)	(2)	(563,730)	(18)	(125,484)	(2)	(429,315)	(7)
8399	Income tax components that may be reclassified	6,564	-	102,869	(3)	21,309	-	76,254	(1)
		(56,283)	(2)	(460,861)	(15)	(104,175)	(2)	(353,061)	(6)
8300	**Other comprehensive income, net**	1,033,785	33	(440,911)	(14)	995,469	17	(435,255)	(7)
	Total comprehensive income	**$ 1,276,736**	**41**	**(212,624)**	**(7)**	**1,455,530**	**25**	**(21,630)**	-
	Net income attributable to:								
8610	Owners of the parent company	$ 242,827	8	226,541	7	459,828	8	410,084	7
8620	Non-controlling interest	124	-	1,746	-	233	-	3,541	-
		$ 242,951	**8**	**228,287**	**7**	**460,061**	**8**	**413,625**	**7**
	Total comprehensive income attributable to:								
	Owners of the parent company	$ 1,276,699	41	(212,922)	(7)	1,455,572	25	(25,062)	-
	Non-controlling interest	37	-	298	-	(42)	-	3,432	-
		$ 1,276,736	**41**	**(212,624)**	**(7)**	**1,455,530**	**25**	**(21,630)**	-
	Basic EPS (NT$) (Note 6(u))	**$**	**5.11**		**4.77**		**9.67**		**8.64**
	Diluted EPS (NT$) (Note 6(u))	**$**	**5.10**		**4.75**		**9.61**		**8.59**

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Wang Hsing Lei **Chief Executive Officer: Chen Ming-Yi** **Chief Accounting Officer: Lan Yi-Hsuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Changes in equity
For the six months ended June 30, 2026 and 2025

Unit: NT$ thousand

	Equity attributable to owners of the parent company											
			Retained earnings				Other equity					
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gain (loss) of financial assets measured at fair value through other comprehensive incomes	Total	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance at January 1, 2025	$ 473,791	722,280	862,984	8,597	2,723,957	3,595,538	(15,010)	249,194	234,184	5,025,793	75,486	5,101,279
Net income	-	-	-	-	410,084	410,084	-	-	-	410,084	3,541	413,625
Other comprehensive income	-	-	-	-	-	-	(352,952)	(82,194)	(435,146)	(435,146)	(109)	(435,255)
Total comprehensive income	-	-	-	-	410,084	410,084	(352,952)	(82,194)	(435,146)	(25,062)	3,432	(21,630)
Exercise of employee stock options	1,605	19,361	-	-	-	-	-	-	-	20,966	-	20,966
Appropriation and distribution:												
Legal reserve appropriated	-	-	65,880	-	(65,880)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(474,481)	(474,481)	-	-	-	(474,481)	-	(474,481)
Changes in ownership interests in subsidiaries	-	(1,984)	-	-	(14,944)	(14,944)	-	-	-	(16,928)	(73,505)	(90,433)
Share-based compensation – employee stock options	-	6,610	-	-	-	-	-	-	-	6,610	-	6,610
Balance at June 30, 2025	**$ 475,396**	**746,267**	**928,864**	**8,597**	**2,578,736**	**3,516,197**	**(367,962)**	**167,000**	**(200,962)**	**4,536,898**	**5,413**	**4,542,311**
Balance at January 1, 2026	$ 475,546	755,141	928,864	8,597	3,098,738	4,036,199	(101,619)	223,658	122,039	5,388,925	5,822	5,394,747
Net income	-	-	-	-	459,828	459,828	-	-	-	459,828	233	460,061
Other comprehensive income	-	-	-	-	-	-	(103,900)	1,099,644	995,744	995,744	(275)	995,469
Total comprehensive income	-	-	-	-	459,828	459,828	(103,900)	1,099,644	995,744	1,455,572	(42)	1,455,530
Appropriation and distribution:												
Legal reserve appropriated	-	-	91,514	-	(91,514)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(475,546)	(475,546)	-	-	-	(475,546)	-	(475,546)
Share-based compensation – employee stock options	-	3,199	-	-	-	-	-	-	-	3,199	-	3,199
Balance at June 30, 2026	**$ 475,546**	**758,340**	**1,020,378**	**8,597**	**2,991,506**	**4,020,481**	**(205,519)**	**1,323,302**	**1,117,783**	**6,372,150**	**5,780**	**6,377,930**

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Wang Hsing Lei **Chief Executive Officer: Chen Ming-Yi** **Chief Accounting Officer: Lan Yi-Hsuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Statement of Cash Flows

For the six months ended June 30, 2026 and 2025

Unit: NT$ thousand

	For the six months ended June 30	
	2026	**2025**
Cash flows from (used in) operating activities:		
Profit before tax	$ 585,636	504,963
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	177,208	166,642
Amortization expense	86,751	107,658
Expected credit losses	6,044	1,909
Interest expense	64,850	77,915
Interest income	(7,380)	(9,543)
Dividend income	(32,264)	(31,920)
Share-based compensation cost	3,199	6,610
Loss (gain) on disposal of property, plant, and equipment	96	(181)
Inventory devaluation loss	812	19,602
Gain on lease modification	(35)	-
Unrealized foreign exchange gains	(12,688)	(21,662)
Total adjustments to reconcile profit (loss)	286,593	317,030
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	376	43
Decrease in notes receivable	34	-
Increase in accounts receivable	(304,614)	(51,441)
(Increase) decrease in other receivables	(23,723)	11,141
Increase in inventories	(749,845)	(53,454)
(Increase) decrease in prepayments	(19,709)	34,100
Decrease (increase) in other current assets	5,169	(21,355)
Decrease in net defined benefit assets	12,710	-
Decrease in other non-current assets	(3,361)	147
Decrease in financial liabilities at fair value through profit or loss	(40,589)	(35,539)
Increase in accounts payable	202,246	150,867
Increase in other payables	11,510	2,444
(Decrease) increase in provisions	(1,779)	4,744
Increase in other current liabilities	75,476	9,441
Increase in net defined benefit liabilities	964	7,907
(Decrease) increase in other non-current liabilities	(10,010)	9,637
Total changes in operating assets and liabilities	(845,145)	68,682
Total adjustments	(558,552)	385,712
Cash generated from operations	27,084	890,675
Interest received	7,380	9,857
Income tax paid	(77,439)	(80,570)
Net cash flows (used in) from operating activities	(42,975)	819,962
Cash flows from (used in) investing activities:		
Acquisition of subsidiaries	-	(90,433)
Acquisition of property, plant and equipment	(89,034)	(64,248)
Disposal of property, plant and equipment	338	2,126
Increase in refundable deposits	(2,797)	(1,439)
Acquisition of intangible assets	(34,725)	(23,086)
Disposal of intangible assets	-	679
Increase in equipment prepayments	(36,245)	(8,399)
Net cash flows used in investing activities	(162,463)	(184,800)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	53,746	(177,579)
Borrowing of long-term borrowings	-	760,835
Repayment of long-term borrowings	(215,166)	(1,104,179)
Decrease in guarantee deposits received	(87)	-
Repayment of lease principals	(107,328)	(91,264)
Exercise of employee stock options	-	20,966
Interest paid	(41,140)	(19,163)
Net cash flows used in financing activities	(309,975)	(610,384)
Effect of exchange rate changes on cash and cash equivalents	(69,360)	(254,435)
Decrease in cash and cash equivalents	(584,773)	(229,657)
Cash and cash equivalents at the beginning of period	1,543,385	1,822,879
Cash and cash equivalents at the end of period	**$ 958,612**	**1,593,222**

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Wang Hsing Lei Chief Executive Officer: Chen Ming-Yi Chief Accounting Officer: Lan Yi-Hsuan

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries
Notes to Consolidated Financial Statements
Second Quarter of 2026 and 2025
(Unit: NT$ thousand unless otherwise indicated)

(1) Company history

TSC Auto ID Technology Co., Ltd. (hereinafter referred to as the "Company") was incorporated on March 19, 2007 with the approval of the Ministry of Economic Affairs, with its registered address at 9F, No. 95, Minquan Road, Xindian District, New Taipei City, Taiwan. The Company's shares were listed on the Taipei Exchange (TPEx) on November 26, 2008. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in auto-identification systems/products manufacturing and services.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on August 7, 2026.

(3) New standards, amendments and interpretations adopted

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted

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

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

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

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

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

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

- 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 entities 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. Certain adjusting items included in the reconciliation will change as a result of the new starting point. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

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

- Amendments to IAS 28 "The Fair Value Option for Investments in Associates and Joint Ventures"

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

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

The Group does not expect the following new and amended standards, which have yet to be

endorsed by the FSC, to have a significant impact on its consolidated financial statements:

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

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except for the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements 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.

(b) Basis of consolidation

Subsidiaries included in the consolidated statements:

Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage			Description
			2026.6.30	2025.12.31	2025.6.30	
The Company	TSC Auto ID Technology EMEA GmbH (TSCAE)	Sale of label printers, enterprise mobile computers and their components	100.00%	100.00%	100.00%	-
The Company	TSC Auto ID (H.K.) Ltd. (TSC HK)	Investments in various manufacturing enterprises	100.00%	100.00%	100.00%	-
The Company	TSC Auto Technology America Inc. (TSCAA)	Sale of label printers, enterprise mobile computers and their components	100.00%	100.00%	100.00%	-
The Company	Diversified Labeling Solutions, Inc. (DLS)	Customized design, integration, manufacturing and sale of printer consumables and various labels	100.00%	100.00%	100.00%	-
The Company	TSC Auto ID Technology India Private Limited (TSCIN)	Leasing of assets	100.00%	100.00%	100.00%	-
The Company	Mosfortico Investments	General investment	-	100.00%	100.00%	Note 1

Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage			Description
			2026.6.30	2025.12.31	2025.6.30	
	sp. z o.o. (TSCPL)					
The Company	MGN sp. z o.o. (MGN)	Customized design, integration, manufacturing and sale of printer consumables and various labels	100.00%	-	-	Note 1
The Company	Bluebird Inc. (BB)	Manufacturing and sales of enterprise mobile computers and components	99.85%	99.85%	99.85%	Note 2
The Company and BB	Bluebird Latin America S. de R.L. de CV (BBMX)	Manufacturing and sales of enterprise mobile computers and components	100.00%	100.00%	100.00%	Note 2
TSCAE	TSC Auto ID Technology ME, Ltd. FZE (TSCAD)	Sale of label printers and related components	100.00%	100.00%	100.00%	-
TSCAE	TSC Auto ID Technology Spain, S.L. (TSCAS)	Leasing of assets	100.00%	100.00%	100.00%	-
TSC HK	Tianjin TSC Auto ID Technology Co., Ltd. (Tianjin TSC Auto ID Technology)	Manufacture and sale of label printers and their components	100.00%	100.00%	100.00%	-
DLS	Precision Press & Label, Inc. (PPL)	Trading of a variety of labels and printer consumables	100.00%	100.00%	100.00%	-
TSCPL	MGN	Printer consumables and customized design, integration, production and marketable of a variety of labels	-	100.00%	100.00%	Note 1
BB	Bluebird USA Inc. (BBUS)	Collection of payments on behalf	100.00%	100.00%	100.00%	Note 2
BB	Bluebird India R&D Center Private Ltd. (BBIN)	R&D and design of enterprise mobile computers; technical services	99.00%	99.00%	99.00%	Note 2
BB	Bluebird Germany GmbH (BBDE)	Marketing support services	100.00%	100.00%	100.00%	Note 2
BB	Bluebird Europe SL(BBES)	Established due to bidding requirements	100.00%	100.00%	100.00%	Note 2
BB	Bluebird Japan Co., Ltd. (BBJP)	Manufacturing and sales of enterprise mobile computers and components	100.00%	100.00%	-	-

Note 1: MGN acquired all shares of TSCPL through a reverse acquisition for $8,754 thousand. Upon completion of the acquisition, MGN became a wholly owned subsidiary of the Company. The transaction was registered with and became effective upon approval by the Polish court on February 27, 2026.

Note 2: As of June 30, 2025, it was a non-significant subsidiary, and its financial statements had not been reviewed by auditors.

(c) Employee benefits

The pension cost of defined benefit plans for the interim period is calculated on a year-to-date basis using the actuarially determined pension cost rate as of the end of the previous reporting year and is adjusted for significant market fluctuations, curtailments, settlements, or other significant non-recurring events occurring subsequent to that reporting date.

(d) Income taxes

The Group measures and discloses income tax expense for interim periods in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting."

Income tax expense is measured by multiplying profit before tax for the interim reporting period by management's best estimate of the expected effective tax rate for the full year, and is recognized entirely as current income tax expense.

Income tax expense recognized directly in equity or in other comprehensive income is measured based on the temporary differences between the carrying amounts of the related assets and liabilities for financial reporting purposes and their tax bases, using the tax rates expected to apply upon realization or settlement.

(e) Organizational restructuring

Pursuant to the IFRS Q&A "Accounting treatment for business combinations under common control" issued by the Accounting Research and Development Foundation of the Republic of China on October 26, 2018, since IFRS 3, Business Combinations, does not explicitly prescribe the accounting treatment for business combinations under common control, the accounting treatment for intra-group organizational restructuring shall continue to apply the requirements of the relevant interpretation letters issued in Taiwan, and the carrying amount method shall be adopted.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

When preparing these consolidated financial statements in accordance with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC, management is required to make judgments and estimates about the future, including climate-related risks and opportunities, which affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from those estimates.

In preparing the consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied in the 2025 consolidated financial statements.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2026
Cash and petty cash	$ 24	14	82
Checking and demand deposits	958,588	1,543,371	1,393,140
Time deposits	-	-	200,000
	$ 958,612	**1,543,385**	**1,593,222**

For disclosures of interest rate risk and sensitivity analysis of the Group's financial assets and liabilities, please refer to Note 6(v).

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

(i) The financial instruments held by the Group were as follows:

	June 30, 2026	December 31, 2025	June 30, 2026
Current:			
Financial assets mandatorily measured at fair value through profit or loss:			
Currency forward contracts	$ -	**376**	-
Financial liabilities mandatorily measured at fair value through profit or loss:			
Contingent consideration	**$ 25,722**	**67,420**	**35,014**
Non-current:			
Financial liabilities mandatorily measured at fair value through profit or loss:			
Contingent consideration	**$ -**	**-**	**27,176**

Please refer to Note 6(v) for the disclosures of credit risk exposures, currency risk exposures, and interest rate risk exposures.

(ii) The Group enters into derivative financial instrument transactions to hedge against foreign exchange risk arising from operating activities. As of December 31, 2025, details of derivative instruments that were not designated for hedge accounting and were therefore classified as financial assets mandatorily measured at fair value through profit or loss and financial liabilities held for trading are as follows:

	December 31, 2025			
	Contract amount		Currency	Maturity
Forward exchange sold	EUR 3,000 / NTD	110,950	EUR to NTD	2026.03.27

(c) Financial assets measured at fair value through other comprehensive incomes

	June 30, 2026	December 31, 2025	June 30, 2025
Equity investments at fair value through other comprehensive income:			
Domestic TPEx-listed stocks	**$ 1,923,180**	**823,536**	**766,878**

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes and are not held for trading.

(d) Notes and accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 35	69	-
Accounts receivable	2,156,212	1,865,747	1,956,555
Less: Loss allowance	77,262	73,466	57,665
	$ 2,078,985	**1,792,350**	**1,898,890**

The Group applies the simplified approach to all notes receivable and accounts receivable in estimating expected credit losses, i.e. measuring loss allowance based on lifetime expected credit losses. For this purpose, such notes receivable and accounts receivable are grouped based on shared credit risk characteristics that represent the customers' ability to pay all amounts due in accordance with the contractual terms, and forward-looking information has been incorporated. The analysis of expected credit losses on the Group's notes receivable and accounts receivable is as follows:

	June 30, 2026		
	Carrying amount of accounts receivable	Weighted-average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	$ 1,613,925	1.14%	18,472
1 to 90 days past due	433,256	1.00%	4,333
91 to 180 days past due	48,753	3.00%	1,463
181 to 270 days past due	2,704	5.00%	135
271 to 365 days past due	5,278	10.00%	528
More than 365 days past due	52,331	100.00%	52,331
	$ 2,156,247		**77,262**

	December 31, 2025		
	Carrying amount of accounts receivable	Weighted-average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	$ 1,455,391	1.08%	15,731
1 to 90 days past due	285,678	1.00%	2,857
91 to 180 days past due	55,736	3.00%	1,672
181 to 270 days past due	15,427	5.00%	771
271 to 365 days past due	1,277	10.00%	128
More than 365 days past due	52,307	100.00%	52,307
	$ 1,865,816		**73,466**

	June 30, 2025		
	Carrying amount of accounts receivable	Weighted-average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	$ 1,598,341	0.60%	9,583
1 to 90 days past due	227,057	1.00%	2,271
91 to 180 days past due	16,811	3.00%	504
181 to 270 days past due	68,260	5.00%	3,413
271 to 365 days past due	4,658	10.00%	466
More than 365 days past due	41,428	100.00%	41,428
	$ 1,956,555		**57,665**

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

	For the six months ended June 30	
	2026	**2025**
Beginning balance	$ 73,466	58,633
Impairment losses recognized	6,044	1,909
Effect of exchange rate changes	(2,248)	(2,877)
Ending balance	**$ 77,262**	**57,665**

As of June 30, 2026, December 31 and June 30, 2025, the Group's notes receivable and accounts receivable had not been discounted or pledged as collateral.

(e) Inventories

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Finished goods	$ 910,064	771,403	737,961
Semi-finished goods	651,075	694,963	490,801
Work in process	88,973	29,785	74,340
Raw materials	1,386,307	791,235	741,389
	$ 3,036,419	**2,287,386**	**2,044,491**

The details of the cost of sales were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Cost of goods sold	$ 2,160,895	2,046,556	3,988,247	4,048,261
Write-down of inventories (Reversal of write-downs)	(2,305)	13,920	812	19,602
	$ **2,158,590**	**2,060,476**	**3,989,059**	**4,067,863**

As of June 30, 2026, December 31 and June 30, 2025, the inventories of the Group had not been pledged as collateral.

(f) Property, plant and equipment

	Land	**Buildings**	**Machinery and equipment**	**Other equipment**	**Construction in progress**	**Total**
Carrying amount:						
Balance at January 1, 2026	**$ 231,075**	**348,032**	**810,425**	**141,595**	**52,343**	**1,583,470**
Balance at June 30, 2026	**$ 230,885**	**340,824**	**823,180**	**139,801**	**66,719**	**1,601,409**
Balance at January 1, 2025	**$ 230,580**	**299,382**	**734,223**	**101,506**	**76,700**	**1,442,391**
Balance at June 30, 2025	**$ 230,653**	**287,359**	**668,512**	**99,267**	**100,938**	**1,386,729**

There were no significant additions, disposal, or recognition and reversal of impairment losses of property, plant and equipment for the six months ended June 30, 2026 and 2025. Information on depreciation for the period is discussed in Note 12. Please refer to the 2025 annual consolidated financial statements for other related information.

As of June 30, 2026, December 31 and June 30, 2025, details of property, plant and equipment pledged as collateral for long-term borrowings are disclosed in Note 8.

(g) Right-of-use assets

	Buildings	Transportation equipment	Machinery and equipment	Total
Carrying amount:				
Balance at January 1, 2026	**$ 630,017**	**11,838**	**14,582**	**656,437**
Balance at June 30, 2026	**$ 558,456**	**15,282**	**12,878**	**586,616**
Balance at January 1, 2025	**$ 651,955**	**10,648**	**16,038**	**678,641**
Balance at June 30, 2025	**$ 530,256**	**11,596**	**14,825**	**556,677**

There were no significant additions or recognition and reversal of impairment losses of right-of-use assets for the six months ended June 30, 2026 and 2025. Please refer to the 2025 annual consolidated financial statements for other related information.

(h) Goodwill

	June 30, 2026	December 31, 2025	June 30, 2025
Cost			
Beginning balance	$ 1,907,986	1,945,645	1,945,645
Effect of movement in exchange rates	(13,106)	(37,659)	(130,936)
Ending balance	**$ 1,894,880**	**1,907,986**	**1,814,709**

Goodwill had been allocated to the following cash generating units:

	June 30, 2026	December 31, 2025	June 30, 2025
Printer business group	$ 892,469	880,700	821,015
Label business - DLS	204,879	202,177	188,476
Label business - MGN	216,672	223,997	207,240
Enterprise mobile computers business - Bluebird	580,860	601,112	597,978
Total	$ **1,894,880**	**1,907,986**	**1,814,709**

(i) Other Intangible Assets

	Customer relations	Software	Trademarks	Knowhow & technology	Patents	Others	Total
Carrying amount:							
Balance at January 1, 2026	$ 662,796	81,964	79,619	52,929	5	70,178	947,491
Balance at June 30, 2026	$ 603,036	88,586	65,514	42,476	-	58,613	858,225
Balance at January 1, 2025	$ 722,902	96,864	102,168	81,934	80	69,059	1,073,007
Balance at June 30, 2025	$ 671,653	80,104	88,930	65,845	40	68,886	975,458

There were no significant additions, disposal, or recognition and reversal of impairment losses of other intangible assets for the six months ended June 30, 2026 and 2025. Information on amortization for the period is discussed in Note 12. Please refer to the 2025 annual consolidated financial statements for other related information.

(j) Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	$ 1,171,934	1,118,941	1,642,395
Secured bank loans	637	12,572	-
	$ 1,172,571	**1,131,513**	**1,642,395**
Unused credit facilities	**$ 2,387,795**	**2,252,508**	**1,697,105**
Interest rate range	**1.79%~3.01%**	**1.79%~4.70%**	**1.79%~5.16%**

(i) Issuance and repayment of loans

There were no significant new borrowings, repurchases and repayments of short-term borrowings for the six months ended June 30, 2026 and 2025. Please refer to the 2025 annual consolidated financial statements for other related information.

(ii) Collateral for bank loans

For the collateral for short-term borrowings, please refer to Note 8.

(iii) Please refer to Note 6(v) for the disclosures of interest rate risk exposures, currency risk exposures, and liquidity risk exposures.

(k) Long-term borrowings

	June 30, 2026		
	Interest rate range (%)	Maturity year	Amount
Unsecured bank loans	1.84%~1.87%	2028.06.19	$ 1,385,000
Secured bank loans (Notes 1 and 2)	2.38%~4.13%	2029.11.14	1,102,863
Subtotal			2,487,863
Less: Current portion			(456,902)
Less: Unamortized debt issuance costs			(5,385)
Total			**$ 2,025,576**
Unused credit facilities			**$ 340,000**

	December 31, 2025		
	Interest rate range (%)	Maturity year	Amount
Unsecured bank loans	1.79%~1.85%	2028.06.19	$ 1,600,000
Secured bank loans (Notes 1 and 2)	2.38%~3.87%	2029.11.14	1,103,869
Subtotal			2,703,869
Less: Current portion			(276,921)
Less: Unamortized debt issuance costs			(6,174)
Total			**$ 2,420,774**
Unused credit facilities			**$ 300,000**

	June 30, 2025		
	Interest rate range (%)	Maturity year	Amount
Unsecured bank loans	1.83%~1.93%	2028.03.14	$ 1,100,000
Secured bank loans (Notes 1 and 2)	2.38%~4.00%	2029.11.14	1,106,901
Subtotal			2,206,901
Less: Current portion			(219,197)
Less: Unamortized debt issuance costs			(6,962)
Total			**$ 1,980,742**
Unused credit facilities			**$ 800,000**

There were no significant issuances, repurchases and repayments of long-term borrowings for the six months ended June 30, 2026 and 2025. Please refer to the 2025 annual consolidated financial statements for other related information. Please refer to Note 6(v) for the disclosures of interest rate risk exposures, currency risk exposures, and liquidity risk exposures.

Note 1: The Company pledged the equity interest acquired in BB as collateral. The proceeds of this borrowing were used to pay the cash consideration and related expenses for the acquisition of BB.

Note 2: For the collateral for long-term borrowings, please refer to Note 8.

(l) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Dividends payable	$ 475,546	-	474,481
Salaries payable	296,849	298,434	247,466
Others	196,566	198,696	215,744
	$ 968,961	**497,130**	**937,691**

(m) Lease liabilities

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current	$ **139,798**	**140,361**	**116,956**
Non-current	$ **481,812**	**550,879**	**459,606**

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expense on lease liabilities	$ **12,106**	**11,798**	**22,372**	**24,833**
Income from subleases of right-of-use assets	$ **36**	**533**	**71**	**3,266**
Expenses relating to short-term leases	$ **1,621**	**614**	**2,701**	**1,269**
Expenses relating to leases of low-value assets	$ **2,415**	**3,196**	**5,700**	**6,513**

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

	For the six months ended June 30	
	2026	2025
Total cash outflow for leases	$ **138,101**	**123,879**

The Group leases buildings, transportation equipment, and machinery for offices, plants, company vehicles, and daily operations, with lease terms ranging from 2 to 11 years. For the offices and warehouses in the United States, it is agreed that the lease payment will be increased by 2.5% to 10.8% per year; the lease payments of the office in India will be adjusted by 4% to 5% per year.

(n) Employee benefit

(i) Defined benefit plan

As no significant market fluctuations, material curtailments, settlements, or other

significant non-recurring events occurred after the end of the previous financial year, the Company measured and disclosed pension costs for the interim periods using the actuarially determined pension cost rates as of December 31, 2025 and 2024.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Operating costs	$ 28	28	56	56
Selling expenses	5	5	9	9
Administrative expenses	23	23	45	45
Research and development expenses	22	21	43	43
Total	$ **78**	**77**	**153**	**153**

(ii) Defined contribution plan

For the three months and six months ended June 30, 2026 and 2025, the Group's pension costs under the defined contribution plan were $3,397 thousand, $3,253 thousand, $6,816 thousand and $6,563 thousand, respectively. Payment was made to the Bureau of Labor Insurance.

(iii) Overseas subsidiaries participate in retirement plans in accordance with applicable local laws and regulations. Pension expenses recognized for the three months and six months ended June 30, 2026 and 2025 were $21,292 thousand, $18,302 thousand, $43,302 thousand, and $36,549 thousand, respectively.

(iv) A portion of BB's employee pensions relates to a defined benefit plan. As of June 30, 2026, December 31 and June 30, 2025, the net defined benefit asset amounted to $0 thousand, $12,710 thousand and $0 thousand, respectively, and was presented under other non-current assets.

(o) Income taxes

The components of income tax were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Current tax expenses				
Current period	$ 55,492	40,245	95,042	105,827
Tax on undistributed earnings	17,404	5,922	17,404	5,922
Adjustment for prior periods	(17,056)	(31,559)	(17,056)	(31,985)
	55,840	14,608	95,390	79,764
Deferred tax expenses				
Origination of temporary differences	19,783	35,551	30,185	11,574
Income tax expenses	**$ 75,623**	**50,159**	**125,575**	**91,338**

There was no income tax recognized directly in equity for the six months ended June 30, 2026

and 2025.

The amounts of income tax recognized in other comprehensive income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Items that may be reclassified subsequently to profit or loss: Exchange differences on translation	$ (6,564)	(102,869)	(21,309)	(76,254)

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

(p) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to June 30, 2026 and 2025. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2025.

(i) Common stock

As of June 30, 2026, December 31 and June 30, 2025, the Company's authorized capital was $800,000 thousand (of which $80,000 thousand was reserved for the issuance of employee stock options), and paid-in capital was $475,546 thousand, $475,546 thousand, and $475,396 thousand, respectively.

As of June 30, 2026, December 31 and June 30, 2025, 0 thousand shares, 0 thousand shares, and 0.5 thousand shares of the Company's issued capital, respectively, had not yet been registered with the New Taipei City Government.

(ii) Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
Share capital	$ 522,841	522,841	520,735
Lapsed stock options	123,244	123,244	123,244
Exercised employee stock options	68,592	68,592	68,593
Employee stock options	43,663	40,464	33,695
	$ 758,340	**755,141**	**746,267**

(iii) Retained earnings

In accordance with the Company's articles of incorporation, if there are appropriate

earnings at year-end, the after-tax earnings shall first be offset against any deficit, and 10% should be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the shared capital. Special capital reserve may be appropriated in accordance with relevant laws. The remaining balance of the earnings can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the Stockholders' meeting.

As the Company's industry is in a growth stage and has plans and capital requirements for production line expansion in the coming years, a residual dividend policy is adopted. Earnings are retained first to meet funding requirements, and any remaining distributable earnings are distributed as cash dividends. However, the total annual dividends distributed shall not be less than 10% of distributable earnings, of which cash dividends shall not be less than 10% of the total dividends distributed for the year. If the cash dividend per share is less than $0.2, cash dividends will not be distributed and stock dividends will be issued instead.

(1) Legal reserve

When there is no accumulated deficit, the Company may, by resolution of the shareholders' meeting, distribute new shares or cash from the legal reserve, limited to the portion exceeding 25% of paid-in capital.

(2) Special reserve

In accordance with regulations of the securities authority, when distributing earnings, the Company shall appropriate a special reserve from distributable earnings equal to any deduction from shareholders' equity for the year, which shall not be distributed. When such deductions from shareholders' equity are reversed in subsequent periods, the reversed portion may be distributed as earnings.

(3) Earnings distribution

On June 16, 2026 and June 17, 2025, the Company's shareholders, at their annual meetings, resolved the earnings distribution plans for 2025 and 2024, respectively. The amounts of dividends distributed to owners were as follows:

	2025		2024	
	Amount per share (dollars)	**Total amount**	**Amount per share (dollars)**	**Total amount**
Dividends distributed to common shareholders:				
Cash	10.00	$ **475,546**	9.98	**474,481**

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2026	$ (101,619)	223,658	122,039
Exchange differences on foreign operations	(103,900)	-	(103,900)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	1,099,644	1,099,644
Balance at June 30, 2026	**$ (205,519)**	**1,323,302**	**1,117,783**
Balance at January 1, 2025	$ (15,010)	249,194	234,184
Exchange differences on foreign operations	(352,952)	-	(352,952)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(82,194)	(82,194)
Balance at June 30, 2025	**$ (367,962)**	**167,000**	**(200,962)**

(q) Share-based Payment

There were no significant changes in share-based payment for the six months ended June 30, 2026 and 2025. For related information, please refer to 2025 annual consolidated report.

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Primary geographical markets				
Asia and others	$ 691,647	868,801	1,225,870	1,618,275
China	366,460	328,015	568,446	552,898
Americas	1,169,615	1,020,938	2,264,393	2,102,420
Europe	916,142	863,786	1,850,694	1,664,040
	$ 3,143,864	**3,081,540**	**5,909,403**	**5,937,633**

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Major products				
Label printers and related components	$ 1,319,122	1,278,012	2,416,695	2,424,541
Labels and printer consumables	1,046,376	933,600	2,060,818	1,871,126
Enterprise mobile computers	778,366	869,928	1,431,890	1,641,966
	$ 3,143,864	**3,081,540**	**5,909,403**	**5,937,633**

(ii) Contract balances

		June 30, 2026	December 31, 2025	June 30, 2025
Notes and accounts receivable	$	2,156,247	1,865,816	1,956,555
Less: Allowance for impairment		(77,262)	(73,466)	(57,665)
Total	**$**	**2,078,985**	**1,792,350**	**1,898,890**

For details on notes and accounts receivable and allowance for impairment, please refer to Note 6(d).

According to the Group's agreements with distributors, if the purchase of certain models by distributors reaches the contracted volume, the Group will provide incentives at a percentage of the procurement value or retrospective unit price reductions for certain models. Based on past experience and consideration of different contractual terms, the Group estimates the possible amounts of sales incentives and recognizes them as refund liabilities (classified under other current liabilities). As of June 30, 2026, December 31 and June 30, 2025, the Group's estimated refund liabilities amounted to $125,458 thousand, $88,540 thousand, and $93,147 thousand, respectively.

(s) Employee and director remuneration

In accordance with the Company's Articles of Incorporation, if the Company records a profit for the year, it shall appropriate 2% to 10% thereof as employee remuneration, of which at least 1% shall be distributed to rank-and-file employees. The Board of Directors may decide to distribute employee remuneration in shares or in cash. Remuneration can be distributed to employees of controlled or subordinate companies that meet certain criteria, and the Board of Directors is authorized to determine these criteria. The Company may, by resolution of the Board of Directors, appropriate no more than 5% of the aforementioned profit as directors' remuneration. The proposal for distribution of employees' remuneration and directors' remuneration should be reported to the shareholders' meeting. In case of accumulated losses, profits should be used to offset the losses before distributing the aforesaid percentage as employees' remuneration and directors' remuneration.

For the three months and six months ended June 30, 2026 and 2025, the employee remunerations were $16,019 thousand, $15,663 thousand, $30,726 thousand and $26,909 thousand; as well as the directors' remunerations were $8,010 thousand, $7,832 thousand, $15,363 thousand and $13,455 thousand, respectively. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees and directors, multiplied by the proposed percentages of remunerations of employees and directors as stated

in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. There was no difference between the amounts of employees' remuneration and directors' remuneration accrued and the amounts actually distributed by the Company for 2025 and 2024. The distributions of employees' remuneration and directors' remuneration were resolved by the Board of Directors on March 13, 2026 and March 14, 2025, respectively. Related information is available on the Market Observation Post System.

(t) Non-operating incomes and expenses

(i) 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	**$ 5,617**	**5,696**	**7,380**	**9,543**

(ii) Other incomes

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Dividend income	$ 32,264	31,920	32,264	31,920
Other income, others	4,774	253	9,302	5,239
	$ 37,038	**32,173**	**41,566**	**37,159**

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Gains (losses) on disposals of property, plant and equipment	$ 188	161	(96)	181
Foreign exchange gains (losses)	16,541	(87,978)	56,106	(55,991)
Losses on financial instruments at fair value through profit or loss	-	(1,039)	864	(2,870)
Others	(1,442)	956	(2,775)	(111)
	$ 15,287	**(87,900)**	**54,099**	**(58,791)**

(iv) Financial costs

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expense	$ (22,064)	(23,979)	(42,478)	(53,082)
Interest on lease liabilities	(12,106)	(11,798)	(22,372)	(24,833)
	$ (34,170)	**(35,777)**	**(64,850)**	**(77,915)**

(u) Earnings per share

(i) 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 ordinary shareholders of the Company (basic)	**$ 242,827**	**226,541**	**459,828**	**410,084**
Weighted-average number of ordinary shares (thousands)	**47,555**	**47,496**	**47,555**	**47,458**
Basic earnings per share ($)	**$ 5.11**	**4.77**	**9.67**	**8.64**

(ii) Diluted earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Profit attributable to ordinary shareholders of the Company (diluted)	**$ 242,827**	**226,541**	**459,828**	**410,084**

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Weighted-average number of ordinary shares (thousands)	47,555	47,496	47,555	47,458
Effect of dilutive potential ordinary shares				
Employee stock options	-	46	-	65
Effect of employee stock remuneration	79	139	283	222
Weighted-average number of ordinary shares (diluted)	**47,634**	**47,681**	**47,838**	**47,745**
Diluted earnings per share ($)	**$ 5.10**	**4.75**	**9.61**	**8.59**

For the three months and six months ended June 30, 2026, the Company's potential ordinary shares consisted of employee stock options. However, as the effect of such potential ordinary shares was anti-dilutive, they were not included in the calculation of diluted earnings per share.

(v) Financial Instruments

(i) Credit risks

(1) Credit risk exposure

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

(2) Concentration of credit risk

The Group has no significant transactions that only focus on a single customer. There is no sales revenue to a specified customer accounted for 10% of operating revenue. The Group periodically and continuously evaluates the financial condition of customers and the collectability of accounts receivable, and recognizes appropriate loss allowances.

(3) Receivables and debt securities

For credit risk exposure of note and accounts receivable, please refer to Note 6(d).

(ii) Liquidity risks

The following table shows the contractual maturities of financial liabilities, including

estimated interest payments and excluding the impact of netting agreements.

		Carrying amount	Contractual cash flows	1 year	1-2 years	2-5 years	More than 5 years
June 30, 2026							
Non-derivative financial liabilities							
Short-term loans	$	1,172,571	1,173,780	1,173,780	-	-	-
Accounts payable		1,106,673	-	-	-	-	-
Other payables		968,961	968,961	968,961	-	-	-
Long-term loans (including current portion)		2,482,478	2,613,027	507,247	971,072	1,134,708	-
Lease liabilities		621,610	711,937	188,377	208,413	315,147	-
	$	**6,352,293**	**5,467,705**	**2,838,365**	**1,179,485**	**1,449,855**	**-**
December 31, 2025							
Non-derivative financial liabilities							
Short-term loans	$	1,131,513	1,134,394	1,134,394	-	-	-
Accounts payable		904,427	904,427	904,427	-	-	-
Other payables		497,130	497,130	497,130	-	-	-
Long-term loans (including current portion)		2,697,695	2,868,360	342,223	623,015	781,547	1,121,575
Lease liabilities		691,240	762,829	163,227	188,743	348,876	61,983
	$	**5,922,005**	**6,167,140**	**3,041,401**	**811,758**	**1,130,423**	**1,183,558**
June 30, 2025							
Non-derivative financial liabilities							
Short-term loans	$	1,642,395	1,649,559	1,649,559	-	-	-
Accounts payable		882,865	882,865	882,865	-	-	-
Other payables		937,691	937,691	937,691	-	-	-
Long-term loans (including current portion)		2,199,939	2,361,437	264,969	398,110	1,698,358	-
Lease liabilities		576,562	816,194	193,144	154,071	450,523	18,456
	$	**6,239,452**	**6,647,746**	**3,928,228**	**552,181**	**2,148,881**	**18,456**

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

(iii) Market risks

(1) Exchange rate risks

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

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 35,494	31.8500	1,130,484	47,751	31.4000	1,500,814	48,999	29.3000	1,435,671
EUR	33,824	36.2900	1,227,473	32,914	36.9000	1,214,527	36,019	34.3500	1,237,252
CNY	41,933	4.6900	196,666	58,200	4.4960	261,667	45,481	4.0910	186,063
GBP	31	42.1700	1,307	323	42.3300	12,796	273	40.1600	10,964
JPY	149,103	0.1963	29,269	114,970	0.2008	23,086	57,940	0.2034	11,785
			$ **2,585,199**			**3,012,890**			**2,881,735**
Financial liabilities									
Monetary items									
USD	$ 14,795	31.8500	471,221	15,976	31.4000	502,126	16,794	29.3000	492,064
EUR	24,177	36.2900	877,383	18,787	36.9000	693,240	23,735	34.3500	815,297
CNY	82,112	4.6900	385,105	97,454	4.4960	438,153	70,320	4.0910	287,679
JPY	421,954	0.1963	82,830	273,499	0.2008	54,919	319,698	0.2034	65,027
			$ **1,816,539**			**1,688,438**			**1,660,067**

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on financial assets and financial liabilities that are denominated in foreign currency.

A weakening or strengthening of 3% of the NTD against the foreign currency as of June 30, 2026 and 2025 would have increased (decreased) the net profit after tax by $18,448 thousand and $29,320 thousand, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2025.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. The foreign exchange gain (loss) (including realized and unrealized portions) amounted to $16,541 thousand and $(87,978) thousand for the three months ended June 30, 2026 and 2025, respectively; and $56,106 thousand and $(55,991) thousand for the six months ended June 30, 2026 and 2025, respectively.

(2) Interest rate risks

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

The following sensitivity analysis is determined based on the interest rate exposure of both derivative and non-derivative instruments at the reporting date. For variable-rate liabilities, the analysis is prepared assuming that the amount of liabilities outstanding

at the reporting date remains outstanding throughout the entire year. The change in interest rates used by the Group in its internal reporting to key management personnel is an increase or decrease of 1%, which also represents management's assessment of a reasonably possible change in interest rates.

If the interest rate had increased / decreased by 1%, the Group's net income would have decreased / increased by $29,240 thousand and $30,739 thousand for the six months ended June 30, 2026 and 2025, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

(3) Other price risks

The effects of changes in equity securities prices at the reporting date on comprehensive income, assuming that all other variables remained constant and using the same basis of analysis for both periods, are presented below:

	For the six months ended June 30			
	2026		2025	
Prices of securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increase by 1%	**$ 19,232**	-	**7,669**	-
Decrease by 1%	**$ (19,232)**	-	**(7,669)**	-

(iv) Fair value of financial instruments

(1) Fair value hierarchy

Financial assets and liabilities of the Group measured at fair value through profit or loss, financial assets and liabilities designated for hedging, and financial assets measured at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values of each category of financial assets and financial liabilities (including information on the fair value hierarchy, but excluding those financial instruments whose carrying amounts are reasonable approximations of fair value and lease liabilities, for which disclosure of fair value information is not required) are presented as follows:

	June 30, 2026				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic TPEx-listed stocks	**$ 1,923,180**	**1,923,180**	**-**	**-**	**1,923,180**
Financial assets measured at amortized cost					
Cash and cash Equivalents	$ 958,612	-	-	-	-
Notes and accounts receivable	2,078,985	-	-	-	-
Other receivables	106,967	-	-	-	-
Subtotal	3,144,564	-	-	-	-
Total	**$ 5,067,744**	**1,923,180**	**-**	**-**	**1,923,180**
Financial liabilities at fair value through profit or loss					
Contingent consideration	**$ 25,722**	**-**	**-**	**25,722**	**25,722**
Financial liabilities measured at amortized cost					
Accounts payable	$ 1,106,673	-	-	-	-
Other payables	968,961	-	-	-	-
Lease liabilities	621,610	-	-	-	-
Bank loans	3,655,049	-	-	-	-
Subtotal	6,352,293	-	-	-	-
Total	**$ 6,378,015**	**-**	**-**	**25,722**	**25,722**

	December 31, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets	**$ 376**	**-**	**376**	**-**	**376**
Financial assets at fair value through other comprehensive income					
Domestic TPEx-listed stocks	**$ 823,536**	**823,536**	**-**	**-**	**823,536**
Financial assets measured at amortized cost					
Cash and cash Equivalents	$ 1,543,385	-	-	-	-
Notes and accounts receivable	1,792,350	-	-	-	-
Other receivables	57,800	-	-	-	-
Subtotal	3,393,535	-	-	-	-
Total	**$ 4,217,447**	**823,536**	**376**	**-**	**823,912**

	December 31, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Contingent consideration	**$ 67,420**	**-**	**-**	**67,420**	**67,420**
Financial liabilities measured at amortized cost					
Accounts payable	$ 904,427	-	-	-	-
Other payables	497,130	-	-	-	-
Lease liabilities	691,240	-	-	-	-
Bank loans	3,829,208	-	-	-	-
Subtotal	5,922,005	-	-	-	-
Total	**$ 5,989,425**	**-**	**-**	**67,420**	**67,420**

	June 30, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic TPEx-listed stocks	**$ 766,878**	**766,878**	**-**	**-**	**766,878**
Financial assets measured at amortized cost					
Cash and cash Equivalents	$ 1,593,222	-	-	-	-
Notes and accounts receivable	1,898,890	-	-	-	-
Other receivables	48,281	-	-	-	-
Subtotal	3,540,393	-	-	-	-
Total	**$ 4,307,271**	**766,878**	**-**	**-**	**766,878**
Financial liabilities at fair value through profit or loss					
Contingent consideration	**$ 62,190**	**-**	**-**	**62,190**	**62,190**
Financial liabilities measured at amortized cost					
Accounts payable	882,865	-	-	-	-
Other payables	937,691	-	-	-	-
Lease liabilities	576,562	-	-	-	-
Bank loans	3,842,334	-	-	-	-
Subtotal	6,239,452	-	-	-	-
Total	**$ 6,301,642**	**-**	**-**	**62,190**	**62,190**

(2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If quoted prices in active markets are available, market prices are used as fair value. If market prices are not available, fair value is estimated using valuation techniques or counterparty quotations.

b) Financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

If quoted prices are available in an active market, such quoted prices are used as fair value. Quoted market prices announced by major exchanges and by the Taipei Exchange for government bonds designated as active securities are used as the basis for the fair value of listed (or OTC-traded) equity instruments and debt instruments with active market quotations.

Measurements of the fair value of financial instruments without an active market are based on valuation techniques or counterparty quotations. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date (such as the Taipei Exchange reference yield curve and Reuters average commercial paper rates).

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

(4) Transfers between Level 1 and Level 2

There were no transfers between Level 1 and Level 2 for the six months ended June 30, 2026 and 2025.

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

The Group's Level 3 fair value measurements include financial liabilities measured at fair value through profit or loss – contingent consideration from business combinations. Most of the Group's Level 3 fair value measurements involve a single significant unobservable input; only equity investments without active markets involve multiple significant unobservable inputs. As the significant unobservable inputs for equity investments without active markets are independent of each other, no interrelationships exist.

Quantitative information on significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Contingent consideration agreement	Option pricing model	• Volatility, risk-free interest rate, risk-adjusted discount rate, and remaining contractual term	• The higher the net asset value, the higher the fair value

(w) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in the consolidated financial statements for the year ended December 31, 2025.

(x) Capital management

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to the consolidated financial statements for the year ended December 31, 2025 for further details.

(y) Investing and financing activities not affecting the current cash flow

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

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2026	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	June 30, 2026
Short-term loans	$ 1,131,513	53,746	(12,688)	-	1,172,571
Long-term loans	2,697,695	(215,166)	(51)	-	2,482,478
Lease liabilities	691,240	(107,328)	982	36,716	621,610
Deposits received	1,331	(87)	55	-	1,299
Total liabilities from financing activities	**$ 4,521,779**	**(268,835)**	**(11,702)**	**36,716**	**4,277,958**

	January 1, 2025	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	June 30, 2025
Short-term loans	$ 1,841,636	(177,579)	(21,662)	-	1,642,395
Long-term loans	2,543,212	(343,344)	71	-	2,199,939
Lease liabilities	688,283	(91,264)	(57,215)	36,758	576,562
Deposits received	1,970	-	(758)	-	1,212
Total liabilities from financing activities	**$ 5,075,101**	**(612,187)**	**(79,564)**	**36,758**	**4,420,108**

(7) Related-party transactions

(a) Names of related parties and their relationships with the Group

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Taiwan Semiconductor Co., Ltd. (Taiwan Semiconductor)	Parent entity
Tianjin Everwell Technology Co., Ltd. (Tianjin Everwell)	Associates
Yangxin Everwell Electronic Co., Ltd. (Yangxin Everwell)	Associates
TSC America, Inc. (TSCA)	Associates
Taiwan Semiconductor Europe GmbH (TSCE)	Associates

(b) Significant transactions with related parties

(i) Operating revenue

The amounts of sales to related parties by the Group were as follows:

Line Items	Related Party Categories/Name	For the three months ended June 30		For the six months ended June 30	
		2026	2025	2026	2025
Sales	Parent entity	$ -	-	16	-
	Associates	57	17	57	34
		$ 57	**17**	**73**	**34**

The terms and pricing of transactions with related parties were not significantly different from those of transactions with unrelated parties.

(ii) Purchases

The amounts of purchases from related parties by the Group were as follows:

Related Party Categories/Name	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Parent entity	**$ 32**	**42**	**45**	**96**

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms were 120 days, which were no different from the payment terms given by other vendors.

(iii) Dividend income

The amounts of the Group's dividend income from related parties were as follows:

Related Party Categories/Name	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Parent entity	**$ 32,264**	**31,920**	**32,264**	**31,920**

(iv) Receivables from related parties

The receivables from related parties were as follows:

Line Items	Related Party Categories/Name	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	Associates	$ 15	16	-
Other receivables	Parent entity	32,264	-	31,920
	Associates	1,998	2,250	1,560
		$ 34,277	**2,266**	**33,480**

(v) Payables to related parties

The payables to related parties were as follows:

Line Items	Related Party Categories/Name	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable	Parent entity	$ **34**	**12**	**93**

(vi) Others

Line Items	Related Party Categories/Name	For the three months ended June 30		For the six months ended June 30	
		2026	2025	2026	2025
Rent income	Associates	**$ -**	**552**	**-**	**1,119**

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 25,606	24,064	55,321	52,233
Post-employment benefits	123	196	425	436
Share-based payments	836	1,326	2,221	2,638
	$ 26,565	**25,586**	**57,967**	**55,307**

Please refer to Note 6(q) for further explanations related to share-based payment transactions.

(8) Pledged Assets

Except for those disclosed in Note 6(k), the carrying amounts of the Group's assets pledged as collateral were as follows:

Assets pledged as security	Liabilities secured by pledge	June 30, 2026	December 31, 2025	June 30, 2025
Land	Bank borrowings	$ 5,455	5,640	5,218
Buildings	Bank borrowings	94,696	64,561	51,585
Machinery	Bank borrowings	6,625	-	24,376
		$ **106,776**	**70,201**	**81,179**

(9) Significant Commitments and Contingencies

As of June 30, 2026, December 31 and June 30, 2025, the guarantee amounts for customs duty endorsement were all $4,000 thousand.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

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

Function / Nature	For the three months ended June 30, 2026			For the three months ended June 30, 2025		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	166,038	354,691	520,729	163,815	339,073	502,888
Labor and health insurance	17,047	23,872	40,919	17,389	24,542	41,931
Pension	9,593	15,174	24,767	6,060	15,572	21,632
Others	10,932	16,656	27,588	10,488	17,178	27,666
Depreciation	58,590	29,201	87,791	20,749	61,125	81,874
Amortization	192	43,241	43,433	329	60,631	60,960

Function / Nature	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	327,378	706,720	1,034,098	323,631	669,987	993,618
Labor and health insurance	35,066	47,425	82,491	37,279	46,250	83,529
Pension	19,630	30,641	50,271	13,211	30,054	43,265
Others	23,649	36,814	60,463	23,178	34,012	57,190
Depreciation	117,853	59,355	177,208	84,244	82,398	166,642
Amortization	452	86,299	86,751	658	107,000	107,658

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicality factors.

(13) Other disclosures

(a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2026:

(i) Financing provided to others:

Unit: $ thousand

Serial no. (Note 1)	Financing company	Counter-party	Account title	Related party	Maximum balance during the period	Balance at the end of the period	Amount actually drawn	Interest rate range	Nature for financing	Transaction amounts	Reason for need for short-term financing	Recognized allowance for losses	Collateral		Financing limits for each borrowing party (Note 2)	Total financing amount limits (Note 3)
													Name	Value		
0	TSC Auto ID	MGN	Other receivables-related parties	Yes	225,480	-	-	3.00%	2	-	Operating capital	-	None	-	1,274,430	2,548,860
0	TSC Auto ID	MGN	Other receivables-related parties	Yes	225,480	217,740	139,717	3.00%	2	-	Operating capital	-	None	-	1,274,430	2,548,860
0	TSC Auto ID	MGN	Other receivables-related parties	Yes	225,480	217,740	-	3.00%	2	-	Operating capital	-	None	-	1,274,430	2,548,860
0	TSC Auto ID	MGN (formerly TSCPL)	Other receivables-related parties	Yes	71,402	-	-	5.00%	2	-	Operating capital	-	None	-	1,274,430	2,548,860
1	BB	BBES	Other receivables-related parties	Yes	601	581	581	4.60%	2	-	Operating capital	581	None	-	436,144	872,288
2	DLS	TSC Auto ID	Other receivables-related parties	Yes	191,970	191,100	191,100	5.00%	2	-	Operating capital	-	None	-	318,067	636,133

Note 1: (1) 0 for the Company.

(2) Subsidiaries are sequentially numbered starting from "1" using Arabic numerals based on each company.

Note 2: Any need for short-term financing from the Company is capped at 20% of the book value of its most recent financial statements as audited or reviewed by CPAs. For intercompany loans between foreign companies in which the Company directly or indirectly holds 100% of the voting rights, or for loans extended to the Company by a foreign company in which the Company holds 100% of the voting shares, the lending limit shall not exceed 20% of the company's net worth as stated in its most recent financial statements audited or reviewed by CPAs.

Note3: The aggregate amount of the Company's lending to others is capped at 40% of the book value of its most recent financial statements as audited or reviewed by CPAs.

(ii) Endorsements/guarantees provided:

Unit: $ thousand

Serial No. (Note 1)	Name of the endorsement/ guarantee provider	Endorsed/ guaranteed entity		Limit of endorsements/ guarantees for a single company (Note 3)	Maximum balance of endorsements/ guarantees during the period	Balance of endorsements/ guarantees as of the end of the period	Amount actually drawn	Amount of collateral secured by assets for endorsements and guarantees	Cumulative endorsed/ guaranteed amount as the % of book value in the most recent financial statements	Maximum limit of endorsements/ guarantees (Note 4)	Endorsements/ guarantees from the parent to subsidiaries	Endorsements/ guarantees from subsidiaries to the parent	Endorsements/ guarantees to entities in China
		Name of the company	Relation (Note 2)										
0	TSC Auto ID	TSCAA	2	2,548,860	191,970	191,100	-	-	3.01%	3,823,290	Y	N	N
0	TSC Auto ID	MGN	2	2,548,860	239,963	-	-	-	3.77%	3,823,290	Y	N	N
0	TSC Auto ID	MGN	2	2,548,860	239,963	238,875	181,450	-	3.77%	3,823,290	Y	N	N
0	TSC Auto ID	MGN	2	2,548,860	1,503	1,452	54	-	0.02%	3,823,290	Y	N	N
0	TSC Auto ID	MGN	2	2,548,860	11,274	10,887	-	-	0.18%	3,823,290	Y	N	N

Note 1: 0 for the Company.

Note 2: Code "2" represents companies with over 50% voting shares directly and indirectly owned by the Company.

Note 3: The maximum endorsement/guarantee to a single company is capped at 40% of the Company's book value according to the most recent financial statements as audited or reviewed by CPAs.

Note 4: The aggregate endorsed/guaranteed amount is capped at 60% of the Company's book value according to the most recent financial statements as audited or reviewed by CPAs.

(iii) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures):

Unit: $ thousand

Investees	Types and names of marketable securities	Relation with the issuer	Account title	End of the period				Remarks
				No. of shares	Carrying amount (Note 3)	Shareholding percentage	Fair value	
TSC Auto ID	TSC	Parent company	Financial assets measured at fair value through other comprehensive incomes – non-current	15,960	1,923,180	6.06 %	1,923,180	

(iv) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Unit: $ thousand

Company name	Related party	Nature of relationship	Transactions				Abnormal transaction		Trade receivables (payables) and notes receivable (payable)		Remarks
			Item	Amount	Percentage of the purchases (sales) (%)	Payment term	Unit price	Payment terms	Ending balance	Percentage of total receivables (payables)	
TSC Auto ID	TSCAE	Subsidiaries	Sale	(513,016)	(9)%	135 days based on monthly statements	-		746,921	36%	
TSC Auto ID	TSCAA	Subsidiaries	Sale	(255,315)	(4)%	120 days based on monthly statements	-		408,552	20%	
TSC Auto ID	Tianjin TSC Auto ID Technology	Sub-subsidiary	Sale	(227,570)	(4)%	60 days based on monthly statements	-		104,390	5%	
TSC Auto ID	Tianjin TSC Auto ID Technology	Sub-subsidiary	Purchase	583,321	15%	60 days based on monthly statements	-		(383,417)	(35)%	
TSC Auto ID	BB	Subsidiaries	Purchase	198,359	5%	60 days based on monthly statements	-		(71,220)	(6)%	

(v) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Unit: $ thousand

Company name	Related party	Nature of relationship	Ending balance	Turnover	Overdue		Amount received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
TSC Auto ID	TSCAE	Subsidiaries	746,921	1.42%	317,111		85,521	-
TSC Auto ID	TSCAA	Subsidiaries	408,552	1.31%	161,695		67,463	-
TSC Auto ID	Tianjin TSC Auto ID Technology	Sub-subsidiary	104,390	3.47%	-		57,969	-
TSC Auto ID	MGN	Sub-subsidiary	141,024	-%	-		-	-
Tianjin TSC Auto ID Technology	TSC Auto ID	Parent company	385,105	2.81%	-		58,667	-
DLS	TSC Auto ID	Parent company	199,558	-%	-		-	-

Note 1: Amounts collected as of July 31, 2026.

Note 2: The amounts of the transactions and the ending balances have been offset in the consolidated financial statements.

(vi) Intercompany relationships and significant intercompany transactions:

Unit: $ thousand

No.	Company name	Counterparty	Relationship (Note 1)	Intercompany transaction			
				Account	Amount	Terms	Percentage of total consolidated net sales or assets (Note 2)
0	The Company	TSCAA	**1**	Accounts receivable	408,552	Note 3	2.90%
0	The Company	TSCAA	**1**	Sales revenue	255,315	Note 3	4.32%
0	The Company	TSCAA	**1**	R&D expenses	47,255	Note 3	0.08%
0	The Company	TSCAE	**1**	Accounts receivable	746,921	Note 3	5.31%
0	The Company	TSCAE	**1**	Sales revenue	513,016	Note 3	8.68%
0	The Company	Tianjin TSC Auto ID Technology	**1**	Accounts receivable	104,390	Note 3	0.74%
0	The Company	Tianjin TSC Auto ID Technology	**1**	Sales revenue	227,570	Note 3	3.85%
0	The Company	Tianjin TSC Auto ID Technology	**1**	Other operating revenue	35,425	Note 3	0.60%
0	The Company	Tianjin TSC Auto ID Technology	**1**	Accounts payable	383,417	Note 3	2.72%
0	The Company	Tianjin TSC Auto ID Technology	**1**	Purchase	583,321	Note 3	9.87%
0	The Company	MGN	**1**	Other receivables	141,024	At an arm's length	1.00%
0	The Company	BB	**1**	Purchase	198,359	Note 3	3.36%

Note 1: Relation with the counterparty:

1. The parent to a subsidiary
2. Subsidiary to the parent
3. Subsidiary to a subsidiary

Note 2: Transactions as a percentage of the consolidated total revenue or the consolidated total assets: If the transactions are a balance sheet item, the balance at the end of the period is calculated as a percentage of consolidated total assets. If the transactions are an income statement item, the cumulative amount is calculated as a percentage of the consolidated total revenue.

Note 3: Sales prices are based on market prices. Collection period is 60-135 days based on monthly statements

Note 4: The amounts of the transactions and the ending balances have been offset in the consolidated financial statements.

(b) Information on investees:

For the six months ended June 30, 2026, information on the Group's investee companies is as follows (excluding investees in Mainland China):

Unit: $ thousand

Name of investor	Name of investee	Location	Main businesses	Original investment amount		Balance as of June 30, 2026			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remarks
				June 30, 2026	December 31, 2025	No. of shares	Percentage	Carrying amount (Note 3)			
The Company	TSCAE	Germany	Sale of label printers, enterprise mobile computers and their components	2,943	2,943	- (Note 1)	100.00%	(24,159)	(40,265)	(40,265)	Subsidiaries
The Company	TSCAA	United States	Sale of label printers, enterprise mobile computers and their components	1,096,621	1,096,621	16,000	100.00%	1,125,861	(5,847)	(5,847)	Subsidiaries
The Company	DLS	United States	Customized design, integration, manufacturing and sale of printer consumables and various labels	801,558	801,558	1	100.00%	1,590,333	35,209	35,209	Subsidiaries
The Company	TSCIN	India	Leasing of assets	2,791	2,791	710	100.00%	3,250	1,838	1,838	Subsidiaries
The Company	MGN	Poland	Customized design, integration, manufacturing and sale of printer consumables and various labels	498,827 (Note 5)	-	2	100.00%	474,400	(14,853)	(14,853)	Subsidiaries
The Company	TSCPL	Poland	General investment	- (Note 5)	498,827	-	- %	-	(1,088)	(1,088)	Subsidiaries
The Company	TSCHK	Hong Kong	Investments in various manufacturing enterprises	47,468	47,468	12,711	100.00%	876,718	35,451	35,451	Subsidiaries
The Company	BB	Korea	Manufacturing and sales of enterprise mobile computers and components	2,856,995	2,856,995	7,010	99.85%	3,091,531	173,594	143,008	Subsidiaries
The Company	BBMX	Mexico	Manufacturing and sales of enterprise mobile computers and components	- (Note 4)	- (Note 4)	- (Note 1)	0.03%	4	(1,771)	(1)	Subsidiaries
TSCAE	TSCAD	United Arab Emirates	Sale of label printers and related components	8,234	8,234	- (Note 1)	100.00%	(16,423)	216	216	Subsidiaries
TSCAE	TSCAS	Spain	Leasing of assets	124	124	- (Note 1)	100.00%	4,052	238	238	Subsidiaries
DLS	PPL	United States	Trading of a variety of labels and printer consumables	115 (USD thousands)	115 (USD thousands)	850	100.00%	63,027	3,972	3,972	Subsidiaries
TSCPL	MGN	Poland	Printer consumables and customized design, integration, production and marketable of a variety of labels	- (PLN thousands) (Note 5)	71,613 (PLN thousands)	- (Note 5)	- %	-	(5,678)	(5,678)	Subsidiaries
BB	BBMX	Mexico	Manufacturing and sales of enterprise mobile computers and components	5	5	- (Note 1)	99.97%	13,222	(1,771)	(1,770)	Subsidiaries
BB	BBUS	United States	Collection of payments on behalf	2,920	2,920	- (Note 2)	100.00%	15,771	(75)	(75)	Subsidiaries
BB	BBIN	India	R&D and design of enterprise mobile computers; technical services	4,078	4,078	990	99.00%	12,847	1,841	1,823	Subsidiaries
BB	BBDE	Germany	Marketing support services	756	756	- (Note 1)	100.00%	2,900	2,303	2,303	Subsidiaries
BB	BBES	Spain	Established due to bidding requirements	1,265	1,265	- (Note 1)	100.00%	(428)	(112)	(112)	Subsidiaries
BB	BBJP	Japan	Manufacturing and sales of enterprise mobile computers and components	2,086	2,086	1	100.00%	2,855	1,065	1,065	Subsidiaries

Note 1: The company license only specifies the amount of invested capital without the number of shares.

Note 2: Figure not shown as the Company held less than one thousand shares.

Note 3: Carrying amount net of unrealized gains from sales.

Note 4: Amounts less than one thousand are not presented.

Note 5: MGN acquired all shares of TSCPL through a reverse acquisition for $8,754 thousand. Upon completion of the acquisition, MGN became a wholly owned subsidiary of the Company. The transaction was registered with and became effective upon approval by the Polish court on February 27, 2026.

(c) Information on investments in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: $ thousand

Investee	Main businesses and products	Paid-in capital (Note 2)	Investment method (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2026 (Note 2)	Investment		Accumulated outflow of investment from Taiwan as of June 30, 2026 (Note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (loss) recognized	Carrying value as of June 30, 2026	Accumulated inward remittance of earnings as of June 30, 2026
					Outflow	Inflow						
Tianjin TSC Auto ID Technology	Manufacture and sale of label printers and their components	49,245	2	47,775	-	-	47,775	35,451	100.00%	35,451	903,921	998,407

Note 1: Item (2) refers to investments in Mainland China companies made through reinvestment via existing companies in a third region.

Note 2: Foreign currency amounts presented in this table have been translated into New Taiwan dollars using the exchange rates as of June 30, 2026 (RMB 4.69 or USD 31.85).

(ii) Limitation on investment in Mainland China:

Accumulated investment in Mainland China as of June 30, 2026	Investment amount authorized by Investment Commission, MOEA	Upper limit on investment
47,775 (USD1,500 thousand)	47,775 (USD1,500 thousand)	3,823,290

(iii) Significant transactions:

The significant intercompany transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(14) Segment information

The Group's operating segment information and reconciliations are as follows:

	For the three months ended June 30				
	2026				
Revenue:	**Label printers and related components**	**Various printer labels and related consumables**	**Enterprise mobile computers**	**Adjustments and eliminations**	**Total**
Revenue from external customers	$ 1,319,122	1,046,376	778,366	-	3,143,864
Intersegment revenues	49,407	1,015	117,868	(168,290)	-
Total revenue	**$ 1,368,529**	**1,047,391**	**896,234**	**(168,290)**	**3,143,864**
Reported segment profit and loss	**$ 319,920**	**31,175**	**84,847**	**(117,368)**	**318,574**

	For the three months ended June 30				
	2025				
Revenue:	**Label printers and related components**	**Various printer labels and related consumables**	**Enterprise mobile computers**	**Adjustments and eliminations**	**Total**
Revenue from external customers	$ 1,278,012	933,600	869,928	-	3,081,540
Intersegment revenues	125,940	2,161	16,324	(144,425)	-
Total revenue	**$ 1,403,952**	**935,761**	**886,252**	**(144,425)**	**3,081,540**
Reported segment profit and loss	**$ 190,912**	**23,838**	**93,265**	**(29,569)**	**278,446**

	For the six months ended June 30				
	2026				
Revenue:	**Label printers and related components**	**Various printer labels and related consumables**	**Enterprise mobile computers**	**Adjustments and eliminations**	**Total**
Revenue from external customers	$ 2,416,695	2,060,818	1,431,890	-	5,909,403
Intersegment revenues	100,953	2,122	200,590	(303,665)	-
Total revenue	**$ 2,517,648**	**2,062,940**	**1,632,480**	**(303,665)**	**5,909,403**
Reported segment profit and loss	**$ 569,429**	**32,165**	**177,255**	**(193,213)**	**585,636**

	For the six months ended June 30				
	2025				
Revenue:	**Label printers and related components**	**Various printer labels and related consumables**	**Enterprise mobile computers**	**Adjustments and eliminations**	**Total**
Revenue from external customers	$ 2,424,541	1,871,126	1,641,966	-	5,937,633
Intersegment revenues	126,428	4,606	17,382	(148,416)	-
Total revenue	**$ 2,550,969**	**1,875,732**	**1,659,348**	**(148,416)**	**5,937,633**
Reported segment profit and loss	**$ 403,327**	**37,400**	**224,686**	**(160,450)**	**504,963**