

HTC Corporation and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
HTC Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of HTC Corporation and its subsidiaries (collectively referred to as the “Company”) as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2025 and 2024 and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Pan-Fa Wang and Kuo-Tyan Hong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 11, 2025

Notice to Readers

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

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

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,947,776	10	\$ 14,239,209	31	\$ 12,608,747	27
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	10,024,350	26	47,620	-	82,266	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 30)	260,113	1	327,194	1	366,352	1
Notes and trade receivables (Notes 10 and 24)	461,451	1	497,008	1	570,011	1
Other receivables (Note 10)	9,055	-	115,617	-	188,998	-
Current tax assets	301,068	1	198,952	-	260,675	1
Inventories (Note 11)	551,679	2	870,049	2	1,134,566	2
Prepayments (Note 12)	259,807	1	405,868	1	494,254	1
Other current financial assets (Notes 9 and 32)	489,588	1	10,265,324	22	12,331,034	26
Other current assets	22,358	-	29,908	-	1,188	-
Total current assets	<u>16,327,245</u>	<u>43</u>	<u>26,996,749</u>	<u>58</u>	<u>28,038,091</u>	<u>59</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	5,679,979	15	346,342	1	414,623	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	4,981,235	13	4,425,214	10	4,386,738	9
Investments accounted for using equity method (Note 14)	860,490	2	998,315	2	1,022,822	2
Property, plant and equipment (Notes 15 and 32)	6,340,102	17	6,609,865	14	6,610,812	14
Right-of-use assets (Note 16)	42,286	-	67,012	-	75,902	-
Investment properties, net (Notes 17 and 32)	1,537,887	4	2,725,278	6	2,760,854	6
Intangible assets (Note 18)	416,860	1	326,394	1	184,064	1
Deferred tax assets	1,039,227	3	2,684,316	6	2,668,049	6
Refundable deposits	341,681	1	365,625	1	353,057	1
Net defined benefit assets - non-current	565,637	1	560,464	1	510,420	1
Other non-current financial assets (Notes 9 and 32)	143,177	-	124,473	-	99,519	-
Other non-current assets (Note 12)	1,890	-	1,423	-	16,479	-
Total non-current assets	<u>21,950,451</u>	<u>57</u>	<u>19,234,721</u>	<u>42</u>	<u>19,103,339</u>	<u>41</u>
TOTAL	<u>\$ 38,277,696</u>	<u>100</u>	<u>\$ 46,231,470</u>	<u>100</u>	<u>\$ 47,141,430</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	\$ -	-	\$ 3,400,000	8	\$ 3,600,000	8
Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	10,544	-	91,224	-	20,198	-
Notes and trade payables (Notes 20 and 31)	4,747,629	12	5,188,610	11	5,412,839	11
Other payables (Notes 21 and 31)	2,768,964	7	3,087,289	7	3,186,750	7
Current tax liabilities	169,630	1	110,189	-	51,682	-
Provisions - current (Note 22)	300,440	1	383,925	1	483,963	1
Lease liabilities - current (Notes 16 and 31)	17,076	-	27,928	-	28,842	-
Other current liabilities (Notes 21 and 24)	481,104	1	450,191	1	355,289	1
Total current liabilities	<u>8,495,387</u>	<u>22</u>	<u>12,739,356</u>	<u>28</u>	<u>13,139,563</u>	<u>28</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	2,900,000	8	11,800,000	26	11,800,000	25
Deferred tax liabilities	56,765	-	69,907	-	49,802	-
Lease liabilities - non-current (Notes 16 and 31)	28,513	-	41,820	-	49,435	-
Guarantee deposits received	64,476	-	152,118	-	151,419	-
Total non-current liabilities	<u>3,049,754</u>	<u>8</u>	<u>12,063,845</u>	<u>26</u>	<u>12,050,656</u>	<u>25</u>
Total liabilities	<u>11,545,141</u>	<u>30</u>	<u>24,803,201</u>	<u>54</u>	<u>25,190,219</u>	<u>53</u>
EQUITY (Note 23)						
Share capital - ordinary shares	8,359,621	22	8,335,340	18	8,325,880	18
Capital surplus	16,339,033	43	16,277,565	35	16,253,573	35
Retained earnings						
Legal reserve	815,365	2	2,490,682	5	2,490,682	5
Special reserve	2,390,621	6	3,080,480	7	3,080,480	7
Unappropriated earnings (accumulated deficits)	2,488,164	7	(6,365,177)	(14)	(5,878,793)	(13)
Total retained earnings	<u>5,694,150</u>	<u>15</u>	<u>(794,015)</u>	<u>(2)</u>	<u>(307,631)</u>	<u>(1)</u>
Other equity	(3,660,249)	(10)	(2,390,621)	(5)	(2,320,611)	(5)
Total equity	<u>26,732,555</u>	<u>70</u>	<u>21,428,269</u>	<u>46</u>	<u>21,951,211</u>	<u>47</u>
TOTAL	<u>\$ 38,277,696</u>	<u>100</u>	<u>\$ 46,231,470</u>	<u>100</u>	<u>\$ 47,141,430</u>	<u>100</u>

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

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	\$ 716,371	100	\$ 773,874	100	\$ 2,119,695	100	\$ 2,135,363	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>464,176</u>	<u>65</u>	<u>457,941</u>	<u>59</u>	<u>1,347,711</u>	<u>64</u>	<u>1,258,820</u>	<u>59</u>
GROSS PROFIT	<u>252,195</u>	<u>35</u>	<u>315,933</u>	<u>41</u>	<u>771,984</u>	<u>36</u>	<u>876,543</u>	<u>41</u>
OPERATING EXPENSES (Notes 25 and 31)								
Selling and marketing	367,882	51	500,865	65	1,295,394	61	1,486,553	70
General and administrative	302,049	42	296,953	38	908,039	43	898,883	42
Research and development	<u>436,218</u>	<u>61</u>	<u>649,198</u>	<u>84</u>	<u>1,402,480</u>	<u>66</u>	<u>2,010,617</u>	<u>94</u>
Total operating expenses	<u>1,106,149</u>	<u>154</u>	<u>1,447,016</u>	<u>187</u>	<u>3,605,913</u>	<u>170</u>	<u>4,396,053</u>	<u>206</u>
OPERATING LOSS	<u>(853,954)</u>	<u>(119)</u>	<u>(1,131,083)</u>	<u>(146)</u>	<u>(2,833,929)</u>	<u>(134)</u>	<u>(3,519,510)</u>	<u>(165)</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 25)	46,446	7	225,054	29	427,869	20	677,292	32
Other income (Notes 25 and 31)	159,625	22	239,505	31	666,911	31	927,332	43
Other gains and losses (Note 25)	4,208,216	588	(70,142)	(9)	11,075,440	523	(311,590)	(15)
Finance costs (Notes 25 and 31)	(19,478)	(3)	(90,720)	(12)	(189,124)	(9)	(246,174)	(11)
Share of profit or loss of associates and joint ventures (Note 14)	<u>(69,333)</u>	<u>(10)</u>	<u>(54,087)</u>	<u>(7)</u>	<u>(221,584)</u>	<u>(10)</u>	<u>(127,164)</u>	<u>(6)</u>
Total non-operating income and expenses	<u>4,325,476</u>	<u>604</u>	<u>249,610</u>	<u>32</u>	<u>11,759,512</u>	<u>555</u>	<u>919,696</u>	<u>43</u>
INCOME (LOSS) BEFORE INCOME TAX	3,471,522	485	(881,473)	(114)	8,925,583	421	(2,599,814)	(122)
INCOME TAX EXPENSE (Note 26)	<u>(228,248)</u>	<u>(32)</u>	<u>(126)</u>	<u>-</u>	<u>(2,343,358)</u>	<u>(111)</u>	<u>(1,023)</u>	<u>-</u>
INCOME (LOSS) FOR THE PERIOD	<u>3,243,274</u>	<u>453</u>	<u>(881,599)</u>	<u>(114)</u>	<u>6,582,225</u>	<u>310</u>	<u>(2,600,837)</u>	<u>(122)</u>

(Continued)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
OTHER COMPREHENSIVE INCOME AND LOSS, NET OF INCOME TAX									
Items that will not be reclassified subsequently to profit or loss:									
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	\$ 63,373	9	\$ 15,922	2	\$ (107,475)	(5)	\$ 333,926	16	
Items that may be reclassified subsequently to profit or loss:									
Exchange differences on translating foreign operations	<u>988,475</u>	<u>138</u>	<u>207,639</u>	<u>27</u>	<u>(1,256,213)</u>	<u>(59)</u>	<u>1,424,557</u>	<u>67</u>	
Other comprehensive income (loss) for the period, net of income tax	<u>1,051,848</u>	<u>147</u>	<u>223,561</u>	<u>29</u>	<u>(1,363,688)</u>	<u>(64)</u>	<u>1,758,483</u>	<u>83</u>	
TOTAL COMPREHENSIVE INCOME AND LOSS FOR THE PERIOD	<u>\$ 4,295,122</u>	<u>600</u>	<u>\$ (658,038)</u>	<u>(85)</u>	<u>\$ 5,218,537</u>	<u>246</u>	<u>\$ (842,354)</u>	<u>(39)</u>	
EARNINGS (LOSS) PER SHARE (Note 27)									
Basic	<u>\$ 3.88</u>		<u>\$ (1.06)</u>		<u>\$ 7.88</u>		<u>\$ (3.12)</u>		
Diluted	<u>\$ 3.85</u>		<u>\$ (1.06)</u>		<u>\$ 7.81</u>		<u>\$ (3.12)</u>		

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

(Concluded)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		Total Equity
	Share Capital Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	(Accumulated Deficits) Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	
BALANCE, JANUARY 1, 2024	\$ 8,320,380	\$ 16,270,636	\$ 5,828,987	\$ 3,080,480	\$ (7,338,305)	\$ (2,408,195)	\$ (948,855)	\$ 22,805,128
Legal reserve in covering accumulated deficits	-	-	(3,338,305)	-	3,338,305	-	-	-
Other changes in capital surplus								
Changes in equity of associates and joint ventures accounted for using the equity method	-	(30,881)	-	-	-	-	-	(30,881)
Net loss for the nine months ended September 30, 2024	-	-	-	-	(2,600,837)	-	-	(2,600,837)
Other comprehensive income and loss for the nine months ended September 30, 2024	-	-	-	-	-	1,424,557	333,926	1,758,483
Total comprehensive income and loss for the nine months ended September 30, 2024	-	-	-	-	(2,600,837)	1,424,557	333,926	(842,354)
Issuance of shares due to exercise of employee share options	5,500	13,818	-	-	-	-	-	19,318
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	722,044	-	(722,044)	-
BALANCE, SEPTEMBER 30, 2024	<u>\$ 8,325,880</u>	<u>\$ 16,253,573</u>	<u>\$ 2,490,682</u>	<u>\$ 3,080,480</u>	<u>\$ (5,878,793)</u>	<u>\$ (983,638)</u>	<u>\$ (1,336,973)</u>	<u>\$ 21,951,211</u>
BALANCE, JANUARY 1, 2025	\$ 8,335,340	\$ 16,277,565	\$ 2,490,682	\$ 3,080,480	\$ (6,365,177)	\$ (920,620)	\$ (1,470,001)	\$ 21,428,269
Legal reserve in covering accumulated deficits	-	-	(1,675,317)	-	1,675,317	-	-	-
Reversal of special reserve	-	-	-	(689,859)	689,859	-	-	-
Net income for the nine months ended September 30, 2025	-	-	-	-	6,582,225	-	-	6,582,225
Other comprehensive income and loss for the nine months ended September 30, 2025	-	-	-	-	-	(1,256,213)	(107,475)	(1,363,688)
Total comprehensive income and loss for the nine months ended September 30, 2025	-	-	-	-	6,582,225	(1,256,213)	(107,475)	5,218,537
Issuance of shares due to exercise of employee share options	24,281	61,468	-	-	-	-	-	85,749
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(94,060)	-	94,060	-
BALANCE, SEPTEMBER 30, 2025	<u>\$ 8,359,621</u>	<u>\$ 16,339,033</u>	<u>\$ 815,365</u>	<u>\$ 2,390,621</u>	<u>\$ 2,488,164</u>	<u>\$ (2,176,833)</u>	<u>\$ (1,483,416)</u>	<u>\$ 26,732,555</u>

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

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 8,925,583	\$ (2,599,814)
Adjustments for:		
Depreciation expense	160,884	176,611
Amortization expense	12,930	15,516
Expected credit loss recognized (reversed) on trade receivables	908	(8,000)
(Gain) loss on financial assets at fair value through profit or loss	(11,850)	8,984
Finance costs	189,124	246,174
Interest income	(427,869)	(677,292)
Dividend income	(21,676)	(3,345)
Share of the loss of associates and joint ventures accounted for using the equity method	221,584	127,164
Net (gain) loss on disposal of property, plant and equipment and investment properties	(4,161,290)	475
Net gain on disposal of assets and licensing income (Note 25)	(8,045,926)	-
Impairment loss on non-financial assets	543,611	127,826
Gain from lease modifications	(53)	(14)
Changes in operating assets and liabilities		
Increase in financial assets mandatorily classified as at fair value through profit or loss	(47,924)	(108,018)
Decrease in notes and trade receivables	34,649	228,853
Decrease (increase) in other receivables	10,741	(43,175)
Decrease (increase) in inventories	18,717	(96,968)
Decrease (increase) in prepayments	146,061	(90,441)
Decrease in other current assets	7,550	1,777
Increase in other non-current assets	(6,223)	(12,448)
(Decrease) increase in notes and trade payables	(520,450)	319,204
Decrease in other payables	(293,780)	(137,933)
Decrease in provisions	(83,485)	(106,604)
Increase in other current liabilities	<u>30,913</u>	<u>10,110</u>
Cash used in operations	(3,317,271)	(2,621,358)
Interest received	523,690	679,405
Interest paid	(209,471)	(243,368)
Income tax (paid) received	<u>(679,477)</u>	<u>16,235</u>
Net cash used in operating activities	<u>(3,682,529)</u>	<u>(2,169,086)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(888,538)	(144,461)
Proceeds from disposal of financial assets at fair value through other comprehensive income	4,728	809,850
		(Continued)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2025	2024
Return of investments accounted for at fair value through other comprehensive income	\$ -	\$ 7,018
Purchase of financial assets at fair value through profit or loss	(28,564,588)	(133,237)
Proceeds from disposal of financial assets at fair value through profit or loss	13,242,711	-
Acquisition of investments accounted for using equity method	(134,658)	(186,842)
Payments for property, plant and equipment	(293,118)	(38,903)
Proceeds from disposal of property, plant and equipment and investment properties	5,525,608	22
Increase in refundable deposits	-	(333,038)
Decrease in refundable deposits	23,944	-
Payments for intangible assets	(135,118)	(11,939)
Payments for investment properties	(833)	(5,761)
Increase in other financial assets	-	(1,484,562)
Decrease in other financial assets	9,757,032	-
Dividends received	21,676	3,345
Proceeds from disposal of assets and licensing income (Note 25)	<u>8,045,926</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>6,604,772</u>	<u>(1,518,508)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(3,400,000)	(100,000)
Increase in long-term borrowings	-	2,800,000
Repayments of long-term borrowings	(8,900,000)	-
Increase in guarantee deposits received	-	1,353
Decrease in guarantee deposits received	(87,642)	-
Repayments of the principal portion of lease liabilities	(18,864)	(22,357)
Employee share options executed	<u>85,749</u>	<u>19,318</u>
Net cash (used in) generated from financing activities	<u>(12,320,757)</u>	<u>2,698,314</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(892,919)</u>	<u>1,158,664</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10,291,433)	169,384
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>14,239,209</u>	<u>12,439,363</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 3,947,776</u>	<u>\$ 12,608,747</u>

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

(Concluded)

HTC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

HTC Corporation (HTC) was incorporated on May 15, 1997 under the Group Law of Taiwan, the Republic of China. HTC and its subsidiaries (collectively referred to as the “Group”) are engaged in designing, manufacturing, assembling, processing, and selling virtual reality devices and smart mobile devices and after-sales services.

In March 2002, HTC had its stock listed on the Taiwan Stock Exchange. On November 19, 2003, HTC listed some of its shares of stock on the Luxembourg Stock Exchange in the form of global depository receipts.

The functional currency of HTC is the New Taiwan dollars. The consolidated financial statements are presented in the New Taiwan dollars since HTC is the ultimate parent of the Group.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by HTC’s board of directors and authorized for issue on November 11, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impact of the above-mentioned amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027

Note 1: Unless stated otherwise, the above-mentioned IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above-mentioned impacts, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, or other regulations and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

Basis of Preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of HTC and the entities controlled by HTC (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 13 to the consolidated financial statements for the detailed information on subsidiaries and Tables 4 and 5 (including the percentage of ownership and main businesses).

Other Material Accounting Policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2024.

a. Retirement benefits

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

b. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that rereasurement is recognized in profit or loss.

c. Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of inflation, interest rate fluctuations, and U.S. reciprocal tariff measures on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods. The same material accounting judgments and key sources of estimation and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 1,163	\$ 1,277	\$ 1,274
Checking accounts and demand deposits	2,072,206	4,470,927	3,630,439
Time deposits (with original maturities less than three months)	<u>1,874,407</u>	<u>9,767,005</u>	<u>8,977,034</u>
	<u>\$ 3,947,776</u>	<u>\$ 14,239,209</u>	<u>\$ 12,608,747</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets held for trading			
Derivatives financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 14,864	\$ 47,620	\$ 82,266
Financial assets mandatorily classified as at FVTPL			
Derivatives financial assets (not under hedge accounting)			
Convertible bonds	77,625	155,205	251,395
Warrants	17,361	67,876	19,946
Non-derivative financial assets			
Foreign unlisted equity investments	283,044	123,261	143,282
Private credit funds	13,830,049	-	-
Money market fund	1,481,386	-	-
	<u>\$ 15,704,329</u>	<u>\$ 393,962</u>	<u>\$ 496,889</u>
Current	\$ 10,024,350	\$ 47,620	\$ 82,266
Non-current	<u>5,679,979</u>	<u>346,342</u>	<u>414,623</u>
	<u>\$ 15,704,329</u>	<u>\$ 393,962</u>	<u>\$ 496,889</u>

Financial liabilities - current

Financial liabilities held for trading			
Derivatives financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 10,544</u>	<u>\$ 91,224</u>	<u>\$ 20,198</u>

As of September 30, 2025, the Group had committed but not yet paid for investment amounting to NT\$2,700,026 thousand.

The Group engaged in forward exchange contracts to manage its exposure to exchange rate fluctuations of foreign currency denominated assets and liabilities. At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting are as follows:

Forward Exchange Contracts

	Buy/Sell	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2025</u>				
Foreign exchange contracts	Sell	EUR/USD	2025.10.15-2025.10.22	EUR 3,000
Foreign exchange contracts	Sell	JPY/USD	2025.10.22	JPY 247,390
Foreign exchange contracts	Buy	USD/TWD	2025.10.08-2025.10.22	USD 167,000
Foreign exchange contracts	Buy	EUR/USD	2025.10.15-2025.10.22	EUR 30,500
Foreign exchange contracts	Buy	AUD/USD	2025.10.22	AUD 5,000

(Continued)

	Buy/Sell	Currency	Maturity Date	Notional Amount (In Thousands)	
Foreign exchange contracts	Buy	GBP/USD	2025.10.15	GBP	6,500
Foreign exchange contracts	Buy	SDG/USD	2025.10.15	SGD	2,000
Foreign exchange contracts	Buy	HKD/USD	2025.10.15-2025.10.22	HKD	60,826

December 31, 2024

Foreign exchange contracts	Sell	RMB/USD	2025.02.12	RMB	10,000
Foreign exchange contracts	Sell	EUR/USD	2025.01.06-2025.02.12	EUR	4,000
Foreign exchange contracts	Sell	JPY/USD	2025.01.15-2025.02.12	JPY	700,000
Foreign exchange contracts	Sell	SGD/USD	2025.01.22	SGD	2,000
Foreign exchange contracts	Buy	RMB/USD	2025.01.15-2025.02.12	RMB	223,000
Foreign exchange contracts	Buy	JPY/USD	2025.01.15-2025.02.12	JPY	1,000,000
Foreign exchange contracts	Buy	USD/NTD	2025.01.15-2025.01.22	USD	110,000
Foreign exchange contracts	Buy	EUR/USD	2025.01.06-2025.02.12	EUR	51,000
Foreign exchange contracts	Buy	GBP/USD	2025.01.15-2025.02.12	GBP	124,500
Foreign exchange contracts	Buy	AUD/USD	2025.01.15-2025.02.12	AUD	9,500
Foreign exchange contracts	Buy	SGD/USD	2025.01.15-2025.02.12	SGD	66,469
Foreign exchange contracts	Buy	HKD/USD	2025.01.15	HKD	95,000
Foreign exchange contracts	Buy	CAD/USD	2025.02.12	CAD	1,000

September 30, 2024

Foreign exchange contracts	Sell	EUR/USD	2024.10.03-2024.10.23	EUR	2,000
Foreign exchange contracts	Sell	CAD/USD	2024.10.09-2024.10.23	CAD	4,000
Foreign exchange contracts	Sell	JPY/USD	2024.10.09-2024.10.23	JPY	2,700,000
Foreign exchange contracts	Sell	RMB/USD	2024.10.09-2024.10.23	RMB	20,000
Foreign exchange contracts	Sell	SDG/USD	2024.10.03-2024.10.23	SGD	5,000
Foreign exchange contracts	Sell	GBP/USD	2024.10.09-2024.10.23	GBP	2,000
Foreign exchange contracts	Buy	RMB/USD	2024.10.09-2024.10.23	RMB	180,000
Foreign exchange contracts	Buy	USD/TWD	2024.10.09-2024.10.23	USD	90,000
Foreign exchange contracts	Buy	JPY/USD	2024.10.09-2024.10.23	JPY	3,700,000
Foreign exchange contracts	Buy	EUR/USD	2024.10.03-2024.10.23	EUR	37,000
Foreign exchange contracts	Buy	AUD/USD	2024.10.09-2024.10.23	AUD	9,000
Foreign exchange contracts	Buy	GBP/USD	2024.10.09-2024.10.23	GBP	119,500
Foreign exchange contracts	Buy	SDG/USD	2024.10.03-2024.10.23	SGD	65,469
Foreign exchange contracts	Buy	HKD/USD	2024.10.23	HKD	95,000
Foreign exchange contracts	Buy	CAD/USD	2024.10.09-2024.10.23	CAD	4,000

(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	September 30, 2025	December 31, 2024	September 30, 2024
Domestic investments			
Listed shares	\$ 84,568	\$ 9,602	\$ 12,625
Unlisted equity investments	<u>58,075</u>	<u>132,102</u>	<u>132,102</u>
	<u>142,643</u>	<u>141,704</u>	<u>144,727</u>

(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
Foreign investments			
Listed shares	\$ 404,233	\$ 327,194	\$ 366,352
Unlisted equity investments	<u>4,694,472</u>	<u>4,283,510</u>	<u>4,242,011</u>
	<u>5,098,705</u>	<u>4,610,704</u>	<u>4,608,363</u>
	<u>\$ 5,241,348</u>	<u>\$ 4,752,408</u>	<u>\$ 4,753,090</u>
Current	\$ 260,113	\$ 327,194	\$ 366,352
Non-current	<u>4,981,235</u>	<u>4,425,214</u>	<u>4,386,738</u>
	<u>\$ 5,241,348</u>	<u>\$ 4,752,408</u>	<u>\$ 4,753,090</u>

(Concluded)

As of September 30, 2025, the Group had committed but not yet paid for investment amounting to NT\$195,952 thousand.

These investments in equity instruments are not held for trading. Instead, they are held for the purpose of promoting the development of the Metaverse sector and making profit from long-term investments. Management decided to designate these investments in equity instruments as at FVTOCI as they have determined that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

According to the Q&A issued by the FSC, investments in limited partnership held after June 30, 2023 where the contract stipulates a limited duration is subject to the passing of the resolution of the partners' meeting for duration extensions. The Group elected not to retrospectively apply the Q&A "Classification of Investments in a Limited Partnership" issued by the Accounting Research and Development Foundation (ARDF), therefore the abovementioned investments remain classified as investments in equity instruments at FVTOCI.

9. OTHER FINANCIAL ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits with original maturities of more than three months	\$ 487,989	\$ 10,265,100	\$ 12,330,808
Restricted demand time deposits	143,177	124,473	99,519
Restricted demand deposits	<u>1,599</u>	<u>224</u>	<u>226</u>
	<u>\$ 632,765</u>	<u>\$ 10,389,797</u>	<u>\$ 12,430,553</u>
Current	\$ 489,588	\$ 10,265,324	\$ 12,331,034
Non-current	<u>143,177</u>	<u>124,473</u>	<u>99,519</u>
	<u>\$ 632,765</u>	<u>\$ 10,389,797</u>	<u>\$ 12,430,553</u>

For details of pledged other financial assets, please refer to Note 32 to the consolidated financial statements.

10. NOTES, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes, trade and overdue receivables</u>			
At amortized cost			
Notes receivable	\$ 20	\$ 56	\$ 13
Trade receivables	486,366	529,868	601,830
Trade receivables - related parties	9,009	1,608	914
Overdue receivables	25,656	24,635	26,413
Less: Allowances for impairment loss	(33,944)	(34,524)	(32,746)
Less: Allowances for impairment loss - overdue receivables	<u>(25,656)</u>	<u>(24,635)</u>	<u>(26,413)</u>
	<u>\$ 461,451</u>	<u>\$ 497,008</u>	<u>\$ 570,011</u>
Current	\$ 461,451	\$ 497,008	\$ 570,011
Non-current	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 461,451</u>	<u>\$ 497,008</u>	<u>\$ 570,011</u>
<u>Other receivables</u>			
Interest receivables	\$ 8,322	\$ 104,143	\$ 121,921
Others	<u>733</u>	<u>11,474</u>	<u>67,077</u>
	<u>\$ 9,055</u>	<u>\$ 115,617</u>	<u>\$ 188,998</u>
Current	\$ 9,055	\$ 115,617	\$ 188,998
Non-current	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,055</u>	<u>\$ 115,617</u>	<u>\$ 188,998</u>

Trade Receivables at Amortized Cost

The average credit period of the sales of goods was 30-75 days. No interest was charged on trade receivables for the first 75 days from the date of the invoice. Thereafter, interest was charged at the annual interest rate specified in the contract on the outstanding balance. The Group basically adopted a policy of dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

In order to minimize credit risk, management has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, management considers the Group's credit risk to have significantly reduced.

The Group uses the expected credit loss during the duration to recognize the allowance for losses of accounts receivable. The expected credit loss during the duration is mainly based on the customer's past default record, current financial situation and industrial economic situation.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty without realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activities to recover the receivables due. Where recoveries are made, these amounts are recognized in profit or loss.

The following table details the loss allowance of notes and trade receivables:

September 30, 2025

	Not Yet Due	1-90 Days	91-180 Days	Over 180 Days	Total
Gross carrying amount	\$ 375,507	\$ 103,750	\$ 16,138	\$ -	\$ 495,395
Loss allowance (Lifetime ECL)	<u>(24,238)</u>	<u>(5,757)</u>	<u>(3,949)</u>	<u>-</u>	<u>(33,944)</u>
Amortized cost	<u>\$ 351,269</u>	<u>\$ 97,993</u>	<u>\$ 12,189</u>	<u>\$ -</u>	<u>\$ 461,451</u>

December 31, 2024

	Not Yet Due	1-90 Days	91-180 Days	Over 180 Days	Total
Gross carrying amount	\$ 486,342	\$ 40,761	\$ 4,429	\$ -	\$ 531,532
Loss allowance (Lifetime ECL)	<u>(29,199)</u>	<u>(3,155)</u>	<u>(2,170)</u>	<u>-</u>	<u>(34,524)</u>
Amortized cost	<u>\$ 457,143</u>	<u>\$ 37,606</u>	<u>\$ 2,259</u>	<u>\$ -</u>	<u>\$ 497,008</u>

September 30, 2024

	Not Yet Due	1-90 Days	91-180 Days	Over 180 Days	Total
Gross carrying amount	\$ 566,064	\$ 33,697	\$ 2,996	\$ -	\$ 602,757
Loss allowance (Lifetime ECL)	<u>(28,925)</u>	<u>(2,810)</u>	<u>(1,011)</u>	<u>-</u>	<u>(32,746)</u>
Amortized cost	<u>\$ 537,139</u>	<u>\$ 30,887</u>	<u>\$ 1,985</u>	<u>\$ -</u>	<u>\$ 570,011</u>

The movements of the loss allowance of trade receivables and overdue receivables were as follows:

	For the Nine Months Ended September 30	
	2025	2024
Balance, beginning of period	\$ 59,159	\$ 67,159
Add: Loss allowance recognized	908	-
Less: Loss allowance reversed	-	(8,000)
Foreign exchange gains and losses	<u>(467)</u>	<u>-</u>
Balance, end of period	<u>\$ 59,600</u>	<u>\$ 59,159</u>

11. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Finished goods	\$ 296,322	\$ 507,019	\$ 686,090
Work-in-process	36,341	-	62,374
Semi-finished goods	41,540	40,963	53,125
Raw materials	175,780	321,863	329,224
Inventory in transit	<u>1,696</u>	<u>204</u>	<u>3,753</u>
	<u>\$ 551,679</u>	<u>\$ 870,049</u>	<u>\$ 1,134,566</u>

The cost of inventories write-downs recognized as operating costs for the three months and nine months ended September 30, 2025 and 2024 were NT\$4,130 thousand and NT\$127,830 thousand, respectively.

The (reversed) cost of inventories write-downs was NT\$(13,995) thousand and NT\$299,653 thousand for the three months and nine months ended September 30, 2025, of which NT\$(24,995) thousand and NT\$137,653 thousand was recognized as operating costs, respectively. The remaining NT\$11,000 thousand and NT\$162,000 thousand was recognized under other gains and losses. Please refer to Note 25 to the consolidated financial statements for details.

12. PREPAYMENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Prepaid expenses	\$ 202,397	\$ 238,448	\$ 275,553
Prepayments to suppliers	34,016	59,178	61,899
Prepaid payroll	16,964	101,333	157,737
Net input VAT	6,305	6,533	13,280
Prepaid royalties	1,426	627	784
Prepaid equipment	<u>589</u>	<u>1,172</u>	<u>1,480</u>
	<u>\$ 261,697</u>	<u>\$ 407,291</u>	<u>\$ 510,733</u>
Current	\$ 259,807	\$ 405,868	\$ 494,254
Non-current	<u>1,890</u>	<u>1,423</u>	<u>16,479</u>
	<u>\$ 261,697</u>	<u>\$ 407,291</u>	<u>\$ 510,733</u>

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The consolidated entities as of September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

Investor	Investee	Main Businesses	% of Ownership			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
HTC Corporation	H.T.C. (B.V.I.) Corp.	International holding company and general investing activities	100.00	100.00	100.00	-
	High Tech Computer Asia Pacific Pte. Ltd.	International holding company; marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC Investment Corporation	General investing activities	100.00	100.00	100.00	-
	HTC Holding B.V.	International holding company	0.01	0.01	0.01	-
	HTC Investment One (BVI) Corporation	Holding S3 Graphics Co., Ltd. and general investing activities	100.00	100.00	100.00	-
	HTC Investment (B.V.I) Corporation	General investing activities	100.00	100.00	100.00	-
	HungXu Holding (BVI) Corp.	International holding company	100.00	100.00	100.00	-
	HTC VIVE Investment (BVI) Corp.	General investing activities	100.00	100.00	100.00	-
	DeepQ Holding (BVI) Corp.	International holding company	100.00	100.00	100.00	-
	HTC VR Content (BVI) Corp.	"	100.00	100.00	100.00	-
	HTC Smart phone (BVI) Corp.	"	100.00	100.00	100.00	-
	VIVE Arts Corporation	Digital Art	-	-	-	(1)
	HTC Europe CO., LTD.	International holding company, marketing, repair and after-sales services	100.00	100.00	100.00	-
	HungYao Technology CO., LTD.	Manufacturing of electronic parts	100.00	100.00	100.00	-
	High Tech Computer Asia Pacific Pte Ltd.	HTC (Australia and New Zealand) PTY. Ltd.	Marketing, repair and after-sales services	100.00	100.00	100.00
HTC Philippines Corporation		"	-	99.99	99.99	(2)
HTC India Private Ltd.		"	99.00	99.00	99.00	-
HTC Communication Co., Ltd.		Sale of virtual reality devices and smart mobile devices and after-sales services	100.00	100.00	100.00	-
HTC HK, Limited		International holding company; marketing, repair and after-sales services	100.00	100.00	100.00	-
HTC Holding B.V.		International holding company	99.99	99.99	99.99	-
HTC Communication Technologies (SH)		Design, research and development of application software	100.00	100.00	100.00	-
HTC Investment One (BVI) Corporation	S3 Graphics Co., Ltd.	Design, research and development of graphics technology	100.00	100.00	100.00	-
HTC Communication Technologies (SH)	HTC Communication (BJ) Tech Co.	Design, research and development of application software	100.00	100.00	100.00	-
HTC HK, Limited	HTC Corporation (Shanghai WGQ)	Smart mobile devices examination and after-sale services and technique consultations	-	100.00	100.00	(3)
	HTC Electronics (Shanghai) Co., Ltd.	Manufacture and sale of virtual reality devices and smart mobile devices	100.00	100.00	100.00	-
HTC Holding B.V.	HTC Netherlands B.V.	International holding company; marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC India Private Ltd.	Marketing, repair and after-sales services	1.00	1.00	1.00	-
	HTC South Eastern Europe Limited Liability Company	"	-	-	-	(4)
	HTC Communication Solutions Mexico, S.A DE C.V.	"	1.00	1.00	1.00	-
	HTC Servicios DE Operacion Mexico, S.A DE C.V.	Human resources management	1.00	1.00	1.00	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
HTC Netherlands B.V.	HTC Belgium BV	Marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC NIPPON Corporation	Sale of virtual reality devices and smart mobile devices	100.00	100.00	100.00	-
	HTC FRANCE CORPORATION	Marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC South Eastern Europe Limited Liability Company	"	-	-	-	(4)
	HTC Nordic ApS.	"	100.00	100.00	100.00	-
	HTC Italia SRL	"	-	100.00	100.00	(5)
	HTC Germany GmbH	"	100.00	100.00	100.00	-
	HTC Iberia, S.L.	"	-	100.00	100.00	(6)
	HTC Poland sp. z.o.o.	"	100.00	100.00	100.00	-
	HTC Communication Canada, Ltd.	"	100.00	100.00	100.00	-
	HTC Middle East FZ-LLC	"	100.00	100.00	100.00	-
	HTC Communication Solutions Mexico, S.A DE C.V.	"	99.00	99.00	99.00	-
	HTC Servicios DE Operacion Mexico, S.A DE C.V.	Human resources management	99.00	99.00	99.00	-
	HTC EUROPE CO., LTD.	HTC America Holding Inc.	International holding company	100.00	100.00	100.00
DeepQ Holding Corporation		"	100.00	100.00	100.00	-
VIVE Arts Holding Corporation		"	100.00	100.00	100.00	-
REIGN Technology Corporation		"	100.00	100.00	100.00	-
Viverse Holding Corporation		"	100.00	100.00	100.00	-
DeepQ Holding Corporation	DeepQ (BVI) Corp.	International holding company	100.00	100.00	100.00	-
DeepQ (BVI) Corp.	DeepQ Technology Corp.	Medical technology and health care	100.00	100.00	100.00	-
	DeepQ Technology (Beijing)	Development and marketing of software technology	100.00	100.00	100.00	-
VIVE Arts Holding Corporation	VIVE Arts Corporation	Digital art	100.00	100.00	100.00	(1)
	VIVE Arts Limited	"	100.00	100.00	100.00	(7)
REIGN Technology Corporation	REIGN Technology Corporation	Construction, application and after-sales services of 5G	100.00	100.00	100.00	-
Viverse Holding Corporation	Viverse Limited (UK)	International holding company	100.00	100.00	100.00	-
Viverse Limited (UK)	Viverse Limited (Ireland)	Market development and sale of virtual reality contents	100.00	100.00	100.00	-
	Viveport Digital Corporation	Virtual reality platform software development and promotion services	100.00	100.00	100.00	-
	HTC America Holding Inc.	Sale of virtual reality devices and smart mobile devices	100.00	100.00	100.00	-
HTC America Holding Inc.	One & Company Design, Inc.	Design, research and development of application software	100.00	100.00	100.00	-
	HTC America Innovation Inc.	"	100.00	100.00	100.00	-
	HTC America Content Services, Inc.	Online/download media services	100.00	100.00	100.00	-
	Dashwire, Inc.	Design and management of cloud synchronization technology	100.00	100.00	100.00	-
	Inquisitive Minds, Inc.	Development and sale of digital education platform	-	100.00	100.00	(8)
	HungXu Holding (BVI) Corp.	HungXu Technology (BVI) Corp.	International holding company	100.00	100.00	100.00
HungXu Technology (BVI) Corp.	HungXu TECH Corp.	Research and development of virtual reality devices	100.00	100.00	100.00	(9)
HTC Investment (BVI) Corporation	HTC VIVE TECH (HK) Limited	Research, development and sale of virtual reality devices	100.00	100.00	100.00	-
HTC VIVE TECH (HK) Limited	VIVE Arts Limited	Digital art	-	-	-	(7)
	HTC VIVE TECH (Beijing)	Research, development and sale of virtual reality devices	100.00	100.00	100.00	(10)
HTC VR Content (BVI) Corp.	Uomo Vitruviano Corp.	Development of virtual reality contents	100.00	100.00	100.00	-

(Concluded)

Remark:

- 1) In order to optimize the group structure, HTC completed the restructuring on April 24, 2024, and sold 100% of the shares of VIVE Arts Corporation to its subsidiary, VIVE Arts Holding Corporation.
 - 2) HTC Philippines Corporation has completed the company deregistration process and recognized the related loss and wrote it off in the second quarter of 2025.
 - 3) The dissolution of HTC Corporation (Shanghai WGQ) was approved in its shareholders' meeting held on July 31, 2024, and the deregistration was completed on April 7, 2025.
 - 4) HTC South Eastern Europe Limited Liability Company completed the liquidation process on June 20, 2024.
 - 5) HTC Italia SRL completed the liquidation process on March 13, 2025.
 - 6) HTC Iberia S.L. completed the liquidation process on March 18, 2025.
 - 7) In order to optimize the group structure, HTC completed the restructuring process on April 26, 2024 and sold 100% of the shares of VIVE Arts Limited to its subsidiary, VIVE Arts Holding Corporation.
 - 8) Inquisitive Minds, Inc. completed the liquidation process on February 20, 2025.
 - 9) The dissolution of Hung Xu TECH Corp. was approved in its shareholders' meeting held on December 31, 2024. and the liquidation process is still ongoing.
 - 10) The dissolution of HTC VIVE TECH (Beijing) was approved in its shareholders' meeting held on July 1, 2025, and the deregistration was completed on September 25, 2025.
- b. Subsidiaries excluded from the consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests: None.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2025	December 31, 2024	September 30, 2024
Investment in associates	\$ 755,699	\$ 894,374	\$ 916,706
Investments in joint ventures	<u>104,791</u>	<u>103,941</u>	<u>106,116</u>
	<u>\$ 860,490</u>	<u>\$ 998,315</u>	<u>\$ 1,022,822</u>

Investments in Associates

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unlisted equity investments</u>			
Steel Wool Games, Inc.	\$ -	\$ 37,819	\$ 55,660
MOR Museum Inc.	3,482	3,860	4,140
Temple of Light Limited	9,711	25,585	25,329
Backlight Studio SAS	10,729	-	-
Lucid Realities SAS	27,927	-	-
Gui Zhou Wei Ai Technology Group Co., Ltd.	83,038	90,450	91,137
Small Creative SAS	18,808	49,910	48,744
VRChat, Inc.	<u>602,004</u>	<u>686,750</u>	<u>691,696</u>
	<u>\$ 755,699</u>	<u>\$ 894,374</u>	<u>\$ 916,706</u>

In April 2024, the Group subscribed 4,760 thousand ordinary shares of Temple of Light Limited through NT\$32,341 thousand in cash; and accordingly owned 25% shareholdings of Temple of Light Limited and the Group's able to exercise significant influence over Temple of Light Limited.

In July 2024, the Group subscribed 389 ordinary shares of Small Creative SAS through NT\$49,927 thousand in cash; and accordingly owned 28.01% shareholdings of Small Creative SAS and the Group's able to exercise significant influence over Small Creative SAS.

In January 2025, the Group subscribed 459 ordinary shares of Backlight Studio SAS through NT\$40,884 thousand in cash; and accordingly owned 30.02% shareholdings of Backlight Studio SAS and the Group's able to exercise significant influence over Backlight Studio SAS.

In February 2025, the Group subscribed 20,000 ordinary shares of Lucid Realities SAS through NT\$68,472 thousand in cash; and accordingly owned 25% shareholdings of Lucid Realities SAS and the Group's able to exercise significant influence over Lucid Realities SAS.

VRChat, Inc. issued new shares in June 2024 as its employees exercised option. Therefore, the Group's ownership interest in VRChat, Inc. decreased from 36.2% to 34.02%. After the decrease, the Group continued to exercise significant influence; therefore, the equity method is still applied.

At the end of the reporting periods, the percentage of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	September 30, 2025	December 31, 2024	September 30, 2024
East West Artists, LLC	30.00%	30.00%	30.00%
Steel Wool Games, Inc.	49.00%	49.00%	49.00%
Surgical Theater, LLC	16.30%	16.30%	16.30%
MOR Museum Inc.	25.00%	25.00%	25.00%
Temple of Light Limited	25.00%	25.00%	25.00%
Backlight Studio SAS	30.02%	-	-
Lucid Realities SAS	25.00%	-	-
Gui Zhou Wei Ai Technology Group Co., Ltd.	26.05%	26.05%	26.05%
Small Creative SAS	28.01%	28.01%	28.01%
VRChat, Inc.	34.02%	34.02%	34.02%

Aggregate information of associates that are not individually material:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
The Group's share of:				
Loss from continuing operations	\$ (50,298)	\$ (53,867)	\$ (200,416)	\$ (126,944)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>\$ (50,298)</u>	<u>\$ (53,867)</u>	<u>\$ (200,416)</u>	<u>\$ (126,944)</u>

For investments in associates accounted for under the equity method, management has determined that there is no material impact arising from its reliance on the investee's financial statements (unreviewed) to calculate the Group's share of profit or loss and other comprehensive income.

Investments in Joint Ventures

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unlisted equity investments</u>			
XI'an Hongwun Digital Technology Co., Ltd.	\$ 96,768	\$ 103,941	\$ 106,116
XR Addict	<u>8,023</u>	<u>-</u>	<u>-</u>
	<u>\$ 104,791</u>	<u>\$ 103,941</u>	<u>\$ 106,116</u>

The Group invested NT\$104,574 thousand to establish a joint venture, XI'an Hongwun Digital Technology Co., Ltd, with other company in May 2024 and obtained 47% ownership interest of XI'an Hongwun Digital Technology Co., Ltd. However, according to the mutual agreements among stockholders, the Group does not individually direct XI'an Hongwun Digital Technology Co., Ltd.'s business activities and has joint control with the other party; therefore, the Group treated XI'an Hongwun Digital Technology Co., Ltd. as a joint venture.

The Group's invested a joint venture, XR Addict, with other company in June 2025 and obtained 15.96% ownership interest of XR Addict. Proportion of the Group's ownership has not yet reached control. However, according to the mutual agreements among stockholders, the Group has substantive participation in the significant operating decisions of XR Addict. As the Group is not able to unilaterally direct the relevant activities of XR Addict, the investment is subject to joint control with other parties and is therefore accounted for as a joint venture.

Aggregate information of investments in joint ventures that are not individually material:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
The Group's share of:				
Loss from continuing operations	\$ (19,035)	\$ (220)	\$ (21,168)	\$ (220)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>\$ (19,035)</u>	<u>\$ (220)</u>	<u>\$ (21,168)</u>	<u>\$ (220)</u>

For investments in joint ventures were accounted for using the equity method, management has determined that there is no material impact arising from its reliance on the investee's financial statements (unreviewed) to calculate the Group's share of profit or loss and other comprehensive income.

15. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Land	\$ 4,626,227	\$ 4,749,513	\$ 4,747,837
Buildings	1,666,373	1,801,536	1,806,414
Machinery and equipment	11,771	15,436	16,075
Other equipment	<u>35,731</u>	<u>43,380</u>	<u>40,486</u>
	<u>\$ 6,340,102</u>	<u>\$ 6,609,865</u>	<u>\$ 6,610,812</u>

Movements of property, plant and equipment for the nine months ended September 30, 2025 and 2024 were as follows:

	<u>For the Nine Months Ended September 30, 2025</u>				
	Land	Buildings	Machinery and Equipment	Other Equipment	Total
<u>Cost</u>					
Balance, beginning of the period	\$ 4,749,513	\$ 3,663,939	\$ 2,756,807	\$ 753,751	\$ 11,924,010
Additions	266,129	10,143	2,115	11,116	289,503
Disposals	(384,739)	(314,113)	(528,693)	(57,843)	(1,285,388)
Reclassification	-	(941)	941	-	-
Effects of foreign currency exchange differences	<u>(4,676)</u>	<u>(13,203)</u>	<u>(1,039)</u>	<u>(5,694)</u>	<u>(24,612)</u>
Balance, end of the period	<u>4,626,227</u>	<u>3,345,825</u>	<u>2,230,131</u>	<u>701,330</u>	<u>10,903,513</u>
<u>Accumulated depreciation</u>					
Balance, beginning of the period	-	1,862,403	2,642,479	705,804	5,210,686
Depreciation expenses	-	61,045	4,046	15,418	80,509
Disposals	-	(242,070)	(487,894)	(55,001)	(784,965)
Effects of foreign currency exchange differences	<u>-</u>	<u>(1,926)</u>	<u>(491)</u>	<u>(5,058)</u>	<u>(7,475)</u>
Balance, end of the period	<u>-</u>	<u>1,679,452</u>	<u>2,158,140</u>	<u>661,163</u>	<u>4,498,755</u>
<u>Accumulated impairment</u>					
Balance, beginning of the period	-	-	98,892	4,567	103,459
Disposals	-	-	(38,672)	(131)	(38,803)
Effects of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of the period	<u>-</u>	<u>-</u>	<u>60,220</u>	<u>4,436</u>	<u>64,656</u>
Net book value, end of the period	<u>\$ 4,626,227</u>	<u>\$ 1,666,373</u>	<u>\$ 11,771</u>	<u>\$ 35,731</u>	<u>\$ 6,340,102</u>

For the Nine Months Ended September 30, 2024

	Land	Buildings	Machinery and Equipment	Other Equipment	Total
<u>Cost</u>					
Balance, beginning of the period	\$ 4,776,212	\$ 3,674,597	\$ 2,780,082	\$ 747,663	\$ 11,978,554
Additions	-	29,780	5,449	15,556	50,785
Disposals	-	-	(29,042)	(9,041)	(38,083)
Transfers to investment properties	(29,979)	(63,201)	-	-	(93,180)
Reclassified as expenses	-	-	-	(12)	(12)
Effects of foreign currency exchange differences	1,604	6,152	1,210	10,235	19,201
Balance, end of the period	<u>4,747,837</u>	<u>3,647,328</u>	<u>2,757,699</u>	<u>764,401</u>	<u>11,917,265</u>
<u>Accumulated depreciation</u>					
Balance, beginning of the period	-	1,792,410	2,658,116	704,009	5,154,535
Depreciation expenses	-	63,200	8,388	14,351	85,939
Disposals	-	-	(25,843)	(8,545)	(34,388)
Transfers to investment properties	-	(14,913)	-	-	(14,913)
Effects of foreign currency exchange differences	-	217	2,071	9,533	11,821
Balance, end of the period	<u>-</u>	<u>1,840,914</u>	<u>2,642,732</u>	<u>719,348</u>	<u>5,202,994</u>
<u>Accumulated impairment</u>					
Balance, beginning of the period	-	-	102,090	4,567	106,657
Disposals	-	-	(3,198)	-	(3,198)
Effects of foreign currency exchange differences	-	-	-	-	-
Balance, end of the period	<u>-</u>	<u>-</u>	<u>98,892</u>	<u>4,567</u>	<u>103,459</u>
Net book value, end of the period	<u>\$ 4,747,837</u>	<u>\$ 1,806,414</u>	<u>\$ 16,075</u>	<u>\$ 40,486</u>	<u>\$ 6,610,812</u>

The above-mentioned items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	5-50 years
Machinery and equipment	3-6 years
Other equipment	3-5 years

The major components of the buildings held by the Group include plants, electro-powering machinery and engineering systems, etc., which are depreciated over their estimated useful lives of 40 to 50 years, 20 years and 5 to 10 years, respectively.

In May 2025, the Group entered into a real estate sales and purchase agreement with non-related party to sell land and buildings located in Taoyuan, which are recognized as property, plant and equipment and investment properties, for a transaction price of NT\$5,638,000 thousand. The transaction was finalized in the third quarter of 2025, resulting in a gain on disposal of NT\$4,160,859 thousand.

Property pledged as collateral for bank borrowings are set out in Note 32 to the consolidated financial statements.

There were no capitalized interests for the nine months ended September 30, 2025 and 2024.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024	
<u>Carrying amounts</u>				
Buildings	<u>\$ 42,286</u>	<u>\$ 67,012</u>	<u>\$ 75,902</u>	
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2025	2024	2025	2024
Additions to right-of-use assets			<u>\$ -</u>	<u>\$ 29,633</u>
Depreciation charge for right-of-use assets				
Buildings	<u>\$ 5,510</u>	<u>\$ 7,633</u>	<u>\$ 19,631</u>	<u>\$ 24,366</u>

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amounts</u>			
Current	<u>\$ 17,076</u>	<u>\$ 27,928</u>	<u>\$ 28,842</u>
Non-current	<u>\$ 28,513</u>	<u>\$ 41,820</u>	<u>\$ 49,435</u>

Range of discount rate for lease liabilities as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	3.00%-6.87%	2.20%-6.87%	2.20%-6.87%

c. Material lease-in activities and terms

The Group leases certain buildings for the use of plants and offices with original lease terms of 2 to 5 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17 to the consolidated financial statements.

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 1,900</u>	<u>\$ 2,364</u>	<u>\$ 4,963</u>	<u>\$ 5,201</u>
Total cash outflow for leases			<u>\$ (25,641)</u>	<u>\$ (30,309)</u>

The Group leases certain office equipment and other equipment which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES, NET

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Land	\$ 297,987	\$ 304,796	\$ 310,875
Buildings	<u>1,239,900</u>	<u>2,420,482</u>	<u>2,449,979</u>
	<u>\$ 1,537,887</u>	<u>\$ 2,725,278</u>	<u>\$ 2,760,854</u>

Movements of investment properties, net for the nine months ended September 30, 2025 and 2024 were as follows:

	<u>For the Nine Months Ended September 30, 2025</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance, beginning of the period	\$ 304,796	\$ 4,191,670	\$ 4,496,466
Additions	-	833	833
Disposals	-	(1,591,654)	(1,591,654)
Effects of foreign currency exchange differences	<u>(6,809)</u>	<u>(19,013)</u>	<u>(25,822)</u>
Balance, end of the period	<u>297,987</u>	<u>2,581,836</u>	<u>2,879,823</u>
<u>Accumulated depreciation</u>			
Balance, beginning of the period	-	1,771,188	1,771,188
Depreciation expense	-	60,744	60,744
Disposals	-	(688,956)	(688,956)
Effects of foreign currency exchange differences	<u>-</u>	<u>(2,749)</u>	<u>(2,749)</u>
Balance, end of the period	<u>-</u>	<u>1,140,227</u>	<u>1,140,227</u>
<u>Accumulated impairment</u>			
Balance, beginning of the period	-	-	-
Recognize	-	209,331	209,331
Effects of foreign currency exchange differences	<u>-</u>	<u>(7,622)</u>	<u>(7,622)</u>
Balance, end of the period	<u>-</u>	<u>201,709</u>	<u>201,709</u>
Net book value, end of period	<u>\$ 297,987</u>	<u>\$ 1,239,900</u>	<u>\$ 1,537,887</u>

	For the Nine Months Ended September 30, 2024		
	Land	Buildings	Total
<u>Cost</u>			
Balance, beginning of the period	\$ 265,052	\$ 4,085,893	\$ 4,350,945
Additions	-	5,761	5,761
Reclassification	29,979	63,201	93,180
Effects of foreign currency exchange differences	<u>15,844</u>	<u>48,276</u>	<u>64,120</u>
Balance, end of the period	<u>310,875</u>	<u>4,203,131</u>	<u>4,514,006</u>
<u>Accumulated depreciation</u>			
Balance, beginning of the period	-	1,661,016	1,661,016
Depreciation expenses	-	66,306	66,306
Reclassification	-	14,913	14,913
Effects of foreign currency exchange differences	<u>-</u>	<u>10,917</u>	<u>10,917</u>
Balance, end of the period	<u>-</u>	<u>1,753,152</u>	<u>1,753,152</u>
Net book value, end of the period	<u>\$ 310,875</u>	<u>\$ 2,449,979</u>	<u>\$ 2,760,854</u>

In March 2025, the Group determined that the carrying amounts of certain buildings were expected to be unrecoverable. Accordingly, the Group recognized impairment loss of NT\$209,331 thousand, which were classified as other gains and losses. Please refer to Note 25 to the consolidated financial statements for details.

The abovementioned investment properties were leased out for 3 to 5 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	26-50 years
Electricity distribution system	20 years
Air-conditioning	5-10 years
Others	3-5 years

In May 2025, the Group entered into a real estate sales and purchase agreement with non-related party to sell land and buildings located in Taoyuan. Please refer to Note 15 to the consolidated financial statements for details.

The fair value for the investment properties as of September 30, 2025, December 31, 2024 and September 30, 2024 were NT\$3,607,121 thousand, NT\$5,767,299 thousand and NT\$5,458,277 thousand, respectively. The fair values of some investment properties were appraised by independent qualified professional appraisers and measured using Level 3 inputs. Additionally, the fair values of some investment properties were evaluated by the management with reference to market evidence of transaction prices for similar properties.

The investment properties pledged as collateral for bank borrowings are set out in Note 32 to the consolidated financial statements.

18. INTANGIBLE ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Patents	\$ -	\$ -	\$ -
Goodwill	-	-	-
Other intangible assets	<u>416,860</u>	<u>326,394</u>	<u>184,064</u>
	<u>\$ 416,860</u>	<u>\$ 326,394</u>	<u>\$ 184,064</u>

Movements of intangible assets for the nine months ended September 30, 2025 and 2024 were as follows:

	<u>For the Nine Months Ended September 30, 2025</u>			
	Patents	Goodwill	Other Intangible Assets	Total
<u>Cost</u>				
Balance, beginning of the period	\$ 10,123,890	\$ 518,647	\$ 945,839	\$ 11,588,376
Additions	-	-	135,118	135,118
Effects of foreign currency exchange differences	<u>(699,750)</u>	<u>(36,894)</u>	<u>(38,786)</u>	<u>(775,430)</u>
Balance, end of the period	<u>9,424,140</u>	<u>481,753</u>	<u>1,042,171</u>	<u>10,948,064</u>
<u>Accumulated amortization</u>				
Balance, beginning of the period	10,012,805	-	417,537	10,430,342
Amortization expenses	-	-	12,930	12,930
Effects of foreign currency exchange differences	<u>(699,750)</u>	<u>-</u>	<u>(25,098)</u>	<u>(724,848)</u>
Balance, end of the period	<u>9,313,055</u>	<u>-</u>	<u>405,369</u>	<u>9,718,424</u>
<u>Accumulated impairment</u>				
Balance, beginning of the period	111,085	518,647	201,908	831,640
Impairment losses	-	-	34,627	34,627
Effects of foreign currency exchange differences	<u>-</u>	<u>(36,894)</u>	<u>(16,593)</u>	<u>(53,487)</u>
Balance, end of the period	<u>111,085</u>	<u>481,753</u>	<u>219,942</u>	<u>812,780</u>
Carrying amount, end of the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,860</u>	<u>\$ 416,860</u>

For the Nine Months Ended September 30, 2024

	Patents	Goodwill	Other Intangible Assets	Total
<u>Cost</u>				
Balance, beginning of the period	\$ 9,504,390	\$ 485,984	\$ 741,233	\$ 10,731,607
Additions	-	-	11,939	11,939
Effects of foreign currency exchange differences	<u>280,500</u>	<u>14,789</u>	<u>21,121</u>	<u>316,410</u>
Balance, end of the period	<u>9,784,890</u>	<u>500,773</u>	<u>774,293</u>	<u>11,059,956</u>
<u>Accumulated amortization</u>				
Balance, beginning of the period	9,393,305	-	374,146	9,767,451
Amortization expenses	-	-	15,516	15,516
Effects of foreign currency exchange differences	<u>280,500</u>	<u>-</u>	<u>10,772</u>	<u>291,272</u>
Balance, end of the period	<u>9,673,805</u>	<u>-</u>	<u>400,434</u>	<u>10,074,239</u>
<u>Accumulated impairment</u>				
Balance, beginning of the period	111,085	485,984	183,964	781,033
Reversal	-	-	(4)	(4)
Effects of foreign currency exchange differences	<u>-</u>	<u>14,789</u>	<u>5,835</u>	<u>20,624</u>
Balance, end of the period	<u>111,085</u>	<u>500,773</u>	<u>189,795</u>	<u>801,653</u>
Carrying amount, end of the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,064</u>	<u>\$ 184,064</u>

Other intangible assets include some digital assets with non-determined service life, intangible assets with definite service life. Amortization expense is calculated on a straight-line basis on the following durable years:

Other intangible assets 3-9 years

19. BORROWINGS

a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ -</u>	<u>\$ 3,400,000</u>	<u>\$ 3,600,000</u>

The range of interest rates on line of credit borrowings was 2.52%-2.83% and 2.31%-2.78% per annum at December 31, 2024 and September 30, 2024, respectively.

b. Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Secured borrowings</u>			
Bank loans	\$ 2,900,000	\$ 9,700,000	\$ 9,700,000
<u>Unsecured borrowings</u>			
Bank loans	-	2,100,000	2,100,000
Less: Current portion	<u>-</u>	<u>-</u>	<u>-</u>
Long-term borrowings	<u>\$ 2,900,000</u>	<u>\$ 11,800,000</u>	<u>\$ 11,800,000</u>

To support long-term development, on December 15, 2022, the Group obtained a bank loan amounting to NT\$9 billion from CTBC Bank and the credit line was divided into part A and B which amounted to NT\$6.9 billion and NT\$2.1 billion, respectively. The Group has repaid existing syndication loans in January 2023. On September 20, 2023, the Group obtained another bank loan amounting to NT\$3 billion from CTBC Bank. The credit line was divided into part A and B which amounted to NT\$2.8 billion and NT\$0.2 billion, respectively. The total amount of credit line was divided into part A and B which amounted to NT\$9.7 billion and NT\$2.3 billion, respectively, with a total credit line of NT\$12 billion to support future operating growth capital needs. The Group is required to maintain certain financial covenants including debt ratio, equity, and net cash during the tenor of the loan. The computations of financial ratios mentioned above are done based on the audited consolidated financial statements or quarterly reviewed consolidated financial statements. As of September 30, 2025, the Group has met the financial ratios mentioned above.

The Group borrowed at a interest rate of 2.30%, 2.30%-2.40% and 2.27%-2.37%, per annum as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

The Group pledged land and buildings as collateral for the long-term borrowings (Please refer to Note 32 to the consolidated financial statements).

20. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Notes payable	\$ 40	\$ 55	\$ 30
Trade payables	4,747,106	5,188,402	5,411,618
Trade payables - related parties	<u>483</u>	<u>153</u>	<u>1,191</u>
	<u>\$ 4,747,629</u>	<u>\$ 5,188,610</u>	<u>\$ 5,412,839</u>

The average term of payment is 2-4 months. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The Group periodically negotiates with vendors to amend payment obligations. Amendments, based on their nature, are adjusted in operating cost or expense.

21. OTHER LIABILITIES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Other payables</u>			
Accrued expenses	\$ 2,762,126	\$ 3,055,906	\$ 3,160,167
Payables for purchase of equipment	5,294	9,492	5,990
Payables for interests	<u>1,544</u>	<u>21,891</u>	<u>20,593</u>
	<u>\$ 2,768,964</u>	<u>\$ 3,087,289</u>	<u>\$ 3,186,750</u>
<u>Other current liabilities</u>			
Advance receipts	\$ 321,025	\$ 283,775	\$ 191,219
Agency receipts	56,571	51,124	53,885
Others	<u>103,508</u>	<u>115,292</u>	<u>110,185</u>
	<u>\$ 481,104</u>	<u>\$ 450,191</u>	<u>\$ 355,289</u>

Accrued Expenses

	September 30, 2025	December 31, 2024	September 30, 2024
Salaries, bonuses and compensation	\$ 870,491	\$ 765,563	\$ 729,305
Marketing	617,397	830,682	865,750
Services	593,544	631,125	619,106
Materials and molding expenses	40,563	77,449	93,257
Insurance	32,299	42,737	49,255
Import, export and freight	25,381	23,508	20,773
Repairs, maintenance and sundry purchase	15,152	17,069	16,435
Others	<u>567,299</u>	<u>667,773</u>	<u>766,286</u>
	<u>\$ 2,762,126</u>	<u>\$ 3,055,906</u>	<u>\$ 3,160,167</u>

22. PROVISIONS

	September 30, 2025	December 31, 2024	September 30, 2024
Warranties	\$ 294,316	\$ 377,539	\$ 480,285
Others	<u>6,124</u>	<u>6,386</u>	<u>3,678</u>
	<u>\$ 300,440</u>	<u>\$ 383,925</u>	<u>\$ 483,963</u>

Movements of provisions for the nine months ended September 30, 2025 and 2024 are as follows:

	For the Nine Months Ended September 30, 2025		
	Warranty Provision	Others	Total
Balance, beginning of period	\$ 377,539	\$ 6,386	\$ 383,925
Provisions recognized (reversed)	38,790	(262)	38,528
Usage	(120,661)	-	(120,661)
Effects of foreign currency exchange differences	<u>(1,352)</u>	<u>-</u>	<u>(1,352)</u>
Balance, end of the period	<u>\$ 294,316</u>	<u>\$ 6,124</u>	<u>\$ 300,440</u>
	For the Nine Months Ended September 30, 2024		
	Warranty Provision	Others	Total
Balance, beginning of period	\$ 662,237	\$ 3,330	\$ 665,567
Provisions (reversed) recognized	(34,008)	348	(33,660)
Usage	(149,512)	-	(149,512)
Effects of foreign currency exchange differences	<u>1,568</u>	<u>-</u>	<u>1,568</u>
Balance, end of the period	<u>\$ 480,285</u>	<u>\$ 3,678</u>	<u>\$ 483,963</u>

The Group provides warranty services to its customers. The warranty period varies by product and is generally one to two years. The warranties are estimated based on an evaluation of the products under warranty, historical warranty trends, and pertinent factors.

Onerous contracts are those in which the Group's unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

23. EQUITY

Share Capital

a. Ordinary shares

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands of shares)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands of shares)	<u>835,962</u>	<u>833,534</u>	<u>832,588</u>
Shares issued	<u>\$ 8,359,621</u>	<u>\$ 8,335,340</u>	<u>\$ 8,325,880</u>

For the nine months ended September 30, 2024, the Group executed 550 thousand shares for employee share options, totaling NT\$5,500 thousand. As a result, the amount of the Group's issued and outstanding ordinary shares as of September 30, 2024 increased to NT\$8,325,880 thousand, divided into 832,588 thousand ordinary shares at a par value of NT\$10. Every ordinary share carries one vote per share and the rights to dividends.

For the nine months ended September 30, 2025, the Group executed 2,428 thousand shares for employee share options, totaling NT\$24,281 thousand. As a result, the amount of the Group's issued and outstanding ordinary shares as of September 30, 2025 increased to NT\$8,359,621 thousand, divided into 835,962 thousand ordinary shares at a par value of NT\$10. Every ordinary share carries one vote per share and the rights to dividends.

A total of 80,000 thousand shares of the Group's ordinary shares authorized were reserved for the issuance of employee share options.

b. Global depositary receipts

In November 2003, the Group issued 14,400 thousand ordinary shares, corresponding to 3,600 thousand units of Global Depositary Receipts ("GDRs"). For this GDR issuance, the Group's shareholders, including Via Technologies Inc., also issued 12,878.4 thousand ordinary shares, corresponding to 3,219.6 thousand GDR units. Thus, the entire offering consisted of 6,819.6 thousand GDR units, corresponding to 27,278.4 thousand ordinary shares. Taking into account the effect of share dividends, the GDRs increased to 8,782.1 thousand units (36,060.5 thousand shares). The holders of these GDRs requested the Group to redeem the GDRs to acquire the Group's ordinary shares. As of September 30, 2024, there were 8,744.9 thousand units of GDRs redeemed, representing 34,979.6 thousand ordinary shares, and the outstanding GDRs represented 1,080.9 thousand ordinary shares or 0.12% of the Group's outstanding ordinary shares.

Capital Surplus

	September 30, 2025	December 31, 2024	September 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
Arising from the issuance of ordinary shares	\$ 15,432,512	\$ 15,325,698	\$ 15,295,240
Arising from consolidation excess	23,288	23,288	23,288
<u>May be used to offset a deficit only</u>			
Changes in equity-method associates and joint venture capital surplus	33,104	33,104	33,104
Arising from expired share options	777,657	764,322	700,753
<u>May not be used for any purpose</u>			
Arising from employee share options	<u>72,472</u>	<u>131,153</u>	<u>201,188</u>
	<u>\$ 16,339,033</u>	<u>\$ 16,277,565</u>	<u>\$ 16,253,573</u>

The capital surplus arising from shares issued in excess of par (including share premiums from the issuance of ordinary shares, treasury share transactions and consolidation excess) and donations may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Group's capital surplus and once a year).

For details of capital surplus - employee share options, refer to Note 28 to the consolidated financial statements.

Retained Earnings and Dividend Policy

Under HTC's Articles of Incorporation, HTC should make appropriations from its net income in the following order:

- a. To pay taxes.
- b. To cover accumulated losses, if any.
- c. To appropriate 10% as legal reserve unless the total legal reserve accumulated has already reached the amount of HTC's authorized capital.
- d. To recognize or reverse special reserve return earnings. When a special reserve is appropriated for the cumulative net increases in fair value measurement of investment properties from prior period and the cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.
- e. The board of directors shall propose allocation ratios for any remainder profit after withholding the amounts under subparagraphs 1 to 4 above plus any unappropriated retained earnings of previous years based on the dividend policy set forth in the Article and propose such allocation ratio at the shareholders' meeting.

As part of a high-technology industry, the Group takes into consideration its operating environment, industry developments and long-term interests of shareholders when determining share or cash dividends to be paid. Other factors such as whether it can maintain operating efficiency and meet its capital expenditure budget and financial goals are also key considerations. The Group's dividend policy stipulates that at least 50% of total dividends may be distributed as cash dividends.

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Group's capital. Legal reserve may be used to offset its deficit. If the Group has no accumulated deficit and the legal reserve has exceeded 25% of its issued and outstanding ordinary shares, the excess may be transferred to ordinary shares or distributed in cash.

The accumulated deficits off-setting for 2024 and 2023 had been approved in the shareholders' meeting on June 20, 2025 and 2024. The accumulated deficits off-setting and dividends per share were as follows:

	Accumulated Deficits Off-setting		Dividends Per Share (NT\$)	
	For 2024	For 2023	For 2024	For 2023
Legal reserve used to offset accumulated deficits	\$ 1,675,317	\$ 3,338,305	\$ -	\$ -

Information on the appropriation of earnings proposed by the Group's board of directors and approved by the Group's shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

Other Equity Items

a. Exchange differences on translating foreign operations

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (the New Taiwan dollar) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

b. Unrealized gains or losses on financial assets at FVTOCI

Unrealized gains or losses on financial assets at FVTOCI represents the cumulative gains and losses arising from the revaluation of financial assets at FVTOCI that have been recognized in other comprehensive income. The cumulative unrealized gains or losses will not be reclassified to profit or loss on disposal of the equity investments.

24. OPERATING REVENUE

a. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Sale of goods	\$ 548,268	\$ 678,991	\$ 1,799,965	\$ 1,849,971
Other operating income	<u>168,103</u>	<u>94,883</u>	<u>319,730</u>	<u>285,392</u>
	<u>\$ 716,371</u>	<u>\$ 773,874</u>	<u>\$ 2,119,695</u>	<u>\$ 2,135,363</u>

b. Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes and trade receivables (Note 10)	<u>\$ 461,451</u>	<u>\$ 497,008</u>	<u>\$ 570,011</u>	<u>\$ 790,864</u>
Contract liabilities (classified under advance receipts)	<u>\$ 317,142</u>	<u>\$ 282,316</u>	<u>\$ 189,655</u>	<u>\$ 225,913</u>

25. NET LOSS FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME AND LOSS

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Bank deposits	<u>\$ 46,446</u>	<u>\$ 225,054</u>	<u>\$ 427,869</u>	<u>\$ 677,292</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Rental income	\$ 101,622	\$ 183,863	\$ 458,649	\$ 533,969
Dividends	17,581	606	21,676	3,345
Others	<u>40,422</u>	<u>55,036</u>	<u>186,586</u>	<u>390,018</u>
	<u>\$ 159,625</u>	<u>\$ 239,505</u>	<u>\$ 666,911</u>	<u>\$ 927,332</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Net gains on disposals of assets and licensing income	\$ -	\$ -	\$ 8,045,926	\$ -
Net gain (loss) on the disposal of property, plant and equipment and investment properties	4,164,439	(333)	4,161,290	(475)
Net foreign exchange gain (loss)	38,221	(47,321)	(171,944)	(23,112)
Net gain on valuation of financial instruments at fair value through profit or loss	81,331	59,836	22,070	53,084
Impairment (loss on) reversal of non-financial assets (Notes 11, 17 and 18)	(10,987)	(12)	(405,958)	4
Gain from lease modifications	52	-	53	14
Rental asset depreciation and relative expenses	(57,991)	(70,090)	(178,287)	(199,009)
Other losses	<u>(6,849)</u>	<u>(12,222)</u>	<u>(397,710)</u>	<u>(142,096)</u>
	<u>\$ 4,208,216</u>	<u>\$ (70,142)</u>	<u>\$ 11,075,440</u>	<u>\$ (311,590)</u>

On January 23, 2025, HTC signed a business agreement (the “Agreement”) with Google LLC (“Google”). According to the Agreement, a part of the Group’s employees were transferred to Google and certain intellectual property rights were granted to Google under a non-exclusive license. The transaction consideration was US\$250,000 thousand. The Group recognized a total net gain on disposal and licensing income of NT\$8,045,926 thousand.

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 18,639	\$ 89,310	\$ 185,846	\$ 241,799
Interest on lease liabilities	513	840	1,814	2,751
Others	<u>326</u>	<u>570</u>	<u>1,464</u>	<u>1,624</u>
	<u>\$ 19,478</u>	<u>\$ 90,720</u>	<u>\$ 189,124</u>	<u>\$ 246,174</u>

e. Expected credit losses (reversal gains) on finance assets

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Trade receivables (included in operating expense)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 908</u>	<u>\$ (8,000)</u>

f. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 25,872	\$ 28,545	\$ 80,509	\$ 85,939
Investment properties	16,821	22,775	60,744	66,306
Intangible assets	4,367	5,333	12,930	15,516
Right-of-use assets	<u>5,510</u>	<u>7,633</u>	<u>19,631</u>	<u>24,366</u>
	<u>\$ 52,570</u>	<u>\$ 64,286</u>	<u>\$ 173,814</u>	<u>\$ 192,127</u>
An analysis of depreciation - by function				
Operating costs	\$ 5,628	\$ 6,494	\$ 17,250	\$ 21,013
Operating expenses	25,754	29,684	82,890	89,292
Other expenses	<u>16,821</u>	<u>22,775</u>	<u>60,744</u>	<u>66,306</u>
	<u>\$ 48,203</u>	<u>\$ 58,953</u>	<u>\$ 160,884</u>	<u>\$ 176,611</u>
An analysis of amortization - by function				
Operating costs	\$ 1,357	\$ 1,357	\$ 4,070	\$ 3,754
Operating expenses	<u>3,010</u>	<u>3,976</u>	<u>8,860</u>	<u>11,762</u>
	<u>\$ 4,367</u>	<u>\$ 5,333</u>	<u>\$ 12,930</u>	<u>\$ 15,516</u>

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term benefits	\$ 783,287	\$ 993,787	\$ 2,515,876	\$ 3,018,994
Post-employment benefits				
Defined contribution plans	24,347	39,751	86,874	119,507
Defined benefit plans	<u>(1,803)</u>	<u>(766)</u>	<u>(5,409)</u>	<u>(1,526)</u>
	<u>22,544</u>	<u>38,985</u>	<u>81,465</u>	<u>117,981</u>
Termination benefits	<u>-</u>	<u>26,007</u>	<u>348,574</u>	<u>55,950</u>
 Total employee benefits expense	 <u>\$ 805,831</u>	 <u>\$ 1,058,779</u>	 <u>\$ 2,945,915</u>	 <u>\$ 3,192,925</u>
 An analysis of employee benefits expense - by function				
Operating costs	\$ 65,631	\$ 66,604	\$ 195,617	\$ 196,007
Operating expenses	740,200	987,186	2,401,724	2,961,986
Other expenses	<u>-</u>	<u>4,989</u>	<u>348,574</u>	<u>34,932</u>
	<u>\$ 805,831</u>	<u>\$ 1,058,779</u>	<u>\$ 2,945,915</u>	<u>\$ 3,192,925</u>

h. Employees' compensation and remuneration of directors

In compliance with HTC's Articles of Incorporation, the Group accrues compensation of employees and remuneration of directors at rates of no less than 4% and of no more than 0.25%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Group resolved the amendments to the Group's Articles at their June 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 4% of the compensation of employees as compensation distributions in the event of annual net profit (including no less than 1% for non-executive employees.) The compensation of employees for the three months and nine months ended September 30, 2025 are as follows:

Accrual rate

	For the Nine Months Ended September 30, 2025
Employees' compensation	4%

Amount

	For the Three Months Ended September 30, 2025	For the Nine Months Ended September 30, 2025
Employees' compensation	<u>\$ 189,396</u>	<u>\$ 189,396</u>

No compensation of employees and remuneration of directors were estimated as HTC Corporation had accumulated losses for the nine months ended September 30, 2024. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the subsequent year.

For any further information on the compensation of employees and remuneration of directors approved in the meeting of the board of directors in 2025 and 2024, see disclosures in the Market Observation Post System.

i. (Reversal of) impairment loss on non-financial assets

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Inventories (included in operating costs and other gains and losses)	\$ (13,995)	\$ 4,130	\$ 299,653	\$ 127,830
Investment property (included in other gains and losses)	-	-	209,331	-
Intangible assets (included in other gains and losses)	<u>(13)</u>	<u>12</u>	<u>34,627</u>	<u>(4)</u>
	<u>\$ (14,008)</u>	<u>\$ 4,142</u>	<u>\$ 543,611</u>	<u>\$ 127,826</u>

j. Gain or loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Foreign exchange gains	\$ 319,769	\$ 176,084	\$ 2,549,371	\$ 858,931
Foreign exchange losses	(281,548)	(223,405)	(2,721,315)	(882,043)
Valuation (loss) gain arising from foreign forward exchange contracts	<u>(2,895)</u>	<u>65,050</u>	<u>4,320</u>	<u>62,068</u>
	<u>\$ 35,326</u>	<u>\$ 17,729</u>	<u>\$ (167,624)</u>	<u>\$ 38,956</u>

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
In respect of the current year				
Current tax	\$ 39,122	\$ (27,300)	\$ 535,699	\$ 27,697
Land value increment tax	125,089	-	125,089	-
Deferred tax	<u>59,399</u>	<u>27,446</u>	<u>1,706,528</u>	<u>(26,054)</u>
	<u>223,610</u>	<u>146</u>	<u>2,367,316</u>	<u>1,643</u>
Adjustments for previous years				
Current tax	(35,916)	(17,520)	55,483	(225,192)
Deferred tax	<u>40,554</u>	<u>17,500</u>	<u>(79,441)</u>	<u>224,572</u>
	<u>4,638</u>	<u>(20)</u>	<u>(23,958)</u>	<u>(620)</u>
Income tax expense recognized in profit or loss	<u>\$ 228,248</u>	<u>\$ 126</u>	<u>\$ 2,343,358</u>	<u>\$ 1,023</u>

b. Income tax assessments

The income tax returns of HTC, HTC Investment Corporation, DeepQ Technology Corp., Viveport Digital Corporation, REIGN Technology Corporation, Uomo Vitruviano Corp., VIVE Arts Corporation and HungXu TECH Corp. for the years through 2023 have been assessed by the tax authorities.

27. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Basic earnings (loss) per share	<u>\$ 3.88</u>	<u>\$ (1.06)</u>	<u>\$ 7.88</u>	<u>\$ (3.12)</u>
Diluted earnings (loss) per share	<u>\$ 3.85</u>	<u>\$ (1.06)</u>	<u>\$ 7.81</u>	<u>\$ (3.12)</u>

The profit (loss) and weighted average number of ordinary shares outstanding used for the computation of earnings (loss) per share are as follows:

Net Profit (Loss) for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Net profit (loss) for the period attributable to owners of the parent	<u>\$ 3,243,274</u>	<u>\$ (881,599)</u>	<u>\$ 6,582,225</u>	<u>\$ (2,600,837)</u>

Shares

	Unit: In Thousands of Shares			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	835,554	832,493	835,002	832,343
Effect of potentially dilutive ordinary shares:				
Employee share options	4,725	-	4,725	-
Employee's compensation	<u>3,178</u>	<u>-</u>	<u>3,178</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>843,457</u>	<u>832,493</u>	<u>842,905</u>	<u>832,343</u>

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Group

Qualified employees of HTC were granted 19,000 thousand options in October 2014. Each option entitles the holder to subscribe for one ordinary share of the Group. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date. The option rights expired in October 2024.

Qualified employees of HTC were granted 1,000 thousand options in August 2015. Each option entitles the holder to subscribe for one ordinary share of the Group. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date. The option rights expired in August 2025.

Qualified employees of HTC were granted 20 thousand options in May 2019. Each option entitles the holder to subscribe for one thousand ordinary shares of the Group. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Qualified employees of HTC were granted 10,000 thousand options in November 2019. Each option entitles the holder to subscribe for one ordinary share of the Group. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

The exercise price equals to the closing price of the Group's ordinary shares on the grant date. For any subsequent changes in ordinary shares, the exercise price is adjusted accordingly.

Information on employee share options are as follows:

	For the Nine Months Ended September 30			
	2025		2024	
	Number of Shares (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Shares (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance, beginning of the period	8,026	\$ 35.52	11,816	\$ 51.15
Options granted	(2,428)	35.32	(550)	35.12
Options forfeited	<u>(873)</u>		<u>(74)</u>	
Balance, end of the period	<u>4,725</u>	35.32	<u>11,192</u>	52.05
Options exercisable, end of the period	<u>4,725</u>		<u>10,844</u>	

Information about outstanding options as of the reporting date are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Range of exercise prices (NT\$)	\$35.05-\$35.5	\$35.05-\$54.5	\$35.05-\$134.5
Weighted-average remaining contractual life (years)	3.83 years	4.54 years	4.02 years

Options granted in November and May 2019 were priced using the Black-Scholes option pricing model. Options granted in August 2015 and October 2014 were priced using the trinomial option pricing model. The inputs to the model are as follows:

	November 2019	May 2019	August 2015	October 2014
Grant-date share price (NT\$)	\$35.05	\$35.50	\$54.50	\$134.50
Exercise price (NT\$)	\$35.05	\$35.50	\$54.50	\$134.50
Expected volatility	43.64%-44.09%	44.94%-45.01%	39.26%	33.46%
Duration (years)	10 years	10 years	10 years	10 years
Expected dividend yield	-	-	4.04%	4.40%
Risk-free interest rate	0.6125%-0.6348%	0.6082%-0.6224%	1.3965%	1.7021%

Expected volatility was based on the historical share price volatility over the past 1-7 years. The Group assumed that employees would exercise their options after the vesting date when the share price was 1.63 times the exercise price.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure its ability to continue as a going concern while maximizing the returns to shareholders. The Group periodically reviews its capital structure by taking into consideration macroeconomic conditions, prevailing interest rate, and adequacy of cash flows generated from operations; as the situation would allow, the Group pays dividends, issues new shares, repurchases shares, borrows loans, and pays loans.

The Group is subject to capital structure requirements for the bank syndicated loan, please refer to Note 19 to the consolidated financial statements.

30. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments That Are Not Measured at Fair Value

Financial instruments not measured at fair value held by the Group include financial assets measured at amortized cost. Management has determined that the carrying amounts of financial assets not measured at fair value approximate their fair values or their fair values cannot be measured reliably.

Fair Value of Financial Instruments That Are Measured at Fair Value on A Recurring Basis

a. Fair value hierarchy

September 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	\$ -	\$ 14,864	\$ -	\$ 14,864
Convertible bonds	-	-	77,625	77,625
Warrants	-	-	17,361	17,361
Investments in equity instruments				
Overseas unlisted equity investments	-	-	283,044	283,044
Private credit fund	-	-	13,830,049	13,830,049
Money market fund	<u>1,481,386</u>	<u>-</u>	<u>-</u>	<u>1,481,386</u>
	<u>\$ 1,481,386</u>	<u>\$ 14,864</u>	<u>\$ 14,208,079</u>	<u>\$ 15,704,329</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 84,568	\$ -	\$ -	\$ 84,568
Domestic unlisted equity investments	-	-	58,075	58,075
Overseas listed shares	404,233	-	-	404,233
Overseas unlisted equity investments	<u>-</u>	<u>-</u>	<u>4,694,472</u>	<u>4,694,472</u>
	<u>\$ 488,801</u>	<u>\$ -</u>	<u>\$ 4,752,547</u>	<u>\$ 5,241,348</u>
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	<u>\$ -</u>	<u>\$ 10,544</u>	<u>\$ -</u>	<u>\$ 10,544</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	\$ -	\$ 47,620	\$ -	\$ 47,620
Convertible bonds	-	-	155,205	155,205
Warrants	-	-	67,876	67,876
Investments in equity instruments				
Overseas unlisted equity investments	<u>-</u>	<u>-</u>	<u>123,261</u>	<u>123,261</u>
	<u>\$ -</u>	<u>\$ 47,620</u>	<u>\$ 346,342</u>	<u>\$ 393,962</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 9,602	\$ -	\$ -	\$ 9,602
Domestic unlisted equity investments	-	-	132,102	132,102
Overseas listed shares	327,194	-	-	327,194
Overseas unlisted equity investments	<u>-</u>	<u>-</u>	<u>4,283,510</u>	<u>4,283,510</u>
	<u>\$ 336,796</u>	<u>\$ -</u>	<u>\$ 4,415,612</u>	<u>\$ 4,752,408</u>
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	<u>\$ -</u>	<u>\$ 91,224</u>	<u>\$ -</u>	<u>\$ 91,224</u>

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	\$ -	\$ 82,266	\$ -	\$ 82,266
Convertible bonds	-	-	251,395	251,395
Warrants	-	-	19,946	19,946
Investments in equity instruments				
Overseas unlisted equity investments	<u>-</u>	<u>-</u>	<u>143,282</u>	<u>143,282</u>
	<u>\$ -</u>	<u>\$ 82,266</u>	<u>\$ 414,623</u>	<u>\$ 496,889</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 12,625	\$ -	\$ -	\$ 12,625
Domestic unlisted equity investments	-	-	132,102	132,102
Overseas listed shares	366,352	-	-	366,352
Overseas unlisted equity investments	<u>-</u>	<u>-</u>	<u>4,242,011</u>	<u>4,242,011</u>
	<u>\$ 378,977</u>	<u>\$ -</u>	<u>\$ 4,374,113</u>	<u>\$ 4,753,090</u>
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	<u>\$ -</u>	<u>\$ 20,198</u>	<u>\$ -</u>	<u>\$ 20,198</u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2025 and 2024.

b. Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2025

Financial Assets	Financial Assets at FVTPL			Financial Assets at FVTOCI	Total
	Derivatives	Equity Instruments	Private Credit Fund	Equity Instruments	
Balance on January 1, 2025	\$ 223,081	\$ 123,261	\$ -	\$ 4,415,612	\$ 4,761,954
Recognized in profit or loss	(111,547)	(4,082)	17,193	-	(98,436)
Recognized in other comprehensive income	-	-	-	(62,442)	(62,442)
Purchases	-	174,560	13,682,166	689,869	14,546,595
Reclassification	(5,682)	-	-	5,682	-
Effect of foreign currency exchange differences	(10,866)	(10,695)	130,690	(296,174)	(187,045)
Balance on September 30, 2025	<u>\$ 94,986</u>	<u>\$ 283,044</u>	<u>\$ 13,830,049</u>	<u>\$ 4,752,547</u>	<u>\$ 18,960,626</u>

For the nine months ended September 30, 2024

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI	Total
	Derivatives	Others	Equity Instruments	
Balance on January 1, 2024	\$ 197,883	\$ 64,476	\$ 4,260,192	\$ 4,522,551
Recognized in profit or loss	-	(8,984)	-	(8,984)
Recognized in other comprehensive income	-	-	(140,836)	(140,836)
Purchases	78,484	54,753	144,461	277,698
Return of investments	-	-	(7,018)	(7,018)
Reclassification	(11,824)	32,375	(20,551)	-
Effect of foreign currency exchange differences	6,798	662	137,865	145,325
Balance on September 30, 2024	<u>\$ 271,341</u>	<u>\$ 143,282</u>	<u>\$ 4,374,113</u>	<u>\$ 4,788,736</u>

c. Valuation techniques and inputs applied to Level 2 financial instruments at fair value

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

d. Valuation techniques and inputs applied to Level 3 financial instruments at fair value

Fair value measurements categorized within Level 3 of the fair value hierarchy include investments in equity instruments. The lack of quoted prices in an active market places these financial assets in the Level 3 category. The fair values of equity instruments are based on valuation provided by market participants or quoted prices of the counter party. Quantitative information has not been disclosed since the relationship between significant unobservable inputs and fair value cannot be fully controlled.

e. Valuation process for Level 3 financial instruments at fair value

The investment department will assess the reliability, independence, and consistency of the information sources to confirm whether the valuation is representative of the exercise price. Adjustments are made to ensure the rationality of the valuation presented.

f. Sensitivity analysis of Level 3 fair value measurements under replacement assumptions

A sensitivity analysis of replacement assumptions for the valuation of Level 3 financial instruments at fair value is not required since the valuation model used by the Group is reasonable and not internally constructed.

Categories of Financial Instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at FVTPL			
Held for trading	\$ 14,864	\$ 47,620	\$ 82,266
Mandatorily at FVTPL	15,689,465	346,342	414,623
Amortized cost (Note 1)	5,392,728	25,607,256	26,151,366
Financial assets at FVTOCI			
Equity instruments	5,241,348	4,752,408	4,753,090
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	10,544	91,224	20,198
Amortized cost (Note 2)	10,537,640	23,679,141	24,204,893

Note 1: The balances include financial assets measured at amortized cost, which comprise of cash and cash equivalents, other financial assets, notes and trade receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise of short-term borrowings, notes and trade payables, other payables, agency receipts, long-term borrowings and guarantee deposits received.

Financial Risk Management Objectives and Policies

The Group’s major financial instruments include equity and debt investments, trade receivables, other receivables, borrowings, trade payables and other payables. The Group’s Corporate Treasury function provides services to the business and coordinates access to domestic and international financial markets. It also monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze the exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments and non-derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group’s policies, which are approved by the board of directors. The policies provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies is reviewed by the internal auditors on a continuous basis. The Group has not entered into or traded financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Group’s audit committee and board of directors in order to monitor risks and implement policies to mitigate risk exposures.

a. Market risk

The activities of the Group exposed it to the financial risks of fluctuations in foreign currency exchange rates. The Group has entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

There was no change to the Group’s exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The Group undertook transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arose. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group’s foreign currency denominated monetary assets, monetary liabilities, and derivatives which are exposed to foreign currency risk at the end of the reporting period are set out in Note 34 to the consolidated financial statements.

Sensitivity analysis

The Group was mainly exposed to currency fluctuations of the United States dollar (USD), Euro (EUR), Renminbi (RMB), Japanese yen (JPY), Great British Pound (GBP) and Singapore dollar (SGD).

The following table details the Group’s sensitivity to a 1% appreciation and depreciation in the New Taiwan dollars (“NTD”, the functional currency) against relevant foreign currencies. The sensitivity analysis only included outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges. A positive number indicates an increase in pre-tax profit/loss or equity associated with the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, there would be an equal and opposite impact on pre-tax profit/loss or equity, and the balances below would be negative.

	Profit or Loss	Equity
<u>For the nine months ended September 30, 2025</u>		
USD	\$ 73,925	\$ (213,714)
EUR	14,320	(5,615)
RMB	6,653	(19,220)
JPY	877	(2,276)
GBP	3,983	(9,518)
<u>For the nine months ended September 30, 2024</u>		
USD	61,694	(104,170)
EUR	25,965	(13,695)
RMB	100,884	(65,297)
JPY	3,969	(2,421)
GBP	52,444	(54,860)
SGD	17,551	(14,296)

2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
Financial assets	\$ 2,485,020	\$ 20,136,560	\$ 21,407,361
Financial liabilities	45,589	69,748	78,277
Cash flow interest rate risk			
Financial assets	20,553	20,018	-
Financial liabilities	2,900,000	15,200,000	15,400,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the period was outstanding for the whole year. A sensitivity rate of 10 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit/loss for the nine months ended September 30, 2025 and 2024 would have increased/decreased by NT\$2,160 thousand and NT\$11,550 thousand, respectively.

3) Other price risk

The Group was exposed to equity price risk through its investments in convertible bonds, warrants, domestic listed shares, domestic unlisted equity investments, overseas listed shares, money market fund, private credit fund and overseas unlisted equity investments.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2025 and 2024 would have increased/decreased by NT\$142,081 thousand and NT\$4,146 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2025 and 2024 would have increased/decreased by NT\$52,413 thousand and NT\$47,531 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparty to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets. The Group does not issue any financial guarantee involving credit risk.

The Group basically adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk information of trade receivables is disclosed in Note 10 to the consolidated financial statements.

c. Liquidity risk

The Group manages liquidity risk to ensure that the Group possesses sufficient financial flexibility by maintaining adequate reserves of cash and cash equivalents and reserving financing facilities, and also monitors liquidity risk of shortage of funds by the maturity date of financial instruments and financial assets.

1) Liquidity risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

September 30, 2025

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Notes and trade payables	\$ 945,180	\$ 4,252,449	\$ -
Other payables	2,220,432	548,532	-
Lease liabilities	6,172	12,513	29,760
Agency receipts	56,571	-	-
Long-term borrowings	-	-	2,900,000
Guarantee deposits received	-	-	<u>64,476</u>
	<u>\$ 3,228,355</u>	<u>\$ 4,813,494</u>	<u>\$ 2,994,236</u>

December 31, 2024

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Short-term borrowings	\$ 3,100,000	\$ 300,000	\$ -
Notes and trade payables	260,813	4,927,797	-
Other payables	2,392,638	694,651	-
Lease liabilities	7,679	22,623	44,326
Agency receipts	51,124	-	-
Long-term borrowings	-	-	11,800,000
Guarantee deposits received	-	-	<u>152,118</u>
	<u>\$ 5,812,254</u>	<u>\$ 5,945,071</u>	<u>\$ 11,996,444</u>

September 30, 2024

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Short-term borrowings	\$ 2,450,000	\$ 1,150,000	\$ -
Notes and trade payables	361,944	5,050,895	-
Other payables	2,041,087	1,145,663	-
Lease liabilities	8,040	23,007	52,457
Agency receipts	53,885	-	-
Long-term borrowings	-	-	11,800,000
Guarantee deposits received	-	-	<u>151,419</u>
	<u>\$ 4,914,956</u>	<u>\$ 7,369,565</u>	<u>\$ 12,003,876</u>

2) Liquidity risk tables for derivative financial instruments

The following table details the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

September 30, 2025

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
<u>Net settled</u>			
Foreign forward exchange contracts	\$ 11,659	\$ -	\$ -
<u>Gross settled</u>			
Foreign forward exchange contracts			
Inflows	\$ 1,901,377	\$ -	\$ -
Outflows	(1,905,909)	-	-
	<u>\$ (4,532)</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
<u>Net settled</u>			
Foreign forward exchange contracts	\$ 38,232	\$ -	\$ -
<u>Gross settled</u>			
Foreign forward exchange contracts			
Inflows	\$ 10,680,230	\$ -	\$ -
Outflows	(10,769,763)	-	-
	<u>\$ (89,533)</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2024

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
<u>Net settled</u>			
Foreign forward exchange contracts	\$ (2,265)	\$ -	\$ -
<u>Gross settled</u>			
Foreign forward exchange contracts			
Inflows	\$ 11,431,717	\$ -	\$ -
Outflows	(11,360,872)	-	-
	<u>\$ 70,845</u>	<u>\$ -</u>	<u>\$ -</u>

3) Bank credit limit

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank general credit limit			
Amount used	\$ 108,337	\$ 5,682,747	\$ 5,876,718
Amount unused	<u>8,570,551</u>	<u>3,254,403</u>	<u>2,980,277</u>
	<u>\$ 8,678,888</u>	<u>\$ 8,937,150</u>	<u>\$ 8,856,995</u>
Secured bank overdraft facilities			
Amount used	\$ 2,900,000	\$ 9,700,000	\$ 9,700,000
Amount unused	<u>6,800,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,700,000</u>	<u>\$ 9,700,000</u>	<u>\$ 9,700,000</u>

Amount used included short-term borrowings, long-term borrowings, guarantees for customs duties and patent litigation.

31. TRANSACTIONS WITH RELATED PARTIES

Balances, transactions, revenue and expenses between HTC and its subsidiaries, which are related parties of HTC, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Names and Relationships of Related-parties

Related-parties	Relationship with the Group
VIA Technologies Inc.	Its chairman is HTC's director
VIA Labs, Inc.	Its chairman is HTC's director
HTC Education Foundation	Its chairman is HTC's director
Nan Ya Plastics Corporation	Its director and HTC's chairwoman are relatives
Employees' Welfare Committee	Employees' Welfare Committee of HTC
VIA Technologies (China) Co., Ltd.	The chairman of its parent Group is HTC's director
Premier Investment & Consultant (Shanghai) Co., Ltd.	Its chairwoman is HTC's chairwoman
CW & ET Link Inc.	Its director is HTC's chairwoman
Kun Chang Investment Co., Ltd.	Its director is HTC's chairwoman
ASIAPLAY TAIWAN DIGITAL ENTERTAINMENT LTD.	Its director is HTC's chairwoman
Shanghai Property Management (Shanghai) Co., Ltd.	Related party in substance
TVBS Media Inc.	Its director is HTC's chairwoman
Chinese Christian Faith and Love Foundation	Its director is HTC's chairwoman
VIA Technologies Inc. Plastics Corporation	Related party in substance
Beijing Weisheng Yonghong Property Co., Ltd.	The chairman of its ultimate parent Group is HTC's director
Chang Gung Memorial Medical Foundation	Its director and HTC's chairwoman are relatives
Chang Gung Memorial University	Its director and HTC's chairwoman are relatives
Leo Systems, Inc.	Related party in substance
VRChat, Inc.	Associates

(Continued)

Related-parties	Relationship with the Group
XI'an Hongwun Digital Technology Co., Ltd.	Investments in joint ventures
Xi'an Hongwen commercial operation Management Co., Ltd.	Subsidiary of investments in joint ventures
Temple Of Light Culture Technology Co., Ltd.	Subsidiary of associates
Small Creative SAS	Associates

(Concluded)

Operating Sales

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Other related parties	<u>\$ 69,541</u>	<u>\$ 5,493</u>	<u>\$ 76,614</u>	<u>\$ 16,759</u>

The following balances of trade receivables from related parties were outstanding at the end of the reporting period:

	September 30, 2025	December 31, 2024	September 30, 2024
Other related parties	<u>\$ 9,009</u>	<u>\$ 1,608</u>	<u>\$ 914</u>

For sales other than those that are made solely to related parties, the terms and prices offered to related parties are more favorable than those to third parties. The outstanding receivables from related parties are unsecured and no impairment losses have been recognized.

Purchase

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Other related parties	<u>\$ 280</u>	<u>\$ 617</u>	<u>\$ 722</u>	<u>\$ 1,173</u>

The following balances of trade payables from related parties were outstanding at the end of the reporting period:

	September 30, 2025	December 31, 2024	September 30, 2024
Other related parties	<u>\$ 429</u>	<u>\$ 153</u>	<u>\$ 1,191</u>

Purchase prices for related parties and third parties were similar. The outstanding balance of trade payables to related parties are unsecured and will be settled in cash.

Advance Receipts

	September 30, 2025	December 31, 2024	September 30, 2024
XI'an Hongwun Digital Technology Co., Ltd.	\$ -	\$ 18,812	\$ -
TVBS Media Inc.	-	2,621	-
Other related parties	<u>82</u>	<u>75</u>	<u>406</u>
	<u>\$ 82</u>	<u>\$ 21,508</u>	<u>\$ 406</u>

Compensation of Key Management Personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term benefits	\$ 16,263	\$ 17,099	\$ 150,827	\$ 77,220
Post-employment benefits	<u>162</u>	<u>161</u>	<u>486</u>	<u>568</u>
	<u>\$ 16,425</u>	<u>\$ 17,260</u>	<u>\$ 151,313</u>	<u>\$ 77,788</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

Lease Liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Premier Investment & Consultant (Shanghai) Co., Ltd.	\$ 41,266	\$ 52,690	\$ 56,358
Beijing Weisheng Yonghong Property Co., Ltd.	<u>1,830</u>	<u>12,400</u>	<u>15,592</u>
	<u>\$ 43,096</u>	<u>\$ 65,090</u>	<u>\$ 71,950</u>

Finance Costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Premier Investment & Consultant (Shanghai) Co., Ltd.	\$ 456	\$ 626	\$ 1,515	\$ 1,945
Beijing Weisheng Yonghong Property Co., Ltd.	<u>15</u>	<u>132</u>	<u>147</u>	<u>495</u>
	<u>\$ 471</u>	<u>\$ 758</u>	<u>\$ 1,662</u>	<u>\$ 2,440</u>

Lease Expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
VIA Technologies Co., Ltd.	\$ 253	\$ 365	\$ 577	\$ 676
VIA Technologies (China) Co., Ltd.	106	115	330	340
Other related parties	<u>29</u>	<u>89</u>	<u>80</u>	<u>402</u>
	<u>\$ 388</u>	<u>\$ 569</u>	<u>\$ 987</u>	<u>\$ 1,418</u>

The Group leased offices, meeting rooms, staff dormitory and equipment rooms owned by related party under an operating lease agreement, respectively. The rental payment is determined at the prevailing rates in the surrounding area.

Other Related-party Transactions

Other related parties provide property management, digital photography, consultancy service and technical support service. The cost and fees were NT\$1,159 thousand, NT\$2,095 thousand, NT\$7,373 thousand and NT\$18,390 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the outstanding balances of other payables to related parties were NT\$5,253 thousand, NT\$908 thousand and NT\$6,094 thousand, respectively.

The Group collects property management fees and utility fees from other related companies. Other income was NT\$3,860 thousand, NT\$3,711 thousand, NT\$8,936 thousand and NT\$8,600 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively.

32. PLEDGED ASSETS

As of September 30, 2025, December 31, 2024 and September 30, 2024, time deposits and demand deposits classified as other financial assets totaled NT\$144,776 thousand, NT\$124,697 thousand and NT\$99,519 thousand, respectively. These deposits were provided as collateral for rental deposits, customs duties, patent litigation, supplier contract and performance bonds.

The following assets were pledged as collateral for bank borrowings:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment			
Land	\$ 3,603,229	\$ 4,566,756	\$ 4,566,756
Buildings	670,803	1,591,426	1,587,490
Investment properties	<u>809,663</u>	<u>1,757,068</u>	<u>1,773,619</u>
	<u>\$ 5,083,695</u>	<u>\$ 7,915,250</u>	<u>\$ 7,927,865</u>

33. COMMITMENTS, CONTINGENCIES AND SIGNIFICANT CONTRACTS

- a. On January 30, 2017, 3G Licensing S.A. (“3GL”), Orange S.A. (“Orange”), and Koninklijke KPN N.V. filed a lawsuit against HTC and a subsidiary of the Group, HTC America Inc. (“HTC America”), in U.S. District Court in Delaware alleging, inter alia, infringement of three of 3GL’s patents. The plaintiffs dismissed HTC America from the case, and a jury trial was held involving only 3GL, Orange, HTC and two of 3GL’s patents. The trial commenced on October 10, 2023, and on October 16, 2023, the jury found infringement of the patents and awarded damages against HTC. The Group has deposited a security for the judgment into the Court Registry Investment System. The Group does not believe the patents have been infringed and plans to vigorously appeal the verdict.
- b. On the basis of its past experience and consultations with its legal counsel, the Group has measured the possible effects of the contingent lawsuits on its business and financial condition.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information includes foreign currencies other than functional currencies of the Group. Exchange rates between foreign currencies and respective functional currencies are disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

Unit: In Thousands of Each Foreign Currency

	September 30, 2025		December 31, 2024		September 30, 2024	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
<u>Financial assets</u>						
Monetary items						
USD	\$ 466,645	30.46	\$ 755,500	32.79	\$ 719,893	31.66
EUR	66,967	35.76	97,177	34.14	96,967	35.37
JPY	862,392	0.2057	1,731,719	0.2099	4,655,834	0.2224
RMB	186,111	4.27	1,247,698	4.48	2,330,081	4.53
GBP	9,724	40.96	127,292	41.19	123,631	42.42
SGD	13,581	23.61	77,609	24.13	76,070	24.72
Non-monetary items						
USD	157,848	30.46	126,563	32.79	132,467	31.66
RMB	317,419	4.27	177,134	4.48	179,876	4.53
Investments accounted for using the equity method						
USD	22,349	30.46	24,517	32.79	26,076	31.66
RMB	42,082	4.27	43,401	4.48	43,591	4.53
<u>Financial liabilities</u>						
Monetary items						
USD	223,951	30.46	505,773	32.79	525,029	31.66
EUR	26,922	35.76	25,028	34.14	23,558	35.37
JPY	435,839	0.2057	888,747	0.2099	2,871,026	0.2224
RMB	30,305	4.27	55,085	4.48	103,069	4.53
SGD	81	23.61	2,065	24.13	5,072	24.72

For the three months and nine months ended September 30, 2025 and 2024, realized and unrealized net foreign exchange gain (loss) were NT\$35,326 thousand, NT\$17,729 thousand, NT\$(167,624) thousand and NT\$38,956 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group’s entities.

35. SIGNIFICANT CONTRACTS

The Group specializes in the research, design, manufacture and sale of virtual reality devices and smart mobile devices. To enhance the quality of its products and manufacturing technologies, the Group has patent agreements, as follows:

Contract Type	Contractor	Term	Description	Restrictive Covenants
Patent license	Qualcomm Incorporated	December 20, 2000 to the following dates: a. If the Group materially breaches any agreement terms and fails to take remedial action within 30 days after Qualcomm's issuance of a written notice, the Group will be prohibited from using Qualcomm's property or patents. b. Any time when the Group's not using any of Qualcomm's intellectual property, the Group may terminate this agreement upon 60 days' prior written notice to Qualcomm.	Authorization to use CDMA technology to manufacture and sell units, royalty payment based on agreement.	No

36. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees:
 - 1) Financing provided to others (None)
 - 2) Endorsements/guarantees provided (None)
 - 3) Significant marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities) (Table 1)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 2)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
 - 6) Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them (Table 6)
 - 7) Information on investees (Table 4)

b. Information on investments in mainland China

- 1) Information on investee companies in mainland China, including the name, principal business activities, paid-in capital, accounting method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in mainland China (Table 5)
- 2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, their prices, payment terms and unrealized gains or losses (None):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
 - c) The amount of property transactions and the amount of the resulting gains or losses
 - d) The balance of negotiable instrument endorsements, guarantees or pledges of collateral at the end of the year and their purposes
 - e) The most significant balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

37. SEGMENT INFORMATION

The Group is organized and managed as a single reportable business segment. The Group's operations are mainly in the research, design, manufacture and sale of virtual reality devices and smart mobile devices. Revenue from these operations is more than 90% of the total revenue. The Group is considered a single segment. The basis of information reported to the chief operating decision maker is the same as the financial statements. Thus, the segment revenue and results for the nine months ended September 30, 2025 and 2024 can be found in the consolidated statements of comprehensive income and the segment assets and liabilities as of September 30, 2025 and 2024 can be found in the consolidated balance sheets.

HTC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES SIGNIFICANT HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

SEPTEMBER 30, 2025

(In Thousands of New Taiwan Dollars)

Holding Company	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	At the End of the Period				Note
				Shares (In Thousand)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
HTC Corporation	<u>Listed shares</u> VIA Technologies, Inc.	Its chairman is HTC's director	Financial assets at fair value through other comprehensive income - non-current	8.5	\$ 475	-	\$ 475	
High Tech Computer Asia Pacific Pte. Ltd.	<u>Money market fund</u> BlackRock Money Market Fund (Liquidity Fund)	-	Financial assets at fair value through profit or loss - current	-	386,101	-	386,101	
	Morgan Stanley Money Market Fund	-	"	-	199,895	-	199,895	
	<u>Private equity fund</u> Apollo IG Short Duration Replacement (Cayman)	-	Financial assets at fair value through profit or loss - current	-	609,150	-	609,150	
	Apollo Asset-Backed Finance Oversea Fund	-	Financial assets at fair value through profit or loss - non-current	-	609,150	-	609,150	
	Apollo Credit Strategies Absolute Return Offshore Fund	-	"	-	1,236,988	-	1,236,988	
	Apollo Debt Solutions BDC iCapital Offshore Access Fund	-	"	-	1,370,588	-	1,370,588	
	SPC-Accumulation Class I Shares	-	"	-	1,370,588	-	1,370,588	
	Ares Strategic Income Fund-Accumulation Class I Shares	-	"	-	1,370,588	-	1,370,588	
HTC Investment Corporation	<u>Listed shares</u> VIA Technologies, Inc.	Its chairman is HTC's director	Financial assets at fair value through other comprehensive income - non-current	438	24,353	-	24,353	
H.T.C. (B.V.I.) Corp.	<u>Unlisted equity investments</u> EMISSIVE	-	Financial assets at fair value through other comprehensive income - non-current	37	133,275	18.03	133,275	
	KKCompany Technologies Inc.	-	"	12,288	284,936	7.49	284,936	
	Race capital	-	"	-	497,763	-	497,763	
	TransLink Capital Fund Partners II, L.P.	-	"	-	292,147	-	292,147	
	<u>Money market fund</u> BlackRock Money Market Fund (Liquidity Fund)	-	Financial assets at fair value through profit or loss - current	-	334,072	-	334,072	

(Continued)

Holding Company	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	At the End of the Period				Note
				Shares (In Thousand)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
H.T.C. (B.V.I.) Corp.	<u>Private equity fund</u>							
	Apollo IG Short Duration Replacement (Cayman)	-	Financial assets at fair value through profit or loss - current	-	\$ 5,482,350	-	\$ 5,482,350	
	Bain Capital Griffin Aircraft Offshore Feeder Fund	-	Financial assets at fair value through profit or loss - non-current	-	146,196	-	146,196	
	BlackRock Global Infrastructure Debt Fund II Feeder SCSp	-	"	-	568,439	-	568,439	
HTC Investment (BVI) Corp.	<u>Unlisted equity investments</u>							
	Ally Bridge Group	-	Financial assets at fair value through other comprehensive income - non-current	-	227,803	-	227,803	
	Ally Bridge Group-CMRCO	-	"	-	289,080	-	289,080	
	Anzu Virtual Reality Ltd.	-	"	-	109,647	3.59	109,647	
	Cherubic Ventures	-	"	-	152,108	-	152,108	
	Event X	-	"	1,466	121,830	6.80	121,830	
	Presence Capital Fund I, LP	-	"	-	148,942	-	148,942	
	XRHealth, Inc	-	"	293	126,642	3.30	126,642	
	<u>Money market fund</u>							
	BlackRock Money Market Fund (LEAF)	-	Financial assets at fair value through profit or loss - current	-	269,169	-	269,169	
	BlackRock Money Market Fund (Liquidity Fund)	-	"	-	255,171	-	255,171	
HTC VIVE Investment (BVI) Corp.	<u>Listed shares</u>							
COVER Corporation	-	Financial assets at fair value through other comprehensive income - current	325	122,006	1.43	122,006		
HTC Electronics (Shanghai) Co., Ltd.	<u>Unlisted equity investments</u>							
	Kunqiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (Limited Partnership)	-	Financial assets at fair value through other comprehensive income - non-current	-	1,114,141	-	1,114,141	
	Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership (Limited Partnership)	-	"	-	223,024	-	223,024	
HTC America Holding Inc.	<u>Private credit fund</u>							
Apollo IG Short Duration Replacement (Delaware)	-	Financial assets at fair value through profit or loss - current	-	2,436,600	-	2,436,600		

Note: This table presents the marketable securities that Group has determined should be disclosed based on the materiality principle.

(Concluded)

HTC CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
HTC Corporation	HTC America Inc. HTC NIPPON Corporation	Grandson company	Sales	\$ (275,936)	(21)	60 days	More favorable than unrelated parties	Similar to unrelated parties	\$ 167,941	44	
		Grandson company	Sales	(116,883)	(9)	60 days	More favorable than unrelated parties	Similar to unrelated parties	11,224	3	
HTC America Inc.	HTC Corporation	Parent company	Purchases	275,936	69	60 days	No comparable unrelated parties	Similar to unrelated parties	(167,941)	(99)	
HTC NIPPON Corporation	HTC Corporation	Parent company	Purchases	116,883	96	60 days	No comparable unrelated parties	Similar to unrelated parties	(11,224)	(86)	

HTC CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 SEPTEMBER 30, 2025
 (In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
HTC Corporation	HTC America Inc.	Grandson company	\$ 167,941	4.38	\$ -	-	\$ 133,753	\$ -
HTC EUROPE CO., LTD.	HTC Corporation	Parent company	320,808	0.92	-	-	-	-
HTC (Australia and New Zealand) PTY LTD.	HTC Corporation	Parent company	107,796	0.19	-	-	-	-
HTC HK, Limited	HTC Corporation	Parent company	119,553	0.22	-	-	-	-
Viveport Digital Corporation	Viverse Limited (Ireland)	Same parent company	170,422	1.17	-	-	-	-

HTC CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Business Activity	Original Investment Amount		At the End of the Year			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
HTC Corporation	H.T.C. (B.V.I.) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company and general investing activities	\$ 9,914,828	\$ 4,517,708	3,276,202	100.00	\$ 8,397,168	\$ (191,572)	\$ (191,572)	
	High Tech Computer Asia Pacific Pte. Ltd.	#13-00 Robinson 77 Singapore 068896	International holding company; marketing, repair and after-sales services	3,999,144	3,999,144	138,783	100.00	8,952,145	(370,445)	(370,445)	Note 1
	HTC Investment Corporation	1F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	General investing activities	271,874	342,874	27,187	100.00	67,727	3,835	3,835	
	HTC Holding B.V.	Van Boshuizenstraat 12, (unit 1.25), 1083BA Amsterdam, the Netherlands	International holding company	13	13	-	0.01	13	(33,994)	-	
	HTC Investment One (BVI) Corporation	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	Holding S3 Graphics Co., Ltd. and general investing activities	9,688,603	10,006,434	323,133	100.00	105,825	15,311	15,311	
	HTC Investment (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	General investing activities	832,990	832,990	26,000	100.00	3,213,364	(96,784)	(96,784)	
	HungXu Holding (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	234,324	234,324	7,000	100.00	233,895	(22,385)	(22,385)	
	HTC VIVE Investment (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	General investing activities	302,807	302,807	10,000	100.00	350,915	(4,436)	(4,436)	
	DeepQ Holding (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	201,723	498,565	6,600	100.00	(84,772)	1,402	1,402	
	HTC Smartphone (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	1,004	1,004	33	100.00	59	(270)	(270)	
	HTC VR Content (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	52,518	52,518	1,710	100.00	18,449	(408)	(408)	
	HungYao Technology Co, Ltd.	16F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Manufacturing of electronic parts	100	100	10	100.00	95	-	-	
HTC EUROPE CO., LTD.	Salamanca Wellington Street Slough Berkshire England SL1 1YP	International holding company; marketing, repair and after-sales services	9,349,409	9,349,409	104,061	100.00	5,178,019	(81,974)	(81,974)	Notes 2 and 3	
H.T.C. (B.V.I.) Corp.	East West Artists, LLC	5200 W Century Blvd Suite 701, Los Angeles, CA 90045, US	Human resources management	38,386	38,386	1,200	30.00	-	-	-	
	Steel Wool Games Inc.	95 Linden St Suite 4, Oakland, CA 94607	Development of virtual reality contents	171,870	171,870	10,822	49.00	-	(77,327)	(37,890)	
	Surgical Theater, LLC	781 BETA DRIVE MAYFIELD VILLAGE, OHIO 44143 USA	Development of virtual reality contents	437,595	437,595	46	16.30	-	-	-	
	MOR Museum Inc.	1601-1252 Hornby Street, Vancouver, BC V6Z 0A3 Canada	Development of virtual reality contents	49,344	49,344	437	25.00	3,482	(917)	(229)	
	Temple of Light Limited	Unit F, 9/F, West Nanjing Rd. 993, Jingan District, Shanghai	Development of virtual reality contents	32,341	32,341	4,760	25.00	9,711	(3,981)	(14,312)	
	Backlight Studio SAS	47 Boulevard Ornano Bat P1 93200 Saint-Denis, Paris, FR	Digital art	40,884	-	-	30.02	10,729	-	(31,607)	
	Lucid Realities SAS XR Addict	108, Avenue Ledru-Rollin, Paris, FR 128, rue de la Boétie - 75008, Paris, FR	Digital art Digital art	68,472 25,686	- -	20 65	25.00 15.96	27,927 8,023	(24,676) (2,252)	(42,761) (18,714)	

(Continued)

Investor Company	Investee Company	Location	Main Business Activity	Original Investment Amount		At the End of the Year			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
High Tech Computer Asia Pacific Pte. Ltd.	HTC (Australia and New Zealand) PTY LTD.	SUITE 1 LEVEL 7, 460-62 YORK STREET, SYDNEY NSW 2000	Marketing, repair and after-sales services	\$ 117,871	\$ 117,871	400	100.00	\$ 101,870	\$ 1,394	\$ 1,394	Note 4
	HTC Philippines Corporation	UNIT 32 3/F WORLDNET BUSINESS CENTER ZETA BLDG 191, SALCEDO ST LEGASPI VILLAGE, MAKATI CITY 1229	Marketing, repair and after-sales services	6,596	6,596	859	100.00	-	-	-	
	HTC India Private Limited	Seat No. 45, Plot No. 11, Sector 33, Arjun Nagar, Gurgaon, New Colony, Haryana, India, 122001	Marketing, repair and after-sales services	4,094	4,094	495	99.00	127,892	103	102	
	HTC HK, Limited	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	International holding company; marketing, repair and after-sales services	151,634	151,634	37,626	100.00	1,663,204	(311,338)	(311,338)	
	HTC Holding B.V.	Van Boshuizenstraat 12 unit 1.25, 1083 BA Amsterdam, the Netherlands	International holding company	6,815,370	6,815,370	118,569	99.99	623,724	(33,994)	(33,994)	
HTC Investment One (BVI) Corporation	S3 Graphics, Co., Ltd.	P.O. Box 709 George Town Grand Cayman	Design, research and development of graphics technology	9,033,450	9,033,450	308,279	100.00	94,282	5	5	
HTC Holding B.V.	HTC Servicios DE Operacion Mexico, S.A DE C.V.	Paseo de la Reforma 505 piso 32 Col Cuauhtemoc. Cp 06500 Mexico DF.	Human resources management	37	37	1	1.00	53	(105)	(1)	
	HTC Netherlands B.V.	Van Boshuizenstraat 12, (unit 1.25), 1083BA Amsterdam, the Netherlands	International holding company; marketing, repair and after-sales services	7,050,037	7,050,037	143,882	100.00	638,640	(33,449)	(33,449)	
	HTC India Private Limited	Seat No. 45, Plot No. 11, Sector 33, Arjun Nagar, Gurgaon, New Colony, Haryana, India, 122001	Marketing, repair and after-sales services	39	39	5	1.00	1,272	103	1	
	HTC Communication Solutions Mexico, S.A DE C.V.	Paseo de la Reforma 505 piso 32 Col Cuauhtemoc. Cp 06500 Mexico DF.	Marketing, repair and after-sales services	25	25	1	1.00	63	(449)	(4)	
HTC Netherlands B.V.	HTC Belgium BV	Botanic Tower, 6th floor, Boulevard Saint-Lazare, 4-10, 1210 Brussels	Marketing, repair and after-sales services	783	783	19	100.00	23,853	489	489	
	HTC NIPPON Corporation	The CORNER Nihonbashi east 7th floor, 1-9-1, Nihonbashi Bakurocho, Chuo-ku, Tokyo	Sale of virtual reality devices and smart mobile devices	154,810	154,810	56	100.00	227,526	2,237	2,237	
	HTC FRANCE CORPORATION	83-85 boulevard de Charonne 75011 Paris	Marketing, repair and after-sales services	459,161	459,161	11,000	100.00	40,933	810	810	
	HTC Nordic ApS.	c/o Redmark, Sommervej 31 C, Hasle, 8210 Aarhus V	Marketing, repair and after-sales services	5,345	5,345	80	100.00	11,933	50	50	
	HTC Italia SRL	c/o Studio Gargani & Associati, Via Nicolò Tartagli, 11, 00197 Roma, Italy	Marketing, repair and after-sales services	-	51,056	-	-	-	(3)	(3)	Note 5
	HTC Germany GmbH.	Friedrich-Ebert-Anlage 36 60325 Frankfurt am Main Germany	Marketing, repair and after-sales services	24,550	24,550	25	100.00	121,182	226	226	
	HTC Iberia S.L.	Conde de Vilches, 19, Madrid, 28028, Spain	Marketing, repair and after-sales services	-	9,402	-	-	-	-	-	Note 6
	HTC Poland sp. z o.o.	Jerozolimskie Business Park, Al. Jerozolimskie 146A, 02-305 Warszawa, Poland	Marketing, repair and after-sales services	2,301	2,301	5	100.00	6,194	203	203	
	HTC Communication Canada, Ltd.	2900-550 Burrard Street, Vancouver BC V6C 0A3, Canada	Marketing, repair and after-sales services	43,915	43,915	1,500	100.00	74,167	588	588	
	HTC Middle East FZ-LLC	DIC building no.3, office no.316, Dubai Internet City, Dubai	Marketing, repair and after-sales services	28,029	28,029	4	100.00	61,809	516	516	
HTC Communication Solutions Mexico, S.A DE C.V.	Paseo de la Reforma 505 piso 32 Col Cuauhtemoc. Cp 06500 Mexico DF.	Marketing, repair and after-sales services	2,460	2,460	50	99.00	6,442	(449)	(445)		
HTC Servicios DE Operacion Mexico, S.A DE C.V.	Paseo de la Reforma 505 piso 32 Col Cuauhtemoc. Cp 06500 Mexico DF.	Human resources management	3,690	3,690	50	99.00	5,419	(105)	(104)		

(Continued)

Investor Company	Investee Company	Location	Main Business Activity	Original Investment Amount		At the End of the Year			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
HTC EUROPE CO., LTD.	HTC America Holding Inc. DeepQ Holding Corporation	1625 Shattuck Ave, Berkeley, CA 94709	International holding company	\$ 6,341,332	\$ 6,341,332	371,617	100.00	\$ 3,644,747	\$ 603,995	\$ 603,995	Note 2 Note 3
		89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands	International holding company	314,390	314,390	61,700	100.00	186,029	(44,927)	(44,927)	
	VIVE Arts Holding Corporation Viverse Holding Corporation REIGN Technology Corporation	89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands	International holding company	178,843	178,843	32,000	100.00	129,979	(27,707)	(27,707)	
			International holding company	1,606,825	1,606,825	23,498	100.00	821,387	(228,378)	(228,378)	
VIVE Arts Holding Corporation	VIVE Arts Corporation VIVE Arts Limited	15th Floor, No. 88, Section 3, Zhongxing Road, Xindian District, New Taipei City	Digital art	27,500	27,500	2,750	100.00	12,454	(4,228)	(4,228)	
		Salamanca, Wellington Street, Slough, Berkshire, United Kingdom SL1 1YP	Digital art	137,290	137,290	4,600	100.00	41,017	(23,456)	(23,456)	
DeepQ Holding Corporation	DeepQ (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	313,539	313,539	164,700	100.00	97,417	(44,884)	(44,884)	Note 3
REIGN Technology Corporation	REIGN Technology Corporation	12F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Construction, application and after-sales services of 5G	414,000	318,000	41,400	100.00	130,353	(72,373)	(72,373)	
Viverse Holding Corporation	Viverse Limited (UK)	Salamanca, Wellington Street, Slough SL1 1YP	International holding company	1,602,553	1,602,553	40,336	100.00	818,813	(228,317)	(228,317)	
Viverse Limited (UK)	Viverse Limited (Ireland) Viveport Digital Corporation	10 Earlsfort Terrace, Dublin 2, Republic of Ireland	Market development and sale of virtual reality contents	1,219,635	1,219,635	35,325	100.00	331,471	(300,262)	(300,262)	
		11F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Interactive scenario experience services	350,000	350,000	35,000	100.00	167,522	74,687	74,687	
HTC America Holding Inc.	HTC America Inc. One & Company Design, Inc. HTC America Innovation Inc. Dashwire, Inc. HTC America Content Services, Inc. Inquisitive Minds, Inc.	1625 Shattuck Ave, Berkeley, CA 94709	Sale of virtual reality devices and smart mobile devices	130,973	1,114,451	1	100.00	423,571	49,160	49,160	Note 2
		1625 Shattuck Ave, Berkeley, CA 94709	Design, research and development of application software	191,052	191,052	60	100.00	2,514	-	-	
		1625 Shattuck Ave, Berkeley, CA 94709	Design, research and development of application software	93,780	93,780	1	100.00	100,936	507,359	507,359	
		1625 Shattuck Ave, Berkeley, CA 94709	Design and management of cloud synchronization technology	-	600,501	0.1	100.00	1,593	-	-	
		1625 Shattuck Ave, Berkeley, CA 94709	Online/download media services	2,414,274	2,414,274	31	100.00	43,717	3,779	3,779	
HungXu Holding (BVI) Corp.	HungXu Technology (BVI) Corp.	1625 Shattuck Ave, Berkeley, CA 94709	Development and sale of digital education platform	-	388,982	-	-	-	-	-	Note 7
		Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	203,795	203,795	32,000	100.00	252,128	(5,529)	(5,529)	
HungXu Technology (BVI) Corp.	HungXu TECH Corp.	8F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Research and development of virtual reality devices	157,000	157,000	15,700	100.00	209,309	3,814	3,814	Note 8
DeepQ (BVI) Corp.	DeepQ Technology Corp.	13F., No. 207-5, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City	Medical technology and health care	467,212	395,212	46,721	100.00	83,835	(43,809)	(43,809)	Note 3

(Continued)

Investor Company	Investee Company	Location	Main Business Activity	Original Investment Amount		At the End of the Year			Net Income (Loss) of the Investee	Investee Company Gain (Loss)	Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
HTC Investment (BVI) Corp.	VRChat, Inc.	288 Bryn Mawr Cir, Houston TX 77024, USA	Development of virtual reality contents	\$ 391,860	\$ 391,860	79,257	34.02	\$ 602,004	\$ (109,915)	\$ (37,389)	
	HTC VIVE TECH (HK) Limited	Unit 1606, 16/F., Citicorp Centre, No. 18 Whitfield Road, Causeway Bay, Hong Kong	Research, development and sale of virtual reality devices	31,213	206,924	10,000	100.00	(41,848)	(5,611)	(5,611)	
	Small Creative	62 avenue Parmentier, 75011 Paris, France	Digital art	49,927	49,927	-	28.01	18,808	865	(32,883)	
HTC VR Content (BVI) Corp.	Uomo Vitruviano Corp.	11F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Development of virtual reality contents	50,000	50,000	5,000	100.00	16,782	(320)	(320)	

Note 1: The carrying amount includes unrealized loss of NT\$808 thousand at the end of the current period.

Note 2: The carrying amount excludes unrealized profit of NT\$18,832 thousand at the end of the current period.

Note 3: The carrying amount includes adjustment for IFRS 16 of NT\$111 thousand at the end of the current period.

Note 4: HTC Philippines Corporation has completed the company deregistration process and recognized the related loss and wrote it off in the second quarter of 2025.

Note 5: HTC Italia SRL completed the liquidation process on March 13, 2025.

Note 6: HTC Iberia S.L. completed the liquidation process on March 18, 2025.

Note 7: Inquisitive Minds, Inc. completed the liquidation process on February 20, 2025.

Note 8: The dissolution of Hung Xu TECH Corp. was approved in its shareholders' meeting held on December 31, 2024. and the liquidation process is still ongoing.

(Concluded)

HTC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)

Investee Company	Main Business Activity	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of the Beginning of the Year	Investment Flows		Accumulated Outflow of Investment from Taiwan as of the End of the Year	Net Income (Loss) of the Investee	Percentage of Ownership (%)	Investment Gain (Loss)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
High Tech Computer Corp. (Suzhou) (Note 4)	Manufacture and sale of smart mobile devices	US\$ -	Investment in company located in mainland China indirectly through H.T.C. (B.V.I.) Corp.	\$ 3,312 (US\$ 100)	\$ -	\$ -	\$ 3,312 (US\$ 100)	\$ -	-	\$ -	\$ -	\$ -
HTC Corporation (Shanghai WGQ) (Note 7)	Smart mobile devices examination and after-sale services and technique consultations	US\$ -	Investment in company located in mainland China indirectly through HTC HK, Limited.	49,845 (US\$ 1,500)	-	-	49,845 (US\$ 1,500)	-	-	-	-	-
HTC Electronics (Shanghai) Co., Ltd. (Note 5)	Manufacture and sale of virtual reality devices and smart mobile devices	US\$ 2,909	"	821,335 (US\$ 133,000)	-	-	821,335 (US\$ 133,000)	(8,547)	100.00	(8,547)	1,521,307	-
HTC Communication Co., Ltd. (Note 6)	Sale of virtual reality devices and smart mobile devices and after-sales services	US\$ 97,500	Investment in company located in mainland China indirectly through High Tech Computer Asia Pacific Pte. Ltd.	4,125,897 (US\$ 127,500)	-	-	4,125,897 (US\$ 127,500)	(118,907)	100.00	(118,907)	352,111 (Note 3)	-
HTC Communication Technologies (Shanghai) Limited	Design, research and development of application software	US\$ 4,000	"	120,799 (US\$ 4,000)	-	-	120,799 (US\$ 4,000)	4,060	100.00	4,060	249,143	-
Ji Jih Suo Sin Si Technology (Shanghai) Co., Ltd.	Design and system integration of computer software and wholesale and retail of peripheral equipment software	US\$ 51,550	Investment in company located in mainland China indirectly through GSUO Inc.	249,678 (US\$ 8,000)	-	-	249,678 (US\$ 8,000)	-	10.32	-	-	-
HTC Communication (BJ) Tech Co.	Design, research and development of application software	RMB 10,500	Investment in company located in mainland China through the own funds of HTC Communication Technologies (Shanghai) Limited.	-	-	-	-	3,033	100.00	3,033	124,310	-
Gui Zhou Wei Ai Technology Group Co., Ltd.	Development and sales of virtual reality contents	RMB 11,775	Investment in company located in mainland China through the own funds of HTC Communication Co., Ltd.	-	-	-	-	(12,840)	26.05	(3,345)	83,038	-

(Continued)

Investee Company	Main Business Activity	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of the Beginning of the Year	Investment Flows		Accumulated Outflow of Investment from Taiwan as of the End of the Year	Net Income (Loss) of the Investee	Percentage of Ownership (%)	Investment Gain (Loss)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
Beijing Transmission Weiku Technology Co., Ltd.	Research and development of virtual reality contents	RMB 64	Investment in company located in mainland China through the own funds of HTC Communication Co., Ltd.	\$ -	\$ -	\$ -	\$ -	\$ -	6.00	\$ -	\$ -	\$ -
Beijing Seven Vision Virtual Technology Co., Ltd.	Research and development of virtual reality contents	RMB 1,087	"	-	-	-	-	-	8.00	-	-	-
Shenzhen Yichen Virtual Reality Technology Co., Ltd.	Research and development of virtual reality contents	RMB 5,342	"	-	-	-	-	-	1.32	-	-	-
Shenzhen Shengda Education Technology Co., Ltd.	Research and development of virtual reality contents	RMB 950	"	-	-	-	-	-	6.88	-	1,495	-
Shanghai Duowei Network Technology Co., Ltd.	Research and development of virtual reality contents	RMB 133	"	-	-	-	-	-	5.00	-	-	-
Shanghai Chaoshi Business Management Partnership (Limited Partnership)	Research and development of virtual reality contents	RMB 100	"	-	-	-	-	-	20.00	-	1,196	-
Beijing WEWOD Entertainment Technology Co., Ltd.	Research and development of virtual reality contents	RMB 1,812	"	-	-	-	-	-	1.50	-	6,409	-
Shanghai Judao Network Technology Co., Ltd.	Research and development of virtual reality contents	RMB 142	"	-	-	-	-	-	2.00	-	2,147	-
Shanghai Lenqiy Information Technology Co., Ltd.	Research and development of virtual reality contents	RMB 3,000	"	-	-	-	-	-	3.00	-	1,419	-
Beijing Yuanji Technology Co., Ltd.	Research and development of virtual reality contents	RMB -	"	-	-	-	-	-	5.00	-	-	-
Qinhuangdao Shiyi Technology Co., Ltd.	Research and development of virtual reality contents	RMB 685	"	-	-	-	-	-	5.00	-	2,136	-
Hefei Yao An Technology Co., Ltd.	Research and development of virtual reality contents	RMB 12,208	"	-	-	-	-	-	2.00	-	4,273	-
Red Landmark (Beijing) Culture Technology Co., Ltd.	Production of radio and television programs	RMB 12,077	"	-	-	-	-	-	3.00	-	-	-
HTC VIVE TECH (Beijing) (Note 8)	Research, development and sale of virtual reality devices	US\$ 800	Investment in company located in mainland China indirectly through HTC VIVE TECH (HK) Limited	24,067 (US\$ 800)	-	-	24,067 (US\$ 800)	(521)	100.00	(521)	-	-

(Continued)

Investee Company	Main Business Activity	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of the Beginning of the Year	Investment Flows		Accumulated Outflow of Investment from Taiwan as of the End of the Year	Net Income (Loss) of the Investee	Percentage of Ownership (%)	Investment Gain (Loss)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
DeepQ Technology (Beijing) (Note 9)	Development and marketing of software technology	US\$ 500	Investment in company located in mainland China indirectly through DeepQ (BVI) Corp.	\$ 89,732 (US\$ 3,000)	\$ -	\$ -	\$ 89,732 (US\$ 3,000)	\$ (983)	100.00	\$ (983)	\$ 4,984	\$ -
XI'an Hongwun Digital Technology Co., Ltd.	Digital content development and sales	RMB 50,000	Investment in company located in mainland China through the own funds of HTC Electronics (Shanghai) Co., Ltd.	-	-	-	-	(5,222)	47.00	(2,454)	96,768	-

Accumulated Investment in Mainland China for the Years Ended	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on Investment
\$ 5,484,665 (US\$ 177,900)	\$ 8,551,987 (US\$ 278,600)	\$ 16,039,533

Note 1: Investment amounts authorized by the Investment Commission, MOEA: The remitted amount is translated at the exchange rate of the original remittance and the unremitted amount is converted at the exchange rate of NT\$30.46 to US\$1 at September 30, 2025.

Note 2: Investment gains (losses) and the carrying amount as of September 30, 2025 are based on reviewed financial statements. Gains and losses are translated at the average exchange rate of NT\$4.3242 to RMB1 from January to September 2025. The carrying amount is translated at the exchange rate on September 30, 2025 at NT\$4.2727 to RMB1.

Note 3: The carrying amount includes unrealized loss of NT\$808 thousand at the end of the current period.

Note 4: High Tech Computer Corp. (Suzhou) has completed the liquidation process on July 5, 2019. As of September 30, 2025, the refunded capital has not been repatriated to Taiwan.

Note 5: HTC Electronics (Shanghai) Co., Ltd. reduced its share capital by US\$130,000 thousand on September 2019. As of September 30, 2025, the refunded capital US\$30,000 thousand has not been repatriated to Taiwan.

Note 6: HTC Communication Co., Ltd. was approved by the local competent authority to reduce its share capital by US\$30,000 thousand on March 2025. As of September 30, 2025, the refunded capital has not been repatriated to Taiwan.

Note 7: The dissolution of HTC Corporation (Shanghai WGQ). was approved in its shareholders' meeting held on July 31, and the deregistration has been completed on April 7, 2025. 2024. As of September 30, 2025, the refunded capital has not been repatriated to Taiwan.

Note 8: The dissolution of HTC VIVE TECH (Beijing) was approved in its shareholders' meeting on July 1, 2025, and the deregistration was completed on September 25, 2025. As of September 30, 2025, the refunded capital has not been repatriated to Taiwan.

Note 9: DeepQ Technology (Beijing) reduced its share capital by US\$2,500 thousand on July 2025. As of September 30, 2025, the refunded capital has not been repatriated to Taiwan.

(Concluded)

HTC CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details				
				Financial Statement Accounts	Amount (Note 3)	Payment Terms (Note 4)	% of Total Sales or Assets (Note 5)	
0	For the nine months ended September 30, 2025 HTC Corporation	HTC EUROPE CO., LTD.	a	Accrued expenses	\$ 320,808	More favorable than unrelated parties	-	
			a	Commission	183,228		9	
		HTC America Inc.	a	Sales	275,936		-	13
			a	Trade receivables	167,941		-	-
			a	Sales	116,883		-	6
			a	Accrued expenses	119,690		-	-
1	Viveport Digital Corporation	HTC NIPPON Corporation HTC HK, Limited HTC (Australia and New Zealand) Pty. Ltd.	a	Accrued expenses	107,796	-	-	
			b	Trade receivables	170,422	-	-	
		Viverse Limited (Ireland)	b	Service revenue	123,120	-	6	

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

- a. "0" for HTC Corporation.
- b. Subsidiaries (Numbered consecutively from "1".)

Note 2: Transactions are categorized as follows:

- a. From a parent company to its subsidiary.
- b. Between subsidiaries.

Note 3: All internal transactions between consolidated companies have been eliminated from the consolidated financial statements.

Note 4: Unless otherwise specified, it is the same as the unrelated parties.

Note 5: Percentage of consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of September 30, 2025.
Percentage of consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the nine months ended September 30, 2025.

Note 6: The standard for disclosure of information on business transactions between related parties requires a disclosure of the following financial items if the transaction is at least NT\$100 million or 20% of the paid-in-capital: Purchases (expenses), sales and receivables (payments). Financial items other than the above will not be disclosed.