

AXIOMTEK CO., LTD.

Parent Company Only Financial Statements for the Years ended
December, 2025 and 2024 and
Independent Auditors' Report
(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.

2025 Independent Auditors' Report

(Parent Company Only Financial Statements)

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

Opinion

We have audited the accompanying parent company only balance sheets of AXIOMTEK CO., LTD. (hereinafter referred to as "Axiomtek" or "the Company") as of December 31, 2025 and 2024, and the related statements of comprehensive income, changes in equity and of cash flows for the years ended December 31, 2025 and 2024, and notes to parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in order to comply with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of the current period. These matters were addressed in the context of our audit of the individual financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements for the year ended December 31, 2025 are stated as follows:

Existence and Occurrence of Sales of Goods

Description

Please refer to Note 4(29) for accounting policy on revenue recognition and Note 6(20) for details of operating revenue.

The Company is primarily engaged in the manufacturing, sales and post-sales service of industrial computer and embedded board products. Apart from long-term partner companies, due to global technological changes, industrial computer orders are susceptible to project cycles. Additionally, the Company is committed to developing new markets and undertaking new projects. Revenue from each period may vary due to market trends. Therefore, we considered the existence and occurrence of sales of goods from these clients as a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Evaluated the Company's internal control procedures for recognition of sales of goods and tested the effectiveness of internal control related to sales of goods.
2. Obtain detailed sales revenue and audit transactions and related vouchers to confirm the appropriateness of revenue recognition.

Allowance for Inventory Valuation Losses

Description

Please refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses and Note 6(4) for details of inventories. As at December 31, 2025, the Company's inventories and allowance for inventory valuation losses amounted to NT\$982,716 thousand and NT\$67,435 thousand, respectively.

The Company is primarily engaged in the research and development, manufacturing and sales of industrial computer products. Due to rapid technological changes, these inventories are susceptible to market price fluctuations, resulting in a higher risk of inventory write-downs or obsolescence. Additionally, as the amounts of inventories are material, the types of inventories vary, and the estimation of net realizable value for individually obsolete or damaged inventories is subject to management's judgment, we considered the allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Ensured consistent application of Company's accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
2. Evaluated the reasonableness of inventories individually identified as obsolete or damaged with supporting documents, validated the appropriateness of system logic of inventory aging report utilized by management to ensure proper classification of inventories aged over a certain period of time and reperformed the calculation.
3. Discussed with management the net realizable value of inventories aged over a certain period of time and individually identified as obsolete or damaged, validated respective supporting documents, and agreed to information obtained from physical inventory.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including Audit Committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the Parent Company Only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Po-Chuan

Tsai, Pei-Hua

for and on behalf of PricewaterhouseCoopers, Taiwan February 25, 2026

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars)

| Assets | | Notes | December 31, 2025 | | December 31, 2024 | |
|--------------------|---|------------|-------------------|-----|-------------------|-----|
| | | | Amount | % | Amount | % |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 934,312 | 14 | \$ 1,050,918 | 16 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 105,131 | 2 | 62,750 | 1 |
| 1150 | Notes receivable | 6(3) | 1,049 | - | 1,310 | - |
| 1170 | Accounts receivable | 6(3) | 369,237 | 5 | 317,747 | 5 |
| 1180 | Accounts receivable – related parties | 6(3) and 7 | 361,051 | 5 | 417,698 | 6 |
| 1200 | Other receivables | | 32,349 | 1 | 23,414 | - |
| 1210 | Other receivables – related parties | 7 | 50,499 | 1 | 25,927 | 1 |
| 1220 | Current income tax assets | | - | - | 542 | - |
| 130X | Inventories | 6(4) | 915,281 | 13 | 701,180 | 11 |
| 1410 | Prepayments | | 16,761 | - | 16,173 | - |
| 1470 | Other current assets | | 1,085 | - | 883 | - |
| 11XX | Total current assets | | 2,786,755 | 41 | 2,618,542 | 40 |
| Non-current assets | | | | | | |
| 1550 | Investments accounted for under equity method | 6(5) | 1,784,341 | 26 | 1,724,546 | 26 |
| 1600 | Property, plant and equipment | 6(6) | 2,073,251 | 30 | 2,128,563 | 32 |
| 1755 | Use rights assets | 6(7) | 30,745 | - | 4,550 | - |
| 1760 | Investment property | 6(9) | 36,496 | 1 | 36,992 | - |
| 1780 | Intangible assets | 6(10) | 33,655 | 1 | 40,994 | 1 |
| 1840 | Deferred income tax assets | 6(27) | 59,461 | 1 | 57,840 | 1 |
| 1920 | Refundable deposits | | 4,325 | - | 3,116 | - |
| 15XX | Total non-current assets | | 4,022,274 | 59 | 3,996,601 | 60 |
| 1XXX | Total Assets | | \$ 6,809,029 | 100 | \$ 6,615,143 | 100 |

(Continued)

The accompanying notes are an integral part of the parent company only financial statements.

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars)

| Liabilities and Equity | | Notes | December 31, 2025 | | December 31, 2024 | |
|---|---|-------|---------------------|------------|---------------------|------------|
| | | | Amount | % | Amount | % |
| Current liabilities | | | | | | |
| 2130 | Contract liabilities - current | 6(20) | \$ 34,852 | 1 | \$ 40,324 | 1 |
| 2170 | Accounts payable | | 557,548 | 8 | 387,621 | 6 |
| 2180 | Accounts payable – related parties | 7 | 11,453 | - | 7,418 | - |
| 2200 | Other payables | 6(12) | 278,945 | 4 | 339,367 | 5 |
| 2230 | Current income tax liabilities | | 37,138 | 1 | 105,600 | 2 |
| 2250 | Provisions for liabilities - current | | 1,068 | - | 1,255 | - |
| 2280 | Lease liabilities-current portion | | 12,961 | - | 3,007 | - |
| 2320 | Current portion of long- term liabilities | 6(13) | 364,025 | 5 | - | - |
| 2399 | Other current liabilities | | 4,398 | - | 5,092 | - |
| 21XX | Total current liabilities | | <u>1,302,388</u> | <u>19</u> | <u>889,684</u> | <u>14</u> |
| Non-current liabilities | | | | | | |
| 2530 | Corporate bonds payable | 6(13) | - | - | 773,858 | 12 |
| 2570 | Deferred income tax liabilities | 6(27) | 289,678 | 4 | 276,575 | 4 |
| 2580 | Lease liabilities-non current | | 19,756 | - | 1,674 | - |
| 2640 | Accrued pension liabilities | 6(14) | 25,560 | 1 | 28,403 | - |
| 2645 | Guarantee deposit received | | 638 | - | 638 | - |
| 25XX | Total non-current liabilities | | <u>335,632</u> | <u>5</u> | <u>1,081,148</u> | <u>16</u> |
| 2XXX | Total liabilities | | <u>1,638,020</u> | <u>24</u> | <u>1,970,832</u> | <u>30</u> |
| Equity attributable to shareholders of the parent | | | | | | |
| Share capital | | | | | | |
| 3110 | Ordinary shares | 6(16) | 1,080,790 | 16 | 1,024,325 | 16 |
| 3140 | Advance receipts for share capital | | 4,182 | - | 7,129 | - |
| Capital surplus | | | | | | |
| 3200 | Capital surplus | 6(17) | 1,155,336 | 17 | 722,963 | 11 |
| Retained earnings | | | | | | |
| 3310 | Legal reserve | 6(18) | 826,726 | 12 | 749,499 | 11 |
| 3350 | Unappropriated retained earnings | | 2,042,180 | 30 | 2,082,113 | 31 |
| Other equity | | | | | | |
| 3400 | Other equity | 6(19) | 61,795 | 1 | 58,282 | 1 |
| 3XXX | Total equity | | <u>5,171,009</u> | <u>76</u> | <u>4,644,311</u> | <u>70</u> |
| Significant contingent liabilities and unrecognized contract commitments | | | | | | |
| 9 | | | | | | |
| Significant events after the balance sheet date | | | | | | |
| 11 | | | | | | |
| 3X2X | Total Liabilities and Equity | | <u>\$ 6,809,029</u> | <u>100</u> | <u>\$ 6,615,143</u> | <u>100</u> |

The accompanying notes are an integral part of the parent company only financial statements.

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

| Items | Notes | Year ended December 31 | | | |
|---|-------------|------------------------|-------|--------------|-------|
| | | 2025 | | 2024 | |
| | | Amount | % | Amount | % |
| 4000 Operating revenue | 6(20) and 7 | \$ 4,616,199 | 100 | \$ 4,780,216 | 100 |
| 5000 Operating costs | 6(4)(25) | | | | |
| 5900 Gross profit | (26) and 7 | (3,073,433) | (67) | (3,096,444) | (65) |
| 5910 Unrealized gain from sale | 6(5) | (162,678) | (3) | (150,488) | (3) |
| 5920 Realized gain from sale | | 150,488 | 3 | 154,885 | 3 |
| 5950 Net gross profit | | 1,530,576 | 33 | 1,688,169 | 35 |
| Operating expenses | 6(25)(26) | | | | |
| 6100 Selling expenses | | (154,168) | (3) | (135,509) | (3) |
| 6200 General and administrative expenses | | (185,640) | (4) | (200,518) | (4) |
| 6300 Research and development expenses | | (641,786) | (14) | (640,641) | (13) |
| 6450 Expected credit impairment (losses) gains | 12(2) | (20) | - | (57) | - |
| 6000 Total operating expenses | | (981,614) | (21) | (976,725) | (20) |
| 6900 Operating profit | | 548,962 | 12 | 711,444 | 15 |
| Non-operating income and expenses | | | | | |
| 7100 Interest income | 6(21) and 7 | 37,042 | 1 | 38,308 | 1 |
| 7010 Other income | 6(8)(22) | 15,683 | - | 16,208 | - |
| 7020 Other gains and losses | 6(7)(23) | (61,207) | (1) | 79,460 | 1 |
| 7050 Finance costs | 6(24) | (8,036) | - | (15,536) | - |
| 7070 Share of profit of associates and joint ventures accounted for under equity method | 6(5) | 75,536 | 1 | 133,591 | 3 |
| 7000 Total non-operating income and expenses | | 59,018 | 1 | 252,031 | 5 |
| 7900 Profit before income tax | | 607,980 | 13 | 963,475 | 20 |
| 7950 Income tax expenses | 6(27) | (106,734) | (2) | (194,537) | (4) |
| 8200 Net Income | | \$ 501,246 | 11 | \$ 768,938 | 16 |
| Other comprehensive income | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | |
| 8311 Remeasurements of defined benefit plan | 6(14) | \$ 1,820 | - | \$ 4,343 | - |
| 8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | 6(5) | 835 | - | (142) | - |
| 8349 Income tax relating to components of other comprehensive income | 6(27) | (364) | - | (869) | - |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 Financial statements translation differences of foreign operations | | 4,391 | - | 70,487 | 1 |
| 8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method which may be reclassified to profit or loss | 6(5) | - | - | (121) | - |
| 8399 Income tax relating to the components of other comprehensive income | 6(27) | (878) | - | (14,097) | - |
| 8300 Other comprehensive income (loss) for the year | | \$ 5,804 | - | \$ 59,601 | 1 |
| 8500 Total Comprehensive Income | | \$ 507,050 | 11 | \$ 828,539 | 17 |
| Earnings per share | 6(28) | | | | |
| 9750 Basic earnings per share | | \$ 4.68 | | \$ 7.53 | |
| 9850 Diluted earnings per share | | \$ 4.47 | | \$ 6.92 | |

The accompanying notes are an integral part of the parent company only financial statements.

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars)

| | Notes | Share capital | | | Retained earnings | | | Other equity | | Total equity |
|--|-------|----------------|------------------------------------|-----------------|-------------------|-----------------|----------------------------------|--|--|--------------|
| | | Ordinary share | 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 | |
| <u>Year 2024</u> | | | | | | | | | | |
| Balance at January 1, 2024 | | \$ 1,015,374 | \$ 3,370 | \$ 685,203 | \$ 676,932 | \$ 4,280 | \$ 1,816,483 | \$ 1,892 | \$ - | \$ 4,203,534 |
| Profit for the year | | - | - | - | - | - | 768,938 | - | - | 768,938 |
| Other comprehensive income (loss) for the year | 6(19) | - | - | - | - | - | 3,332 | 56,390 | (121) | 59,601 |
| Total comprehensive income | | - | - | - | - | - | 772,270 | 56,390 | (121) | 828,539 |
| Appropriations of 2023 earnings | 6(18) | | | | | | | | | |
| Legal reserve | | - | - | - | 72,567 | - | (72,567) | - | - | - |
| Special reserve | | - | - | - | - | (4,280) | 4,280 | - | - | - |
| Cash dividends | | - | - | - | - | - | (438,232) | - | - | (438,232) |
| Share-based payments | 6(17) | 8,940 | 2,250 | 25,843 | - | - | - | - | - | 37,033 |
| Compensation cost of share-based payments | 6(17) | - | - | 10,456 | - | - | - | - | - | 10,456 |
| Conversion of convertible bonds | 6(17) | | | | | | | | | |
| Change in Capital Surplus-others | (29) | 11 | 1,509 | (69) | - | - | - | - | - | 1,451 |
| Disposal of debt instrument investments measured at fair value through other comprehensive income - subsidiaries | 6(17) | - | - | 1,530 | - | - | - | - | - | 1,530 |
| Balance at December 31, 2024 | | \$ 1,024,325 | \$ 7,129 | \$ 722,963 | \$ 749,499 | \$ - | \$ 2,082,113 | \$ 58,282 | \$ - | \$ 4,644,311 |
| <u>Year 2025</u> | | | | | | | | | | |
| Balance at January 1, 2025 | | \$ 1,024,325 | \$ 7,129 | \$ 722,963 | \$ 749,499 | \$ - | \$ 2,082,113 | \$ 58,282 | \$ - | \$ 4,644,311 |
| Profit for the year | | - | - | - | - | - | 501,246 | - | - | 501,246 |
| Other comprehensive income (loss) for the year | 6(19) | - | - | - | - | - | 2,291 | 3,513 | - | 5,804 |
| Total comprehensive income | | - | - | - | - | - | 503,537 | 3,513 | - | 507,050 |
| Appropriations of 2024 earnings | 6(18) | | | | | | | | | |
| Legal reserve | | - | - | - | 77,227 | - | (77,227) | - | - | - |
| Cash dividends | | - | - | - | - | - | (466,243) | - | - | (466,243) |
| Share-based payments | 6(17) | 10,090 | (1,332) | 28,624 | - | - | - | - | - | 37,382 |
| Compensation cost of share-based payments | 6(17) | - | - | 31,095 | - | - | - | - | - | 31,095 |
| Conversion of convertible bonds | 6(17) | | | | | | | | | |
| Change in Capital Surplus-others | (29) | 46,375 | (1,615) | 371,640 | - | - | - | - | - | 416,400 |
| Disposal of debt instrument investments measured at fair value through other comprehensive income - subsidiaries | 6(17) | - | - | 1,014 | - | - | - | - | - | 1,014 |
| Balance at December 31, 2025 | | \$ 1,080,790 | \$ 4,182 | \$ 1,155,336 | \$ 826,726 | \$ - | \$ 2,042,180 | \$ 61,795 | \$ - | \$ 5,171,009 |

The accompanying notes are an integral part of the parent company only financial statements.

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Thousands of New Taiwan Dollars)

| | Notes | Years ended December 31 | |
|--|-------------|-------------------------|-------------|
| | | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 607,980 | \$ 963,475 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(6)(7)(25) | 127,225 | 105,580 |
| Depreciation from investment Property | 6(9)(23) | 496 | 496 |
| Amortization | 6(10)(25) | 17,569 | 17,486 |
| Expected credit impairment losses | 12(2) | 20 | 57 |
| Gain on financial assets at fair value through profit or loss | 6(2)(23) | (1,537) | (880) |
| Interest expense | 6(24) | 8,036 | 15,536 |
| Interest income | 6(21) | (37,042) | (38,308) |
| Compensation cost of share-based payments | 6(15)(26) | 26,798 | 8,803 |
| Share of profit of associates and joint ventures accounted for under equity method | 6(5) | (75,536) | (133,591) |
| Gain on disposal of property, plant and equipment | 6(23) | - | (41) |
| Losses on disposal of investment using the equity method | 6(23) | 1,684 | - |
| Gain on lease modification | 6(23) | (42) | - |
| Unrealized gross profit (loss) on sales | | 12,190 | (4,397) |
| Changes in assets/liabilities relating to operating activities | | | |
| Changes in assets relating to operating activities | | | |
| Financial assets at fair value through profit or loss | | (41,659) | (61,151) |
| Notes receivable | | 261 | 1,651 |
| Accounts receivable (including related parties) | | 5,137 | (372,250) |
| Other receivables (including related parties) | | (4,931) | 1,766 |
| Inventories | | (214,101) | 393,386 |
| Prepayments | | (588) | (2,172) |
| Other current assets | | (202) | (639) |
| Changes in liabilities relating to operating activities | | | |
| Contract liabilities | | (5,472) | (18,136) |
| Accounts payable (including related parties) | | 173,962 | (24,711) |
| Other payables | | (57,061) | 60,200 |
| Other current assets | | (694) | 2,241 |
| Accrued pension liabilities | | (1,023) | (994) |
| Cash inflow (outflow) generated from operations | | 541,470 | 913,407 |
| Receipt of interest | | 37,761 | 39,838 |
| Payment of interest | | (651) | (1,149) |
| Payment of income tax | | (164,414) | (222,835) |
| Net cash flows from operating activities | | 414,166 | 729,261 |

(Continued)

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Thousands of New Taiwan Dollars)

| | Notes | Years ended December 31 | |
|---|-------|-------------------------|--------------|
| | | 2025 | 2024 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of investments accounted for using the equity method | 6(5) | \$ - | (\$ 65,100) |
| Proceeds from disposal of investments using the equity method | | 7,094 | 92 |
| Decrease in financial assets at amortized cost | | - | 10,000 |
| Increase in other receivables – related parties | | (25,000) | (25,000) |
| Acquisition of property, plant and equipment | 6(29) | (65,906) | (254,859) |
| Proceeds from disposal of property, plant and equipment | | - | 41 |
| Acquisition of intangible assets | 6(10) | (10,140) | (25,624) |
| (Increase) Decrease in refundable deposits | | (3,290) | 626 |
| Net cash flows used in investing activities | | (97,242) | (359,824) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Proceeds from short -term borrowings | | 160,000 | 757,000 |
| Redemption of short -term borrowings | | (160,000) | (757,000) |
| Payment of cash dividends | 6(18) | (466,243) | (438,232) |
| Proceeds from exercise of employee stock options | | 37,382 | 37,033 |
| Increase in refundable deposits | | - | 35 |
| Payment of lease liabilities | 6(30) | (5,681) | (2,952) |
| Proceeds from disposal of employee stock ownership trust | | 1,014 | 1,530 |
| Refund of the difference in conversion of convertible corporate bonds | | (2) | - |
| Net cash flows used in financing activities | | (433,530) | (402,586) |
| Decrease in cash and cash equivalents | | (116,606) | (33,149) |
| Cash and cash equivalents at beginning of year | | 1,050,918 | 1,084,067 |
| Cash and cash equivalents at end of year | | \$ 934,312 | \$ 1,050,918 |

The accompanying notes are an integral part of the parent company only financial statements.

AXIOMTEK CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

1. 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 is mainly engaged in designing, manufacturing and sales of PC-based industrial computer products and peripherals. The Company 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), and Network Appliances (NAs) products.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

The parent company only financial statements were authorized for issuance by the Board of Directors on February 25, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") 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 Company's financial condition and financial performance based on the Company's assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from are 2026 as follows:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|--|---|
| 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 Company's financial condition and financial performance based on the Company'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:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|---|---|
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | To be determined by 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 |
| Amendments to IAS 21: Translation to a hyperinflationary currency | January 1, 2027 |

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for those described below, the Company has assessed that the above criteria and interpretations have no significant impact on the Company'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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Statement of compliance

These separate financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only 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) 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 Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

(4) Classification of current and non-current items

- 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) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

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

(5) 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.

(6) 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 Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(7) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company 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.

(8) 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 Company 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 Company recognizes the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

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

(10) Operating leases (lessor)

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.

(11) 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.

(12) Investments accounted for under equity method

- A. Subsidiaries are all entities (including structured entity) controlled by the Company. The Company controls an entity when the Company 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.
- B. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Accounting policies of

subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

- C. The Company's share of its subsidiaries' 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 Company's share of losses in a subsidiary equal or exceeds its interest in the subsidiary, the Company should continue to recognize losses in proportion to its ownership.
- D. Associates are all entities over which the Company 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% 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.
- E. The Company'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 Company's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- F. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.
- G. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company'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 Company.
- H. When the Company 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.
- I. According to "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit and other comprehensive income in the separate financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the parent company only financial statements, and the equity in the separate financial statements should be the same as the equity attributable to shareholders of the parent in the parent company only financial statements.

(13) 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 Company 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 |
| Tools | 2 - 5 years |
| Testing equipment | 2 - 11 years |
| Office Equipment | 3 - 15 years |
| Other equipment | 2 - 10 years |

(14) 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 Company. 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 Company 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. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly

(15) 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 to 16 years.

(16) 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 to 5 years.

C. Goodwill

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

(17) Impairment of non-financial assets

A. The Company 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 group 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.

(18) 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.

(19) 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.

(20) 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.

(21) 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.

(22) 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.

(23) Provisions for liabilities

Provisions are recognized when the Company 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.

(24) 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 Company 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 Company 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 Company 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 Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) 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 share-based payment grant date is the date that the Company and employees reached a consensus on the terms and provisions of share-based payment arrangements.

(26) 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 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 and does not give rise to equal taxable and deductible temporary differences. 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 Company 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. 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.

(27) 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.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Board of Directors. 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 Capital increased.

(29) Revenue recognition

A. Sales of goods

- (A) The Company manufactures and sells industrial computer-related products. 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 Company 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 Company'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.

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. Acquisition of customer contract costs

Although the incremental costs incurred by the Company to obtain a customer contract are expected to be recoverable, the relevant contract period is less than leap year, so these costs are recognized as expenses when incurred.

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

The preparation of the parent company only financial statements requires management to make critical judgements in applying the Company'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 Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company 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.

As of December 31, 2025, the carrying amount of inventories was \$915,281.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash on hand and petty cash | \$ 527 | \$ 602 |
| Checking accounts and demand deposits | 208,971 | 201,642 |
| Time deposits | 724,814 | 783,086 |
| Cash equivalents | - | 65,588 |
| | <u>\$ 934,312</u> | <u>\$ 1,050,918</u> |

A. The Company 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. The Company does not have any other instances of cash and cash equivalents being pledged.

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

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Current items: | | |
| Financial assets at fair value through profit or loss | | |
| Beneficiary certificates | \$ 105,000 | \$ 62,000 |
| Derivatives (Convertible bond – call provision) | 184 | 399 |
| Evaluation adjustment | (53) | 351 |
| | <u>\$ 105,131</u> | <u>\$ 62,750</u> |

A. For the years ended December 31, 2025 and 2024, the Company net gain were \$1,537 and \$880, respectively.

B. The Company has no Financial assets at fair value through profit or loss - current pledged to others.

(3) Notes and accounts receivable (including related parties)

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Notes receivable | \$ 1,049 | \$ 1,310 |
| Less: Loss allowance | - | - |
| | <u>\$ 1,049</u> | <u>\$ 1,310</u> |
| Accounts receivable (Including related parties) | \$ 730,427 | \$ 735,564 |
| Less: Loss allowance | (139) | (119) |
| | <u>\$ 730,288</u> | <u>\$ 735,445</u> |

- A. Information relating to the ageing analysis of accounts receivable that were past due is provided in Note 12(2).
- B. As of December 31, 2025 and 2024, notes and accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$366,275.
- C. The Company does not hold financial assets as security for accounts receivable.
- D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

| | <u>December 31, 2025</u> | | |
|----------------------|--------------------------|--|-------------------|
| | <u>Cost</u> | <u>Allowance for valuation loss and loss on obsolete and slow-moving inventories</u> | <u>Book value</u> |
| Raw materials | \$ 349,469 | (\$ 32,379) | \$ 317,090 |
| Work in progress | 180,480 | - | 180,480 |
| Semi-finished goods | 24,536 | (2,494) | 22,042 |
| Finished goods | 427,981 | (32,562) | 395,419 |
| Inventory in transit | 250 | - | 250 |
| Total | <u>\$ 982,716</u> | <u>(\$ 67,435)</u> | <u>\$ 915,281</u> |

| | <u>December 31, 2024</u> | | |
|----------------------|--------------------------|--|-------------------|
| | <u>Cost</u> | <u>Allowance for valuation loss and loss on obsolete and slow-moving inventories</u> | <u>Book value</u> |
| Raw materials | \$ 370,785 | (\$ 53,191) | \$ 317,594 |
| Work in progress | 99,892 | - | 99,892 |
| Semi-finished goods | 26,407 | (3,708) | 22,699 |
| Finished goods | 276,252 | (15,601) | 260,651 |
| Inventory in transit | 344 | - | 344 |
| Total | <u>\$ 773,680</u> | <u>(\$ 72,500)</u> | <u>\$ 701,180</u> |

Relevant expenses of inventories recognized as operating costs for the years ended December 31, 2025 and 2024 are as follows:

| | Years ended December 31 | |
|--|-------------------------|---------------------|
| | 2025 | 2024 |
| Cost of revenue | \$ 3,049,113 | \$ 3,069,092 |
| Allowance for inventory valuation losses | 24,320 | 27,352 |
| Total | <u>\$ 3,073,433</u> | <u>\$ 3,096,444</u> |

The Company has no inventories pledged to others.

(5) Investments accounted for using equity method

| | December 31, 2025 | December 31, 2024 |
|--|---------------------|---------------------|
| AXIOM TECHNOLOGY, INC. U.S.A.(AXUS) | \$ 1,038,155 | \$ 1,018,038 |
| AXIOMTEK DEUTSCHLAND GMBH(AXGM) | 541,664 | 496,177 |
| PAYTRONEX CO., LTD. (PAYTRONEX) | 78,056 | 67,059 |
| AXIOMTEK ITALIA S.R.L.(AXIT) | 59,104 | 45,930 |
| AXIOMTEK (SHENZHEN) CO. LTD.(AXSZ) (Note 1) | 45,236 | 62,539 |
| AXIOMTEK UK LIMITED (AXUK) | 6,963 | 11,884 |
| AXIOMTEK JAPAN CO., LTD.(AXJP) (Note 2) | - | 6,784 |
| AXIOM TECHNOLOGY (BVI) CO., LTD. (AXBVI) (Note 1) | - | - |
| Investments in associates | | |
| UNIT-INNOVATE TECHNOLOGY CO., LTD. (UNI) | 15,163 | 16,135 |
| Total | <u>\$ 1,784,341</u> | <u>\$ 1,724,546</u> |

Note 1 : AXBVI was liquidated in June 2024. AXSZ has adjusted its investment structure, which is now 100% owned by the Company.

Note 2: The liquidation of AXJP has been completed in May 2025.

A. Subsidiary

(A) Details of the Company's subsidiaries are provided in Note 4(3) of the Company's 2025 financial statements.

(B) On April 8, 2024, the Company acquired a total of 2,170 thousand shares of PAYTRONEX from its existing shareholders and through participation in a cash capital increase at a price of NT\$30 per share, for a total consideration of NT\$65,100 thousand. The Company obtained a 59.95% equity interest in PAYTRONEX and completed the closing and share transfer on April 8, 2024. Accordingly, PAYTRONEX has been included in the consolidated financial statements from that date (the acquisition date). Please refer to Note 6(32) to the Company's and its subsidiaries' consolidated financial statements for the year 2025.

B. Equity methods used in 2025 and 2024 to recognize Share of profit (loss) of associates and joint ventures accounted for using equity method:

| | Years ended December 31 | |
|-----------|-------------------------|------------|
| | 2025 | 2024 |
| AXUS | \$ 90,320 | \$ 9,815 |
| PAYTRONEX | 11,018 | 2,192 |
| AXIT | 8,149 | 6,369 |
| AXBVI | - | (271) |
| AXJP | (139) | (355) |
| UNI | (983) | (469) |
| AXUK | (5,101) | (562) |
| AXSZ | (13,856) | (25,383) |
| AXGM | (13,872) | 142,255 |
| Total | \$ 75,536 | \$ 133,591 |

C. Equity methods used in 2025 and 2024 to recognize Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss:

| | Years ended December 31 | |
|-----------|-------------------------|----------|
| | 2025 | 2024 |
| AXIT | \$ 835 | (\$ 142) |
| PAYTRONEX | - | (121) |
| Total | \$ 835 | (\$ 263) |

D. Details of Unrealized profit from sales of the subsidiaries and their subsidiaries at the end of the period are as follows:

| | Years ended December 31 | |
|-----------|-------------------------|------------|
| | 2025 | 2024 |
| AXUS | \$ 132,777 | \$ 105,862 |
| AXGM | 17,401 | 34,820 |
| AXSZ | 9,192 | 5,904 |
| AXIT | 3,114 | 3,719 |
| PAYTRONEX | 133 | 112 |
| UNI | 61 | 71 |
| Total | \$ 162,678 | \$ 150,488 |

(6) Property, plant and equipment

| | Land | Buildings | Machinery | Tools | Testing equipment | Office Equipment | Others | Construction in progress | Total |
|--------------------------------------|--------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|--------------------------|--------------------|
| At January 1, 2025 | | | | | | | | | |
| Cost | \$1,190,727 | \$ 598,212 | \$ 169,465 | \$ 75,534 | \$ 82,203 | \$325,043 | \$116,727 | \$ 11,443 | \$2,569,354 |
| Accumulated depreciation | - | (82,186) | (110,571) | (64,227) | (56,673) | (93,013) | (34,121) | - | (440,791) |
| | <u>\$1,190,727</u> | <u>\$ 516,026</u> | <u>\$ 58,894</u> | <u>\$ 11,307</u> | <u>\$ 25,530</u> | <u>\$232,030</u> | <u>\$ 82,606</u> | <u>\$ 11,443</u> | <u>\$2,128,563</u> |
| 2025 | | | | | | | | | |
| Opening net book amount | \$1,190,727 | \$ 516,026 | \$ 58,894 | \$ 11,307 | \$ 25,530 | \$232,030 | \$ 82,606 | \$ 11,443 | \$2,128,563 |
| Additions | - | - | 3,953 | 12,673 | 5,061 | 11,074 | 2,912 | 28,766 | 64,439 |
| Disposals (Cost) | - | - | (785) | - | (2,325) | (1,775) | (2,389) | - | (7,274) |
| Disposals (Accumulated depreciation) | - | - | 785 | - | 2,325 | 1,775 | 2,389 | - | 7,274 |
| Reclassifications (Cost) | - | - | 34,300 | 685 | 1,300 | 1,321 | - | (37,696) | (90) |
| Depreciation | - | (16,386) | (22,550) | (9,823) | (8,647) | (44,734) | (17,521) | - | (119,661) |
| Closing net book amount | <u>\$1,190,727</u> | <u>\$ 499,640</u> | <u>\$ 74,597</u> | <u>\$ 14,842</u> | <u>\$ 23,244</u> | <u>\$199,691</u> | <u>\$ 67,997</u> | <u>\$ 2,513</u> | <u>\$2,073,251</u> |
| At December 31, 2025 | | | | | | | | | |
| Cost | \$1,190,727 | \$ 598,212 | \$ 206,933 | \$ 88,892 | \$ 86,239 | \$335,663 | \$117,250 | \$ 2,513 | \$2,626,429 |
| Accumulated depreciation | - | (98,572) | (132,336) | (74,050) | (62,995) | (135,972) | (49,253) | - | (553,178) |
| | <u>\$1,190,727</u> | <u>\$ 499,640</u> | <u>\$ 74,597</u> | <u>\$ 14,842</u> | <u>\$ 23,244</u> | <u>\$199,691</u> | <u>\$ 67,997</u> | <u>\$ 2,513</u> | <u>\$2,073,251</u> |

| | Land | Buildings | Machinery | Tools | Testing equipment | Office Equipment | Others | Construction in progress | Total |
|--------------------------------------|--------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|--------------------------|--------------------|
| At January 1, 2024 | | | | | | | | | |
| Cost | \$1,190,727 | \$ 598,212 | \$193,577 | \$80,863 | \$68,303 | \$255,747 | \$100,379 | \$ 40,696 | \$2,528,504 |
| Accumulated depreciation | - | (65,800) | (126,311) | (64,735) | (52,200) | (56,092) | (21,850) | - | (386,988) |
| | <u>\$1,190,727</u> | <u>\$ 532,412</u> | <u>\$ 67,266</u> | <u>\$16,128</u> | <u>\$16,103</u> | <u>199,655</u> | <u>\$78,529</u> | <u>\$ 40,696</u> | <u>\$2,141,516</u> |
| 2024 | | | | | | | | | |
| Opening net book amount | \$1,190,727 | \$ 532,412 | \$ 67,266 | \$16,128 | \$16,103 | \$199,655 | \$78,529 | \$ 40,696 | \$2,141,516 |
| Additions | - | - | 6,879 | 2,937 | 10,397 | 2,655 | 5,177 | 64,139 | 92,184 |
| Disposals (Cost) | - | - | (32,241) | (9,923) | (2,617) | (2,106) | (1,972) | - | (48,859) |
| Disposals (Accumulated depreciation) | - | - | 32,241 | 9,923 | 2,617 | 2,106 | 1,972 | - | 48,859 |
| Reclassifications (Cost) | - | - | 1,250 | 1,657 | 6,120 | 68,747 | 13,143 | (93,392) | (2,475) |
| Depreciation | - | (16,386) | (16,501) | (9,415) | (7,090) | (39,027) | (14,243) | - | (102,662) |
| Closing net book amount | <u>\$1,190,727</u> | <u>\$ 516,026</u> | <u>\$ 58,894</u> | <u>\$11,307</u> | <u>\$25,530</u> | <u>\$232,030</u> | <u>\$82,606</u> | <u>\$ 11,443</u> | <u>\$2,128,563</u> |
| At December 31, 2024 | | | | | | | | | |
| Cost | \$1,190,727 | \$ 598,212 | \$ 169,465 | \$ 75,534 | \$ 82,203 | \$325,043 | \$116,727 | \$ 11,443 | \$2,569,354 |
| Accumulated depreciation | - | (82,186) | (110,571) | (64,227) | (56,673) | (93,013) | (34,121) | - | (440,791) |
| | <u>\$1,190,727</u> | <u>\$ 516,026</u> | <u>\$ 58,894</u> | <u>\$ 11,307</u> | <u>\$ 25,530</u> | <u>\$232,030</u> | <u>\$ 82,606</u> | <u>\$ 11,443</u> | <u>\$2,128,563</u> |

- A. The Company has no interest capitalized to property, plant and equipment in 2025 and 2024.
- B. The Company has no significant components of property, plant and equipment.
- C. The Company has no property, plant and equipment pledged to others.

(7) Leasing arrangements – lessee

A. The Company leases various assets including land, buildings, machinery and equipment, office equipment, and other equipment. Rental contracts are typically made for periods of 1 months to 5 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:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-----------|--------------------------|--------------------------|
| | <u>Carrying amount</u> | <u>Carrying amount</u> |
| Buildings | \$ 30,745 | \$ 4,550 |

| | <u>Years ended</u> <u>December 31, 2025</u> | <u>Years ended</u> <u>December 31, 2024</u> |
|-----------|--|--|
| | <u>Depreciation</u> <u>expense</u> | <u>Depreciation</u> <u>expense</u> |
| Buildings | \$ 7,564 | \$ 2,918 |

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$34,619 and \$2,586.

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

| <u>Items affecting profit or loss</u> | <u>Years ended</u> <u>December 31, 2025</u> | <u>Years ended</u> <u>December 31, 2024</u> |
|---------------------------------------|--|--|
| Interest expense on lease liabilities | \$ 355 | \$ 93 |
| Expense on short-term lease contracts | 569 | 1,728 |
| Gains on lease modification | (42) | - |

E. For the 2025 and 2024, the Company's total cash outflow for leases was \$6,605 and \$4,773.

(8) Leasing arrangements – lessor

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. For the years ended December 31, 2025 and 2024, the Company recognized rent income in the amounts of \$3,610 and \$3,453, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-------|--------------------------|--------------------------|
| 2025 | \$ - | \$ 3,600 |
| 2026 | 3,600 | 3,600 |
| 2027 | 3,600 | 3,600 |
| Total | <u>\$ 7,200</u> | <u>\$ 10,800</u> |

(9) Investment property

| | <u>Land</u> | <u>Buildings</u> | <u>Total</u> |
|--------------------------|------------------|------------------|------------------|
| At January 1, 2025 | | | |
| Cost | \$ 33,273 | \$ 15,850 | \$ 49,123 |
| Accumulated depreciation | - | (12,131) | (12,131) |
| | <u>\$ 33,273</u> | <u>\$ 3,719</u> | <u>\$ 36,992</u> |
| 2025 | | | |
| Opening net book amount | \$ 33,273 | \$ 3,719 | \$ 36,992 |
| Depreciation | - | (496) | (496) |
| Closing net book amount | <u>\$ 33,273</u> | <u>\$ 3,223</u> | <u>\$ 36,496</u> |
| At December 31, 2025 | | | |
| Cost | \$ 33,273 | \$ 15,850 | \$ 49,123 |
| Accumulated depreciation | - | (12,627) | (12,627) |
| | <u>\$ 33,273</u> | <u>\$ 3,223</u> | <u>\$ 36,496</u> |
| | <u>Land</u> | <u>Buildings</u> | <u>Total</u> |
| At January 1, 2024 | | | |
| Cost | \$ 33,273 | \$ 15,850 | \$ 49,123 |
| Accumulated depreciation | - | (11,635) | (11,635) |
| | <u>\$ 33,273</u> | <u>\$ 4,215</u> | <u>\$ 37,488</u> |
| 2024 | | | |
| Opening net book amount | \$ 33,273 | \$ 4,215 | \$ 37,488 |
| Depreciation | - | (496) | (496) |
| Closing net book amount | <u>\$ 33,273</u> | <u>\$ 3,719</u> | <u>\$ 36,992</u> |
| At December 31, 2024 | | | |
| Cost | \$ 33,273 | \$ 15,850 | \$ 49,123 |
| Accumulated depreciation | - | (12,131) | (12,131) |
| | <u>\$ 33,273</u> | <u>\$ 3,719</u> | <u>\$ 36,992</u> |

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

| | <u>Years ended December 31</u> | |
|---|--------------------------------|-----------------|
| | <u>2025</u> | <u>2024</u> |
| Rental income from investment property | <u>\$ 3,610</u> | <u>\$ 3,453</u> |
| Direct operating expenses arising from investment property that generated rental income | <u>\$ 627</u> | <u>\$ 627</u> |

- B. The fair value of the investment property held by the Company was \$110,539 and \$118,494 as of December 31, 2025 and 2024, respectively, which was assessed based on the market approach, referencing the recent transaction prices per ping of nearby comparable properties. This fair value belongs to Level 2.
- C. No investment property was pledged to others.

(10) Intangible assets

| | <u>Trademark</u> | <u>Computer</u> | <u>Goodwill</u> | <u>Total</u> |
|--------------------------------------|------------------|------------------|-----------------|------------------|
| At January 1, 2025 | | | | |
| Cost | \$ 3,297 | \$ 50,163 | \$ 5,898 | \$ 59,358 |
| Accumulated Amortization | (845) | (17,519) | - | (18,364) |
| | <u>\$ 2,452</u> | <u>\$ 32,644</u> | <u>\$ 5,898</u> | <u>\$ 40,994</u> |
| 2025 | | | | |
| Opening net book amount | \$ 2,452 | \$ 32,644 | \$ 5,898 | \$ 40,994 |
| Additions | - | 10,140 | - | 10,140 |
| Disposals (Cost) | - | (17,173) | - | (17,173) |
| Disposals (Accumulated) | - | 17,173 | - | 17,173 |
| Reclassifications | - | 90 | - | 90 |
| Amortization | (305) | (17,264) | - | (17,569) |
| Closing net book amount | <u>\$ 2,147</u> | <u>\$ 25,610</u> | <u>\$ 5,898</u> | <u>\$ 33,655</u> |
| At December 31, 2025 | | | | |
| Cost | \$ 3,297 | \$ 43,220 | \$ 5,898 | \$ 52,415 |
| Accumulated Amortization | (1,150) | (17,610) | - | (18,760) |
| | <u>\$ 2,147</u> | <u>\$ 25,610</u> | <u>\$ 5,898</u> | <u>\$ 33,655</u> |
| At January 1, 2024 | | | | |
| Cost | \$ 2,985 | \$ 97,504 | \$ 5,898 | \$ 106,387 |
| Accumulated Amortization | (553) | (75,453) | - | (76,006) |
| | <u>\$ 2,432</u> | <u>\$ 22,051</u> | <u>\$ 5,898</u> | <u>\$ 30,381</u> |
| 2024 | | | | |
| Opening net book amount | \$ 2,432 | \$ 22,051 | \$ 5,898 | \$ 30,381 |
| Additions | 312 | 25,312 | - | 25,624 |
| Disposals (Cost) | - | (75,128) | - | (75,128) |
| Disposals (Accumulated amortization) | - | 75,128 | - | 75,128 |
| Reclassifications | - | 2,475 | - | 2,475 |
| Amortization | (292) | (17,194) | - | (17,486) |
| Closing net book amount | <u>\$ 2,452</u> | <u>\$ 32,644</u> | <u>\$ 5,898</u> | <u>\$ 40,994</u> |
| At December 31, 2024 | | | | |
| Cost | \$ 3,297 | \$ 50,163 | \$ 5,898 | \$ 59,358 |
| Accumulated Amortization | (845) | (17,519) | - | (18,364) |
| | <u>\$ 2,452</u> | <u>\$ 32,644</u> | <u>\$ 5,898</u> | <u>\$ 40,994</u> |

- A. The Company has no interest capitalized to intangible assets in 2025 and 2024.
 B. The details of the amortization charges of intangible assets are as follows:

| | Years ended December 31 | |
|-------------------------------------|-------------------------|------------------|
| | 2025 | 2024 |
| Operating costs | \$ 192 | \$ 68 |
| Selling expenses | 2,060 | 1,973 |
| General and administrative expenses | 5,012 | 3,639 |
| Research and development expenses | 10,305 | 11,806 |
| | <u>\$ 17,569</u> | <u>\$ 17,486</u> |

- C. Information about the impairment of intangible assets is provided in Note 6(11).

(11) 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 Company's five-year financial budget. The main assumptions used to calculate the use value are as follows:

| | December 31, 2025 | December 31, 2024 |
|---------------|-------------------|-------------------|
| Gross margin | 33.42% | 35.22% |
| Growth rate | 10.00% | 10.00% |
| Discount rate | 8.46% | 6.36% |

The Company 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.

(12) Other payables

| | December 31, 2025 | December 31, 2024 |
|---|-------------------|-------------------|
| Salaries and bonus payable | \$ 159,332 | \$ 190,074 |
| Accrued employees' compensation and directors' remuneration | 58,167 | 82,542 |
| Others | 61,446 | 66,751 |
| | <u>\$ 278,945</u> | <u>\$ 339,367</u> |

(13) Corporate bonds payable

| | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Corporate bonds payable | \$ 368,600 | \$ 798,400 |
| Less: Discount on bonds payable | (4,575) | (24,542) |
| | 364,025 | 773,858 |
| Less: Long-term liabilities, current portion | (364,025) | - |
| | <u>\$ -</u> | <u>\$ 773,858</u> |

The Company issued the second domestic unsecured convertible corporate bond, approved by the competent authority.

- A. The issuance conditions are as follows:
- (A) 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.
 - (B) 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.
 - (C) 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.
 - (D) 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.
 - (E) 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 December 31, 2025, the Company has not bought back the bonds from the securities counter trading center.
- E. As of December 31, 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.

(14) Pensions

- A. (A) The Company has 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) The amounts recognized in the balance sheet are as follows:

| | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Present value of defined benefit obligations | (\$ 80,014) | (\$ 78,517) |
| Fair value of plan assets | 54,454 | 50,114 |
| Net defined benefit liability | (\$ 25,560) | (\$ 28,403) |

(C) Movements in net defined benefit liabilities are as follows:

| | Present value of defined benefit obligations | Fair value of plan assets | Net defined benefit liability |
|-----------------------------------|--|------------------------------|----------------------------------|
| Year ended December 31, 2025 | | | |
| Balance at January 1 | (\$ 78,517) | \$ 50,114 | (\$ 28,403) |
| Interest (expense) income | (1,193) | 762 | (431) |
| | <u>(79,710)</u> | <u>50,876</u> | <u>(28,834)</u> |
| Remeasurements: | | | |
| Change in financial assumptions | (1,504) | - | (1,504) |
| Experience adjustments | (221) | 3,545 | 3,324 |
| | <u>(1,725)</u> | <u>3,545</u> | <u>1,820</u> |
| Pension fund contribution | - | 1,454 | 1,454 |
| Paid pension | 1,421 | (1,421) | - |
| Balance at December 31 | <u>(\$ 80,014)</u> | <u>\$ 54,454</u> | <u>(\$ 25,560)</u> |
| | | | |
| | Present value of defined benefit obligations | Fair value of plan assets | Net defined benefit liability |
| Year ended December 31, 2024 | | | |
| Balance at January 1 | (\$ 79,353) | \$ 45,613 | (\$ 33,740) |
| Interest (expense) income | (1,031) | 592 | (439) |
| | <u>(80,384)</u> | <u>46,205</u> | <u>(34,179)</u> |
| Remeasurements: | | | |
| Change in demographic assumptions | (504) | - | (504) |
| Change in financial assumptions | 1,917 | - | 1,917 |
| Experience adjustments | (1,579) | 4,509 | 2,930 |
| | <u>(166)</u> | <u>4,509</u> | <u>4,343</u> |
| Pension fund contribution | - | 1,433 | 1,433 |
| Paid pension | 2,033 | (2,033) | - |
| Balance at December 31 | <u>(\$ 78,517)</u> | <u>\$ 50,114</u> | <u>(\$ 28,403)</u> |

- (D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.
- (E) The principal actuarial assumptions used were as follows:

| | Years ended December 31 | |
|-------------------------|-------------------------|-------|
| | 2025 | 2024 |
| Discount rate | 1.33% | 1.52% |
| Future salary increases | 3.00% | 3.00% |

Assumptions regarding future mortality experience are set based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

| | Discount rate | | Future salary increases | |
|---|-------------------|------------------|-------------------------|-------------------|
| | Increase 0.5% | Decrease 0.5% | Increase 0.5% | Decrease 0.5% |
| December 31, 2025 | | | | |
| Effect on present value of defined benefit obligation | <u>(\$ 3,880)</u> | <u>\$ 4,137</u> | <u>\$ 4,048</u> | <u>(\$ 3,837)</u> |
| December 31, 2024 | | | | |
| Effect on present value of defined benefit obligation | <u>(\$ 4,176)</u> | <u>\$ 4,470</u> | <u>\$ 4,381</u> | <u>(\$ 4,137)</u> |

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis during 2025 and 2024 are the same.

- (F) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026 amounts to \$1,454.

(G) As of December 31, 2025, the weighted average duration of the defined benefit retirement plan is 10 years. The analysis of timing of the future pension payment was as follows:

| | | |
|---------------|-----------|---------------|
| Within 1 year | \$ | 61,697 |
| 1 - 2 Years | | 7,329 |
| 3 - 4 Years | | 1,951 |
| | <u>\$</u> | <u>70,977</u> |

- B. (A) Effective July 1, 2005, the Company and its domestic subsidiaries 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) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024 were \$30,665 and \$29,153, respectively.

(15) Share-based payment

- A. For the years ended December 31, 2025 and 2024, the Company’s share-based payment arrangements were as follows:

| <u>Type of arrangement</u> | <u>Grant date</u> | <u>Quantity granted (in thousands)</u> | <u>Contract period</u> | <u>Vesting conditions</u> |
|----------------------------|--------------------|--|----------------------------|-------------------------------|
| Employee stock options | October 29, 2020 | 4,300 | 6 Years | 2 to 5 years’ 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:

| | <u>Years ended December 31,</u> | | | |
|--|--|---|--|---|
| | <u>2025</u> | | <u>2024</u> | |
| | <u>No. of options (in thousands)</u> | <u>Weighted average exercise price (in dollars)</u> | <u>No. of options (in thousands)</u> | <u>Weighted average exercise price (in dollars)</u> |
| Options outstanding at beginning of the year, (2020 Issuing) | 1,636 | \$ 39.00 | 2,636 | \$ 40.80 |
| Stock options waived in the current period | (13) | - | (72) | - |
| Options exercised | <u>(984)</u> | 37.95 | <u>(928)</u> | 39.91 |
| Options outstanding at end of the year | <u>639</u> | 37.10 | <u>1,636</u> | 39.00 |
| Options exercisable at end of the year | <u>639</u> | 37.10 | <u>872</u> | 39.00 |

| | Years ended December 31, | | | |
|--|-------------------------------|--|-------------------------------|--|
| | 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 beginning of the year, (2024 Issuing) | 3,500 | \$ 89.60 | - | \$ - |
| Stock options (waived) granted in the current period | (70) | - | 3,500 | 89.60 |
| Options outstanding at end of the year | <u>3,430</u> | 85.20 | <u>3,500</u> | 89.60 |
| Options exercisable at end of the year | <u>-</u> | - | <u>-</u> | - |

- C. Average price of Stock options exercised in 2025 and 2024 were \$100.73 and 91.27 respectively.
- D. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

| Issue date approved | Expiry date | December 31, 2025 | | December 31, 2024 | |
|---------------------|--------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | | No. of shares (in thousands) | Exercise price (in dollars) | No. of shares (in thousands) | Exercise price (in dollars) |
| October 29, 2020 | October 28, 2026 | 639 | 37.10 | 1,636 | 39.00 |
| September 26, 2024 | September 25, 2029 | 3,430 | 85.20 | 3,500 | 89.60 |

- 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:

| | Years ended December 31 | |
|----------------|-------------------------|-----------------|
| | 2025 | 2024 |
| Equity Settled | <u>\$ 26,798</u> | <u>\$ 8,803</u> |

- 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.

(16) Share capital

- A. As of December 31, 2025, the Company's authorized capital was \$1,600,000, consisting of 160,000 thousand ordinary shares, and the paid-in capital was \$ 1,080,790, with a par value of \$10 (in dollars) per share. As of December 31, 2024 and 2023, the total number of ordinary shares issued by the company was 108,169 thousand shares and 102,562 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:

| | Years ended December 31 | |
|------------------------------------|-------------------------|--------------------|
| | 2025(in thousands) | 2024(in thousands) |
| At January 1 | 102,562 | 101,618 |
| Exercise of employee stock options | 984 | 928 |
| Conversion of convertible bonds | 4,623 | 16 |
| At December 31 | 108,169 | 102,562 |

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

| | December 31, 2025 | | December 31, 2024 | |
|---|--------------------------|---------|--------------------------|---------|
| | Shares (in thousands) | Amount | Shares (in thousands) | Amount |
| Exercise of employee stock options (Advance receipts for share capital) | 90 | \$4,182 | 114 | \$5,513 |
| Conversion of convertible bonds (Advance receipts for share capital) | - | - | 16 | 1,616 |

(17) 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 capitalised 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.

| Year ended December 31, 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 | 37,851 | - | - | - | - | - (9,227) | - | - | - | 28,624 |
| Compensation cost of employee stock options | - | - | - | - | - | - | 31,095 | - | - | 31,095 |
| Conversion of convertible bonds | - | 418,904 | - | - | - | - | - | (47,264) | - | 371,640 |
| Change in Capital Surplus-others | 1,014 | - | - | - | - | - | - | - | - | 1,014 |
| At December 31 | \$316,615 | \$ 670,204 | \$1,026 | \$ 176 | \$ 2 | \$ 3,006 | \$123,641 | \$40,532 | \$ 134 | \$1,155,336 |

| Year ended December 31, 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 | 47,764 | - | - | - | - | - (21,921) | - | - | - | 25,843 |
| Compensation cost of employee stock options | - | - | - | - | - | - | 10,456 | - | - | 10,456 |
| Conversion of convertible bonds | - | 95 | - | - | - | - | - | (164) | (69) | - |
| Change in Capital Surplus-others | 1,530 | - | - | - | - | - | - | - | - | 1,530 |
| At December 31 | \$277,750 | \$251,300 | \$1,026 | \$ 176 | \$ 2 | \$ 3,006 | \$101,773 | \$87,796 | \$ 134 | \$722,963 |

(18) 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 Article 240 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 shareholders on May 22, 2025. 2023 earnings appropriation resolved by the Board of Directors on February 22, 2024 and by the shareholders 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 | |
| Reversal of Special reserve | - | | (4,280) | |
| Cash dividends | 466,243 | \$ 4.50 | 438,232 | \$ 4.30 |
| Total | <u>\$ 543,470</u> | | <u>\$ 506,519</u> | |

Details of 2025 earnings appropriation resolved by the Board of Directors on February 25, 2026 are as follows:

| | Year ended December 31, 2025 | |
|----------------|------------------------------|----------------------------------|
| | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 50,342 | |
| Cash dividends | 325,488 | \$ 3.00 |
| Total | <u>\$ 375,830</u> | |

(19) Other equity interest

| | Year ended December 31, | |
|--|-------------------------|------------------|
| | 2025 | 2024 |
| Financial statements translation differences of foreign operations | | |
| At January 1 | \$ 58,282 | \$ 1,892 |
| Decrease in current period | 3,513 | 56,390 |
| At December 31 | <u>\$ 61,795</u> | <u>\$ 58,282</u> |

(20) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

| | Year ended December 31 | |
|--|------------------------|--------------|
| | 2025 | 2024 |
| Originating from transfer at a point in time: | | |
| IOT Products | \$ 2,664,274 | \$ 2,253,341 |
| Intelligent Design-in Service Products | 1,168,501 | 1,557,256 |
| Gaming Products | 691,014 | 855,092 |
| Others | 46,536 | 69,065 |
| Net sales revenue | 4,570,325 | 4,734,754 |
| Originating from the transfer of labor services over time: | | |
| Other Operating revenue | 45,874 | 45,462 |
| Total | \$ 4,616,199 | \$ 4,780,216 |

B. Contract liabilities

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

| | December 31, 2025 | December 31, 2024 | January 1, 2024 |
|-----------------------------|----------------------|----------------------|-----------------|
| Contract liabilities | | | |
| Contract liabilities- Goods | \$ 34,852 | \$ 40,324 | \$ 58,460 |

The revenue recognized from the beginning balance of contract liability:

| | Year ended December 31 | |
|--|------------------------|-----------|
| | 2025 | 2024 |
| The revenue recognized from the beginning balance of contract liability. | \$ 28,615 | \$ 57,157 |

(21) Interest income

| | Year ended December 31, | |
|---------------------------|-------------------------|-----------|
| | 2025 | 2024 |
| Interest on Bank deposit: | \$ 34,671 | \$ 35,532 |
| Other interest income | 2,371 | 2,776 |
| Total | \$ 37,042 | \$ 38,308 |

(22) Other income

| | Year ended December 31 | |
|----------------|------------------------|------------------|
| | 2025 | 2024 |
| Rental revenue | \$ 3,610 | \$ 3,453 |
| Other income | 12,073 | 12,755 |
| Total | <u>\$ 15,683</u> | <u>\$ 16,208</u> |

(23) Other gains and losses

| | Year ended December 31 | |
|---|------------------------|------------------|
| | 2025 | 2024 |
| Foreign exchange (losses) gains | (\$ 60,433) | \$ 78,317 |
| Gain on financial assets at fair value through profit or loss | 1,537 | 880 |
| Gain on disposal of property, plant and equipment | - | 41 |
| Losses on disposal of investment | (1,684) | - |
| Gain on lease modification | 42 | - |
| Depreciation expense from investment property | (496) | (496) |
| Other operating expenses from investment property | (131) | (132) |
| Other | (42) | 850 |
| Total | <u>(\$ 61,207)</u> | <u>\$ 79,460</u> |

(24) Finance costs

| | Year ended December 31 | |
|---|------------------------|------------------|
| | 2025 | 2024 |
| Interest expense: | | |
| Convertible bonds payable - discount amortization | \$ 7,385 | \$ 14,387 |
| Lease liabilities - discount amortization | 355 | 93 |
| Bank borrowings | 286 | 1,046 |
| Other | 10 | 10 |
| Total | <u>\$ 8,036</u> | <u>\$ 15,536</u> |

(25) Expenses by nature

| | Years ended December 31, 2025 | | |
|---|-------------------------------|--------------------|---------------------|
| | Operating costs | Operating expenses | Total |
| Employee benefit expense | \$ 219,785 | \$ 706,745 | \$ 926,530 |
| Depreciation- property, plant and equipment | 68,830 | 50,831 | 119,661 |
| Depreciation-right of use assets | 6,702 | 862 | 7,564 |
| Amortization | 192 | 17,377 | 17,569 |
| Total | <u>\$ 295,509</u> | <u>\$ 775,815</u> | <u>\$ 1,071,324</u> |

| | Years ended December 31, 2024 | | |
|---|-------------------------------|--------------------|--------------|
| | Operating costs | Operating expenses | Total |
| Employee benefit expense | \$ 202,608 | \$ 710,006 | \$ 912,614 |
| Depreciation- property, plant and equipment | 59,981 | 42,681 | 102,662 |
| Depreciation-right of use assets | 2,066 | 852 | 2,918 |
| Amortization | 68 | 17,418 | 17,486 |
| Total | \$ 264,723 | \$ 770,957 | \$ 1,035,680 |

(26) Employee benefit expense

| | Years ended December 31 | |
|---|-------------------------|------------|
| | 2025 | 2024 |
| Wages and salaries | \$ 772,376 | \$ 784,974 |
| Labor and health insurance fees | 64,685 | 59,012 |
| Pension costs | 31,096 | 29,592 |
| Compensation cost of employee stock options | 26,798 | 8,803 |
| Other employee benefit expense | 31,575 | 31,233 |
| Total | \$ 926,530 | \$ 912,614 |

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%. No less than 20% of employee compensation should be allocated to grassroots employees. However, if the Company has accumulated losses (including adjustments to unallocated surplus) these losses should first be offset.

B. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$50,000 and \$70,000, respectively; while directors' remuneration was accrued at \$6,646 and \$10,439, respectively. The aforementioned amounts were recognized in salary expenses.

In 2025, the pre-tax net profit for the year was deducted from the employee's compensation and the benefits before the director's remuneration were estimated at 7.52% and 1.00% respectively.

Employees' compensation and directors' remuneration for 2025 and 2024 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2025 and 2024 financial statements, and the employees' compensation will be distributed in the form of 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.

(27) Income tax

A. Income tax expense

(A) Components of income tax expense:

| | Years ended December 31 | |
|---|-------------------------|------------|
| | 2025 | 2024 |
| Current tax | | |
| Current tax on profits for the year | \$ 106,958 | \$ 156,375 |
| Tax on undistributed earnings | 7,265 | 5,419 |
| Adjustments in respect of prior years | (17,729) | (5,950) |
| Total current tax | 96,494 | 155,844 |
| Deferred tax | | |
| Origination and reversal of temporary differences | 10,240 | 38,693 |
| Income tax expense | \$ 106,734 | \$ 194,537 |

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

| | Years ended December 31 | |
|--|-------------------------|-------------|
| | 2025 | 2024 |
| Remeasurements of defined benefit obligations | (\$ 364) | (\$ 869) |
| Currency translation differences of foreign operations | (878) | (14,097) |
| Total | (\$ 1,242) | (\$ 14,966) |

B. Reconciliation between income tax expense and accounting profit

| | Years ended December 31 | |
|--|-------------------------|------------|
| | 2025 | 2024 |
| Tax calculated based on profit before tax and statutory tax rate | \$ 121,596 | \$ 192,695 |
| Effect of items disallowed by tax regulation | (4,398) | 2,373 |
| Adjustments in respect of prior years | (17,729) | (5,950) |
| Tax on undistributed earnings | 7,265 | 5,419 |
| Income tax expense | \$ 106,734 | \$ 194,537 |

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

| | Year ended December 31, 2025 | | | |
|---|------------------------------|------------------------------------|---|---------------------|
| | January 1 | Recognized in profit or loss | Recognized in other comprehen- sive income | December 31 |
| Temporary differences | | | | |
| Deferred tax assets: | | | | |
| Adjustment of revenue and cost for overseas sales warehouses | \$ - | \$ 824 | \$ - | \$ 824 |
| Allowance for inventory valuation losses | 14,500 | (1,013) | - | 13,487 |
| Losses on financial assets at fair value through profit or loss | - | 11 | - | 11 |
| Unrealized profit from sales | 30,099 | 2,438 | - | 32,537 |
| Accrue vacation pay | 4,815 | 313 | - | 5,128 |
| Unrealized warranty provision | 251 | (37) | - | 214 |
| Unrealized impairment loss | 1,919 | - | - | 1,919 |
| Net defined benefit liability | 5,679 | (205) | (364) | 5,110 |
| Amortization of convertible bond issuance costs | 577 | (346) | - | 231 |
| Subtotal | <u>\$ 57,840</u> | <u>\$ 1,985</u> | <u>(\$ 364)</u> | <u>\$ 59,461</u> |
| Deferred tax liabilities | | | | |
| Investment income of foreign subsidiaries using the equity method | (\$ 257,228) | (\$ 13,100) | \$ - | (\$ 270,328) |
| Gain on financial assets at fair value through profit or loss | (69) | 69 | - | - |
| Exchange differences on translation of foreign financial statements | (14,571) | - | (878) | (15,449) |
| Unamortized goodwill | (1,180) | - | - | (1,180) |
| Unrealized exchange gains | (3,527) | 806 | - | (2,721) |
| Subtotal | <u>(\$ 276,575)</u> | <u>(\$ 12,225)</u> | <u>(\$ 878)</u> | <u>(\$ 289,678)</u> |
| Total | <u>(\$ 218,735)</u> | <u>(\$ 10,240)</u> | <u>(\$ 1,242)</u> | <u>(\$ 230,217)</u> |

| | Year ended December 31, 2024 | | | |
|---|------------------------------|------------------------------------|---|---------------------|
| | January 1 | Recognized in profit or loss | Recognized in other comprehen- sive income | December 31 |
| Temporary differences | | | | |
| Deferred tax assets: | | | | |
| Allowance for inventory valuation losses | \$ 15,000 | (\$ 500) | \$ - | \$ 14,500 |
| Allowance for doubtful debts of other receivables | 400 | (400) | - | - |
| Unrealized profit from sales | 30,978 | (879) | - | 30,099 |
| Unrealized exchange loss | 6,811 | (6,811) | - | - |
| Accrue vacation pay | 4,445 | 370 | - | 4,815 |
| Unrealized warranty provision | 272 | (21) | - | 251 |
| Unrealized impairment loss | 1,919 | - | - | 1,919 |
| Net defined benefit liability | 6,747 | (199) | (869) | 5,679 |
| Amortization of convertible bond issuance costs | 923 | (346) | - | 577 |
| Subtotal | <u>\$ 67,495</u> | <u>(\$ 8,786)</u> | <u>(\$ 869)</u> | <u>\$ 57,840</u> |
| Deferred tax liabilities | | | | |
| Investment income of foreign subsidiaries using the equity method | (\$ 230,854) | (\$ 26,374) | \$ - | (\$ 257,228) |
| Gain on financial assets at fair value through profit or loss | (63) | (6) | - | (69) |
| Exchange differences on translation of foreign financial statements | (474) | - | (14,097) | (14,571) |
| Unamortized goodwill | (1,180) | - | - | (1,180) |
| Unrealized exchange gains | - | (3,527) | - | (3,527) |
| Subtotal | <u>(\$ 232,571)</u> | <u>(\$ 29,907)</u> | <u>(\$ 14,097)</u> | <u>(\$ 276,575)</u> |
| Total | <u>(\$ 165,076)</u> | <u>(\$ 38,693)</u> | <u>(\$ 14,966)</u> | <u>(\$ 218,735)</u> |

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

(28) Earnings per share

| | Year ended December 31, 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 | <u>\$ 501,246</u> | <u>107,138</u> | <u>\$ 4.68</u> |
| Diluted earnings per share Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 727 | |
| Employee stock option | - | 1,117 | |
| Convertible bonds | <u>5,908</u> | <u>4,575</u> | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 507,154</u> | <u>113,557</u> | <u>\$ 4.47</u> |
| | Year ended December 31, 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 | <u>\$ 768,938</u> | <u>102,139</u> | <u>\$ 7.53</u> |
| Diluted earnings per share Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 746 | |
| Employee stock option | - | 1,339 | |
| Convertible bonds | <u>11,509</u> | <u>8,601</u> | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 780,447</u> | <u>112,825</u> | <u>\$ 6.92</u> |

(29) Supplemental cash flow information

A. Partial cash paid for investing activities

| | Years ended December 31 | |
|--|-------------------------|-------------------|
| | 2025 | 2024 |
| Purchase of property, plant and equipment | \$ 64,439 | \$ 92,184 |
| 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 | 340 | 2,421 |
| Less: Ending balance of payable on land and buildings | - | - |
| Less: Ending balance of payable on equipment | (7,426) | (10,974) |
| Less: Beginning balance of prepayments for business facilities | (2,421) | (652) |
| Cash paid during the year | <u>\$ 65,906</u> | <u>\$ 254,859</u> |

B. Financing activities not affecting cash flow:

| | Years ended December 31 | |
|--|-------------------------|-----------------|
| | 2025 | 2024 |
| Conversion of corporate bond conversion into capital stock | <u>\$ 416,400</u> | <u>\$ 1,451</u> |

(30) Changes in liabilities from financing activities

| | Lease liabilities | Convertible bonds payable | Liabilities from financing |
|--|-------------------|---------------------------|----------------------------|
| At January 1, 2025 | \$ 4,681 | \$ 773,858 | \$ 778,539 |
| Changes in cash flow from financing activities | (5,681) | - | (5,681) |
| Interest expense payments (Note) | (355) | - | (355) |
| Other changes in non-cash items | 34,072 | (409,833) | (375,761) |
| At December 31, 2025 | <u>\$ 32,717</u> | <u>\$ 364,025</u> | <u>\$ 396,742</u> |
| | | | |
| | Lease liabilities | Convertible bonds payable | Liabilities from financing |
| At January 1, 2024 | \$ 5,047 | \$ 760,924 | \$ 765,971 |
| Changes in cash flow from financing activities | (2,952) | - | (2,952) |
| Interest expense payments (Note) | (93) | - | (93) |
| Other changes in non-cash items | 2,679 | 12,934 | 15,613 |
| At December 31, 2024 | <u>\$ 4,681</u> | <u>\$ 773,858</u> | <u>\$ 778,539</u> |

Note: Cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

| <u>Name of related parties</u> | <u>Relationship with the Company</u> |
|--------------------------------|---|
| Advantech Co., Ltd. | Individuals with joint control or entities with significant influence |
| AXUS | Subsidiary |
| AXGM | " |
| AXUK | " |
| AXIT | " |
| PAYTRONEX (Note 1) | " |
| AXSZ | " |
| UNI | Associate |

Note 1: On April 8, 2024, the Company purchased 59.95% equity in PAYTRONEX.

PAYTRONEX became a subsidiary of the Company. Therefore, the transactions with the Company's related parties are calculated from that date.

(2) Significant related party transactions and balances

A. Sale

| | <u>Years ended December 31</u> | |
|--|--------------------------------|---------------------|
| | <u>2025</u> | <u>2024</u> |
| Sales of goods | | |
| Individuals with joint control or significant influence on the Company | \$ 94 | \$ 196 |
| Subsidiary | | |
| AXUS | 1,570,871 | 1,559,360 |
| AXGM | 251,841 | 531,386 |
| Others | 136,572 | 157,542 |
| Associate | 41 | 157 |
| Total | <u>\$ 1,959,419</u> | <u>\$ 2,248,641</u> |

The sales prices and the trading terms to related parties above were not significantly different from those of sales to third parties.

B. Purchase

| | <u>Years ended December 31</u> | |
|---|--------------------------------|------------------|
| | <u>2025</u> | <u>2024</u> |
| Purchase of goods | | |
| Individuals with joint control or entities with significant influence | \$ 24,963 | \$ 25,775 |
| Subsidiary | 11,728 | 16,127 |
| Total | <u>\$ 36,691</u> | <u>\$ 41,902</u> |

The purchase prices and the trading terms to related parties above were not significantly different from those of purchase to third parties.

C. Account receivable -related parties

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Receivables from related parties | | |
| Individuals with joint control or entities with significant influence | \$ - | \$ 38 |
| Subsidiary | | |
| AXUS | 331,272 | 356,085 |
| Others | 29,736 | 61,534 |
| Associate | 43 | 41 |
| Total | <u>\$ 361,051</u> | <u>\$ 417,698</u> |

The receivables from related parties arise mainly from sales transactions. The receivables are due 45~90 days after the date of sale. The receivables are unsecured in nature and bear no interest.

D. Account payable -related parties

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Account payable: | | |
| Individuals with joint control or entities with significant influence | \$ 4,264 | \$ 4,446 |
| Subsidiary | 7,189 | 2,972 |
| Total | <u>\$ 11,453</u> | <u>\$ 7,418</u> |

The payables from related parties arise mainly from purchase transactions. The payables are due 45~75 days after the date of sale. The payables are bear no interest.

E. Loans to related parties (Other receivables - related parties)

Loans to related parties

(1) Ending balance (Including accrued interest)

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|------------|--------------------------|--------------------------|
| Subsidiary | | |
| PAYTRONEX | <u>\$ 50,089</u> | <u>\$ 25,000</u> |

(2) Interest income

| | <u>Years ended December 31</u> | |
|------------|--------------------------------|---------------|
| | <u>2025</u> | <u>2024</u> |
| Subsidiary | <u>\$ 767</u> | <u>\$ 277</u> |

The loan period for the subsidiary is 1 year, with interest calculated on a monthly basis. The interest for 2025 and 2024 is charged at an annual rate of 2.15% and 2.625%.

F. Others

As of December 31, 2025 and 2024, the balance of other receivables arising from the recognition of employee stock options and related advance payments for the subsidiary in 2025 and 2024 was \$410 and \$927.

(3) Key management compensation

| | Years ended December 31 | |
|------------------------------|-------------------------|------------------|
| | 2025 | 2024 |
| Short-term employee benefits | \$ 38,879 | \$ 65,124 |
| Share-based payment | 7,625 | 3,080 |
| Post-employment compensation | 888 | 1,170 |
| Total | <u>\$ 47,392</u> | <u>\$ 69,374</u> |

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingency

None.

(2) Commitments:

Capital expenditures contracted but not yet incurred:

| | December 31, 2025 | December 31, 2024 |
|-------------------------------|-------------------|-------------------|
| Property, plant and equipment | \$ 538 | \$ 18,467 |
| Intangible assets | 120 | 90 |
| Total | <u>\$ 658</u> | <u>\$ 18,557</u> |

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

For details of 2025 earnings appropriation proposed, refer to Note 6(18).

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Financial assets | | |
| Financial assets at fair value through profit or loss | \$ 105,131 | \$ 62,750 |
| Financial assets at amortized cost | 1,752,482 | 1,837,709 |
| | <u>\$ 1,857,613</u> | <u>\$ 1,900,459</u> |
| | | |
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Financial liabilities | | |
| Financial Liabilities at amortized cost | \$ 1,212,609 | \$ 1,508,902 |
| Lease liabilities | 32,717 | 4,681 |
| | <u>\$ 1,245,326</u> | <u>\$ 1,513,583</u> |

Note: Financial assets at amortized cost includes cash and cash equivalents, notes and accounts receivable (including related parties), other receivables and guarantee deposits paid; financial liabilities at amortized cost includes short-term borrowings, notes and accounts payable (including related parties), other payables (including related parties) corporate bonds payable and guarantee deposits received.

B. Risk management policy

(A) The Company'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.

(B) Risk management is carried out by a finance department under policies approved by the Board of Directors. Company finance department identifies, evaluates and hedges financial risks in close cooperation with the Company'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

Foreign exchange risk

i. The Company 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 Company companies to manage their foreign exchange risk against their functional currency.
- iii. The Company'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:

| December 31, 2025 | | | |
|---|--|---------------|---------------------|
| (Foreign Currency: Functional currency) | Foreign currency amount (in thousand) | Exchange rate | Book value (NTD) |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 48,764 | 31.45 | \$ 1,533,628 |
| RMB : NTD | 4,202 | 4.50 | 18,909 |
| EUR : NTD | 296 | 36.88 | 10,916 |
| JPY : NTD | 29,566 | 0.20 | 5,913 |
| <u>Non-monetary items</u> | | | |
| USD : NTD | \$ 35,567 | 31.45 | \$ 1,118,582 |
| EUR : NTD | 16,575 | 36.88 | 611,286 |
| RMB : NTD | 12,136 | 4.50 | 54,612 |
| GBP : NTD | 165 | 42.29 | 6,978 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 11,027 | 31.45 | \$ 346,799 |

| December 31, 2024 | | | |
|---|--|---------------|---------------------|
| (Foreign Currency: Functional currency) | Foreign currency amount (in thousand) | Exchange rate | Book value (NTD) |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 44,828 | 32.79 | \$ 1,469,910 |
| RMB : NTD | 8,565 | 4.48 | 38,371 |
| EUR : NTD | 1,062 | 34.14 | 36,257 |
| <u>Non-monetary items</u> | | | |
| 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 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD : NTD | \$ 6,474 | 32.79 | \$ 212,282 |

- 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 Company for the years ended December 31, 2025 and 2024, amounted to profit of \$(60,433) and loss of \$78,317, respectively.

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

| | | For the year ended December 31, 2025 | | |
|---|-----------|--------------------------------------|--------------------------|--------------------------------------|
| | | Sensitivity analysis | | |
| | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign Currency: Functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| | USD : NTD | 1% | \$ 12,269 | \$ - |
| | RMB : NTD | 1% | 151 | - |
| | EUR : NTD | 1% | 87 | - |
| | JPY : NTD | 1% | 47 | - |
| <u>Non-monetary items</u> | | | | |
| | USD : NTD | 1% | - | 8,949 |
| | EUR : NTD | 1% | - | 4,890 |
| | RMB : NTD | 1% | - | 437 |
| | GBP : NTD | 1% | - | 56 |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| | USD : NTD | 1% | 2,774 | - |
| | | For the year ended December 31, 2024 | | |
| | | Sensitivity analysis | | |
| | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign Currency: Functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| | USD : NTD | 1% | \$ 11,759 | \$ - |
| | RMB : NTD | 1% | 307 | - |
| | EUR : NTD | 1% | 290 | - |
| <u>Non-monetary items</u> | | | | |
| | USD : NTD | 1% | - | 8,571 |
| | EUR : NTD | 1% | - | 4,565 |
| | RMB : NTD | 1% | - | 549 |
| | GBP : NTD | 1% | - | 95 |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| | USD : NTD | 1% | 1,698 | - |

Price risk

- i. The Company's equity instruments, which are exposed to price risk, are the financial assets at fair value through profit or loss and financial assets at fair value

through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Company diversifies its portfolio. Diversification of the portfolio is in accordance with the limits set by the Company.

- ii. The Company'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 Company 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 Company manages their credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing 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 Company 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 Company adopts the assumptions under IFRS 9 and the default is deemed to have occurred when the contract payments are past due over 90 days.
- v. The Company classifies customer's notes and accounts receivable in accordance with product types and customer types. The Company 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 Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2025 and 2024, the Company has no written-off financial assets that are still under recourse procedures.

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

| December 31, 2025 | Not overdue | Overdue 1 ~ 90 days | Overdue 91 ~ 180 days | Overdue 181 ~ 270 days |
|--------------------|---------------------------|----------------------------------|--------------------------|---------------------------|
| Expected loss rate | 0%-0.04% | 0.04% | 100% | 100% |
| Total book value | \$ 724,789 | \$ 6,687 | \$ - | \$ - |
| Loss allowance | \$ 137 | \$ 2 | \$ - | \$ - |
| December 31, 2025 | Overdue 271 ~ 360 days | Overdue More than 361 days | Total | |
| Expected loss rate | 100% | 100% | | |
| Total book value | \$ - | \$ - | \$ 731,476 | |
| Loss allowance | \$ - | \$ - | \$ 139 | |
| December 31, 2024 | Not overdue | Overdue 1 ~ 90 days | Overdue 91 ~ 180 days | Overdue 181 ~ 270 days |
| Expected loss rate | 0%-0.04% | 0.04% | 100% | 100% |
| Total book value | \$ 722,718 | \$ 14,156 | \$ - | \$ - |
| Loss allowance | \$ 114 | \$ 5 | \$ - | \$ - |
| December 31, 2024 | Overdue 271 ~ 360 days | Overdue More than 361 days | Total | |
| Expected loss rate | 100% | 100% | | |
| Total book value | \$ - | \$ - | \$ 736,874 | |
| Loss allowance | \$ - | \$ - | \$ 119 | |

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

| | December 31, 2025 | | December 31, 2024 | |
|--------------------|-------------------|---------------------|-------------------|---------------------|
| | Notes receivable | Accounts receivable | Notes receivable | Accounts receivable |
| Not overdue | \$ 1,049 | \$ 723,740 | \$ 1,310 | \$ 721,408 |
| within 30 days | - | 6,687 | - | 14,156 |
| 31 ~ 90 days | - | - | - | - |
| 91 ~ 180 days | - | - | - | - |
| More than 181 days | - | - | - | - |
| | <u>\$ 1,049</u> | <u>\$ 730,427</u> | <u>\$ 1,310</u> | <u>\$ 735,564</u> |

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

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

| | Years ended December 31 | |
|-----------------|-------------------------|---------------------|
| | 2025 | 2024 |
| | Accounts receivable | Accounts receivable |
| January 1 | \$ 119 | \$ 62 |
| Impairment loss | 20 | 57 |
| December 31 | <u>\$ 139</u> | <u>\$ 119</u> |

(C) Liquidity risk

The table below analyses the Company'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.

| December 31, 2025 | | | | | |
|--------------------------------------|---------------|-------------|-------------|-------------------|-----------|
| Non-derivative financial liabilities | Within 1 year | 1 ~ 2 years | 2 ~ 5 years | More than 5 years | Total |
| Lease liabilities | \$ 13,522 | \$ 12,709 | \$ 7,371 | \$ - | \$ 33,602 |
| Corporate bonds payable | \$368,600 | \$ - | \$ - | \$ - | \$368,600 |
| December 31, 2024 | | | | | |
| Non-derivative financial liabilities | Within 1 year | 1 ~ 2 years | 2 ~ 5 years | More than 5 years | Total |
| Lease liabilities | \$ 3,057 | \$ 1,610 | \$ 74 | \$ - | \$ 4,741 |
| Corporate bonds payable | \$ - | \$798,400 | \$ - | \$ - | \$798,400 |

In addition to the above, the Company's non-derivative financial liabilities are due within the next year. The Company 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 Company'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 to this level are not based on observable market data.

- B. Information about the fair value of investment property is provided in Note 6(9)

- 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, accounts payable (including related parties), other payables(including related parties) and guarantee deposits received are approximate to their fair values.

| | December 31, 2025 | | | |
|-------------------------|-------------------|------------|------------|---------|
| | Book value | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial liabilities: | | | | |
| Corporate bonds payable | \$ 364,025 | \$ - | \$ 365,176 | \$ - |

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

- 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:

| December 31, 2025 | Level 1 | Level 2 | Level 3 | Total |
|---|-----------|---------|---------|-----------|
| Assets: | | | | |
| Recurring fair value measurements | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Beneficiary Certificate | \$105,131 | \$ - | \$ - | \$105,131 |
| | | | | |
| December 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Recurring fair value measurements | | | | |
| 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 |

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

- E. In 2025 and 2024, there was no evaluation of the transfer between levels.
F. The following chart is the movement of Level 3 for the Years ended December 31, 2025 and 2024:

| | 2025 | 2024 |
|------------------------------|-----------------------------------|-----------------------------------|
| | Convertible bond – call provision | Convertible bond – call provision |
| At January 1 | \$ 719 | \$ 720 |
| Disposal | (815) | (1) |
| Recognition in profit (loss) | | |
| Other gains and losses | 96 | - |
| At December 31 | \$ - | \$ 719 |

- 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 December 31, 2025 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|--------------------------------------|---------------------------------------|--------------------------------|--------------------------------------|--------------------------------|--|
| Convertible bond – call provision | \$ - | Binomial tree pricing model | Volatility | 38.83% | 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 |

13. 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 table 2.
- 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 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 7.
- 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 5

AXIOMTEK CO., LTD.
CASH AND CASH EQUIVALENTS
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

| <u>Item</u> | <u>Description</u> | <u>Amount</u> | <u>Remark</u> |
|---------------------------------------|---------------------------------------|-------------------|---------------|
| Cash on hand and petty cash | | | |
| NTD | | \$ 527 | |
| Bank deposit: | | | |
| Checking accounts and demand deposits | | | |
| NTD | | 72,519 | |
| USD | USD 3,866 exchange rate 31.45 (Note) | 121,570 | |
| CNY | CNY 1,547 exchange rate 4.50 (Note) | 6,961 | |
| JPY | JPY 28,910 exchange rate 0.20 (Note) | 5,796 | |
| EUR | EUR 54 exchange rate 36.88 (Note) | 1,990 | |
| GBP | GBP 3 exchange rate 42.29 (Note) | 135 | |
| Time deposits | | | |
| NTD | | - | |
| USD | USD 23,048 exchange rate 31.45 (Note) | 724,814 | |
| | | <u>\$ 934,312</u> | |

Note: Foreign currency amount expressed in thousands.

AXIOMTEK CO., LTD.
ACCOUNTS RECEIVABLE
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

| <u>Customer name</u> | <u>Amount</u> | <u>Remark</u> |
|---------------------------------------|-------------------|--|
| Customer A | \$ 171,177 | |
| Customer B | 26,524 | |
| Customer C | 18,880 | |
| Others | <u>152,795</u> | None of the individual customer exceeds 5% of this account |
| | 369,376 | |
| Less: Allowance for doubtful accounts | <u>(139)</u> | |
| | <u>\$ 369,237</u> | |

AXIOMTEK CO., LTD.
INVENTORIES
December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Item | Amount | | Remark |
|--|-------------------|----------------------|--|
| | Cost | Net realizable value | |
| Raw materials | \$ 349,469 | \$ 325,677 | Use replacement cost as net realizable value |
| Work in process | 180,480 | 180,480 | Use market price as net realizable value |
| Semi-finished goods | 24,536 | 24,719 | " |
| Finished goods | 427,981 | 512,020 | " |
| Inventories in transit | 250 | 250 | |
| | <u>982,716</u> | <u>\$ 1,043,146</u> | |
| Less: Allowance for inventory valuation losses | (67,435) | | |
| | <u>\$ 915,281</u> | | |

AXIOMTEK CO., LTD.
CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Investee | Investment type | Balance at January 1, 2025 | | Additions (Note 1) | | Deductions (Note 2) | | Balance at December 31, 2025 | | | Market value or net equity value | | Valuation basis |
|--|-----------------|----------------------------|---------------------|--------------------|-------------------|---------------------|--------------------|------------------------------|-----------|---------------------|----------------------------------|-------------|-----------------|
| | | Shares (Note 3) | Amount | Shares (Note 3) | Amount | Shares (Note 3) | Amount | Shares (Note 3) | Ownership | Amount | Unit price (NT\$) | Total price | |
| AXUS | Stock | 23 | \$ 1,123,900 | - | \$ 90,320 | - | (\$ 43,287) | 23 | 100% | \$1,170,933 | \$ - | \$1,118,507 | Equity method |
| AXGM | Stock | - | 530,997 | - | 41,940 | - | (13,872) | - | 100% | 559,065 | - | 559,067 | Equity method |
| PAYTRONEX | Stock | 2,170 | 67,171 | - | 11,018 | - | - | 2,170 | 59.95% | 78,189 | - | 69,213 | Equity method |
| AXSZ | Stock | - | 68,443 | - | - | - | (14,015) | - | 100% | 54,428 | - | 54,618 | Equity method |
| AXIT | Stock | - | 49,649 | - | 12,569 | - | - | - | 100% | 62,218 | - | 52,218 | Equity method |
| UNI | Stock | 1,450 | 16,206 | - | - | (870) | (983) | 580 | 24.05% | 15,223 | - | 5,612 | Equity method |
| AXUK | Stock | 180 | 11,884 | - | 180 | - | (5,101) | 180 | 100% | 6,963 | - | 6,963 | Equity method |
| AXJP | Stock | 0.6 | 6,784 | - | 449 | (0.6) | (7,233) | - | - | - | - | - | Equity method |
| | | | 1,875,034 | | 156,476 | | (84,491) | | | 1,947,019 | | | |
| Less: Ending unrealized gain from sale | | | (150,488) | | - | | (12,190) | | | (162,678) | | | |
| | | | <u>\$ 1,724,546</u> | | <u>\$ 156,476</u> | | <u>(\$ 96,681)</u> | | | <u>\$ 1,784,341</u> | | | |

Note 1: Increase in the current period includes the share of the interests of the subsidiaries recognized by the equity method, exchange loss for foreign company, equity transfer of AXSZ, acquisition of investments recognized using the equity method.

Note 2: Decrease in the current period includes the share of losses recognized under the equity method, the exchange differences in the translation of financial statements of foreign operating entities, and the repatriation of funds from the liquidation of subsidiaries.

Note 3: The number of shares is in thousands of shares. Not holding shares - limited company.

AXIOMTEK CO., LTD.
CHANGES IN THE COST OF PROPERTY, PLANT AND EQUIPMENT
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Item | Balance at January 1, 2025 | Additions | Disposals | Transfers | Balance at December 31, 2025 | Collateral | Remark |
|--------------------------|-------------------------------|------------------|-------------------|----------------|------------------------------------|------------|--------|
| Land | \$ 1,190,727 | \$ - | \$ - | \$ - | \$ 1,190,727 | None | |
| Buildings | 598,212 | - | - | - | 598,212 | - | |
| Machinery | 169,465 | 3,953 | (785) | 34,300 | 206,933 | - | |
| Tools | 75,534 | 12,673 | - | 685 | 88,892 | - | |
| Testing equipment | 82,203 | 5,061 | (2,325) | 1,300 | 86,239 | - | |
| Office equipment | 325,043 | 11,074 | (1,775) | 1,321 | 335,663 | - | |
| Other equipment | 116,727 | 2,912 | (2,389) | - | 117,250 | - | |
| | 2,557,911 | 35,673 | (7,274) | 37,606 | 2,623,916 | | |
| Construction in progress | 11,443 | 28,766 | - | (37,696) | 2,513 | - | |
| | <u>\$ 2,569,354</u> | <u>\$ 64,439</u> | <u>(\$ 7,274)</u> | <u>(\$ 90)</u> | <u>\$ 2,626,429</u> | | |

AXIOMTEK CO., LTD.
CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT, AND EQUIPMENT
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Item | Balance at January 1, 2025 | Additions | Disposals | Balance at December 31, 2025 | Remark |
|-------------------|-------------------------------|-------------------|-------------------|---------------------------------|--------|
| Buildings | \$ 82,186 | \$ 16,386 | \$ - | \$ 98,572 | |
| Machinery | 110,571 | 22,550 | (785) | 132,336 | |
| Tools | 64,227 | 9,823 | - | 74,050 | |
| Testing equipment | 56,673 | 8,647 | (2,325) | 62,995 | |
| Office equipment | 93,013 | 44,734 | (1,775) | 135,972 | |
| Other equipment | 34,121 | 17,521 | (2,389) | 49,253 | |
| | <u>\$ 440,791</u> | <u>\$ 119,661</u> | <u>(\$ 7,274)</u> | <u>\$ 553,178</u> | |

AXIOMTEK CO., LTD.

ACCOUNTS PAYABLE

December 31, 2025

(Expressed in thousands of New Taiwan dollars)

| <u>Vendor name</u> | <u>Amount</u> | <u>Remark</u> |
|--------------------|-------------------|--|
| Vendor A | \$ 83,912 | |
| Vendor B | 56,324 | |
| Vendor C | 47,725 | |
| Others | 369,587 | None of the individual vendor exceeds 5% of this account |
| | <u>\$ 557,548</u> | |

AXIOMTEK CO., LTD.
Corporate bonds payable
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

| Name | Trustees | Issuance date | Interest payment date | Coupon rate | Amount | | | | | Repayment method | collaterals | Remark |
|--|--|---------------|-----------------------|-------------|---------------------|-------------|-------------|---------------------------|-------------|---|-------------|---|
| | | | | | Total amount issued | convert | Amount | Discount on bonds payable | Amount | | | |
| The Second Domestic Unsecured Convertible Corporate Bonds | E.SUN COMMERCIAL BANK, LTD. Trust Division | 2023/8/28 | NA | 0% | \$800,000 | \$431,400 | \$368,600 | \$4,575 | \$364,025 | When this conversion company debt expires, it will be repaid in cash in the denomination of the bond. | NA | The corporate bonds has been converted to 4,639 thousand shares of common stock |
| Less: Long-term liabilities due within one year or one operating cycle | | | | | (\$800,000) | (\$431,400) | (\$368,600) | (\$4,575) | (\$364,025) | | | |
| | | | | | \$ - | \$ - | \$ - | \$ - | \$ - | | | |

AXIOMTEK CO., LTD.
OPERATING REVENUE
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Item | Quantity | Amount | Remark |
|--|----------|---------------------|--------|
| Sales revenue | | | |
| IOT Products | Note: | \$ 2,664,858 | |
| Intelligent Design-in Service Products | " | 1,171,456 | |
| Gaming Products | " | 691,346 | |
| Others | " | 47,045 | |
| | | <u>4,574,705</u> | |
| Less: Sales return | Note: | (1,052) | |
| Sales Discount | - | (3,328) | |
| | | <u>4,570,325</u> | |
| Other operating revenue | Note: | 45,874 | |
| | | <u>\$ 4,616,199</u> | |

Note: Due to the variety of products, it is difficult to classify and classify.

AXIOMTEK CO., LTD.
OPERATING COSTS
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Item | Amount |
|---|--------------|
| Beginning raw materials & semi-finished goods | \$ 397,192 |
| Add: Purchased during the year | 1,887,297 |
| Less: Ending raw materials & semi-finished goods | (374,005) |
| Sale of raw materials & semi-finished goods | (23,720) |
| Scrap of raw materials & semi-finished goods | (23,497) |
| Transfer to manufacturing expenses | (581) |
| Consumption of raw materials & semi-finished goods for the year | 1,862,686 |
| Direct labor | 97,882 |
| Manufacturing expenses | 309,861 |
| Adjustment of discrepancy in production | 36,084 |
| Manufacturing Costs | 2,306,513 |
| Add: Beginning work in process | 99,892 |
| Less: Ending work in process | (180,480) |
| Cost of finished goods | 2,225,925 |
| Add: Beginning finished goods | 276,596 |
| Acquisition of finished goods | 956,992 |
| Less: Ending finished goods | (428,231) |
| Scrap of finished goods | (5,889) |
| Cost of goods manufactured | 3,025,393 |
| Cost of sale of raw materials & semi-finished goods | 23,720 |
| provision for inventory valuation loss | 24,320 |
| | \$ 3,073,433 |

AXIOMTEK CO., LTD.
MANUFACTURING EXPENSES
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| <u>Item</u> | <u>Amount</u> | <u>Summary</u> |
|-------------------|-------------------|---|
| Indirect labor | \$ 95,633 | |
| Depreciation | 75,532 | |
| Processing fees | 60,031 | |
| Insurance | 20,042 | |
| Other expenditure | 58,623 | |
| | <u>\$ 309,861</u> | None of the individual item exceeds 5% of this account |

AXIOMTEK CO., LTD.
SELLING EXPENSES
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Item | Amount | Summary |
|-----------------------|-------------------|---|
| Wages and salaries | \$ 88,107 | |
| Commission expenses | 15,685 | |
| Advertisement expense | 14,869 | |
| Travel expenses | 11,740 | |
| Other expenditure | 23,767 | |
| | <u>\$ 154,168</u> | None of the individual item exceeds 5% of this account |

AXIOMTEK CO., LTD.
ADMINISTRATIVE EXPENSES
For the year ended December 31, 2025
 (Expressed in thousands of New Taiwan dollars)

| Item | Amount | Summary |
|--------------------|------------|---|
| Wages and salaries | \$ 128,270 | |
| Depreciation | 10,765 | |
| Insurance | 10,061 | |
| Service fee | 10,014 | |
| Other expenditure | 26,530 | |
| | \$ 185,640 | None of the individual item exceeds 5% of this account |

AXIOMTEK CO., LTD.
RESEARCH AND DEVELOPMENT EXPENSES
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

| <u>Item</u> | <u>Amount</u> | <u>Remark</u> |
|-------------------------|-------------------|---|
| Wages and salaries | \$ 420,518 | |
| Miscellaneous purchases | 55,086 | |
| Depreciation | 37,422 | |
| Insurance | 32,368 | |
| Other expenses | 96,392 | None of the individual item exceeds 5% of this account |
| | <u>\$ 641,786</u> | |

AXIOMTEK CO., LTD.
LABOUR, DEPRECIATION AND AMORTIZATION BY FUNCTION
For the year ended December 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| Function | Year ended December 31, 2025 | | | Year ended December 31, 2024 | | |
|---|-------------------------------|----------------------------------|------------|-------------------------------|----------------------------------|------------|
| | Classified as operating costs | Classified as operating expenses | Total | Classified as operating costs | Classified as operating expenses | Total |
| Employee benefit expense | | | | | | |
| Salaries | \$ 185,050 | \$ 580,680 | \$ 765,730 | \$ 172,517 | \$ 601,018 | \$ 773,535 |
| Compensation cost of employee stock options | 2,169 | 24,629 | 26,798 | 698 | 8,105 | 8,803 |
| Labour and health insurance fees | 17,846 | 46,839 | 64,685 | 15,540 | 43,472 | 59,012 |
| Pension costs | 6,296 | 24,800 | 31,096 | 5,738 | 23,854 | 29,592 |
| Directors' remuneration | - | 6,646 | 6,646 | - | 10,439 | 10,439 |
| Others | 8,424 | 23,151 | 31,575 | 8,115 | 23,118 | 31,233 |
| Depreciation | 75,532 | 51,693 | 127,225 | 62,047 | 43,533 | 105,580 |
| Amortization | 192 | 17,377 | 17,569 | 68 | 17,418 | 17,486 |

Note:

1. As at December 31, 2025 and 2024, the Company had average 706 and 689 employees. Both are including 5 non-employee directors.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
 - (1) Average employee benefit expense in current year was \$1,312.
Average employee benefit expense in previous year was \$1,319.
 - (2) Average employees salaries in current year was \$1,131.
Average employees salaries in previous year was \$1,144.
 - (3) Adjustments of average employees salaries was (1.14%).
3. The company's overall salary and remuneration policy takes external competitiveness and internal fairness as important considerations, and in order to attract and maintain talents the company has been committed to provide employees comprehensive compensation and benefits program above the industry average level. The compensation program includes a monthly salary, business performance bonuses based on quarterly/ half a year business results, and a profit sharing bonus based on annual profits. The Company's shall set aside 1%-20% as employees' remuneration and the percentage lower than 2% as directors' remuneration if the Corporation has the profit (means the pre-tax income before deduction of the employees' and directors' remuneration) in the current year. However, the Company's accumulated deficit shall have been covered, if any (including the adjustment of unappropriated retained earnings). Individual rewards are based on his/her job responsibility, contribution, the time spent on work and individual performance.
 - (1) Directors : Performance assessments of directors are decided by considering the extent and value of the services provided for the management of the Company. Remuneration proposal proposed by the chairman of the Board is reviewed by the Remuneration Committee and the amount of the bonus and profit sharing are recommended by the Committee to the Board of Directors for approval.
 - (2) Managerial officers : Performance assessments of managerial officers are decided based on their job responsibility, contribution, company's/ unit's operating performance, and the general pay levels in the industry. Remuneration proposal proposed by the president is review by the Remuneration Committee and the amount of the bonus and profit sharing are recommended by the Compensation Committee to the Board of Directors for approval.
 - (3) Employees : Performance assessments of employees are decided based on their job responsibility, contribution , company's/ unit's operating performance, and the extent of goal achievement. Remuneration is proposed by the top supervisor of the unit and approved by the president.

AXIOMTEK CO., LTD.

Loans to others

For the year ended December 31, 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 | - | - | - | \$ 517,101 | \$2,068,404 | |
| 0 | AXIOMTEK CO., LTD. | AXSZ | Other receivables- related party | Y | 13,501 | 13,501 | - | 4.000% | 2 | \$ - | Business turnover | - | - | - | \$ 517,101 | \$2,068,404 | |

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.

Securities held (excluding investments in subsidiaries, affiliates and joint venture)

For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investor | Securities Type (Note 1) | Securities Name | Relationship with the issuer of securities (Note 2) | General ledger account | Balance as of December 31, 2025 | | | | Remark (Note 4) |
|---------------------|-----------------------------|--------------------------------|--|--|---------------------------------|-----------------------------|-------------------------------|------------|--------------------|
| | | | | | Unit | Carrying Amount (Note 3) | Percentage of Ownership(%) | Faie Value | |
| AXIOMTEK CO., LTD.. | Beneficiary Certificate | Taishin 1699 Money Market Fund | - | Financial assets at fair value through profit or loss - current | 1,394,343 | \$ 20,036 | - | \$ 20,036 | None |
| AXIOMTEK CO., LTD. | Beneficiary Certificate | Qunyi Stable Money Market Fund | - | Financial assets at fair value through profit or loss - current | 5,655,789 | \$ 85,095 | - | \$ 85,095 | None |

Note 1: Securities referred to in this table are stocks, bonds, beneficiary certificates and securities derived from the above items.

Note 2: If the securities issuer is not a related party, this column is not required to be filled in.

Note 3: For those measured at fair value, please enter the book balance after fair value valuation adjustment and deducting accumulated impairment losses in the Carrying Amount (B); for those not measured at fair value, please enter the book balance of original acquisition cost or amortized cost deducting accumulated impairment losses in the Carrying Amount (B).

Note 4: If the listed securities are subject to restrictions on use due to providing guarantees, pledging loans or other agreements, the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the restrictions on use should be indicated in the remarks column.

Note 5: This table lists securities that the Company determines must be listed based on the principle of materiality.

AXIOMTEK CO., LTD.

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

For the year ended December 31, 2025

Table 3

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) | | Remark (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 | \$ 1,570,871 | 22.38% | Monthly 45-90 days | - | - | \$ 331,272 | 31.84% | |
| AXIOMTEK CO., LTD. | AXGM | The Company's subsidiaries | Sale | \$ 251,841 | 3.59% | Monthly 45 days | - | - | \$ 9,014 | 0.87% | |

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.

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

For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

| Creditor | Counterparty | Relationship | Balance as at December 31, 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 | The Company's subsidiaries | \$ 331,272 | 4.57 | - | - | \$ 331,272 | - |

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.

Significant inter-company transactions during the reporting period

For the year ended December 31, 2025

Table 5

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 | \$ 1,570,871 | same as that applicable to the general customer receivables collection as per for the average customer, 45-90 days | 22.38% |
| 0 | AXIOMTEK CO., LTD. | AXGM | 1 | Sales revenue | 251,841 | same as that applicable to the general customer receivables collection as per for the average customer, 45 days | 3.59% |
| 0 | AXIOMTEK CO., LTD. | AXSZ | 1 | Sales revenue | 51,866 | same as that applicable to the general customer receivables collection for the general customer 75 days; 45 - 75 days with slight delay | 0.74% |
| 0 | AXIOMTEK CO., LTD. | AXIT | 1 | Sales revenue | 78,591 | same as that applicable to the general customer receivables collection as per for the average customer, 45 days | 1.12% |
| 0 | AXIOMTEK CO., LTD. | AXSZ | 1 | Purchase | 11,728 | same as that applicable to the general customer receivables collection as per for the average customer, 75 days | 0.17% |
| 0 | AXIOMTEK CO., LTD. | AXUS | 1 | Accounts receivable | 331,272 | | 4.46% |
| 0 | AXIOMTEK CO., LTD. | AXSZ | 1 | Accounts receivable | 11,907 | | 0.16% |
| 1 | AXSZ | PAYTRONEX | 3 | Sales revenue | 21,527 | same as that applicable to the general customer receivables collection as per for the average customer, 30 days | 0.31% |

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.
Information on investees
For the year ended December 31, 2025

Table 6

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 December 31, 2025 | | | Net profit (loss) of the investee for the year ended December 31, 2025 (Note 2(2)) | Investment income (loss) recognized by the Company for the year ended December 31, 2025 (Note 2(3)) | Remark |
|-----------------------|--------------------------|----------------|---|---------------------------------------|---------------------------------------|-------------------------------------|-----------|-------------|--|--|----------|
| | | | | Balance as at December 31, 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 | \$1,038,155 | \$ 90,320 | \$ 90,320 | |
| " | AXGM | Germany | Industrial computer and Embedded Board manufacturing, trading, post-sales service | 19,941 | 19,941 | (Note 3) | 100.00 | 541,664 | (13,872) | (13,872) | |
| " | AXUK | United Kingdom | Industrial computer and Embedded Board manufacturing, trading, post-sales service | 8,615 | 8,615 | 180,000 | 100.00 | 6,963 | (5,101) | (5,101) | |
| " | 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 | 59,104 | 8,149 | 8,149 | |
| " | UNI | Taiwan | Intelligent automation solution R&D, manufacturing, trading | 29,000 | 29,000 | 580,000 | 24.05 | 15,163 | (3,009) | (983) | |
| " | PAYTRONEX | Taiwan | Research, development, manufacturing, sales, maintenance, and leasing of intelligent parking systems, smart healthcare, and self- service related equipment and solutions. | 65,100 | 65,100 | 2,170,000 | 59.95 | 78,056 | 19,584 | 11,018 | |
| 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 December 31, 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 year ended December 31, 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 year ended December 31, 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.

Information on investments in Mainland China

For the year ended December 31, 2025

Table 7

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 year ended December 31, 2025 | | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025 | Net income of investee for the year ended December 31, 2025 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognized by the Company for the year ended December 31, 2025 (Note 2) | Book value of investments in Mainland China as of December 31, 2025 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025 | Remark |
|----------------------------|---|--------------------------|----------------------------|--|---|-------------------------|--|---|--|--|---|---|--------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| AXSZ | Industrial computer and Embedded Board manufacturing, trading, post-sales service | NT\$ 132,302 (USD 4,207) | Note 1(1) | NT\$ 132,302 (USD 4,207) | \$ - | \$ - | NT\$ 132,302 (USD 4,207) | (\$ 13,806) | 100.00 | (\$ 13,856) | \$ 45,236 | \$ - | |

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=31.448 on December 31, 2025.

Expressed in thousands of NTD and foreign currencies

| Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 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 |
|--|--|---|
| \$ 132,302 | USD 4,223 | \$ 3,102,606 |
| USD 4,207 | | |