AXIOMTEK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Stock Code : 3088)

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Notice to Readers

For the convenience of readers and for information purpose only, 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. In the event of any discrepancy 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.

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of AXIOMTEK CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of AXIOMTEK CO., LTD. and its subsidiaries (hereinafter referred to as "the Group") as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

As explained in Notes 4(3) and 6(6), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method, which statements reflect total assets (including investments accounted for using equity method) of NT$1,140,601 thousand and NT$1,178,389 thousand, constituting 16.25% and 16.00% of the consolidated total assets, and total liabilities of NT$265,524 thousand and NT$304,093 thousand, constituting 12.80% and 10.33% of the consolidated total liabilities as of September 30, 2025 and 2024, respectively, and total comprehensive income and loss of NT$6,476 thousand, NT$11,895 thousand, NT($10,700) thousand and NT$96,660 thousand, constituting 2.60%, 5.46%, (4.14%) and 16.59% of the consolidated total comprehensive income and loss for the three months and nine months periods then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months periods then ended and its consolidated cash flows for the nine months then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Lin, Po-Chuan Tsai, Pei-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan October 29, 2025

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of September 30, 2025 and 2024 are reviewed, not audited)

	Assets	Notes	September 30, 2025 Amount	%	December 31, 2024 Amount	%	September 30, 2024 Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,488,167	21	$ 1,745,946	24	$ 1,771,182	24
1110	Financial assets at fair value through profit or loss - current	6(2)	37	-	62,750	1	240	-
1140	Contract assets - current	6(24) and 7	5,609	-	7,831	-	6,717	-
1150	Notes receivable	6(4) and 7	6,437	-	25,628	-	28,893	-
1170	Accounts receivable	6(4) and 7	902,045	13	917,403	13	815,309	11
1196	Operating lease receivables, net		3,252	-	2,118	-	1,281	-
1197	Finance lease receivables, net	6(9) and 7	1,149	-	1,205	-	2,932	-
1200	Other receivables		45,547	1	30,465	-	47,381	1
1220	Current income tax assets		53,531	1	50,062	1	37,817	-
130X	Inventories	6(5)	1,650,467	23	1,525,943	21	1,731,807	24
1410	Prepayments		52,338	1	31,217	1	39,624	1
1470	Other current assets		3,298	-	1,892	-	6,499	-
11XX	**Total current assets**		4,211,877	60	4,402,460	61	4,489,682	61
	Non-current assets							
1535	Financial assets at amortized cost – non current	6(1) and 8	10,000	-	-	-	-	-
1550	Investments accounted for under equity method	6(6)	15,038	-	16,201	-	16,163	-
1600	Property, plant and equipment	6(7) and 8	2,325,339	33	2,383,412	33	2,395,010	33
1755	Right-of-use assets	6(8)	144,209	2	137,520	2	146,025	2
1760	Investment property	6(10)	36,620	1	36,992	-	37,116	-
1780	Intangible assets	6(11)	111,038	2	122,713	2	112,160	2
1840	Deferred income tax assets		139,007	2	144,424	2	158,028	2
194D	Long-term finance lease receivables, net	6(9) and 7	2,827	-	2,181	-	-	-
1990	Other non-current assets-others		24,576	-	14,949	-	12,202	-
15XX	**Total non-current assets**		2,808,654	40	2,858,392	39	2,876,704	39
1XXX	**Total Assets**		$ 7,020,531	100	$ 7,260,852	100	$ 7,366,386	100

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AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of September 30, 2025 and 2024 are reviewed, not audited)

	Liabilities and Equity	Notes	September 30, 2025 Amount	%	December 31, 2024 Amount	%	September 30, 2024 Amount	%
	Current liabilities							
2100	Short-term borrowings	6(13)	$ 65,000	1	$ -	-	$ 380,000	5
2130	Contract liabilities - current	6(24)	59,386	1	65,232	1	83,292	1
2150	Notes payable		-	-	16	-	17	-
2170	Accounts payable	6(15)	664,051	10	563,552	8	655,862	9
2180	Accounts payable – related parties	7	8,404	-	5,020	-	6,550	-
2200	Other payables	6(16) and 7	363,159	5	480,236	7	355,856	5
2230	Current income tax liabilities		12,775	-	109,502	1	120,912	2
2250	Current provisions		2,275	-	2,275	-	1,361	-
2280	Current lease liabilities		68,485	1	57,041	1	55,223	1
2320	Current portion of long- term liabilities	6(14) (17)	364,334	5	6,976	-	6,973	-
2399	Other current liabilities-others		7,441	-	12,213	-	21,501	-
21XX	**Total current liabilities**		1,615,310	23	1,302,063	18	1,687,547	23
	Non-current liabilities							
2530	Corporate bonds payable	6(17)	-	-	773,858	11	771,690	10
2540	Long-term borrowings	6(14)	26,409	1	48,317	1	50,064	1
2550	Non-current provision		734	-	734	-	1,080	-
2570	Deferred income tax liabilities		305,790	4	315,654	4	287,871	4
2580	Non-current lease liabilities		86,964	1	90,921	1	100,498	1
2640	Accrued pension liabilities		38,997	1	39,472	-	44,032	1
2645	Guarantee deposit received		638	-	638	-	638	-
25XX	**Total non-current liabilities**		459,532	7	1,269,594	17	1,255,873	17
2XXX	**Total liabilities**		2,074,842	30	2,571,657	35	2,943,420	40
	Equity attributable to shareholders of the parent							
	Share capital	6(20)						
3110	Ordinary shares		1,076,250	15	1,024,325	14	1,022,535	14
3140	Advance receipts for share capital		7,435	-	7,129	-	2,902	-
	Capital surplus	6(21)						
3200	Capital surplus		1,134,818	17	722,963	10	709,900	9
	Retained earnings	6(22)						
3310	Legal reserve		826,726	12	749,499	10	749,499	10
3350	Unappropriated retained earnings		1,833,676	26	2,082,113	29	1,848,828	25
	Other equity	6(23)						
3400	Other equity		17,303	-	58,282	1	46,782	1
31XX	**Total equity attributable to shareholders of the parent**		4,896,208	70	4,644,311	64	4,380,446	59
36XX	**Non - controlling interest**		49,481	-	44,884	1	42,520	1
3XXX	**Total equity**		4,945,689	70	4,689,195	65	4,422,966	60
	Significant events liabilities and unrecognized contract commitments	9						
3X2X	**Total Liabilities and Equity**		$ 7,020,531	100	$ 7,260,852	100	$ 7,366,386	100

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

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share)

			For the three months ended September 30,				For the nine months ended September 30,			
			2025		2024		2025		2024	
	Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue**	6(24) and 7	$ 1,744,511	100	$ 1,911,732	100	$ 4,999,077	100	$ 4,940,609	100
5000	**Operating costs**	6(5)(29) (30) and 7	(1,156,669)	(67)	(1,211,712)	(63)	(3,275,404)	(65)	(3,100,648)	(63)
5900	**Gross profit**		587,842	33	700,020	37	1,723,673	35	1,839,961	37
5910	Unrealized gain from sale	6(6)	2	-	(2)	-	(69)	-	(67)	-
5920	Realized gain from sale		-	-	-	-	71	-	58	-
5950	**Net operating margin**		587,844	33	700,018	37	1,723,675	35	1,839,952	37
	Operating expenses	6(29)(30)								
6100	Selling expenses		(129,897)	(7)	(133,122)	(7)	(417,897)	(8)	(397,526)	(8)
6200	General and administrative expenses		(116,618)	(7)	(92,031)	(5)	(330,990)	(7)	(286,639)	(6)
6300	Research and development expenses		(161,732)	(9)	(158,706)	(8)	(488,746)	(10)	(467,987)	(9)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	3,851	-	(1,005)	-	(1,234)	-	(520)	-
6000	**Total operating expenses**		(404,396)	(23)	(384,864)	(20)	(1,238,867)	(25)	(1,152,672)	(23)
6900	**Operating profit**		183,448	10	315,154	17	484,808	10	687,280	14
	Non-operating income and expenses									
7100	Interest income	6(25)	12,402	1	12,913	-	39,184	1	32,014	1
7010	Other income	6(26)	7,576	-	5,875	-	14,742	-	15,137	-
7020	Other gains and losses	6(27)	53,595	3	(42,547)	(2)	(145,464)	(3)	24,034	-
7050	Finance costs	6(28)	(3,285)	-	(5,925)	-	(10,379)	-	(16,787)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(6)	(174)	-	(403)	-	(1,166)	-	(511)	-
7000	**Total non-operating income and expenses**		70,114	4	(30,087)	(2)	(103,083)	(2)	53,887	1
7900	**Profit before income tax**		253,562	14	285,067	15	381,725	8	741,167	15
7950	Income tax expenses	6(31)	(57,372)	(3)	(57,386)	(3)	(82,095)	(2)	(203,082)	(4)
8200	**Net Income**		$ 196,190	11	$ 227,681	12	$ 299,630	6	$ 538,085	11
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		$ 65,952	4	($ 12,243)	(1)	($ 51,224)	(1)	$ 56,113	1
8367	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive loss	6(3)	-	-	-	-	-	-	(118)	-
8399	Income tax relating to the components of other comprehensive (loss) income	6(31)	(13,190)	(1)	2,448	-	10,245	-	(11,306)	-
8300	**Other comprehensive income (loss) for the year**		$ 52,762	3	($ 9,795)	(1)	($ 40,979)	(1)	$ 44,689	1
8500	**Total Comprehensive Income**		$ 248,952	14	$ 217,886	11	$ 258,651	5	$ 582,774	12
	Profit attributable to:									
8610	Shareholders of the parent		$ 194,799	11	$ 224,733	12	$ 295,033	6	$ 538,985	11
8620	Non-controlling interests		$ 1,391	-	$ 2,948	-	$ 4,597	-	($ 900)	-
	Total comprehensive income (loss) attributable to:									
8710	Shareholders of the parent		$ 247,561	14	$ 214,938	11	$ 254,054	5	$ 583,754	12
8720	Non-controlling interest		$ 1,391	-	$ 2,948	-	$ 4,597	-	($ 980)	-
	Earnings per share	6(32)								
9750	**Basic earnings per share**		$	1.81	$	2.20	$	2.76	$	5.28
9850	**Diluted earnings per share**		$	1.73	$	2.02	$	2.64	$	4.87

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

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to shareholders of the parent										
		Share capital			Retained Earnings			Other equity				
	Notes	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	Total	Non-controlling interest	Total
Year 2024												
Balance at January 1, 2024		$ 1,015,374	$ 3,370	$ 685,203	$ 676,932	$ 4,280	$ 1,816,483	$ 1,892	$ -	$ 4,203,534	$ -	$ 4,203,534
Profit for the year		-	-	-	-	-	538,985	-	-	538,985	(900)	538,085
Other comprehensive income (loss) for the year	6(23)	-	-	-	-	-	-	44,890	(121)	44,769	(80)	44,689
Total comprehensive income		-	-	-	-	-	538,985	44,890	(121)	583,754	(980)	582,774
Appropriations of 2023 earnings:	6(22)											
Legal reserve		-	-	-	72,567	-	(72,567)	-	-	-	-	-
Reversal of Special reserve		-	-	-	-	(4,280)	4,280	-	-	-	-	-
Cash dividends for shareholders		-	-	-	-	-	(438,232)	-	-	(438,232)	-	(438,232)
Share-based payments	6(21)	7,150	(362)	21,158	-	-	-	-	-	27,946	-	27,946
Compensation cost of share-based payments	6(19)(21)(30)	-	-	2,230	-	-	-	-	-	2,230	-	2,230
Conversion of convertible bonds	6(21)	11	(106)	95	-	-	-	-	-	-	-	-
Disposal of debt instrument investments measured at fair value through other comprehensive income	6(3)(23)	-	-	-	-	-	(121)	-	121	-	-	-
Change in Capital Surplus-others	6(21)	-	-	1,214	-	-	-	-	-	1,214	-	1,214
Increase in non-controlling interest		-	-	-	-	-	-	-	-	-	43,500	43,500
Balance at September 30, 2024		$ 1,022,535	$ 2,902	$ 709,900	$ 749,499	$ -	$ 1,848,828	$ 46,782	$ -	$ 4,380,446	$ 42,520	$ 4,422,966
Year 2025												
Balance at January 1, 2025		$ 1,024,325	$ 7,129	$ 722,963	$ 749,499	$ -	$ 2,082,113	$ 58,282	$ -	$ 4,644,311	$ 44,884	$ 4,689,195
Profit for the year		-	-	-	-	-	295,033	-	-	295,033	4,597	299,630
Other comprehensive income (loss) for the year	6(23)	-	-	-	-	-	-	(40,979)	-	(40,979)	-	(40,979)
Total comprehensive income		-	-	-	-	-	295,033	(40,979)	-	254,054	4,597	258,651
Appropriations of 2024 earnings:	6(22)											
Legal reserve		-	-	-	77,227	-	(77,227)	-	-	-	-	-
Cash dividends for shareholders		-	-	-	-	-	(466,243)	-	-	(466,243)	-	(466,243)
Share-based payments	6(21)	5,550	1,921	15,664	-	-	-	-	-	23,135	-	23,135
Compensation cost of share-based payments	6(19)(21)(30)	-	-	23,742	-	-	-	-	-	23,742	-	23,742
Conversion of convertible bonds	6(21) (34)	46,375	(1,615)	371,641	-	-	-	-	-	416,401	-	416,401
Change in Capital Surplus-others	6(21)	-	-	808	-	-	-	-	-	808	-	808
Balance at September 30, 2025		$ 1,076,250	$ 7,435	$ 1,134,818	$ 826,726	$ -	$ 1,833,676	$ 17,303	$ -	$ 4,896,208	$ 49,481	$ 4,945,689

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

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the nine months ended September 30, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 381,725	$ 741,167
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8) (29)	150,384	130,300
Depreciation from investment Property	6(10)(27)	372	372
Amortization	6(11)(29)	18,678	19,685
Expected credit impairment loss (gain)	12(2)	1,234	520
Net profit from financial assets at fair value through profit or loss	6(2)(27)	(1,277)	(278)
Interest expense	6(28)	10,379	16,787
Interest income	6(25)	(39,184)	(32,014)
Compensation cost of share-based payments	6(19)(30)	23,742	2,230
Share of profit of associates and joint ventures accounted for under equity method	6(6)	1,166	511
Gain on disposal of property, plant and equipment	6(27)	(47)	1
Loss on disposal of investment	6(27)	1,684	-
Gain on lease modification	6(8)(27)	(274)	(3)
Unrealized profit from sales		(2)	9
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		63,175	758
Contract assets - current		2,222	10,660
Notes receivable (including related parties)		19,191	13,689
Accounts receivable (including related parties)		14,475	40,401
Operating lease receivables		(1,134)	-
Finance lease receivables (including related parties)		56	-
Other receivables		(15,738)	(19,063)
Inventories		(124,783)	(5,960)
Prepayments		(21,121)	(6,481)
Other current assets		(1,406)	(5,798)
Long-term finance lease receivables (including related parties)		(646)	-
Changes in liabilities relating to operating activities			
Contract liabilities - current		(5,846)	(75,382)
Notes payables		(16)	(1,409)
Accounts payable (including related parties)		103,883	135,159
Other payables		(114,352)	(83,626)
Other current liabilities - other		(4,772)	14,242
Provision for liabilities		-	673
Net defined benefit liability - non current		(475)	47
Cash inflow generated from operations		461,293	897,197
Receipt of interest		39,840	34,979
Payment of interest		(4,680)	(5,862)
Payment of income tax		(182,476)	(326,593)
Net cash flows provided by operating activities		313,977	599,721

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AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the nine months ended September 30, 2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of financial assets at amortized cost		$ -	$ 10,000
Disposal of financial assets measured at fair value through other comprehensive income	6(3)	-	1,036
Acquisition of financial assets at amortized cost – non current		(10,000)	-
Acquisition of property, plant and equipment	6(34)	(65,807)	(256,859)
Proceeds from disposal of property, plant and equipment		47	2
Acquisition of intangible assets	6(11)	(7,919)	(12,646)
(Increase) decrease in other non-current assets		(3,429)	900
Net cash flow from acquisition of subsidiaries	6(33)	-	4,829
Net cash flows used in investing activities		(87,108)	(252,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		170,000	728,000
Redemption of short-term borrowings		(105,000)	(397,740)
Proceeds from long-term borrowings		-	10,000
Redemption of long-term borrowings		(26,875)	(18,808)
Payment of cash dividend	6(22)	(466,243)	(438,232)
Proceeds from exercise of employee stock options		23,135	27,946
Payment of lease liabilities	6(35)	(42,550)	(41,564)
Increase in guarantee deposit received		-	35
Proceeds from disposal of employee stock ownership trust		808	1,214
Refund of the difference in conversion of convertible corporate bonds		(2)	-
Net cash flows used in financing activities		(446,727)	(129,149)
Effects due to changes in exchange rate		(37,921)	52,259
(Decrease) increase in cash and cash equivalents		(257,779)	270,093
Cash and cash equivalents at beginning of year		1,745,946	1,501,089
Cash and cash equivalents at end of year		$ 1,488,167	$ 1,771,182

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

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

A. ORGANIZATION AND OPERATIONS

Axiomtek Co., Ltd. (hereinafter referred to as "the Company" or “Axiomtek”) was incorporated in the Republic of China (R.O.C) in May 1990 and the Company’s common shares were officially listed on the Taipei Exchange on April 28, 2005. The Company and its subsidiaries (collectively referred herein as “the Group”) are mainly engaged in designing, manufacturing and sales of PC-based industrial computer products and peripherals. The Group provides product lines of Industrial PCs (IPCs), Single Board Computers (SBCs), System on Modules (SoMs), Fanless and Rugged Embedded Systems (eBOX and rBOX), Intelligent Transportation Systems (tBOX and UST), Industrial IoT Gateway, Industrial EtherCAT Master solution, Touch Panel Computers (TPCs), Medical Panel Computers (MPCs), Digital Signage Solutions (DSSs), Network Appliances (NAs) products and automation equipment system set-up and development.

B. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

The consolidated financial statements were authorized for issuance by the Board of Directors on October 29, 2025.

C. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”).

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instrument’	January 1, 2026

Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

(3) IFRSs issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure of financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries not subject to public accountability: disclosure'	January 1, 2027

Note: The Financial Supervisory Commission (FSC) announced in a press release dated September 25, 2025, that publicly listed companies will be required to apply International Financial Reporting Standard 18 (hereinafter referred to as "IFRS 18") starting from the 2028 fiscal year. In addition, if an entity wishes to adopt IFRS 18 early, it may elect to do so after IFRS 18 has been endorsed by the FSC.

Except for those described below, the Group has assessed that the above criteria and interpretations have no significant impact on the Group's financial position and financial performance. The related impact amounts will be disclosed upon completion of the assessment.

IFRS 18, 'Presentation and disclosure of financial statements'

IFRS 18, 'Presentation and disclosure of financial statements' replaces IAS 1 and updates the structure of the statement of comprehensive income. It also introduces disclosure requirements for management performance measures and strengthens the principles of aggregation and disaggregation used in the primary financial statements and notes.

D. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, 'Interim Financial Reporting' as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
   (A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
   (B) Financial assets measured at fair value through other comprehensive profit or loss.
   (C) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:
   (A) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
   (B) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
   (C) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
   (D) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e., transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
   (E) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other

comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. The subsidiaries included in the consolidated financial statements:

Name of investor	Name of Subsidiary	Nature of business	Percentage of Ownership (%) September 30, 2025	December 31, 2024	September 30, 2024
The Company	AXIOM TECHNOLOGY, INC. U.S.A.(AXUS)	Industrial computer and Embedded Board manufacturing, trading, post-sales service	100%	100%	100%
〃	AXIOMTEK DEUTSCHLAND GMBH(AXGM)	Industrial computer and Embedded Board manufacturing, trading, post-sales service	100% (Note 1)	100%	100% (Note 1)
	AXIOMTEK ITALIA S.R.L.(AXIT)	Industrial computer and Embedded Board trading, post-sales service	100% (Note 1)	100%	100% (Note 1)
〃	AXIOM TECHNOLOGY(BVI) CO., LTD. (AXBVI)	Holding company	-	-	-(Note 2)
〃	AXIOMTEK UK LIMITED(AXUK)	Industrial computer and Embedded Board trading, post-sales service	100% (Note 1)	100%	100% (Note 1)
〃	AXIOMTEK JAPAN CO., LTD.(AXJP)	Industrial computer and Embedded Board trading, post-sales service	-(Note 3)	100%	100% (Note 1)
〃	AXIOMTEK (SHENZHEN) CO. LTD.(AXSZ)	Industrial computer and Embedded Board manufacturing, trading, post-sales service	100% (Note 1)	100%	100% (Note 1&2)
	PAYTRONEX CO., LTD. (PAYTRONEX)	Research and development, manufacturing, sales, maintenance and leasing of smart parking, smart	59.95% (Note 1)	59.95%	59.95% (Note 1&4)

Name of investor	Name of Subsidiary	Nature of business	Percentage of Ownership (%) September 30, 2025	December 31, 2024	September 30, 2024
		medical and self-service related equipment and solutions			

Note 1：The financial statements of the entity as of and for the nine months ended September 30, 2025 and 2024 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 2：AXBVI was liquidated in June 2024. AXSZ has adjusted its investment structure, which is now 100% owned by the Company.

Note 3：AXJP was liquidated in May 2025.

Note 4：On April 8, 2024, the Company purchased 2,170,000 shares of PAYTRONEX from existing shareholders and through a cash capital increase at a price of $30 per share, for a total investment amount of $65,100,000. The Company now holds a 59.95% equity in PAYTRONEX. The transaction was completed and the transfer was finalized on April 8, 2024, so PAYTRONEX has been included as a consolidated entity from that date (the acquisition date).

C. Subsidiaries not included in the consolidated financial statements: None.
D. Adjustments for subsidiaries with different balance sheet dates: None.
E. Significant restrictions: None.
F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances
(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
(B) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
(C) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(D) Foreign exchange gains and loss based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

(A) The operating results and financial position of all the Group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
   i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
   ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
   iii. All resulting exchange differences are recognized in Exchange differences on translation of foreign operations.

(B) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. In addition, if the Group still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(C) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise, they are classified as non-current assets:
   (A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
   (B) Assets held mainly for trading purposes;
   (C) Assets that are expected to be realized within twelve months from the balance sheet date;
   (D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

   All assets that do not meet the above criteria are classified as non -current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise, they are classified as non-current liabilities:
   (A) Liabilities that are expected to be paid off within the normal operating cycle;
   (B) Liabilities arising mainly from trading activities;
   (C) Liabilities that are to be paid off within twelve months from the balance sheet date;
   (D) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the

option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All liabilities that do not meet the above criteria are classified as non-current liabilities.

(6) Cash equivalent

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(8) Financial assets at fair value through other comprehensive income

A. Refers to an irrevocable election made at initial recognition to present changes in the fair value of equity instruments that are not held for trading in other comprehensive income; or to debt instrument investments that meet both of the following conditions:
   (A) The financial asset is held under a business model whose objective is to collect contractual cash flows and sell the asset.
   (B) The contractual terms of the financial asset give rise to cash flows on specific dates that are solely payments of principal and interest on the outstanding principal amount.
B. The Group applies trade date accounting for financial assets measured at fair value through other comprehensive income in accordance with trading practices.
C. The Group measures at initial recognition at its fair value plus transaction costs, and subsequently measures at fair value as follows
   For debt instruments, changes in fair value are recognized in other comprehensive income. Before derecognition, impairment losses, interest income, and foreign exchange gains or losses are recognized in profit or loss. Upon derecognition, any previously recognized cumulative gains or losses in other comprehensive income are reclassified from equity to profit or loss.

(9) Financial assets at amortized costs

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and accounts receivable that have a significant financing component, at each end of the financial reporting period, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Lease transactions for lessors – Lease payments receivable / Operating leases

A. According to the terms of the lease agreement, when almost all of the risks and rewards of ownership of the leased asset are transferred to the lessee, the lease is classified as a finance lease.
   (A) At the commencement of the lease, recognize the lease investment net amount (including initial direct costs) as 'Lease payments receivable'. The difference between the total amount of receivables from leases and their present value is recognized as 'Unearned finance income from finance leases' (a reduction from receivables)
   (B) Subsequently, systematically and rationally allocate the finance income over the lease term to reflect a constant rate of return on the net investment in the lease.
   (C) Lease payments related to the period (excluding service costs) reduce the total lease investment amount to decrease both the principal and the unearned finance income.
B. Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Investments accounted for using equity method - associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

F. At each reporting date, the Group performs impairment testing on associates for which there are indicators of impairment. The entire carrying amount of the investment (including goodwill) is treated as a single asset and compared with its recoverable amount (the higher of value in use and fair value less costs of disposal). Any impairment loss recognized is included in the carrying amount of the investment. A reversal of an impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	10 ~ 50 years
Machinery	2 ~ 11 years
Testing equipment	2 ~ 11 years
Lease assets	5 years
Others	2 ~ 15 years

(17) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(A) Fixed payments, less any lease incentives receivable; and

(B) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(A) The amount of the initial measurement of lease liability;

(B) Any lease payments made at or before the commencement date; and

(C) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. Except for lease modifications that decrease the scope of a lease, in which case the lessee shall reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognize the difference between that reduction and the remeasured lease liability in profit or loss, all other lease modifications shall be accounted for by remeasuring the lease liability, with a corresponding adjustment to the right-of-use asset.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 2 ~ 16 years.

(19) Intangible assets

A. Trademark
Trademark is stated at cost and amortized on a straight-line basis over its estimated useful life of 10 years.

B. Computer software
Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 2 ~ 5 years.

C. Goodwill
Goodwill arises in a business combination accounted for by applying the acquisition method.

D. Others
Other intangible assets, mainly customer list, are amortized on a straight-line basis over their estimated useful lives of 3 years.

(20) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes payable and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Convertible bonds payable

Convertible corporate bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), put options. The Company classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset or an equity instrument ('capital surplus - stock options') in accordance with the substance of the contractual arrangement and the definitions of a financial asset and an equity instrument. Convertible corporate bonds are accounted for as follows:

A. Call provision embedded in convertible corporate bonds are recognized initially at net fair value as 'financial assets at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets at fair value through profit or loss'.
B. Bonds payable of convertible corporate bonds is initially recognized at fair value and subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable/ preference share liabilities and presented as an addition to or deduction from bonds payable, which is amortized in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

C. Conversion options embedded in convertible corporate bonds issued by the Company, which meet the definition of an equity instrument, are initially recognized in 'capital surplus – stock options' at the residual amount of total issue price less amounts of 'financial assets or financial assets at fair value through profit or loss' and 'bonds payable - net' as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

E. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of capital surplus - stock options.

(24) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(25) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and reported in the net amount in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Non-hedging and embedded derivatives

A. Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or losses. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

B. A mixed contract of financial assets embedded in derivatives, at the time of the original recognition, determines that the overall hybrid tool is classified as financial assets measured at fair value through gains and losses, financial assets measured at fair value through other consolidated gains and losses, and financial assets measured at amortized cost.

C. The non-financial asset hybrid contract embedded in the derivative instrument determines whether the embedded derivative is closely related to the economic characteristics and risk of the main contract in the original recognition according to the terms of the contract to determine whether to separate or not. When it is closely related, the overall blending tool is treated according to its nature according to appropriate criteria. When it is not closely related, the derivative is separated from the principal contract and is treated as a derivative. The principal contract is treated according to its nature on the basis of appropriate criteria; or the overall recognition at the original recognition is a financial liability measured at fair value through profit or losses.

(27) Provisions for liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the financial reporting period, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(28) Employee benefits

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

B. Pensions

(A) Defined contribution plans
For defined contribution plans, the Group has no legal or constructive obligation to make additional contributions after a fixed amount is contributed to a public or privately managed and independent pension fund. The contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined benefit plans

i. Defined benefit plans are different from defined contribution plans. The amount of pension benefits for employees at retirement is often dependent upon one or more factors, such as age, length of service and salary amount. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employee will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

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

(C) Employees' compensation and directors' remuneration

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

(29) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and nonmarket vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. The grant date of the Company's share-based payment arrangements is the date on which the Company and its employees have a mutual understanding of the terms and conditions of the arrangements.

(30) Income tax

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

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

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

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

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

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology and research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

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

(31) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction from the proceeds.

(32) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Board of Directors and reported to the Shareholders' Meeting. Cash dividends are recorded as other payables; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(33) Revenue recognition

A. Sales of goods

(A) The Group research, manufactures and sells industrial computer-related products and self-service solution. Sales are recognized when control of the products has transferred, being when the products are delivered to the customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(B) The sales revenue of industrial computer-related products is recognized according to the quantity of goods purchased by the customer and the price agreed upon after the quotation of the product item. The terms of collection for sales transactions are agreed upon in accordance with the generally accepted commercial transaction terms.

(C) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognized as a provision.

(D) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(E) Sales allowances given to customers are estimated based on the contract terms. The estimated sales-related allowances payable to customers up to the end of the financial reporting period are classified as refund liabilities (recorded as other current liabilities – others)

B. Revenue from Labor Services

Revenue from labor services comes from product development and provision of extended warranty and maintenance services. When the transaction results of labor services can be reliably estimated, revenues are recognized based on the level of labor provided.

C. Revenue from Construction Contracts

(A) The Group provides services such as parking lot planning and design, product development, and installation testing. Revenue from construction contracts is recognized as income within the financial reporting period in which the services are provided to the customer. For fixed-price contracts, revenue is recognized based on the proportion of services actually provided up to the balance sheet date relative to the total services to be provided. The degree of completion is determined based on actual costs incurred compared to the estimated total costs. Customers pay the contract price according to the agreed payment schedule. When the services provided by the Group exceed the amounts due from the customer, it is recognized as a contract asset. Conversely, if the amounts due from the customer exceed the services provided by the Group, it is recognized as a contract liability.

(B) The Group adjusts estimates of revenue, costs, and progress as circumstances change. Any increases or decreases in estimated revenue or costs due to changes in estimates are reflected in profit or loss during the period in which the conditions leading to the adjustment become known to management.

D. Revenue from Maintenance

The Group provides services such as parking lot maintenance, servicing, and repairs. Maintenance income is recognized on a straight-line basis over the contract period during which the services are provided to the customer.

E. Revenue from Leases

The Group provides leasing services for parking lot equipment. Lease income is classified and handled as either finance leases or operating leases based on lease terms, the collectability of lease receivables, and the future costs to be borne by the lessor. Accordingly, related finance lease interest income and operating lease income are recognized.

F. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(34) Business merger

A. The Company uses the acquisition method for business combinations. The consideration transferred in a business combination is measured at the fair value of the assets transferred, liabilities incurred or assumed, and equity instruments issued. This consideration includes the fair value of any assets and liabilities resulting from contingent consideration arrangements. Costs related to the acquisition are recognized as expenses when incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values as of the acquisition date. For each individual acquisition, the components of non-controlling interests are measured either at fair value as of the acquisition date or at the proportionate share of the acquiree's identifiable net assets. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at the fair value as of the acquisition date. All other components of non-controlling interests are measured at fair value as of the acquisition date.

B. If the total of the consideration transferred, the fair value of non-controlling interests in the acquiree, and the fair value of any previously held equity interests in the acquiree exceeds the fair value of the identifiable assets acquired and the liabilities assumed, the excess is recognized as goodwill on the acquisition date. Conversely, if the fair value of the identifiable assets acquired and the liabilities assumed exceeds the total of the consideration transferred, the fair value of non-controlling interests, and the fair value of any previously held equity interests in the acquiree, the excess is recognized as a gain in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group’s Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below.

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of September 30, 2025, the carrying amount of inventories was $1,650,467.

F. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	$ 935	$ 1,081	$ 811
Checking accounts and demand deposits	511,387	566,677	962,786
Time deposits	975,845	1,112,600	807,585
Cash Equivalents	-	65,588	-
	$ 1,488,167	$ 1,745,946	$ 1,771,182

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

B. As of September 30, 2025, $10,000 of cash and cash equivalents restricted for use as performance guarantees for customer transactions were classified as financial assets at amortized cost – non current.

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

	September 30, 2025	December 31, 2024	September 30, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary Certificate	$ -	$ 62,000	$ -
Derivatives - convertible bonds redemption rights	184	399	400
Evaluate adjustment	(147)	351	(160)
Total	$ 37	$ 62,750	$ 240

(1) For the three months and nine months ended September 30, 2025 and 2024, The net gains recognized of the Group held financial assets measured at fair value through profit or loss were $311, ($349), $1,277 and $278, respectively.

(2) The Group has not pledged any financial assets classified as fair value through profit or loss - current as collateral.

(3) Financial assets measured at fair value through other comprehensive income

(1) September 30, 2025, December 31, 2024 and September 30, 2024, the amounts of the Group's financial assets measured at fair value through other comprehensive income were all $0.

(2) In 2024, the Group sold a debt instrument investment measured at fair value through other comprehensive income with a fair value of $1,036.

(3) Details of financial assets measured at fair value through other comprehensive income recognized in other comprehensive income are as follows:

	For the three months ended September 30,	
	2025	2024
Debt instrument investments measured at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive profit or loss	$ -	$ -
Accumulated profits or losses due to delisting and transfer to retained earnings	$ -	$ -

	For the nine months ended September 30,	
	2025	2024
Debt instrument investments measured at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive profit or loss	$ -	($ 118)
Accumulated profits or losses due to delisting and transfer to retained earnings	$ -	($ 121)

(4) Notes and accounts receivable

	September 30, 2025		December 31, 2024		September 30, 2024	
Notes receivable (including related parties)	$	6,437	$	25,628	$	28,894
Less: Loss allowance		-		-	(	1)
	$	6,437	$	25,628	$	28,893
Accounts receivable (including related parties)	$	908,437	$	922,912	$	820,694
Less: Loss allowance	(	6,392)	(	5,509)	(	5,385)
	$	902,045	$	917,403	$	815,309

A. Information relating to the ageing analysis of accounts receivable that were past due is provided in Note 12(2).

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, notes and accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to $834,889.

C. The Group does not hold financial assets as security for accounts receivable.

D. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	September 30, 2025					
	Cost		Allowance for valuation loss and loss on obsolete and slow-moving inventories		Book value	
Raw materials	$	488,633	($	50,067)	$	438,566
Work in progress		223,081		-		223,081
Semi-finished goods		35,141	(	3,776)		31,365
Finished goods		469,877	(	23,255)		446,622
Merchandise inventory		527,315	(	16,482)		510,833
Total	$	1,744,047	($	93,580)	$	1,650,467

	December 31, 2024					
	Cost		Allowance for valuation loss and loss on obsolete and slow-moving inventories		Book value	
Raw materials	$	434,163	($	57,367)	$	376,796
Work in progress		148,049		-		148,049
Semi-finished goods		29,133	(	3,821)		25,312
Finished goods		232,456	(	13,690)		218,766
Merchandise inventory		772,488	(	16,088)		756,400
Inventories in transit		620		-		620
Total	$	1,616,909	($	90,966)	$	1,525,943

	September 30, 2024		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Raw materials	$ 484,837	($ 54,240)	$ 430,597
Work in progress	296,001	-	296,001
Semi-finished goods	33,019	(3,212)	29,807
Finished goods	349,369	(12,907)	336,462
Merchandise inventory	648,501	(13,119)	635,382
Inventories in transit	3,558	-	3,558
Total	$ 1,815,285	($ 83,478)	$ 1,731,807

Relevant expenses of inventories recognized as operating costs for the three months and nine months ended September 30, 2025 and 2024 are as follows:

	For the three months ended September 30,	
	2025	2024
Cost of revenue	$ 1,120,645	$ 1,184,981
Maintenance cost	12,148	2,890
Lease cost	6,494	12,798
Construction cost	1,042	1,278
Loss on market value decline and obsolete and slow-moving inventories	16,340	9,765
Total	$ 1,156,669	$ 1,211,712

	For the nine months ended September 30,	
	2025	2024
Cost of revenue	$ 3,183,505	$ 3,043,737
Maintenance cost	27,240	5,622
Lease cost	17,834	16,110
Construction cost	13,228	13,103
Loss on market value decline and obsolete and slow-moving inventories	33,597	22,076
Total	$ 3,275,404	$ 3,100,648

The Group has no inventories pledged to others.

(6) Investments accounted for using equity method

	September 30, 2025	December 31, 2024	September 30, 2024
Uni-Innovate Technology Co., Ltd. (UNI)	$ 14,972	$ 16,135	$ 16,097
Parktron Technology (Thailand) Co., Ltd (Parktron-TH)	66	66	66
	$ 15,038	$ 16,201	$ 16,163

A. Share of loss of associates accounted for using the equity method is as follows:

	For the three months ended September 30, 2025	2024
UNI	($ 174)	($ 403)

	For the nine months ended September 30, 2025	2024
UNI	($ 1,166)	($ 511)

B. For the three months and nine months ended September 30, 2025 and 2024, the Group had unrealized profit from sales from downstream transactions with affiliates at $(2), $2, $69 and $67 respectively.

(7) Property, plant and equipment

	Land	Buildings	Machinery Self-use	Machinery lease	Testing equipment	Others	Total
At January 1, 2025							
Cost	$1,318,277	$ 654,920	$177,080	$ 48,461	$ 82,483	$652,898	$2,934,119
Accumulated depreciation	-	(96,198)	(115,555)	(22,297)	(56,854)	(259,803)	(550,707)
	$1,318,277	$ 558,722	$ 61,525	$ 26,164	$ 25,629	$393,095	$2,383,412
2025							
Opening net book amount	$1,318,277	$ 558,722	$ 61,525	$ 26,164	$ 25,629	$393,095	$2,383,412
Additions	-	-	3,959	-	5,061	47,849	56,869
Disposals (Cost)	-	-	(462)	-	-	(3,245)	(3,707)
Disposals (Accumulated depreciation)	-	-	462	-	-	3,245	3,707
Reclassifications	-	-	30,257	1,461	1,300	(31,647)	1,371
Depreciation	-	(13,086)	(17,138)	(6,919)	(6,435)	(62,798)	(106,376)
Net exchange differences	(5,705)	(1,612)	(174)	-	(4)	(2,442)	(9,937)
Closing net book amount	$1,312,572	$544,024	$ 78,429	$ 20,706	$ 25,551	$344,057	$2,325,339
At September 30, 2025							
Cost	$1,312,572	$ 652,488	$210,338	$ 48,566	$ 88,831	$660,452	$2,973,247
Accumulated depreciation	-	(108,464)	(131,909)	(27,860)	(63,280)	(316,395)	(647,908)
	$1,312,572	$ 544,024	$ 78,429	$ 20,706	$ 25,551	$344,057	$2,325,339

	Land	Buildings	Machinery Self-use	Machinery lease	Testing equipment	Others	Total
At January 1, 2024							
Cost	$1,265,778	$ 630,200	$204,959	$ -	$ 68,503	$571,632	$2,741,072
Accumulated depreciation	-	(75,596)	(136,587)	-	(52,349)	(196,082)	(460,614)
	$1,265,778	$ 554,604	$ 68,372	$ -	$ 16,154	$375,550	$2,280,458
2024							
Opening net book amount	$1,265,778	$ 554,604	$ 68,372	$ -	$ 16,154	$375,550	$2,280,458
Additions	-	-	1,331	-	10,387	88,787	100,505
Acquired in business combination	47,417	20,360	-	28,262	-	1,641	97,680
Disposals (Cost)	-	-	(3,252)	-	-	(39)	(3,291)
Disposals (Accumulated depreciation)	-	-	3,252	-	-	36	3,288
Reclassifications (Cost)	-	-	(1,688)	2,478	4,970	(5,757)	3
Reclassifications (Accumulated depreciation)	-	-	2,902	1,106	-	(2,902)	1,106
Depreciation	-	(13,253)	(12,749)	(4,488)	(5,103)	(53,441)	(89,034)
Net exchange differences	2,336	699	34	-	4	1,222	4,295
Closing net book amount	$1,315,531	$ 562,410	$ 58,202	$ 27,358	$ 26,412	$405,097	$2,395,010
At September 30, 2024							
Cost	$1,315,531	$ 653,749	$201,803	$ 48,986	$ 83,871	$663,041	$2,966,981
Accumulated depreciation	-	(91,339)	(143,601)	(21,628)	(57,459)	(257,944)	(571,971)
	$1,315,531	$ 562,410	$ 58,202	$ 27,358	$ 26,412	$405,097	$2,395,010

A. For the three months and nine months ended September 30, 2025 and 2024, the Group has no interest capitalized to property, plant and equipment.

B. Property, plant and equipment not a significant component.

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings, machinery and equipment, office equipment, and other equipment. Rental contracts are typically made for periods of 1 ~ 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	September 30, 2025	December 31, 2024	September 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Buildings	$ 136,003	$ 130,052	$ 137,884
Vehicles	8,206	7,468	8,141
	$ 144,209	$ 137,520	$ 146,025

	For the three months ended September 30,	
	2025	2024
	Depreciation charge	Depreciation charge
Buildings	$ 14,781	$ 13,285
Vehicles	1,260	981
	$ 16,041	$ 14,266

	For the nine months ended September 30,	
	2025	2024
	Depreciation charge	Depreciation charge
Buildings	$ 40,575	$ 38,745
Vehicles	3,433	2,521
	$ 44,008	$ 41,266

C. For the nine months ended September 30, 2025 and 2024, the additions (including net exchange differences) to right-of-use assets were $55,092 and $20,734.

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

Items affecting profit or loss	For the three months ended September 30,	
	2025	2024
Interest expense on lease liabilities	$ 1,237	$ 1,516
Expense on short-term lease contracts	1,322	1,507
Gains on lease modification	3	(3)

Items affecting profit or loss	For the nine months ended September 30,	
	2025	2024
Interest expense on lease liabilities	$ 3,780	$ 4,752
Expense on short-term lease contracts	4,267	5,606
Gains on lease modification	(274)	(3)

E. For the nine months ended September 30, 2025 and 2024, the Group's total cash outflow for leases was $50,597 and $51,922.

(9) Leasing arrangements-lessor

The Group leases various assets including buildings (investment property) and machinery. Rental contracts are typically made for periods of 1~8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group's lease receivables were not overdue, and the assessed credit risk loss was not significant.

A. The Group's operating leases:

(A) For the three months and nine months ended September 30, 2025 and 2024, the Group recognized gain on leases are as follow, based on the operating lease agreement, which does not include variable lease payments.

	For the three months ended September 30,	
	2025	2024
Stated operating revenue	$ 8,335	$ 8,936
Stated rental revenue	902	863
	$ 9,237	$ 9,799

	For the nine months ended September 30,	
	2025	2024
Stated operating revenue	$ 23,714	$ 15,747
Stated rental revenue	2,707	2,590
	$ 26,421	$ 18,337

(B) The maturity analysis of the lease payments under the operating leases is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
2024	$ -	$ -	$ 8,831
2025	8,441	33,188	28,426
2026	31,676	29,855	54,405
2027 and later	42,756	36,214	-
	$ 82,873	$ 99,257	$ 91,662

B. The Group's finance leases:

The Group leases machinery and equipment through financial leasing, and according to the terms of the lease agreement, the ownership of the leased assets will be transferred to the lessee upon maturity.

(A) Information on profit and loss items related to the lease contract is as follows:

	For the three months ended September 30,	
	2025	2024
Financing income from net lease investment (Stated interest income)	$ 19	$ 14

	For the nine months ended September 30,	
	2025	2024
Financing income from net lease investment (Stated interest income)	$ 42	$ 43

(B) The maturity date analysis of the undiscounted lease payments of the Group under finance leases is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
2025	$ -	$ -	$ 372
2024	476	1,247	1,214
2026	1,141	798	1,455
2027 and later	2,609	1,437	-
	$ 4,226	$ 3,482	$ 3,041

(C) The reconciliation information between the undiscounted lease payments and the net lease investment of the Group under finance leases is as follows:

	September 30, 2025	
	Current	Non-current
Undiscounted lease payments	$ 1,325	$ 2,901
Unearned financing income	(56)	(74)
Net rental investment	1,269	2,827
Less: Stated in Notes Receivable	(120)	-
	$ 1,149	$ 2,827

	December 31, 2024	
	Current	Non-current
Undiscounted lease payments	$ 1,247	$ 2,235
Unearned financing income	(42)	(54)
Net rental investment	$ 1,205	$ 2,181

	September 30, 2024	
	Current	Non-current
Undiscounted lease payments	$ 3,041	$ -
Unearned financing income	(109)	-
Net rental investment	$ 2,932	$ -

(10) Investment property

	Land	Buildings	Total
At January 1, 2025			
Cost	$ 33,273	$ 15,850	$ 49,123
Accumulated depreciation	-	(12,131)	(12,131)
	$ 33,273	$ 3,719	$ 36,992
2025			
Opening net book amount	$ 33,273	$ 3,719	$ 36,992
Depreciation	-	(372)	(372)
Closing net book amount	$ 33,273	$ 3,347	$ 36,620
At September 30, 2025			
Cost	$ 33,273	$ 15,850	$ 49,123
Accumulated depreciation	-	(12,503)	(12,503)
	$ 33,273	$ 3,347	$ 36,620

	Land	Buildings	Total
At January 1, 2024			
Cost	$ 33,273	$ 15,850	$ 49,123
Accumulated depreciation	-	(11,635)	(11,635)
	$ 33,273	$ 4,215	$ 37,488
2024			
Opening net book amount	$ 33,273	$ 4,215	$ 37,488
Depreciation	-	(372)	(372)
Closing net book amount	$ 33,273	$ 3,843	$ 37,116
At September 30, 2024			
Cost	$ 33,273	$ 15,850	$ 49,123
Accumulated depreciation	-	(12,007)	(12,007)
	$ 33,273	$ 3,843	$ 37,116

A. Rental income and direct operating expenses of investment property:

	For the three months ended September 30,	
	2025	2024
Rental income from investment property	$ 902	$ 863
Direct operating expenses arising from investment property that generated rental income	($ 124)	($ 124)

	For the nine months ended September 30,	
	2025	2024
Rental income from investment property	$ 2,707	$ 2,590
Direct operating expenses arising from investment property that generated rental income	($ 456)	($ 457)

B. The fair value of the investment property held by the Group was $111,532, $118,494 and $116,132 as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively, which was assessed based on market analysis and reference to the recent transaction price per square meter of nearby properties. The fair value is classified as Level 2.

C. No investment property was pledged to others.

(11) Intangible assets

	Trademark	Computer software	Goodwill	Others	Total
At January 1, 2025					
Cost	$ 3,297	$ 59,567	$ 77,920	$ 70,343	$ 211,127
Accumulated Amortization	(845)	(22,065)	(9,596)	(55,908)	(88,414)
	$ 2,452	$ 37,502	$ 68,324	$ 14,435	$ 122,713
2025					
Opening net book amount	$ 2,452	$ 37,502	$ 68,324	$ 14,435	$ 122,713
Additions	-	7,919	-	-	7,919
Disposals (Cost)	-	(173)	-	-	(173)
Disposals (Accumulated amortization)	-	173	-	-	173
Reclassifications	-	90	-	-	90
Amortization	(229)	(14,361)	-	(4,088)	(18,678)
Net exchange differences	-	(256)	-	(750)	(1,006)
Closing net book amount	$ 2,223	$ 30,894	$ 68,324	$ 9,597	$ 111,038
At September 30, 2025					
Cost	$ 3,297	$ 66,879	$ 77,920	$ 66,597	$ 214,693
Accumulated Amortization and impairment	(1,074)	(35,985)	(9,596)	(57,000)	(103,655)
	$ 2,223	$ 30,894	$ 68,324	$ 9,597	$ 111,038

	Trademark	Computer software	Goodwill	Others	Total
At January 1, 2024					
Cost	$ 2,985	$ 107,354	$ 77,920	$ 63,213	$ 251,472
Accumulated Amortization	(553)	(84,180)	(9,596)	(45,915)	(140,244)
	$ 2,432	$ 23,174	$ 68,324	$ 17,298	$ 111,228
2024					
Opening net book amount	$ 2,432	$ 23,174	$ 68,324	$ 17,298	$ 111,228
Additions- separately	312	12,334	-	-	12,646
Additions- in business combination	-	1,188	-	3,794	4,982
Reclassifications	-	2,475	-	-	2,475
Amortization	(216)	(13,864)	-	(5,605)	(19,685)
Net exchange differences	-	4	-	510	514
Closing net book amount	$ 2,528	$ 25,311	$ 68,324	$ 15,997	$ 112,160
At September 30, 2024					
Cost	$ 3,297	$ 124,261	$ 77,920	$ 68,548	$ 274,026
Accumulated Amortization and impairment	(769)	(98,950)	(9,596)	(52,551)	(161,866)
	$ 2,528	$ 25,311	$ 68,324	$ 15,997	$ 112,160

A. For the nine months ended September 30, 2025 and 2024, the Group has no interest capitalized to intangible assets.

B. Goodwill is allocated to the Group's cash-generating units identified by the operations department:

	September 30, 2025	December 31, 2024	September 30, 2024
America	$ 52,425	$ 52,425	$ 52,425
Europe	10,000	10,000	10,000
Taiwan	5,899	5,899	5,899
	$ 68,324	$ 68,324	$ 68,324

C. The details of the amortization charges of intangible assets are as follows:

	For the three months ended September 30, 2025	2024
Operating costs	$ 60	$ 25
Selling expenses	492	457
General and administrative expenses	2,714	3,153
Research and development expenses	2,755	3,367
	$ 6,021	$ 7,002

	For the nine months ended September 30,	
	2025	2024
Operating costs	$ 130	$ 40
Selling expenses	1,489	1,370
General and administrative expenses	8,921	8,718
Research and development expenses	8,138	9,557
	$ 18,678	$ 19,685

D. Information about the impairment of intangible assets is provided in Note 6(12).

(12) Impairment on non-financial assets

The recoverable amount is assessed on the basis of the use value, and the use value is calculated on the basis of the pre-tax cash flow forecast of the Group's five-year financial budget. The main assumptions used to calculate the use vale are as follows:

	America		
	September 30, 2025	December 31, 2024	September 30, 2024
Gross margin	17.98%	16.24%	16.41%
Growth rate	10.00%	10.00%	10.00%
Discount rate	9.51%	8.63%	5.97%

	Europe		
	September 30, 2025	December 31, 2024	September 30, 2024
Gross margin	26.97%	26.97%	27.37%
Growth rate	21.43%	21.43%	20.20%
Discount rate	7.99%	7.72%	5.38%

	Taiwan		
	September 30, 2025	December 31, 2024	September 30, 2024
Gross margin	33.69%	35.22%	35.01%
Growth rate	10.00%	10.00%	10.00%
Discount rate	8.51%	6.36%	5.94%

The Group determines the budgetary gross margin based on previous year's performance and expectations for market development. The weighted average growth rate used is consistent with the industry forecast. The discount rate used is the pre-tax ratio and reflects the specific risks of the relevant operating departments.

(13) Short-term borrowings (December 31, 2024: None.)

Type of borrowings	September 30, 2025	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 65,000	1.77%~2.05%	None

Type of borrowings	September 30, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 380,000	1.71%~1.76%	None

Interest expense recognized in profit or loss amounted to $228, $573, $228 and $745 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2025
Bank borrowings				
Secured borrowings	Borrowing period is from March 20, 2018 to March 20, 2038. The principal and interest are repaid evenly every month.	2.10%	Land, house and building	$ 28,418
Less: Long-term liabilities, current portion				(2,009)
				$ 26,409

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
Bank borrowings				
Secured borrowings	Borrowing period is from March 20, 2018 to March 20, 2038. The principal and interest are repaid evenly every month.	1.98%~ 2.10%	Land, house and building	$ 29,898
Credit borrowings	Borrowing period is from March 20, 2018 to March 20, 2038. The principal and interest are repaid evenly every month.	2.03%~ 2.15%	-	6,276
Credit borrowings	Borrowing period is from April 10, 2024 to April 10, 2029. The principal and interest are repaid evenly every month.	0.50%	-	1,736
Secured borrowings	Borrowing period is from April 10, 2024 to April 10, 2029. The principal and interest are repaid evenly every month.	0.50%	Fund guarantee of credit insurance	6,945
Credit borrowings	Borrowing period is from November 1, 2023 to December 1, 2028. The principal and interest are repaid evenly every month.	2.22%	-	1,980
Secured borrowings	Borrowing period is from November 1, 2023 to December 1, 2028. The principal and interest are repaid evenly every month.	2.22%	Fund guarantee of credit insurance	8,458
				$ 55,293
Less: Long-term liabilities, current portion				(6,976)
				$ 48,317

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral		September 30, 2024
Bank borrowings					
Secured borrowings	Borrowing period is from March 20, 2018 to March 20, 2038. The principal and interest are repaid evenly every month.	1.98%~ 2.10%	Land, house and building	$	30,386
Credit borrowings	Borrowing period is from March 20, 2018 to March 20, 2038. The principal and interest are repaid evenly every month.	2.03%~ 2.15%	-		6,379
Credit borrowings	Borrowing period is from April 10, 2024 to April 10, 2029. The principal and interest are repaid evenly every month.	0.50%	-		1,835
Secured borrowings	Borrowing period is from April 10, 2024 to April 10, 2029. The principal and interest are repaid evenly every month.	0.50%	Fund guarantee of credit insurance		7,341
Credit borrowings	Borrowing period is from November 1, 2023 to December 1, 2028. The principal and interest are repaid evenly every month.	2.22%	-		2,105
Secured borrowings	Borrowing period is from November 1, 2023 to December 1, 2028. The principal and interest are repaid evenly every month.	2.22%	Fund guarantee of credit insurance		8,991
				$	57,037
Less: Long-term liabilities, current portion				(	6,973)
				$	50,064

(15) Accounts payable

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable	$ 650,467	$ 561,890	$ 655,076
Accrued accounts payable	13,584	1,662	786
	$ 664,051	$ 563,552	$ 655,862

(16) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Salaries and bonus payable	$ 236,600	$ 285,177	$ 197,115
Accrued employees' compensation and directors' remuneration	28,980	82,542	54,801
Equipment payable	8,234	10,974	16,908
Others	89,345	101,543	87,032
	$ 363,159	$ 480,236	$ 355,856

(17) Corporate bonds payable

	September 30, 2025	December 31, 2024	September 30, 2024
Corporate bonds payable	$ 368,600	$ 798,400	$ 799,900
Less: Discount on bonds payable	(6,275)	(24,542)	(28,210)
	$ 362,325	$ 773,858	$ 771,690
Less: Long-term liabilities, current portion	(362,325)	-	-
	$ -	$ 773,858	$ 771,690

A. Domestic unsecured conversion of corporate bonds issued by the Company

(A) Issuance conditions for the Second Domestic Unsecured Convertible Corporate Bonds Conversion in the Company are as follows:

i. The Company is approved by the relevant authorities to raise and issue the Second Domestic Unsecured Convertible Corporate Bonds Conversion (referred to as "Convertible Corporate Bonds"), the total face value of the issuance is $800,000, and the actual total issuance is $848,003, at the coupon rate of 0%, for an issuance period of 3 years, circulation period from August 28, 2023 to August 28, 2026. When this conversion company debt expires, it will be repaid in cash in the denomination of the bond. Convertible Corporate Bonds has been listed for trading at the Securities Counter Trading Center as of August 28, 2023.

ii. Unless (1) the period for suspension of transfer registration of common stock required by laws, (2) 15 business days prior to the date for suspension of transfer registration of allocated dividends requested by the Company, the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase until the record date for allocation of rights, and (3) from the date of capital decrease until the day prior to the trading of stock swapped upon capital decrease, the bond holders may apply to the Taiwan Depository & Clearing Corporation (TDCC) (hereinafter referred to as the "Depository Corporation") who would then notify the Company's stock agent to convert the Bond into the Company's common shares pursuant to the Regulations at any time one month after the issuance (November 29 2023) and throughout the duration (until August 28, 2026) of the bond.

iii. The conversion price of this conversion company debt shall be determined according to the pricing model stipulated in the conversion method, and the conversion price shall be adjusted in the event of the anti-dilution clause of the company in accordance with the pricing model stipulated in the conversion method.

iv. From the day following the 3rd month of issuance (November 29 2023) of the bonds until 40 days(July 20, 2026) prior to expiration of the duration, if the closing price of the Company's common shares at Taipei Exchange exceeds the current conversion price by more than 30% for 30 consecutive business days, the Company may send the "Notice of Call" to be matured in 30 days (the time limit shall commence from the Company's service date, and the record date of the call shall be the date when the time limit expires, and the conversion suspension period for the corporate bonds should not fall in the time limit) to the bond holders (those referred to the roster of creditors within five business days prior to the service date of the Notice of Call, while the investors who acquire the bonds through exchange or due to other causes subsequently, if any, shall be notified by public notice) via registered mail within 30 business days. Meanwhile, the Company shall ask Taipei Exchange in writing to post a public announcement, and shall call the corporate bonds held by the bond holders at the face value in cash within five (5) business days upon the record date.

v. In accordance with the conversion scheme, all debts of the Company recovered (including by the Securities Counter Trading Centre), repaid or converted will be cancelled, and all rights and obligations that are still attached to this conversion company's debt will also be eliminated and no longer issued.

(B) When issuing convertible corporate bonds, the equity conversion options amounting to $87,971 were separated from the liability component and were recognized in 'capital surplus-stock warrants' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets at fair value through profit or loss' in net amount $400 in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation is 0.156%.

(C) According to the regulations governing issuance and conversion, after the issuance of the convertible bonds, the conversion price must be adjusted on the ex-dividend date in the event of changes to the Company's common shares or cash dividends. On August 8, 2025, the ex-dividend date, and on August 7, 2024, the ex-rights and ex-dividend date, the conversion prices were recalculated. The conversion price per share was adjusted from $93.0 to $88.5 and from $97.2 to $93, respectively.

(D) As of September 30, 2025, the Company has not bought back the bonds from the securities counter trading center.

(E) As of September 30, 2025, the face value of this convertible corporate bond of $431,400 has been converted to 4,639 thousand shares of ordinary stock, all of which have been completed.

(18) Pensions

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

(B) For the aforementioned pension plan, the Company and its domestic subsidiary recognized pension costs of $108, $110, $324 and $329 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(C) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to $1,471.

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

(B) AXIT has chosen to adopt a defined benefit plan in accordance with local legal regulations and has provisioned relevant retirement benefit expenses based on the expected unit payment law.

(C) The Company's subsidiaries in Mainland China have a defined contribution plan in accordance with the pension regulations in the People's Republic of China (PRC). The appropriation rate was 16%~19% and 14%~16% for the nine months ended September 30, 2025 and 2024, respectively. Except for the monthly contribution, these companies have no other obligation

(D) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2025 and 2024 were $10,678, $10,185, $32,713 and $30,698, respectively.

(19) Share-based payment

A. For the nine months ended September 30, 2025 and 2024, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
Employee stock options	October 29, 2020	4,300	6 Years	2 to 5 years of service
Employee stock options	September 26, 2024	3,500	5 Years	2 to 4 years of service

The share-based payment arrangements above are all settled by equity.

B. Details of the share-based payment arrangements are as follows:

	For the nine months ended September 30,			
	2025		2024	
	No. of options (in thousands)	Weighted average exercise price (in dollars)	No. of options (in thousands)	Weighted average exercise price (in dollars)
Options outstanding at the beginning of the year, (2020 Issuing)	1,636	$ 39.0	2,636	$ 40.8
Options forfeited	(12)	-	(72)	-
Options exercised	(601)	38.5	(695)	40.2
Options outstanding at the end of the year	1,023	37.1	1,869	39.0
Options exercisable at the end of the year	271	37.1	341	39.0

	For the nine months ended September 30,			
	2025		2024	
	No. of options (in thousands)	Weighted average exercise price (in dollars)	No. of options (in thousands)	Weighted average exercise price (in dollars)
Options outstanding at the beginning of the year, (2024 Issuing)	3,500	$ 89.6	-	$ -
Options granted	-	-	3,500	89.6
Options forfeited	(40)	-	-	-
Options outstanding at the end of the year	3,460	85.2	3,500	89.6
Options exercisable at the end of the year	-		-	

C. Average price of Stock options exercised for the nine months ended September 30, 2025 and 2024 were $114.76 and $86.58, respectively.

D. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		September 30, 2025		December 31, 2024		September 30, 2024	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)
October 29, 2020	October 28, 2026	1,023	37.1	1,636	39.0	1,869	39.0
September 26, 2024	September 25, 2029	3,460	85.2	3,500	89.6	3,500	89.6

E. The fair value of stock options granted on grant date is measured using the Black-Scholes option pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	October 29, 2020	50.80	50.80	20.19%~ 23.70%	6 Years	0%	0.22%~ 0.24%	8.32~ 11.39
Employee stock options	September 26, 2024	89.60	89.60	29.40%~ 32.07%	5 Years	0%	1.41%~ 1.44%	22.84~ 24.17

F. Expenses incurred on share-based payment transactions Relevant information is as follows:

	For the three months ended September 30,	
	2025	2024
Equity Settled	$ 7,977	$ 718

	For the nine months ended September 30,	
	2025	2024
Equity Settled	$ 23,742	$ 2,230

G. On August 8, 2025, the ex-dividend date, the exercise prices were recalculated in accordance with the regulations for the issuance and exercise of the employee stock option certificates issued in 2024. The exercise price per share was adjusted from $89.6 to $85.2.

H. On August 8, 2025, the ex-dividend date, and on August 7, 2024, the ex-rights and ex-dividend date, the exercise prices were recalculated in accordance with the regulations for the issuance and exercise of the employee stock option certificates issued in 2020. The exercise price per share was adjusted from \$39.0 to \$37.1 and from \$40.8 to \$39, respectively.

(20) Share capital

A. As of September 30, 2025, the Company's authorized capital was \$1,600,000, consisting of 160,000 thousand shares of ordinary stock, and the paid-in capital was \$1,076,250. with a par value of \$10 (in dollars) per share. As of September 30, 2025 and 2024, the total number of ordinary shares issued by the company was 107,785 and 102,313 thousand shares, respectively. All proceeds from shares issued have been collected.

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

	For the Nine months ended September 30,	
	2025 (in thousands)	2024 (in thousands)
At January 1	102,562	101,618
Exercise of employee stock options	601	695
Conversion of convertible bonds	4,622	-
At September 30	107,785	102,313

B. The company's employee stock option certificates have been exercised. As of September 30, 2025, December 31, 2024, and September 30, 2024, the relevant information about the unregistered change registration is as follows:

	September 30, 2025		December 31, 2024		September 30, 2024	
	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount
Advance receipts for share capital						
Exercise of employee stock options	160	\$7,435	114	\$5,513	60	\$2,902
Conversion of convertible bonds	-	-	16	1,616	-	-

(21) Capital surplus

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

	For the nine months ended September 30, 2025									
	Share premium	Convertible bond conversion premium	Treasury stock trading	Diff between book value & actual equity change from acquisition or disposal of subsidiary	Capital surplus from gain on disposal of assets	Changes in equity of associates and joint ventures accounted for using equity method	Employee stock options	Stock options	Other	Total
At January 1	$277,750	$251,300	$ 1,026	$ 176	$ 2	$ 3,006	$ 101,773	$ 87,796	$ 134	$ 722,963
Exercise of employee stock options	21,294	-	-	-	-	-	(5,630)	-	-	15,664
Compensation cost of employee stock options	-	-	-	-	-	-	23,742	-	-	23,742
Convertible corporate bonds conversion	-	418,903	-	-	-	-	-	(47,262)	-	371,641
Change in Capital Surplus-others	808	-	-	-	-	-	-	-	-	808
At September 30	$ 299,852	$ 670,203	$ 1,026	$ 176	$ 2	$ 3,006	$ 119,885	$ 40,534	$ 134	$1,134,818

	For the nine months ended September 30, 2024									
	Share premium	Convertible bond conversion premium	Treasury stock trading	Diff between book value & actual equity change from acquisition or disposal of subsidiary	Capital surplus from gain on disposal of assets	Changes in equity of associates and joint ventures accounted for using equity method	Employee stock options	Stock options	Other	Total
At January 1	$228,456	$ 251,205	$ 1,026	$ 176	$ 2	$ 3,006	$113,238	$ 87,960	$ 134	$ 685,203
Exercise of employee stock options	40,896	-	-	-	-	-	(19,738)	-	-	21,158
Compensation cost of employee stock options	-	-	-	-	-	-	2,230	-	-	2,230
Convertible corporate bonds conversion	-	95	-	-	-	-	-	-	-	95
Change in Capital Surplus-others	1,214	-	-	-	-	-	-	-	-	1,214
At September 30	$ 270,566	$ 251,300	$ 1,026	$ 176	$ 2	$ 3,006	$ 95,730	$ 87,960	$ 134	$ 709,900

(22) Retained earnings

A. When allocating the net income for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, where such legal reserve amounts to the total authorized capital, this provision will not apply. The Company would set aside or fund another sum as special reserve in accordance with the regulations of the Law or the rules of the Authorities, plus the rest of the and Accumulated Retained Earnings of preceding fiscal year (including the adjustment of undistributed earnings), and the meeting of Board of Directors would draft the Proposal for Distribution, and to authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting. The Company distributing surplus earning in the form of new shares to be issued by the Company in accordance with the preceding paragraphs shall follow the provisions of the Company Law of the Republic of China with a resolution adopted at a meeting of shareholders.

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

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

D. Details of 2024 earnings appropriation resolved by the Board of Directors on February 26, 2025 and by the shareholder's meeting on May 22, 2025 and details of 2023 earnings appropriation resolved by the Board of Directors on February 22, 2024 and by the shareholder's meeting on May 24, 2024, respectively are as follows:

	Years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 77,227		$ 72,567	
Special reserve	-		(4,280)	
Cash dividends	466,243	$ 4.50	438,232	$ 4.30
Total	$ 543,470		$ 506,519	

(23) Other equity interest

	Years ended September 30, 2025
	Financial statements translation differences of foreign operations
At January 1	$ 58,282
Increase in current period	(40,979)
At September 30	($ 17,303)

	Years ended September 30, 2024	
	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	Financial statements translation differences of foreign operations
At January 1	$ -	$ 1,892
Increase in current period	-	44,890
Valuation adjustments	121	-
Valuation adjustments transferred to retained earnings	(121)	-
At September 30	$ -	$ 46,782

(24) Operating revenue

	For the three months ended September 30,	
	2025	2024
Revenue from contracts with customers	$ 1,736,176	$ 1,902,796
Other-lease revenue	8,335	8,936
Total	$ 1,744,511	$ 1,911,732

	For the Nine months ended September 30,	
	2025	2024
Revenue from contracts with customers	$ 4,975,363	$ 4,924,862
Other-lease revenue	23,714	15,747
Total	$ 4,999,077	$ 4,940,609

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	For the three months ended September 30, 2025				
	Taiwan	USA	Europe	Others Department	Total
Originating from transfer at a point in time:					
IOT Products	$ 428,327	$ 374,976	$ 34,487	$ 7,396	$ 845,186
Intelligent Design-in Service Products	223,097	153,135	100,455	13,472	490,159
Gaming Products	19,454	244,082	1,822	-	265,358
Others	5,295	77,338	6,902	534	90,069
Net sales revenue	676,173	849,531	143,666	21,402	1,690,772
Originating from the transfer of labor services over time:					
Revenue from construction contracts	617	-	-	-	617
Maintenance revenue	15,532	-	-	-	15,532
Other Operating revenue	12,432	15,592	1,140	91	29,255
	28,581	15,592	1,140	91	45,404
Total	$ 704,754	$ 865,123	$ 144,806	$ 21,493	$ 1,736,176

	For the three months ended September 30, 2024				
	Taiwan	USA	Europe	Others Department	Total
Originating from transfer at a point in time:					
IOT Products	$ 510,176	$ 265,568	$ 42,670	$ 10,592	$ 829,006
Intelligent Design-in Service Products	343,674	63,145	166,092	15,442	588,353
Gaming Products	50,590	255,453	4,554	-	310,597
Others	9,575	132,866	4,821	3,791	151,053
Net sales revenue	914,015	717,032	218,137	29,825	1,879,009
Originating from the transfer of labor services over time:					
Revenue from construction contracts	6,057	-	-	-	6,057
Maintenance revenue	8,072	-	-	-	8,072
Other Operating revenue	5,778	3,566	206	108	9,658
	19,907	3,566	206	108	23,787
Total	$ 933,922	$ 720,598	$ 218,343	$ 29,933	$ 1,902,796

	For the nine months ended September 30, 2025				
	Taiwan	USA	Europe	Others Department	Total
Originating from transfer at a point in time:					
IOT Products	$1,232,221	$1,008,790	$ 119,274	$ 33,721	$ 2,394,006
Intelligent Design-in Service Products	736,061	341,701	328,732	39,389	1,445,883
Gaming Products	58,445	557,778	28,721	-	644,944
Others	15,239	348,244	20,743	763	384,989
Net sales revenue	2,041,966	2,256,513	497,470	73,873	4,869,822
Originating from the transfer of labor services over time:					
Revenue from construction contracts	15,172	-	-	-	15,172
Maintenance revenue	36,167	-	-	-	36,167
Other Operating revenue	23,945	27,343	2,658	256	54,202
	75,284	27,343	2,658	256	105,541
Total	$2,117,250	$2,283,856	$ 500,128	$ 74,129	$ 4,975,363

	For the nine months ended September 30, 2024				
	Taiwan	USA	Europe	Others Department	Total
Originating from transfer at a point in time:					
IOT Products	$1,061,995	$ 753,492	$ 135,216	$ 54,835	$ 2,005,538
Intelligent Design-in Service Products	639,275	317,922	684,970	47,037	1,689,204
Gaming Products	83,710	539,377	22,148	-	645,235
Others	33,372	477,329	18,631	5,115	534,447
Net sales revenue	1,818,352	2,088,120	860,965	106,987	4,874,424
Originating from the transfer of labor services over time:					
Revenue from construction contracts	15,724	-	-	-	15,724
Maintenance revenue	12,132	-	-	-	12,132
Other Operating revenue	13,769	7,292	1,167	354	22,582
	41,625	7,292	1,167	354	50,438
Total	$1,859,977	$2,095,412	$ 862,132	$ 107,341	$ 4,924,862

B. Contract assets and liabilities

The Group has recognized the following contract assets and liabilities in relation to revenue from contracts with customers:

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract assets:				
Contract assets-Construction	$ 5,609	$ 7,831	$ 6,717	$ -
Contract liabilities:				
Contract liabilities-Merchandise	$ 56,061	$ 61,154	$ 79,386	$ 93,610
Contract liabilities-Construction	2,892	4,050	3,882	-
Contract liabilities-Labor Services	433	28	24	-
	$ 59,386	$ 65,232	$ 83,292	$ 93,610

The revenue recognized from the beginning balance of contract liability:

	For the nine months ended September 30,	
	2025	2024
The revenue recognized from the beginning balance of contract liability		
Merchandise	$ 45,617	$ 88,782
Construction	3,824	-
Labor Services	28	-
	$ 49,469	$ 88,782

(25) Interest income

	For the three months ended September 30,	
	2025	2024
Interest in bank deposit:	$ 12,277	$ 11,380
Other interest income	125	1,533
Total	$ 12,402	$ 12,913

	For the nine months ended September 30,	
	2025	2024
Interest in bank deposit:	$ 37,556	$ 30,441
Other interest income	1,628	1,573
Total	$ 39,184	$ 32,014

(26) Other income

	For the three months ended September 30,	
	2025	2024
Rental revenue	$ 902	$ 863
Other income	6,674	5,012
Total	$ 7,576	$ 5,875

	For the nine months ended September 30,	
	2025	2024
Rental revenue	$ 2,707	$ 2,590
Other income	12,035	12,547
Total	$ 14,742	$ 15,137

(27) Other gains and losses

	For the three months ended September 30,	
	2025	2024
Foreign exchange (losses) gains	$ 53,419	($ 42,915)
Net profit (loss) from financial assets at fair value through profit or loss	311	(349)
Losses on disposal of Property, plant and equipment	-	(1)
(Losses) Gains on lease modification	(3)	3
Depreciation expense from investment property	(124)	(124)
Other losses	(8)	(11)
Other	-	850
Total	$ 53,595	($ 42,547)

	For the nine months ended September 30,	
	2025	2024
Foreign exchange (losses) gains	($ 144,890)	$ 23,421
Net profit from financial assets at fair value through profit or loss	1,277	278
Gains (losses) on disposal of Property, plant and equipment	47	(1)
Losses on disposal of investment	(1,684)	-
Gains on lease modification	274	3
Direct operating expenses arising from investment property	(84)	(85)
Depreciation expense from investment property	(372)	(372)
Other losses	(32)	(60)
Other	-	850
Total	($ 145,464)	$ 24,034

(28) Finance costs

	For the three months ended September 30,	
	2025	2024
Interest expense:		
Corporate bonds payable - discount amortization	$ 1,693	$ 3,605
Lease liabilities - discount amortization	1,237	1,516
Bank borrowings	353	801
Other	2	3
Total	$ 3,285	$ 5,925

	For the nine months ended September 30,	
	2025	2024
Interest expense:		
Corporate bonds payable - discount amortization	$ 5,684	$ 10,766
Lease liabilities - discount amortization	3,780	4,752
Bank borrowings	907	1,262
Other	8	7
Total	$ 10,379	$ 16,787

(29) Expenses by nature

	For the three months ended September 30, 2025		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 88,514	$ 316,196	$ 404,710
Depreciation- property, plant and equipment	20,946	15,254	36,200
Depreciation-right of use assets	8,699	7,342	16,041
Amortization	60	5,961	6,021
Total	$ 118,219	$ 344,753	$ 462,972

	For the three months ended September 30, 2024		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 89,888	$ 286,719	$ 376,607
Depreciation- property, plant and equipment	18,734	13,801	32,535
Depreciation-right of use assets	3,862	10,404	14,266
Amortization	25	6,977	7,002
Total	$ 112,509	$ 317,901	$ 430,410

	For the nine months ended September 30, 2025		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 265,789	$ 923,018	$1,188,807
Depreciation- property, plant and equipment	61,958	44,418	106,376
Depreciation-right of use assets	22,642	21,366	44,008
Amortization	130	18,548	18,678
Total	$ 350,519	$ 1,007,350	$1,357,869

	For the nine months ended September 30, 2024		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 242,044	$ 828,613	$1,070,657
Depreciation- property, plant and equipment	51,325	37,709	89,034
Depreciation-right of use assets	10,578	30,688	41,266
Amortization	40	19,645	19,685
Total	$ 303,987	$ 916,655	$1,220,642

(30) Employee benefit expense

	For the three months ended September 30,	
	2025	2024
Wages and salaries	$ 346,896	$ 328,760
Labor and health insurance fees	29,299	27,437
Pension costs	10,786	10,295
Compensation cost of employee stock options	7,977	718
Other employee benefit expense	9,752	9,397
Total	$ 404,710	$ 376,607

	For the Nine months ended September 30,			
	2025		2024	
Wages and salaries	$	1,011,309	$	928,150
Labor and health insurance fees		91,062		82,181
Pension costs		33,037		31,027
Compensation cost of employee stock options		23,742		2,230
Other employee benefit expense		29,657		27,069
Total	$	1,188,807	$	1,070,657

A. According to the Company's articles of association, if the Company is profitable in the year (ie after deducting the employee's remuneration and the director's remuneration from the net profit before tax), employee payout should be between 1% and 20% while directors' payout should be no more than 2%. However, if the Company has accumulated losses (including adjustments to unallocated surplus) these losses should first be offset.

B. For the three months and nine months ended September 30, 2025 and 2024, employees' compensation was accrued at $7,668, $17,197, $23,475 and $45,346, respectively; while directors' remuneration was accrued at $1,102, $3,022, $3,611 and $7,352, respectively. The aforementioned amounts were recognized in salary expenses.

   In 2025, the pre-tax net profit for the nine months was deducted from the employee's compensation and the benefits before the director's remuneration were estimated at 6.09% and 0.94% respectively.

   The Board of Directors resolved to approve the 2024 employee compensation and directors' remuneration in the amounts of $70,000 and $10,439, respectively, which are consistent with the amounts recognized in the 2024 financial statements, and both will be paid in cash.

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

(31) Income tax

A. Income tax expense

(A) Components of income tax expense:

	For the three months ended September 30,			
	2025		2024	
Current tax				
Current tax on profits for the year	$	57,372	$	57,719
Tax on undistributed earnings		-	(	333)
Total current tax	$	57,372	$	57,386

	For the nine months ended September 30,			
	2025		2024	
Current tax				
Current tax on profits for the year	$	89,287	$	197,996
Tax on undistributed earnings		8,917		5,086
Adjustments in respect of prior years	(	16,109)		-
Total current tax	$	82,095	$	203,082

(B) The income tax relating to components of other comprehensive income is as follows:

	For the three months ended September 30, 2025	2024
Currency translation differences of foreign operations	$ 13,190	$ 2,448

	For the nine months ended September 30, 2025	2024
Change in fair value from financial assets measured at fair value through other comprehensive income	$ -	($ 83)
Currency translation differences of foreign operations	(10,245)	($ 11,223)
	($ 10,245)	($ 11,306)

B. The Company's income tax return through 2023 have been assessed and approved by the Tax Authority.

(32) Earnings per share

	For the three months ended September 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 194,799	107,710	$ 1.81
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	293	
Employee stock option	-	1,318	
Convertible corporate bonds	1,354	4,082	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 196,153	113,403	$ 1.73

	For the three months ended September 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 224,733	102,194	$ 2.20
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	512	
Employee stock option	-	1,151	
Convertible corporate bonds	2,884	8,601	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 227,617	112,458	$ 2.02

	For the nine months ended September 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 295,033	106,851	$ 2.76
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	391	
Employee stock option	-	1,412	
Convertible corporate bonds	4,547	4,713	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 299,580	113,367	$ 2.64

	For the nine months ended September 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 538,985	102,047	$ 5.28
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	647	
Employee stock option	-	1,233	
Convertible corporate bonds	8,613	8,601	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 547,598	112,528	$ 4.87

(33) Business merger

A. On April 8, 2024, the Group acquired a 59.95% equity in PAYTRONEX by paying $65,100 in cash to its existing shareholders and participating in a cash capital increase, thereby gaining control over PAYTRONEX. Consequently, PAYTRONEX has been included as a consolidated entity from that date (the acquisition date). The Group expects to expand both parties' operational scale and enhance overall performance through the integration of business resources.

B. Details of the consideration paid for the acquisition of PAYTRONEX, the fair values of the assets acquired and liabilities assumed as of the acquisition date, and the information on non-controlling interests as a proportion of the acquiree's identifiable net assets on the acquisition date are as follows:

	April 8, 2024
Acquisition consideration	
Cash	$ 65,100
Non-controlling interests' share of the acquiree's identifiable net assets	43,500
	108,600
Fair value of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	$ 69,929
Contract assets - current	17,377
Notes receivable	21,632
Accounts receivable	45,983
Finance lease receivables	4,867
Other receivables	5,171
Inventories	56,757
Prepayments	4,565
Debt instrument investments measured at fair value through other comprehensive income	1,068

	April 8, 2024
Investments accounted for under equity method	66
Property, plant and equipment	97,680
Right-of-use assets	1,416
Intangible assets	1,188
Intangible assets - customer relations	3,794
Deferred income tax assets	2,059
Other non-current assets	2,809
Short-term borrowings	(55,153)
Contract liabilities - current	(65,064)
Notes payable	(1,426)
Accounts payable	(23,387)
Accounts payable – related parties	(2,047)
Other payables	(15,483)
Current income tax liabilities	(2,140)
Other current liabilities	(715)
Long-term borrowings	(60,432)
Non-current provision	(407)
Deferred income tax liabilities	(72)
Non-current lease liabilities	(1,435)
Total identifiable net assets	108,600
Goodwill	$ -

C. From April 8, 2024, PAYTRONEX contributed $222,472 and $6,938 in the Group's revenue and a pre-tax income of 2024, respectively.

(34) Supplemental cash flow information

A. Partial cash paid for investing activities

	For the nine months ended September 30,	
	2025	2024
Purchase of property, plant and equipment	$ 56,869	$ 100,505
Add: Beginning balance of payable on land and buildings	-	144,750
Add: Beginning balance of payable on equipment	10,974	27,130
Add: Ending balance of Prepayments for business facilities	8,706	2,034
Less: Ending balance of payable on equipment	(8,234)	(16,908)
Less: Beginning balance of Prepayments for business facilities	(2,508)	(652)
Cash paid during the year	$ 65,807	$ 256,859

B. Financing activities that do not affect cash flow:

	For the nine months ended September 30, 2025	2024
Convertible corporate bonds converted into equity	$ 416,401	$ -

(35) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities from financing activities-gross
At January 1, 2025	$ -	$ 55,293	$ 147,962	$ 773,858	$ 977,113
Changes in cash flow from financing activities	65,000	(26,875)	(42,550)	-	(4,425)
Payment of interest (Note)	-	-	(3,780)	-	(3,780)
Impact of changes in foreign exchange rate	-	-	(3,697)	-	(3,697)
Other changes in non-cash items	-	-	57,514	(411,533)	(354,019)
At September 30, 2025	$ 65,000	$ 28,418	$ 155,449	$ 362,325	$ 611,192

	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities from financing activities-gross
At January 1, 2024	$ -	$ -	$ 169,284	$760,924	$ 930,208
Additions from business combination	55,153	60,432	1,435	-	117,020
Changes in cash flow from financing activities	330,260	(8,808)	(41,564)	-	279,888
Payment of interest (Note)	-	-	(4,752)	-	(4,752)
Impact of changes in foreign exchange rate	-	-	6,022	-	6,022
Other changes in non-cash items	(5,413)	5,413	25,296	10,766	36,062
At September 30, 2024	$ 380,000	$ 57,037	$ 155,721	$771,690	$ 1,364,448

Note: Shown in "Cash flow from operating activities".

G. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Name of related parties	Relationship with the Group
Advantech Co., Ltd.	Entity with significant influence on the group
Uni-innovate Technology Co., Ltd.	Associate
Superfly Technology Co.,Ltd. (Note)	Other related parties
Houng Yu Machinery Sheet-metal Co., Ltd. (Note)	"

Note: Since PAYTRONEX was merged into the consolidated entity of the Group on April 8, 2024, Superfly Technology Co.,Ltd. and Houng Yu Machinery Sheet-metal Co., Ltd. were included as related parties of the Group from that date, and transactions with the Group were calculated from that date.

(2) Significant related party transactions and balances

A. Operating revenue

	For the three months ended September 30,	
	2025	2024
Merchandise sales:		
Entity with significant influence on the group	$ 32	$ 15
Associate	-	39
Other related parties	1,898	131
	$ 1,930	$ 185

	For the three months ended September 30,	
	2025	2024
Construction revenue:		
Other related parties	$ 419	$ 2,940

	For the nine months ended September 30,	
	2025	2024
Merchandise sales:		
Entity with significant influence on the group	$ 68	$ 144
Associate	-	118
Other related parties	2,108	171
	$ 2,176	$ 433

	For the nine months ended September 30,	
	2025	2024
Construction revenue:		
Other related parties	$ 11,206	$ 6,256

(A) The above sales transactions are handled in accordance with normal commercial terms and conditions.

(B) The construction price for contracted parties is determined based on estimated construction input costs plus reasonable management fees and profit. It is decided after negotiation and bargaining between both parties and is collected according to the payment terms specified in the contract.

(C) The status of unfinished construction contracts and valuation for contracted parties is as follows:

	September 30, 2025	
	Total contract price (excluding tax)	Calculated price
Other related parties	$ 33,842	$ 26,420

	December 31, 2025	
	Total contract price (excluding tax)	Calculated price
Other related parties	$ 47,192	$ 35,588

	September 30, 2024	
	Total contract price (excluding tax)	Calculated price
Other related parties	$ 50,099	$ 35,800

(D) Contract assets

	September 30, 2025	December 31, 2024	September 30, 2024
Other related parties - Superfly Technology Co., Ltd.	$ 5,600	$ 6,379	$ 3,514

B. Purchase

	For the three months ended September 30,	
	2025	2024
Purchase of goods:		
Entity with significant influence on the group	$ 9,797	$ 7,496
Other related parties	1,196	2,093
	$ 10,993	$ 9,589

	For the nine months ended September 30,			
	2025		2024	
Purchase of goods:				
Entity with significant influence on the group	$	18,170	$	20,492
Other related parties		2,966		3,902
	$	21,136	$	24,394

The above purchase transactions are handled in accordance with normal commercial terms and conditions.

C. Account receivable - related parties

	September 30, 2025		December 31, 2024		September 30, 2024	
Account receivable:						
Entity with significant influence on the group	$	1	$	38	$	-
Associate		-		41		-
Other related parties		4,669		3,651		4,496
Subtotal		4,670		3,730		4,496
Notes receivable:						
Other related parties		-		100		207
Finance lease receivables						
Other related parties		2,584		1,319		-
Total	$	7,254	$	5,149	$	4,703

Account receivable from related parties mainly arise from sales of goods and finance lease transactions. The receivables are unsecured and non-interest-bearing.

D. Account payables-related parties

	September 30, 2025		December 31, 2024		September 30, 2024	
Account payable:						
Entity with significant influence on the group	$	7,416	$	4,446	$	5,453
Other related parties		988		574		1,097
Subtotal		8,404		5,020		6,550
Other account payables						
Entity with significant influence on the group		43		21		-
Other related parties		-		72		-
Subtotal		43		93		-
Total	$	8,447	$	5,113	$	6,550

Accounts payable are mainly related to purchase transactions; other accounts payable are mainly generated from miscellaneous purchases. The Accounts payable are non-interest-bearing

(3) Key management compensation

	For the three months ended September 30,	
	2025	2024
Short-term employee benefits	$ 33,558	$ 32,712
Share-based payment	1,955	435
Post-employment compensation	300	294
Total	$ 35,813	$ 33,441

	For the nine months ended September 30,	
	2025	2024
Short-term employee benefits	$ 114,553	$ 94,309
Share-based payment	5,865	1,305
Post-employment compensation	882	875
Total	$ 121,300	$ 96,489

H. PLEDGED ASSETS

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

	Book value			
Asset type	September 30, 2025	December 31, 2024	September 30, 2024	Use of pledge
Time deposits (accounted for as financial assets measured at amortized cost)	$ 10,000	$ -	$ -	Performance guarantee for customer transactions
Property, plant and equipment	53,665	53,939	54,031	Long-term borrowings
	$ 63,665	$ 53,939	$ 54,031	

I. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingency

None.

(2) Commitments:

A. Capital expenditures contracted but not yet incurred:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	$ 3,116	$ 18,467	$ 987
Intangible assets	472	90	1,448
Total	$ 3,588	$ 18,557	$ 2,435

B. As of September 30, 2025, the amounts of the guarantee notes issued by the Group for performance guarantees in engineering projects: $7,089.

C. As of September 30, 2025, the amounts of the guarantee notes issued by the Group for lease and maintenance guarantees: $7,154.

J. SIGNIFICANT DISASTER LOSS

None.

K. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

L. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets			
Financial assets at fair value through profit or loss	$ 37	$ 62,750	$ 240
Financial assets at amortized cost	2,475,294	2,737,388	2,677,145
	$ 2,475,331	$ 2,800,138	$ 2,677,385

	September 30, 2025	December 31, 2024	September 30, 2024
Financial liabilities			
Financial Liabilities at amortized cost	$ 1,491,995	$ 1,878,613	$ 2,227,650
Lease liabilities	155,449	147,962	155,721
	$ 1,647,444	$ 2,026,575	$ 2,383,371

Note: Financial assets at amortized cost includes cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, guarantee deposits, operating lease receivables, finance lease receivables, long-term finance lease receivables and financial assets at amortized cost; financial liabilities at amortized cost includes short-term borrowings, notes and accounts payable (including related parties), other payables (including related parties), long-term borrowings (including current portion) and guarantee deposits received.

B. Risk management policy

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

The financial risk management policies of the Group focus on unpredictable factors in financial market, and aim to reduce unfavorable impact on financial position and financial performance.

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

C. Significant financial risks and degrees of financial risks

(A) Market risk

<u>Foreign exchange risk</u>

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR, GBP, JPY and RMB. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. Management has set up a policy to require companies of the Group to manage their foreign exchange risk against their functional currency. All units within the Group should hedge their overall exchange rate risk through the finance department. Exchange rate risk is measured by the expected transaction of highly probable USD and RMB spending, using forward foreign exchange contracts to reduce the impact of exchange rate fluctuations on the expected purchase cost of inventory.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RUR, GBP, JPY and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign Currency: Functional currency)	September 30, 2025 Foreign currency amount (in thousand)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD : NTD	$ 45,641	30.46	$ 1,390,225
USD : EUR	12,079	0.85	367,926
RMB : NTD	11,509	4.27	49,143
EUR : NTD	339	35.8	12,136
JPY : NTD	29,719	0.21	6,241
Non-monetary items			
USD : NTD	34,565	30.46	1,052,850
EUR : NTD	16,515	35.80	591,237
RMB : NTD	12,820	4.27	54,741
GBP : NTD	179	40.96	7,332
Financial liabilities			
Monetary items			
USD : NTD	10,583	30.46	322,358
RMB : NTD	1,993	4.27	8,510

(Foreign Currency: Functional currency)	December 31, 2024 Foreign currency amount (in thousand)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD : NTD	$ 44,880	32.79	$ 1,471,615
USD : EUR	7,848	0.96	257,336
RMB : NTD	8,620	4.48	38,618
EUR : NTD	1,062	34.14	36,257
Non-monetary items			
USD : NTD	32,673	32.79	1,071,348
EUR : NTD	16,714	34.14	570,616
RMB : NTD	15,309	4.48	68,584
GBP : NTD	288	41.19	11,863
JPY : NTD	32,305	0.21	6,784
Financial liabilities			
Monetary items			
USD : NTD	6,937	32.79	227,464
USD : EUR	583	0.96	19,117

	September 30, 2024		
	Foreign currency amount (in thousand)	Exchange rate	Book value (NTD)
(Foreign Currency: Functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 50,784	31.67	$ 1,608,329
USD : EUR	13,713	0.89	434,291
RMB : NTD	6,096	4.52	27,554
EUR : NTD	527	35.45	18,682
Non-monetary items			
USD : NTD	32,633	31.67	$1,033,487
EUR : NTD	15,706	35.45	556,778
RMB : NTD	17,770	4.52	80,320
GBP : NTD	276	42.46	11,719
JPY : NTD	33,094	0.22	7,281
Financial liabilities			
Monetary items			
USD : NTD	9,190	31.67	291,047
USD : EUR	1,755	0.89	55,581

iv. The total exchange gain or loss, including realized and unrealized gains or losses arising from significant foreign exchange variations on monetary items held by the Group for the three months and nine months ended September 30, 2025 and 2024, amounted to gains(loss) of $53,419, ($42,915), ($144,890), and $23,421, respectively.

v. The Group's foreign currency market risk analysis due to significant exchange rate fluctuations is as follows:

	For the nine months ended September 30, 2025		
	Sensitivity analysis		
(Foreign Currency: Functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD : NTD	1%	$ 11,122	$ -
USD : EUR	1%	2,943	-
RMB : NTD	1%	393	-
EUR : NTD	1%	97	-
JPY : NTD	1%	50	-
Non-monetary items			
USD : NTD	1%	-	8,423
EUR : NTD	1%	-	4,730
RMB : NTD	1%	-	438
GBP : NTD	1%	-	59
Financial liabilities			
Monetary items			
USD : NTD	1%	2,579	-
RMB : NTD	1%	68	-

	For the nine months ended September 30, 2024		
	Sensitivity analysis		
(Foreign Currency: Functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD : NTD	1%	$ 12,867	$ -
USD : EUR	1%	3,474	-
RMB : NTD	1%	220	-
EUR : NTD	1%	149	-
Non-monetary items			
USD : NTD	1%	-	8,268
EUR : NTD	1%	-	4,454
RMB : NTD	1%	-	643
GBP : NTD	1%	-	94
JPY : NTD	1%	-	59
Financial liabilities			
Monetary items			
USD : NTD	1%	2,328	-
USD : EUR	1%	445	-

Price risk

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

ii. The Group's investments in equity securities comprise beneficiary certificates. The prices of equity securities would change due to the change of the future value of investee companies.

(B) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, debt instruments classified as at amortized cost, measured at fair value through other comprehensive income and measured at fair value through profit or loss.

ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

   (i) If the contract payments are past due over 90 days based on the terms, there is a significant increase in credit risk on that instrument since initial recognition.

   (ii) A bond investment traded at the counter buying center, which has any external rating agency rated as the investment grade on the balance sheet date, and the financial asset is considered to have a low credit risk.

iv. The Group adopts the following assumptions under IFRS 9: If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default occurs when the contract payments are past due over 270 days.

v. The Group classifies customer's notes and accounts receivable in accordance with product types and customer types. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

   (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

   (ii) The disappearance of an active market for that financial asset because of financial difficulties;

   (iii) Default or delinquency in interest or principal repayments;

   (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group wrote off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On September 30, 2025, December 31, 2024 and September 30, 2024, the Group had no written-off financial assets that remained under recourse procedures.

viii. The Group uses the forecast ability of National Development Council Business Cycle Indicator and CONFERENCE BOARD LEADING ECONOMIC INDEX to adjust historical and timely information to assess the default possibility of notes and accounts receivable. On September 30, 2025, December 31, 2024 and September 30, 2024, the provision matrix is as follows:

September 30, 2025	Not overdue	Overdue 1 ~ 90 days	Overdue 91 ~ 180 days	Overdue 181 ~ 270 days
Expected loss rate	0.05%-0.31%	0.05%-1.44%	0.05%-65.35%	95.66%-100%
Total book value	$ 792,235	$ 124,101	$ 2,581	$ 546
Loss allowance	$ 1,049	$ 936	$ 1,236	$ 532

September 30, 2025	Overdue 271 ~ 360 days	Overdue More than 360 days	Total
Expected loss rate	100%	100%	
Total book value	$ -	$ 2,639	$ 922,102
Loss allowance	$ -	$ 2,639	$ 6,392

December 31, 2024	Not overdue	Overdue 1 ~ 90 days	Overdue 91 ~ 180 days	Overdue 181 ~ 270 days
Expected loss rate	0.04%-0.39%	0.04%-1.46%	0.04%-68.69%	0.04%-100%
Total book value	$ 862,220	$ 86,405	$ 2,877	$ 1,264
Loss allowance	$ 1,271	$ 945	$ 1,391	$ 838

December 31, 2024	Overdue 271 ~ 360 days	Overdue More than 360 days	Total
Expected loss rate	100%	100%	
Total book value	$ 315	$ 963	$ 954,044
Loss allowance	$ 101	$ 963	$ 5,509

September 30, 2024	Not overdue	Overdue 1 ~ 90 days	Overdue 91 ~ 180 days	Overdue 181 ~ 270 days
Expected loss rate	0.03%-0.35%	0.03%-1.45%	0.03%-68.88%	0.03%-100%
Total book value	$ 728,734	$ 119,956	$ 2,563	$ 487
Loss allowance	$ 855	$ 904	$ 1,301	$ 265

September 30, 2024	Overdue 271 ~ 360 days	Overdue More than 360 days	Total
Expected loss rate	100%	100%	
Total book value	$ 433	$ 1,628	$ 853,801
Loss allowance	$ 433	$ 1,628	$ 5,386

ix. Ageing analysis of notes and accounts receivable as follows:

	September 30, 2025			
	Accounts receivable	Notes receivable	Operating lease receivables	Finance lease receivables
Not overdue	$ 778,570	$ 6,437	$ 3,252	$ 3,976
within 90 days	124,101	-	-	-
91 ~ 180 days	2,581	-	-	-
More than 181 days	3,185	-	-	-
	$ 908,437	$ 6,437	$ 3,252	$ 3,976

	December 31, 2024			
	Accounts receivable	Notes receivable	Operating lease receivables	Finance lease receivables
Not overdue	$ 831,088	$ 25,628	$ 2,118	$ 3,386
within 90 days	86,405	-	-	-
91 ~ 180 days	2,877	-	-	-
More than 181 days	2,542	-	-	-
	$ 922,912	$ 25,628	$ 2,118	$ 3,386

	September 30, 2024			
	Accounts receivable	Notes receivable	Operating lease receivables	Finance lease receivables
Not overdue	$ 695,627	$ 28,894	$ 1,281	$ 2,932
within 90 days	119,956	-	-	-
91 ~ 180 days	2,563	-	-	-
More than 181 days	2,548	-	-	-
	$ 820,694	$ 28,894	$ 1,281	$ 2,932

The above is an age analysis based on the number of overdue days.

x. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2025	2024
At January 1	$ 5,509	$ 4,207
Additions from business combination	-	524
(Reversal) Provision for impairment loss	1,234	520
Amounts written off due to irrecoverability	-	(5)
Impact of foreign exchange rate	(351)	140
At September 30	$ 6,392	$ 5,386

(C) Liquidity risk

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The contractual cash flow amount disclosed in the following table is the undiscounted amount.

September 30, 2025 Non-derivative financial liabilities	Within 1 year	1 ~ 2 years	2 ~ 5 years	More than 5 years	Total
Lease liabilities	$ 71,877	$ 52,330	$ 36,945	$ 724	$161,876
Corporate bonds payable	$368,600	$ -	$ -	$ -	$368,600
Long-term borrowings (including current portion)	$ 2,587	$ 2,587	$ 7,761	$ 19,401	$ 32,336

December 31, 2024 Non-derivative financial liabilities	Within 1 year	1 ~ 2 years	2 ~ 5 years	More than 5 years	Total
Lease liabilities	$ 61,433	$ 48,475	$ 45,358	$ 1,966	$157,232
Corporate bonds payable	$ -	$798,400	$ -	$ -	$798,400
Long-term borrowings (including current portion)	$ 8,045	$ 8,010	$ 19,573	$ 25,837	$ 61,465

September 30, 2024 Non-derivative financial liabilities	Within 1 year	1 ~ 2 years	2 ~ 5 years	More than 5 years	Total
Lease liabilities	$ 59,940	$ 51,251	$ 50,108	$ 3,752	$165,051
Corporate bonds payable	$ -	$799,900	$ -	$ -	$799,900
Long-term borrowings (including current portion)	$ 8,042	$ 8,025	$ 20,787	$ 26,619	$ 63,473

In addition to the above, the Group's non-derivative financial liabilities are due within the next year. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

Level 1: The input value for this level is the open quote (unadjusted) of the same asset or liability in the active market. An active market is a market that meets all of the following conditions: the goods traded in the market are homogeneous; the buyers and sellers with the willingness can be found in the market at any time and the price information can be obtained by the public. The fair value of the beneficiary certificate the Group’s investment belongs to.

Level 2: The input value of this level, except for the observable price included in the first level public offer, including the observable input value obtained from the active market either directly (such as price) or indirectly (such as derived from price).

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. Information about the fair value of investment property is provided in Note 6(10).

C. Financial instruments not measured at fair value

Except for financial assets at fair value through profit or loss, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid, short-term borrowings, notes payable (including related parties), accounts payable (including related parties), other payables (including related parties) and guarantee deposits received are approximate to their fair values.

	September 30, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities: Corporate bonds payable	$ 362,325	$ -	$ 363,683	$ -

	December 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities: Corporate bonds payable	$ 773,858	$ -	$ 774,249	$ -

	September 30, 2024			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities: Corporate bonds payable	$ 771,690	$ -	$ 769,278	$ -

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

(A) The related information about the nature of the assets and liabilities is as follows:

September 30, 2025	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Convertible bond – call provision	$ -	$ -	$ 37	$ 37

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary Certificate	$ 62,031	$ -	$ -	$ 62,031
Convertible bond – call provision	-	-	719	719
Total	$ 62,031	$ -	$ 719	$ 62,750

September 30, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Convertible bond – call provision	$ -	$ -	$ 240	$ 240

(B) The evaluation of derivative financial instruments is based on the option pricing model accepted by market users.

E. For the nine months ended September 30, 2025 and 2024, there was no evaluation of the transfer between levels.

F. The following chart is the movement of Level 3 for the nine months ended September 30, 2025 and 2024.

	2025 Convertible bond – call provision	2024 Convertible bond – call provision
At January 1	$ 719	$ 720
Sell	(815)	-
Recognition in profit (loss)		
Other gains and losses	133	(480)
At September 30	$ 37	$ 240

G. Outside appraiser is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	Fair value at September 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bond – call provision	$ 37	Binomial tree pricing model	Volatility	41.36%	The higher the stock price volatility, the higher the fair value

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bond – call provision	$ 719	Binomial tree pricing model	Volatility	34.25%	The higher the stock price volatility, the higher the fair value

	Fair value at September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bond – call provision	$ 240	Binomial tree pricing model	Volatility	33.32%	The higher the stock price volatility, the higher the fair value

M. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.
B. Provision of endorsements and guarantees to others: None.
C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to None.
D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 2.
E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.
F. Business relationships and major transactions between parent and subsidiary companies: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.
B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: For the major transactions between the Company and the Mainland China invested companies, please refer to table 4.

N. OPERATIONS SEGMENT INFORMATION

(1) General information

The Group's management has identified the reporting Department based on the reporting information needs of the Board of Directors and the main operating decision makers for decision making.

The Group's main operating decision makers operate their business from a regional perspective; in the region, the Group currently focuses on production and sales in Taiwan, the Americas and Europe.

The operations departments disclosed by the Group are considered the main source of revenue for the Group - manufacture and sale of product applications such as industrial computers and Ethernet networks.

(2) Segment information

The segment information provided to the chief operating decision maker for the reportable segments is as follows:

Segment profit and loss, assets and liabilities information

	For the nine months ended September 30, 2025					
	Taiwan	USA	Europe	Others Department	Adjustment & Sales balance	Total
Income from external customers	$ 2,140,964	$ 2,283,856	$ 500,128	$ 74,129	$ -	$ 4,999,077
Interest income	29,533	-	10,137	12	(498)	39,184
Other income	12,484	17	2,052	189	-	14,742
Inter-departmental income	1,363,394	525	5,536	18,898	(1,388,353)	-
Department profit or loss (before tax)	373,722	74,989	(11,685)	(10,774)	(44,527)	381,725
Interest expense	7,455	1,965	1,365	92	(498)	10,379
Depreciation & Amortization	118,585	34,324	12,824	2,837	864	169,434
Income tax expenses	66,350	15,922	(226)	49	-	82,095
Non-current assets capital expenditure	71,923	1,111	348	344	-	73,726
Department's Assets	6,790,726	1,717,823	721,258	87,884	(2,297,160)	7,020,531
Department's Liabilities	1,786,301	664,999	122,773	33,126	(532,357)	2,074,842

Adjustments & Sales balance

(1) Total sales from the departments should be net of interest income $498 and inter-departmental revenue $1,388,353.
(2) Inter-departmental income and interest expense should be net of inter-departmental transactions $44,527 and $498.
(3) Depreciation and amortization $864 arising from property, plant and equipment and intangible assets transactions should be reported and adjustment in the preparation of the consolidated financial statements.
(4) Department assets of $2,297,160 and liabilities of $532,357 arising from inter-departmental transactions should be reported and eliminated in the preparation of the consolidated financial statements.

	For the nine months ended September 30, 2024					
	Taiwan	USA	Europe	Others Department	Adjustment & Sales balance	Total
Income from external customers	$ 1,875,724	$ 2,095,412	$ 862,132	$ 107,341	$ -	$ 4,940,609
Interest income	28,827	-	3,100	87	-	32,014
Other income	13,356	92	1,684	5	-	15,137
Inter-departmental income	1,596,951	75	11,595	12,605	(1,621,226)	-
Interest expense	677,762	23,710	160,941	(14,562)	(106,684)	741,167
Depreciation & Amortization	12,165	2,932	1,475	215	-	16,787
Income tax expenses	100,050	33,984	11,858	4,826	(361)	150,357
Department Income	141,497	15,205	46,572	29	(221)	203,082
Non-current assets capital expenditure	247,195	21,409	741	160	-	269,505
Department's Assets	6,981,497	1,601,403	766,681	134,446	(2,117,641)	7,366,386
Department's Liabilities	2,511,467	567,919	198,165	46,725	(380,856)	2,943,420

Adjustments & Sales balance

(1) Total sales from the departments should be net of inter-departmental revenue was $1,621,226.

(2) Amortization $361 and Income tax expenses $221 arising from intangible assets transactions should be reported and adjustment in the preparation of the consolidated financial statements.

(3) Inter-departmental income should be net of inter-departmental transactions $106,684

(4) Department assets of $2,117,641 and liabilities of $380,856 arising from inter-departmental transactions should be reported and eliminated in the preparation of the consolidated financial statements.

(3) Reconciliation for segment income (loss)

The external income reported by the Group to the chief operating decision maker is consistent with the income from the comprehensive income statement. The difference between the (departmental revenue and corporate income) and the (inter-departmental profit and loss and the pre-tax profit and loss of the continuing business sector) is small. Hence, there is no need for adjustment.

AXIOMTEK CO., LTD. AND SUBSIDIARIES

Loans to others

For the nine months ended September 30, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Related party	Maximum balance for the period (Note 3)	Ending balance (Note 8)	Amount actually drawn	Interest rate	Nature for financing (Note 4)	Transaction amounts (Note 5)	Reason for short-term financing (Note 6)	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 7)	Financing Company's total financing amount limits (Notes 7)	Remark
													Item	Value			
0	AXIOMTEK CO., LTD.	PAYTRONEX	Other receivables-related party	Y	$50,000	50,000	50,000	2.150%	2	$ -	Business turnover	-	-	-	$ 489,620	$ 1,958,483	

Note 1: The description of the number column is as follows:

(1) Fill in 0 for the issuer.

(2) The invested companies are numbered sequentially by company number starting from 1.

Note 2: Items such as accounts receivable from related enterprises, accounts receivable from related parties, shareholders' transactions, advance payments, temporary payments, etc. must be filled in this field if they are in the nature of loan.

Note 3: The maximum balance for the period.

Note 4: The description of the nature of loan is as follows:

(1) If it is a business transaction, fill in 1.

(2) If short-term financing is necessary, fill in 2.

Note 5: If the capital loan is a business transaction, the business transaction amount should be filled in. The business transaction amount refers to the business transaction amount between the Company lending the funds and the loan recipient in the most recent year.

Note 6: If the nature of the fund loan requires short-term financing, the reasons for the necessary loan and the purpose of the funds to be loaned should be specified, such as: repayment of loans, purchase of equipment, business turnover, etc.

Note 7: According to the Company's operating procedures for loan of fund and endorsement guarantees, the total amount of loans that the Company and its subsidiaries can make as a whole shall not exceed 40% of the equity attributable to the owners of the parent company in the company's most recent consolidated financial statements limit.

Furthermore, the amount of loans that the Company and its subsidiaries as a whole can lend to a single enterprise shall not exceed 10% of the equity attributable to the owners of the parent company in the company's most recent consolidated financial statements limit.

Note 8: If a public company submits fund loans to the Board of Directors for resolution one by one in accordance with Article 14, Item 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by public companies, even though no appropriation has been made, the amount determined by the Board of Directors should still be included in the announced balance to reveal the risks it takes;

However, if the funds are subsequently repaid, the balance after repayment should be disclosed to reflect the risk adjustment. If a public company authorizes the chairman of the Board of Directors by resolution of the Board of Directors to allocate loans in installments or use them on a recurring basis within a certain amount and within a period of one year in accordance with Article 14, Item 2 of the Regulations, fund loan limit approved by the Board of Directors should still be used as the balance for announcement and reporting. Although the funds are repaid later, it is still considered that the loan may be appropriated again, so the fund loan limit approved by the Board of Directors should still be used as the balance for announcement and reporting.

AXIOMTEK CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

For the nine months ended September 30, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchase (sale)	Amount	Percentage of total purchase (sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
AXIOMTEK CO., LTD.	AXUS	The Company's subsidiaries	Sale	$ 1,078,772	21.58 %	Month end 45-90 days	-	-	$ 418,305	46.04%	
AXIOMTEK CO., LTD.	AXGM	The Company's subsidiaries	Sale	$ 175,931	3.52 %	Month end 45 days	-	-	$ 20,305	2.24%	

Note 1: If terms of related party transactions are different from third party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term’ columns.
Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.
Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

AXIOMTEK CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

September 30, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship	Balance as at September 30, 2025 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
AXIOMTEK CO., LTD.	AXUS	Subsidiaries of the Company	$ 418,305	3.71	-	-	$ 224,485	-

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties.
Note 2: Paid-in capital referred to herein is the paid-in capital of parent company.

AXIOMTEK CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the nine months ended September 30, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	AXIOMTEK CO., LTD.	AXUS	1	Sales revenue	$ 1,078,772	same as that applicable to the general customer receivables collection as per for the average customer, 45-90 days	21.58%
0	AXIOMTEK CO., LTD.	AXGM	1	Sales revenue	175,931	same as that applicable to the general customer receivables collection as per for the average customer, 45 days	3.52%
0	AXIOMTEK CO., LTD.	AXIT	1	Sales revenue	61,118	same as that applicable to the general customer receivables collection as per for the average customer, 45 days	1.22%
0	AXIOMTEK CO., LTD.	AXSZ	1	Sales revenue	43,433	same as that applicable to the general customer receivables collection for the general customer 75 days; 45-75 days with slight delay	0.87%
0	AXIOMTEK CO., LTD.	AXUS	1	Accounts receivable	418,305		5.96%
0	AXIOMTEK CO., LTD.	AXSZ	1	Accounts receivable	21,950		0.31%
0	AXIOMTEK CO., LTD.	AXIT	1	Accounts receivable	10,559		0.15%
0	AXIOMTEK CO., LTD.	AXGM	1	Accounts receivable	20,305		0.29%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: No other transactions of the same type are available for comparison, and the terms of the transaction are handled in accordance with the terms of the agreement between the parties.

Note 5: The disclosure standard is those with a transaction amount of $10 million or more.

AXIOMTEK CO., LTD. AND SUBSIDIARIES

Information on investees

For the nine months ended September 30, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1, 2)	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025			Net profit (loss) of the investee for the year ended September 30, 2025 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended September 30, 2025 (Note 2(3))	Remark
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership	Book value			
AXIOMTEK CO., LTD.	AXUS	U.S.A.	Industrial computer and Embedded Board manufacturing, trading, post-sales service	$ 208,240	$ 208,240	23,418	100.00	$ 987,653	$ 59,067	$ 59,067	
〃	AXGM	Germany	Industrial computer and Embedded Board manufacturing, trading, post-sales service	19,941	19,941	(Note 3)	100.00	529,299	(12,898)	(12,898)	
〃	AXUK	United Kingdom	Industrial computer and Embedded Board manufacturing, trading, post-sales service	8,615	8,615	180,000	100.00	7,345	(4,489)	(4,489)	
〃	AXJP	Japan	Industrial computer and Embedded Board manufacturing, trading, post-sales service	-	8,235	-	-	-	(139)	(139)	(Note 4)
〃	AXIT	Italy	Industrial computer and Embedded Board manufacturing, trading, post-sales service	56,068	56,068	(Note 3)	100.00	53,406	5,928	5,928	
〃	UNI	Taiwan	Intelligent automation solution R&D, manufacturing, trading	29,000	29,000	1,450,000	24.05	14,972	(3,770)	(1,166)	
〃	PAYTRONEX	Taiwan	Research and development, manufacturing, sales, maintenance and leasing of smart parking, smart medical and self-service related equipment and solutions	65,100	65,100	2,170,000	59.95	73,882	12,340	6,879	
PAYTRONEX	Parktron-TH	Thailand	Self-service solution trading	538	538	5,800	29.00	66	-	-	(Note 5)

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at September 30, 2025' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee for the nine months ended September 30, 2025' column should fill in amount of net profit (loss) of the investee for this period.

(3) The 'Investment income (loss) recognized by the Company for the nine months ended September 30, 2025' column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

Note 3: Department Ltd.

Note 4: The liquidation has been completed in May 2025.

Note 5: The shareholders' meeting resolved to liquidate in November 2023. The liquidation process is still in progress.

AXIOMTEK CO., LTD. & SUBSIDIARIES

Information on investments in Mainland China

For the nine months ended September 30, 2025

Table 6

Expressed in thousands of NTD and foreign currencies

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Net income of investee for the nine months ended September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the nine months ended September 30, 2025 (Note 2)	Book value of investments in Mainland China as of September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2025	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
Axiomtek Shenzhen	Industrial computer and Embedded Board manufacturing, trading, post-sales service	NT$128,141 (USD 4,207)	Note 1(1)	NT $128,141 (USD 4,207)	$ -	$ -	NT$128,141 (USD 4,207)	($ 10,774)	100.00	($ 11,081)	$ 46,593	$ -	

Note 1: Investment methods are classified into the following three categories:
(1) Investment in Mainland China companies by remittance through a third region.
(2) Investment in Mainland China companies through a company invested and established in a third region.
(3) Investment in Mainland China companies through an existing company established in a third region.
Note 2: The investment income is calculated based on the financial statements of the Company that have not been audited by the accountant during the same period.
Note 3: In pursuance of Shen-Zi Letter No.09704604680 from the Ministry of Economic Affairs dated August 29, 2008. The amended "Regulations for examination of investments and technical cooperation in Mainland Area" sets the limitation for investments in Mainland China to be higher of net book value or 60% of consolidated net book value.
Note 4: The amount listed in this table is converted into NTD according to the exchange rate of US$1=30.459 on September 30, 2025.

Expressed in thousands of NTD and foreign currencies

Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of (MOEA)
$ 128,141	USD 4,223	$ 2,937,725
USD 4,207		