# NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED FINANCIAL STATEMENTS AND

## INDEPENDENT AUDITORS' REVIEW REPORT

## MARCH 31, 2026 AND 2025

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying 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 differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES

MARCH 31, 2026 AND 2025 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of NEXCOM International Co., Ltd.

PWCR25000737

## *Introduction*

We have reviewed the accompanying consolidated balance sheets of NEXCOM International Co., Ltd. and its subsidiaries (the "Group") as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

## *Scope of Review*

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

## *Basis for Qualified Conclusion*

As explained in Notes 4(3) and 6(6), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent auditors. Those statements reflect total assets, including investments accounted for using equity method, of NT$928,080 thousand and NT$1,180,010 thousand, constituting 14% and 19% of the consolidated total assets, and total liabilities of NT$337,821 thousand and NT$366,235 thousand, constituting 10% and 13% of the consolidated total liabilities as at March 31, 2026 and 2025, respectively, and total comprehensive income (loss) of (NT$2,880) thousand and NT$20,308 thousand, constituting 4% and 21% of the consolidated total comprehensive income for the three months then ended, respectively.

***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 13, 2026

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

| | Assets | Notes | March 31, 2026 AMOUNT | % | December 31, 2025 AMOUNT | % | March 31, 2025 AMOUNT | % |
|---|---|---|---|---|---|---|---|---|
| | **Current assets** | | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | $ 955,136 | 15 | $ 816,788 | 14 | $ 1,247,351 | 20 |
| 1136 | Current financial assets at amortised cost | 6(5) | 34,824 | 1 | 22,140 | - | - | - |
| 1150 | Notes receivable, net | 6(2) | 1,774 | - | 1,409 | - | 357 | - |
| 1170 | Accounts receivable, net | 6(2) | 809,594 | 12 | 875,545 | 14 | 1,217,245 | 20 |
| 1180 | Accounts receivable - related parties | 7 | 34,042 | 1 | 42,931 | 1 | 32,045 | - |
| 1200 | Other receivables | | 62,999 | 1 | 51,433 | 1 | 68,473 | 1 |
| 130X | Inventory | 6(3) | 1,971,229 | 30 | 1,730,422 | 29 | 1,380,090 | 22 |
| 1410 | Prepayments | | 77,729 | 1 | 62,581 | 1 | 71,254 | 1 |
| 11XX | **Total current assets** | | 3,947,327 | 61 | 3,603,249 | 60 | 4,016,815 | 64 |
| | **Non-current assets** | | | | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 6(4) | 32,041 | - | 33,171 | 1 | 44,273 | 1 |
| 1535 | Non-current financial assets at amortised cost | 6(5) | 24,851 | - | 24,687 | - | 25,115 | - |
| 1550 | Investments accounted for under equity method | 6(6) | 6,973 | - | 6,389 | - | 2,224 | - |
| 1600 | Property, plant and equipment | 6(7) and 8 | 1,524,862 | 24 | 1,442,161 | 24 | 1,385,533 | 22 |
| 1755 | Right-of-use assets | 6(8) | 441,188 | 7 | 439,567 | 7 | 310,384 | 5 |
| 1760 | Investment property - net | 6(10) and 8 | 183,409 | 3 | 183,927 | 3 | 185,483 | 3 |
| 1780 | Intangible assets | 6(11) | 45,192 | 1 | 50,839 | 1 | 47,714 | 1 |
| 1840 | Deferred income tax assets | | 191,800 | 3 | 174,110 | 3 | 150,614 | 3 |
| 1900 | Other non-current assets | 6(12) | 88,211 | 1 | 87,515 | 1 | 62,406 | 1 |
| 15XX | **Total non-current assets** | | 2,538,527 | 39 | 2,442,366 | 40 | 2,213,746 | 36 |
| 1XXX | **Total assets** | | $ 6,485,854 | 100 | $ 6,045,615 | 100 | $ 6,230,561 | 100 |

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

| | Liabilities and Equity | Notes | March 31, 2026 AMOUNT | % | December 31, 2025 AMOUNT | % | March 31, 2025 AMOUNT | % |
|---|---|---|---|---|---|---|---|---|
| | **Current liabilities** | | | | | | | |
| 2100 | Short-term borrowings | 6(13) and 8 | $ 1,525,960 | 24 | $ 1,124,300 | 19 | $ 1,081,025 | 17 |
| 2130 | Current contract liabilities | 6(22) | 106,557 | 2 | 95,703 | 2 | 117,901 | 2 |
| 2150 | Notes payable | | 202 | - | 5 | - | 12 | - |
| 2170 | Accounts payable | 7 | 874,730 | 13 | 817,913 | 13 | 848,655 | 14 |
| 2200 | Other payables | 6(14) and 7 | 324,423 | 5 | 339,591 | 6 | 306,539 | 5 |
| 2230 | Current income tax liabilities | | - | - | - | - | 97,043 | 2 |
| 2250 | Provisions for liabilities - current | 6(15) | 30,566 | - | 27,490 | - | 31,117 | 1 |
| 2280 | Current lease liabilities | | 70,730 | 1 | 77,533 | 1 | 78,792 | 1 |
| 2320 | Long-term liabilities, current portion | 6(16) | 820 | - | 816 | - | 1,446 | - |
| 2399 | Other current liabilities, others | | 12,805 | - | 15,781 | - | 19,854 | - |
| 21XX | **Total current liabilities** | | 2,946,793 | 45 | 2,499,132 | 41 | 2,582,384 | 42 |
| | **Non-current liabilities** | | | | | | | |
| 2540 | Long-term borrowings | 6(16) and 8 | 17,461 | 1 | 17,667 | 1 | 32,798 | 1 |
| 2550 | Provisions for liabilities - non-current | 6(15) | 10,330 | - | 9,956 | - | 10,354 | - |
| 2570 | Deferred income tax liabilities | | 8,955 | - | 6,940 | - | 28,975 | - |
| 2580 | Non-current lease liabilities | | 377,328 | 6 | 370,286 | 6 | 247,456 | 4 |
| 2600 | Other non-current liabilities | | 12,458 | - | 12,414 | - | 2,617 | - |
| 25XX | **Total non-current liabilities** | | 426,532 | 7 | 417,263 | 7 | 322,200 | 5 |
| 2XXX | **Total liabilities** | | 3,373,325 | 52 | 2,916,395 | 48 | 2,904,584 | 47 |
| | **Equity attributable to owners of parent** | | | | | | | |
| | Share capital | 6(19) | | | | | | |
| 3110 | Common stock | | 1,412,265 | 22 | 1,412,265 | 23 | 1,412,265 | 23 |
| | Capital surplus | 6(20) | | | | | | |
| 3200 | Capital surplus | | 386,828 | 6 | 375,545 | 6 | 375,545 | 6 |
| | Retained earnings | 6(21) | | | | | | |
| 3310 | Legal reserve | | 454,898 | 7 | 454,898 | 8 | 446,207 | 7 |
| 3320 | Special reserve | | - | - | - | - | 20,828 | - |
| 3350 | Unappropriated retained earnings | | 819,971 | 13 | 880,676 | 15 | 978,745 | 16 |
| | Other equity interest | | | | | | | |
| 3400 | Other equity interest | | ( 31,402) | ( 1) | ( 31,417) | ( 1) | 32,484 | - |
| 31XX | **Equity attributable to owners of parent** | | 3,042,560 | 47 | 3,091,967 | 51 | 3,266,074 | 52 |
| 36XX | Non-controlling interest | | 69,969 | 1 | 37,253 | 1 | 59,903 | 1 |
| 3XXX | **Total equity** | | 3,112,529 | 48 | 3,129,220 | 52 | 3,325,977 | 53 |
| | Significant contingent liabilities and unrecognized contract commitments | 9 | | | | | | |
| | Significant events after the balance sheet date | 11 | | | | | | |
| 3X2X | **Total liabilities and equity** | | $ 6,485,854 | 100 | $ 6,045,615 | 100 | $ 6,230,561 | 100 |

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except for (loss) earnings per share amount)

| | | | Three months ended March 31 | | | |
|---|---|---|---|---|---|---|
| | | | 2026 | | 2025 | |
| | Items | Notes | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue | 6(22) and 7 | $ 1,146,731 | 100 | $ 1,649,756 | 100 |
| 5000 | Operating costs | 6(3)(26)(27) and 7 | ( 887,705) | ( 78) | ( 1,206,938) | ( 73) |
| 5900 | Gross profit from operations | | 259,026 | 22 | 442,818 | 27 |
| | Operating expenses | 6(26)(27) | | | | |
| 6100 | Selling expenses | | ( 159,157) | ( 14) | ( 170,638) | ( 10) |
| 6200 | Administrative expenses | | ( 42,537) | ( 4) | ( 42,223) | ( 3) |
| 6300 | Research and development expense | | ( 139,653) | ( 12) | ( 139,427) | ( 9) |
| 6450 | Expected credit impairment loss determined in accordance with IFRS 9 | 12(2) | ( 3,610) | - | ( 6,352) | - |
| 6000 | Total operating expenses | | ( 344,957) | ( 30) | ( 358,640) | ( 22) |
| 6900 | Operating (loss) profit | | ( 85,931) | ( 8) | 84,178 | 5 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(23) | 937 | - | 4,442 | - |
| 7010 | Other income | 6(24) | 6,950 | 1 | 4,476 | - |
| 7020 | Other gains and losses | 6(25) | 13,521 | 1 | 19,925 | 1 |
| 7050 | Finance costs | | ( 13,218) | ( 1) | ( 9,016) | - |
| 7060 | Share of profit of associates and joint ventures accounted for under equity method | 6(6) | 390 | - | 1,339 | - |
| 7000 | Total non-operating income and expenses | | 8,580 | 1 | 21,166 | 1 |
| 7900 | **Loss (profit) before income tax** | | ( 77,351) | ( 7) | 105,344 | 6 |
| 7950 | Income tax benefit (expense) | 6(28) | 12,423 | 1 | ( 24,303) | ( 1) |
| 8200 | **Loss (profit) for the period** | | ($ 64,928) | ( 6) | $ 81,041 | 5 |

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except for (loss) earnings per share amount)

| | | | Three months ended March 31 | | | |
|---|---|---|---|---|---|---|
| | | | 2026 | | 2025 | |
| | Items | Notes | AMOUNT | % | AMOUNT | % |
| | **Other comprehensive income** | | | | | |
| | **Components of other comprehensive income (loss) that will not be reclassified to profit or loss** | | | | | |
| 8311 | Gains on remeasurements of defined benefit plans | | $ 2,389 | - | $ 2,347 | - |
| 8316 | Unrealized (loss) gain on financial assets measured at fair value through other comprehensive income | 6(4) | ( 1,130) | - | 4,669 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(28) | ( 478) | - | ( 469) | - |
| 8310 | Other comprehensive income that will not be reclassified to profit or loss | | 781 | - | 6,547 | - |
| | **Components of other comprehensive income (loss) that will be reclassified to profit or loss** | | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | | 110 | - | 7,468 | 1 |
| 8360 | Other comprehensive income that will be reclassified to profit or loss | | 110 | - | 7,468 | 1 |
| 8300 | **Total other comprehensive income for the period** | | $ 891 | - | $ 14,015 | 1 |
| 8500 | **Total comprehensive (loss) income for the period** | | ($ 64,037) | ( 6) | $ 95,056 | 6 |
| | (Loss) profit attributable to: | | | | | |
| 8610 | Owners of the parent | | ($ 62,616) | ( 6) | $ 80,058 | 5 |
| 8620 | Non-controlling interest | | ( 2,312) | - | 983 | - |
| | | | ($ 64,928) | ( 6) | $ 81,041 | 5 |
| | Comprehensive (loss) income attributable to: | | | | | |
| 8710 | Owners of the parent | | ($ 60,690) | ( 6) | $ 94,787 | 6 |
| 8720 | Non-controlling interest | | ( 3,347) | - | 269 | - |
| | | | ($ 64,037) | ( 6) | $ 95,056 | 6 |
| | (Loss) earnings per share (in dollars) | | | | | |
| 9750 | Basic (loss) earnings per share | 6(29) | ($ 0.44) | | $ 0.57 | |
| 9850 | Diluted (loss) earnings per share | 6(29) | ($ 0.44) | | $ 0.57 | |

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | | Equity attributable to owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Retained Earnings | | | Other Equity Interest | | | | |
| | Notes | Share capital - common stock | Capital surplus, additional paid-in capital | Legal reserve | Special reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Total | Non-controlling interest | Total equity |
| Three months ended March 31, 2025 | | | | | | | | | | | |
| Balance at January 1, 2025 | | $1,412,265 | $ 375,545 | $ 446,207 | $ 20,828 | $ 896,809 | $ 47,615 | ($ 27,982) | $3,171,287 | $ 59,634 | $3,230,921 |
| Profit for the period | | - | - | - | - | 80,058 | - | - | 80,058 | 983 | 81,041 |
| Other comprehensive income (loss) for the period | 6(4) | - | - | - | - | 1,878 | 8,182 | 4,669 | 14,729 | ( 714) | 14,015 |
| Total comprehensive income | | - | - | - | - | 81,936 | 8,182 | 4,669 | 94,787 | 269 | 95,056 |
| Balance at March 31, 2025 | | $1,412,265 | $ 375,545 | $ 446,207 | $ 20,828 | $ 978,745 | $ 55,797 | ($ 23,313) | $3,266,074 | $ 59,903 | $3,325,977 |
| Three months ended March 31, 2026 | | | | | | | | | | | |
| Balance at January 1, 2026 | | $1,412,265 | $ 375,545 | $ 454,898 | $ - | $ 880,676 | ($ 122) | ($ 31,295) | $3,091,967 | $ 37,253 | $3,129,220 |
| Loss for the period | | - | - | - | - | ( 62,616) | - | - | ( 62,616) | ( 2,312) | ( 64,928) |
| Other comprehensive income (loss) for the period | 6(4) | - | - | - | - | 1,911 | 1,145 | ( 1,130) | 1,926 | ( 1,035) | 891 |
| Total comprehensive income (loss) | | - | - | - | - | ( 60,705) | 1,145 | ( 1,130) | ( 60,690) | ( 3,347) | ( 64,037) |
| Difference between the actual acquisition or disposal price of subsidiary equity and its book value | 6(20)(30) | - | 9,158 | - | - | - | - | - | 9,158 | - | 9,158 |
| Changes in owership interests in subsidiaries | 6(20) | - | 2,125 | - | - | - | - | - | 2,125 | - | 2,125 |
| Change in non-controlling interests | | - | - | - | - | - | - | - | - | 36,063 | 36,063 |
| Balance at March 31, 2026 | | $1,412,265 | $ 386,828 | $ 454,898 | $ - | $ 819,971 | $ 1,023 | ($ 32,425) | $3,042,560 | $ 69,969 | $3,112,529 |

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

| | Notes | Three months ended March 31 2026 | 2025 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| (Loss) profit before tax | | ($ 77,351) | $ 105,344 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation (including investment property) | 6(7)(10)(25)(26) | 18,618 | 18,892 |
| Depreciation (Right-of-use assets) | 6(8)(26) | 23,378 | 19,683 |
| Amortization | 6(11)(26) | 8,099 | 8,987 |
| Expected credit loss | 12(2) | 3,610 | 6,352 |
| Interest expense | | 9,296 | 7,706 |
| Interest expense (lease liability) | 6(8) | 3,922 | 1,310 |
| Interest income | 6(23) | ( 937) | ( 4,442) |
| Share-based payments | 6(18) | 410 | - |
| Share of profit of associates accounted for under the equity method | 6(6) | ( 390) | ( 1,339) |
| Gain on disposal and scrap of property, plant and equipment | 6(25) | ( 136) | - |
| Gain from lease modification | 6(8)(25) | ( 3,981) | - |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | ( 365) | 196 |
| Accounts receivable | | 67,301 | 70,699 |
| Accounts receivable - related parties | | 3,929 | ( 6,285) |
| Other receivables | | ( 12,444) | ( 3,001) |
| Inventories | | ( 240,807) | 201,183 |
| Prepayments | | ( 15,148) | ( 6,977) |
| Other non-current assets | | 769 | 22 |
| Changes in operating liabilities | | | |
| Contract liabilities | | 10,854 | ( 2,450) |
| Notes payable | | 197 | ( 1,172) |
| Accounts payable | | 56,817 | ( 142,396) |
| Other payables | | ( 24,481) | ( 52,933) |
| Provision | | 3,450 | 2,456 |
| Other current liabilities | | ( 2,976) | 1,096 |
| Cash (outflow) inflow generated from operations | | ( 168,366) | 222,931 |
| Interest received | | 1,174 | 4,427 |
| Interest paid | | ( 11,375) | ( 9,333) |
| Income tax (paid) refund received | | ( 3,004) | 480 |
| Net cash flows (used in) from operating activities | | ( 181,571) | 218,505 |

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

| | Notes | Three months ended March 31 2026 | 2025 |
|---|---|---|---|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Increase in financial assets at amortised cost, net-non-current | | ($ 12,684) | ($ 9,642) |
| Acquisition of property, plant and equipment | 6(31) | ( 76,753) | ( 11,141) |
| Proceeds from disposal of property, plant and equipment | | 229 | - |
| Acquisition of intangible assets | 6(11) | ( 2,452) | ( 3,794) |
| Increase in refundable deposits | | ( 1,762) | ( 170) |
| Increase in other non-current assets | | ( 9,612) | ( 795) |
| Cash obtained from acquisition of subsidiaries | | 19,174 | - |
| Net cash flows used in investing activities | | ( 83,860) | ( 25,542) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase (decrease) in short-term loans | | 401,660 | ( 366,825) |
| Decrease in short-term notes and bills payable | | - | ( 50,000) |
| Payment of long-term debt | | ( 202) | ( 357) |
| Increase in guarantee deposits received | | 44 | 1 |
| Payment of lease liabilities | | ( 24,778) | ( 21,335) |
| Change in non-controlling interest | | 27,762 | - |
| Net cash flows from (used in) financing activities | | 404,486 | ( 438,516) |
| Effect of foreign exchange translations | | ( 707) | 7,059 |
| Net increase (decrease) in cash and cash equivalents | | 138,348 | ( 238,494) |
| Cash and cash equivalents at beginning of period | 6(1) | 816,788 | 1,485,845 |
| Cash and cash equivalents at end of period | 6(1) | $ 955,136 | $ 1,247,351 |

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Nexcom International Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) in November 1992. The Company and its subsidiaries (collectively referred herein as the "Group") are engaged in the manufacture and sales of industrial personal computers and peripherals, agent of distribution, design of computer programs and computer software applications, etc. The shares of the Company have been traded on the Taipei Exchange since June 7, 2007.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 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®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments' | 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 |

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

(a)Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.

(b)Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.

(c)Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognize a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

i. the practical ability to withdraw, stop or cancel the payment instruction;

ii. the practical ability to access the cash used for settlement; and

iii. significant settlement risk.

(d)Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

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

None.

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

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

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | To be determined by International Accounting Standards Board |
| IFRS 18, 'Presentation and disclosure in financial statements' | January 1, 2027 (Note) |
| IFRS 19, 'Subsidiaries without public accountability: disclosures' | January 1, 2027 |
| Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation 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 the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through other comprehensive income.

(b) Defined benefit asset 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 International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) March 31, 2026 | Ownership (%) December 31, 2025 | Ownership (%) March 31, 2025 | Footnote |
|---|---|---|---|---|---|---|
| Nexcom International Co., Ltd. | Nex Computers, Inc. | Sales of PCs and peripherals | 100 | 100 | 100 | Note 2 |
| Nexcom International Co., Ltd. | Nexcom International Co., Ltd. (SAMOA) | General investment | 100 | 100 | 100 | Note 1 |
| Nexcom International Co., Ltd. | Nexcom Japan Co., Ltd. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |
| Nexcom International Co., Ltd. | Greenbase Technology Corp. | Sales of PCs and peripherals | 72.72 | 75.73 | 75.73 | Notes 1、2、3 |
| Nexcom International Co., Ltd. | NexAIoT Co., Ltd. | Sales of PCs and peripherals | 82.24 | 82.73 | 82.73 | Note 4 |
| Nexcom International Co., Ltd. | AIOT CLOUD CORP. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |
| Nexcom International Co., Ltd. | EMBUX Technology Co., Ltd. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |
| Nexcom International Co., Ltd. | TMR Technologies Co., Ltd. | Sales of PCs and peripherals | 82.08 | 82.08 | 82.08 | Notes 1、2 |
| Nexcom International Co., Ltd. | NexCOBOT Inc. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |
| NexAIoT Co., Ltd. | NexCOBOT Taiwan Co., Ltd. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |
| NexAIoT Co., Ltd. | Nexcom Shanghai Co., Ltd. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) March 31, 2026 | December 31, 2025 | March 31, 2025 | Footnote |
|---|---|---|---|---|---|---|
| Nexcom International Co., Ltd. (SAMOA) | Nexcom United System Service Co., Ltd. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |
| Nexcom Shanghai Co., Ltd. | NEXGOL Co., Ltd. | Sales of PCs and peripherals | 80 | 80 | 80 | Notes 1、2 |
| Nexcom Shanghai Co., Ltd. | Chongqing NEXRAY Technology Co., Ltd. | Sales of PCs and peripherals | 53.24 | 53.24 | 53.24 | Notes 1、2 |
| Greenbase Technology Corp. | Nexcom Surveillance Technology Co., Ltd. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |
| Greenbase Technology Corp. | DIVIOTEC INC. | Sales of PCs and peripherals | 100 | 100 | 100 | Notes 1、2 |

Note 1: The financial statements of the entity as of and for the three months ended March 31, 2026 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2: The financial statements of the entity as of and for the three months ended March 31, 2025 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: In support of its subsidiary, Greenbase Technology Corp., applying for listing on the Emerging Stock Market, the company conducted a share offering in March 2026, resulting in a 72.72% shareholding after the offering.

Note 4: In March 2026, the subsidiary, NexAIoT Co., Ltd., conducted a cash capital increase of $150,000, of which the company subscribed for $122,238. The company did not subscribe in accordance with its shareholding ratio. After the capital increase, the Company's shareholding ratio was 82.24%.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non–controlling interests that are material to the Group: None.

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated 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 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, non-monetary 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) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(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 interest in this foreign operation. In addition, even when the Group retains partial interest 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 the foreign operation.

(5) 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 that are expected to be realized, or are intended to be sold or consumed in the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realized within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

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 settled in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

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

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

A. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

B. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

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

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

(12) Leasing arrangements (lessor)－operating leases

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.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, 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 realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

(14) Investments accounted for using equity method

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

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

C. 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 Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

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

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

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

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

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

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

| | |
|---|---|
| Buildings and structures | 5 ~ 50 years |
| Machinery and equipment | 1 ~ 10 years |
| Office equipment | 1 ~ 10 years |
| Leasehold improvements | 1 ~ 10 years |
| Transportation equipment | 2 ~ 5 years |

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

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized 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 Group's incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized 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 amount of the initial measurement of lease liability. 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 recognized as an adjustment to the right-of-use asset.

(17) 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 20 to 50 years.

(18) Intangible assets

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

B. Intangible assets are computer software and patent stated at historical cost and amortised over their estimated useful lives of 1 to 10 years.

(19) Impairment of non-financial assets

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

(20) Borrowings

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

(21) Notes 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.

(22) 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.

(23) Offsetting financial instruments

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

(24) Provisions

Provisions (including warranties) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date.

(25) 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 expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense 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. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

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.

iii. Past service costs are recognized immediately in profit or loss.

iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for signif icant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal 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.

(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 consolidated balance sheet. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income 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 utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

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

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

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

H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

(27) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders. Cash dividends are recorded as liabilities.

(28) Revenue recognition

A. Sales of goods

(a) The Group researches and develops, manufactures and sells industrial personal computers. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's 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 customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales revenue arising from industrial personal computers is recognized based on the price that is made from negotiating with customers based on purchased volume and items. No element of financing is deemed present as the sales are made with a credit terms that are the same with the general commercial transactions, which is consistent with market practice.

(c) The Group's obligation to provide a maintenance service 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. Service revenue

Service revenue arises from extended warranty and maintenance service. Revenue from delivering services is recognized based on the progress of the services to be provided when the outcome of services provided can be estimated reliably.

C. Construction contract revenue

The Group provides intelligent manufacturing solution engineering business, and the contract includes equipment sales and installation services. The equipment and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since equipment the installation services provided by Group involve significant customization and modification. The Group recognizes revenue on the basis of costs incurred relative to the total expected costs of that performance obligation or recognizes revenue on the basis of measurement on the value of the goods or services transferred to the customers so far. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to accounts receivable when the entitlement to payment becomes unconditional. If the payments exceed the services rendered, a contract liability is recognized.

The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(29) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(30) Operating segments

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

As of March 31, 2026, the carrying amount of inventories is described in Note 6(3).

3. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Cash on hand and petty cash | $ 1,360 | $ 1,535 | $ 1,594 |
| Checking accounts and demand deposits | 953,776 | 815,253 | 847,297 |
| Time deposits | - | - | 398,460 |
| | $ 955,136 | $ 816,788 | $ 1,247,351 |

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

B. Details of the Company's cash pledged to others as collateral for the purpose of guarantee for the bank's borrowing facility, customs guarantee deposits and performance guarantees, shown as 'non-current financial assets at amortised cost', are provided in Notes 6(5) and 8.

(2) Notes and accounts receivable

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Notes receivable | $ 1,774 | $ 1,409 | $ 357 |
| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
| Accounts receivable | $ 882,462 | $ 948,377 | $ 1,306,545 |
| Less: Allowance for uncollectible accounts | ( 72,868) | ( 72,832) | ( 89,300) |
| | $ 809,594 | $ 875,545 | $ 1,217,245 |

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Not past due | $ 714,097 | $ 770,869 | $ 1,109,035 |
| 1 to 90 days | 95,826 | 103,490 | 106,536 |
| 91 to 180 days | 273 | 1,688 | 926 |
| Over 181 days | 72,266 | 72,330 | 90,048 |
| | $ 882,462 | $ 948,377 | $ 1,306,545 |

The above ageing analysis was based on past due date.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to $1,376,594.

C. As at March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $1,774, $1,409 and $357, and accounts receivable were $809,594, $875,545 and $1,217,245, respectively.

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

(3) Inventories

| | March 31, 2026 | | |
|---|---|---|---|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | $ 1,411,181 | ($ 228,814) | $ 1,182,367 |
| Work in progress | 377,088 | ( 5,427) | 371,661 |
| Semi-finished goods | 214,731 | ( 36,238) | 178,493 |
| Finished goods | 371,671 | ( 132,963) | 238,708 |
| | $ 2,374,671 | ($ 403,442) | $ 1,971,229 |

| | December 31, 2025 | | |
|---|---|---|---|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | $ 1,161,006 | ($ 211,759) | $ 949,247 |
| Work in progress | 325,031 | ( 5,892) | 319,139 |
| Semi-finished goods | 243,208 | ( 35,323) | 207,885 |
| Finished goods | 388,270 | ( 134,119) | 254,151 |
| | $ 2,117,515 | ($ 387,093) | $ 1,730,422 |

| | March 31, 2025 | | |
|---|---|---|---|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | $ 845,923 | ($ 202,295) | $ 643,628 |
| Work in progress | 358,027 | ( 51,814) | 306,213 |
| Semi-finished goods | 182,834 | ( 31,770) | 151,064 |
| Finished goods | 405,976 | ( 126,791) | 279,185 |
| | $ 1,792,760 | ($ 412,670) | $ 1,380,090 |

The cost of inventories recognized as expense for the period:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Cost of goods sold | $ 827,097 | $ 1,189,612 |
| Loss from scrap inventory | 298 | 11 |
| Loss on inventory valuation | 15,126 | 6,325 |
| Others (Note 1) | 45,184 | 10,990 |
| | $ 887,705 | $ 1,206,938 |

Note 1: Others include gain or loss on physical inventory, revenue from scrap and low capacity utilisation.

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

| Items | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Unlisted stocks | $ 67,737 | $ 67,737 | $ 70,857 |
| Valuation adjustment | ( 35,696) | ( 34,566) | ( 26,584) |
| | $ 32,041 | $ 33,171 | $ 44,273 |

A. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Equity instruments at fair value through other comprehensive income | | |
| Fair value change recognized in other comprehensive income | ($ 1,130) | $ 4,669 |

B. The Group has elected to classify financial assets that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair values of these investments as of March 31, 2026, December 31, 2025 and March 31, 2025 were $32,041, $33,171 and $44,273, respectively.

C. Certain companies whose equity instruments are held by the Group reduced its capital in August 2025, and returned shares in the amount of $3,120.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, no financial assets at fair value through other comprehensive income held by the Group were pledged to others.

(5) Financial assets at amortised cost

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current item: | | | |
| Pledged demand deposits | $ 34,824 | $ 22,140 | $ - |
| Non-current item: | | | |
| Pledged time deposits | $ 24,851 | $ 24,687 | $ 25,115 |

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are listed below:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Interest income | $ 609 | $ 41 |

B. Information relating to financial assets at amortised cost pledged as collateral is provided in Note 8.

C. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(6) Investments accounted for using equity method

A. Details are as follows:

| | March 31, 2026 | |
|---|---|---|
| | Percentage of ownership | Carrying amount |
| Beijing NexGemo Technology Co., Ltd. | 45% | $ 6,973 |

| | December 31, 2025 | |
|---|---|---|
| | Percentage of ownership | Carrying amount |
| Beijing NexGemo Technology Co., Ltd. | 45% | $ 6,389 |

| | March 31, 2025 | |
|---|---|---|
| | Percentage of ownership | Carrying amount |
| Beijing NexGemo Technology Co., Ltd. | 45% | $ 2,224 |

B. Amounts recognized in loss of associates and joint ventures accounted for using equity method for the three months ended March 31, 2026 and 2025 were $390 and $1,339, respectively.

C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amount of the Group's individually immaterial associates amounted to $6,973, $6,389 and $2,224, respectively.

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Profit from continuing operations | $ 390 | $ 1,339 |
| Total comprehensive income | $ 390 | $ 1,339 |

(7) Property, plant and equipment

| | Land | Buildings and structures | Machinery and equipment | Office equipment | Others | Unfinished construction and equipment under acceptance | Total |
|---|---|---|---|---|---|---|---|
| At January 1, 2026 | | | | | | | |
| Cost | $859,190 | $ 582,330 | $ 729,343 | $ 84,244 | $ 169,750 | $ 79,026 | $ 2,503,883 |
| Accumulated depreciation | - | ( 212,511) | ( 641,075) | ( 68,113) | ( 140,023) | - | ( 1,061,722) |
| | $859,190 | $ 369,819 | $ 88,268 | $ 16,131 | $ 29,727 | $ 79,026 | $ 1,442,161 |
| 2026 | | | | | | | |
| At January 1 | $859,190 | $ 369,819 | $ 88,268 | $ 16,131 | $ 29,727 | $ 79,026 | $ 1,442,161 |
| Additions | - | - | 18,419 | 5,178 | 44,851 | 19,697 | 88,145 |
| Disposal | - | - | - | ( 6) | ( 87) | - | ( 93) |
| Transfers | - | - | 7,534 | - | 73,840 | ( 69,076) | 12,298 |
| Depreciation | - | ( 2,438) | ( 10,785) | ( 1,529) | ( 3,348) | - | ( 18,100) |
| Net exchange differences | - | - | 404 | 14 | 33 | - | 451 |
| At March 31 | $859,190 | $ 367,381 | $ 103,840 | $ 19,788 | $ 145,016 | $ 29,647 | $ 1,524,862 |
| At March 31, 2026 | | | | | | | |
| Cost | $859,190 | $ 582,330 | $ 746,089 | $ 88,676 | $ 248,910 | $ 29,647 | $ 2,554,842 |
| Accumulated depreciation | - | ( 214,949) | ( 642,249) | ( 68,888) | ( 103,894) | - | ( 1,029,980) |
| | $859,190 | $ 367,381 | $ 103,840 | $ 19,788 | $ 145,016 | $ 29,647 | $ 1,524,862 |

| | Land | Buildings and structures | Machinery and equipment | Office equipment | Others | Total |
|---|---|---|---|---|---|---|
| At January 1, 2025 | | | | | | |
| Cost | $ 859,190 | $ 582,330 | $ 736,323 | $ 76,481 | $ 165,448 | $ 2,419,772 |
| Accumulated depreciation | - | ( 202,761) | ( 629,654) | ( 66,433) | ( 129,692) | ( 1,028,540) |
| | $ 859,190 | $ 379,569 | $ 106,669 | $ 10,048 | $ 35,756 | $ 1,391,232 |
| 2025 | | | | | | |
| At January 1 | $ 859,190 | $ 379,569 | $ 106,669 | $ 10,048 | $ 35,756 | $ 1,391,232 |
| Additions | - | - | 5,883 | 5,458 | 731 | 12,072 |
| Transfers | - | - | 372 | - | - | 372 |
| Depreciation | - | ( 2,438) | ( 10,980) | ( 1,413) | ( 3,543) | ( 18,374) |
| Net exchange differences | - | - | 168 | 27 | 36 | 231 |
| At March 31 | $ 859,190 | $ 377,131 | $ 102,112 | $ 14,120 | $ 32,980 | $ 1,385,533 |
| At March 31, 2025 | | | | | | |
| Cost | $ 859,190 | $ 582,330 | $ 743,053 | $ 81,694 | $ 165,829 | $ 2,432,096 |
| Accumulated depreciation | - | ( 205,199) | ( 640,941) | ( 67,574) | ( 132,849) | ( 1,046,563) |
| | $ 859,190 | $ 377,131 | $ 102,112 | $ 14,120 | $ 32,980 | $ 1,385,533 |

Refer to Note 8 for the pledged property, plant and equipment.

(8) Leasing arrangements - lessee

A. The Group leases various assets including buildings. Rental contracts are typically made for periods from 2017 to 2035. 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:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| | Carrying amount | Carrying amount | Carrying amount |
| Buildings | $ 441,188 | $ 439,567 | $ 310,384 |

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| | Depreciation charge | Depreciation charge |
| Buildings | $ 23,378 | $ 19,683 |

C. For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets were $41,692 and $10,132, respectively.

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

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Items affecting profit or loss | | |
| Interest expense on lease liabilities | $ 3,922 | $ 1,310 |
| Expense on short-term lease contracts | $ 4,082 | $ 2,406 |
| Loss on lease modification | ($ 3,981) | $ - |

E. For the three months ended March 31, 2026 and 2025, the Group's total cash outflow for leases were $32,782 and $25,051, respectively.

(9) Leasing arrangements - lessor

A. The Group leases various assets including buildings and structures. Rental contracts are typically made for periods from 3 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. For the three months ended March 31, 2026 and 2025, the Group recognized rent income in the amounts of $3,464 and $3,079, 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:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| 2025 | $ - | $ - | $ 7,441 |
| 2026 | 7,728 | 9,210 | 9,149 |
| 2027 | 5,548 | 6,907 | 4,429 |
| 2028~ | 6,907 | 4,483 | 8,816 |
| | $ 20,183 | $ 20,600 | $ 29,835 |

(10) Investment property

| | Land | Buildings and structures | Total |
|---|---|---|---|
| At January 1, 2026 | | | |
| Cost | $ 128,902 | $ 114,137 | $ 243,039 |
| Accumulated depreciation | - | ( 59,112) | ( 59,112) |
| | $ 128,902 | $ 55,025 | $ 183,927 |
| 2026 | | | |
| At January 1 | $ 128,902 | $ 55,025 | $ 183,927 |
| Depreciation | - | ( 518) | ( 518) |
| At March 31 | $ 128,902 | $ 54,507 | $ 183,409 |
| At March 31, 2026 | | | |
| Cost | $ 128,902 | $ 114,137 | $ 243,039 |
| Accumulated depreciation | - | ( 59,630) | ( 59,630) |
| | $ 128,902 | $ 54,507 | $ 183,409 |

| | Land | Buildings and structures | Total |
|---|---|---|---|
| At January 1, 2025 | | | |
| Cost | $ 128,902 | $ 114,137 | $ 243,039 |
| Accumulated depreciation | - | ( 57,038) | ( 57,038) |
| | $ 128,902 | $ 57,099 | $ 186,001 |
| 2025 | | | |
| At January 1 | $ 128,902 | $ 57,099 | $ 186,001 |
| Depreciation | - | ( 518) | ( 518) |
| At March 31 | $ 128,902 | $ 56,581 | $ 185,483 |
| At March 31, 2025 | | | |
| Cost | $ 128,902 | $ 114,137 | $ 243,039 |
| Accumulated depreciation | - | ( 57,556) | ( 57,556) |
| | $ 128,902 | $ 56,581 | $ 185,483 |

A. The Group leased land and buildings at Sanchong Dist. and Zhonghe Dist., New Taipei City to other companies as factories or offices until February 2030. The Group received the rental payment monthly.

B. Refer to Note 8 for the pledged investment property.

C. Rental income from investment property and direct operating expenses arising from investment property are shown below:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Rental income from investment property | $ 3,036 | $ 2,867 |
| Direct operating expenses arising from the investment property that generated rental income during the period | $ 688 | $ 688 |

D. The fair value of the investment property held by the Group as at March 31, 2026, December 31, 2025 and March 31, 2025 was $478,844, $500,303 and $427,834, respectively, which was revalued based on market trading prices of similar property in the neighbouring areas. Valuations were categorized within Level 3 in the fair value hierarchy.

(11) Intangible assets

| | Goodwill | Software | Others | Total |
|---|---|---|---|---|
| At January 1, 2026 | | | | |
| Cost | $ 2,167 | $ 129,808 | $ 7,269 | $ 139,244 |
| Accumulated amortisation | - | ( 82,418) | ( 5,987) | ( 88,405) |
| | $ 2,167 | $ 47,390 | $ 1,282 | $ 50,839 |
| 2026 | | | | |
| At January 1 | $ 2,167 | $ 47,390 | $ 1,282 | $ 50,839 |
| Additions | - | 2,452 | - | 2,452 |
| Amortisation charge | - | ( 7,571) | ( 528) | ( 8,099) |
| At March 31, 2026 | $ 2,167 | $ 42,271 | $ 754 | $ 45,192 |
| At March 31, 2026 | | | | |
| Cost | $ 2,167 | $ 91,956 | $ 5,117 | $ 99,240 |
| Accumulated amortisation | - | ( 49,685) | ( 4,363) | ( 54,048) |
| | $ 2,167 | $ 42,271 | $ 754 | $ 45,192 |

| | Goodwill | Software | Others | Total |
|---|---|---|---|---|
| At January 1, 2025 | | | | |
| Cost | $ 2,167 | $ 135,239 | $ 9,275 | $ 146,681 |
| Accumulated amortisation | - | ( 85,898) | ( 7,876) | ( 93,774) |
| | $ 2,167 | $ 49,341 | $ 1,399 | $ 52,907 |
| 2025 | | | | |
| At January 1 | $ 2,167 | $ 49,341 | $ 1,399 | $ 52,907 |
| Additions | - | 3,794 | - | 3,794 |
| Amortisation charge | - | ( 8,435) | ( 552) | ( 8,987) |
| At March 31, 2025 | $ 2,167 | $ 44,700 | $ 847 | $ 47,714 |
| At March 31, 2025 | | | | |
| Cost | $ 2,167 | $ 103,989 | $ 9,301 | $ 115,457 |
| Accumulated amortisation | - | ( 59,289) | ( 8,454) | ( 67,743) |
| | $ 2,167 | $ 44,700 | $ 847 | $ 47,714 |

Details of amortization on intangible assets are as follows:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Operating costs | $ 1,649 | $ 2,115 |
| Selling expenses | 1,139 | 1,233 |
| Administrative expenses | 3,072 | 2,851 |
| Research and development expenses | 2,239 | 2,788 |
| | $ 8,099 | $ 8,987 |

(12) Other non-current assets

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Refundable deposits | $ 40,251 | $ 38,489 | $ 30,376 |
| Net defined benefit assets | 32,373 | 29,984 | 29,985 |
| Prepayments for equipment | 13,885 | 16,571 | 1,433 |
| Others | 1,702 | 2,471 | 612 |
| | $ 88,211 | $ 87,515 | $ 62,406 |

(13) Short-term borrowings

| Type of borrowings | March 31, 2026 | Interest rate range |
|---|---|---|
| Bank borrowings | | |
| Unsecured borrowings | $ 1,245,960 | 1.85%～5.78% |
| Secured borrowings | 280,000 | 1.94%～1.95% |
| | $ 1,525,960 | |

| Type of borrowings | December 31, 2025 | Interest rate range |
|---|---|---|
| Bank borrowings | | |
| Unsecured borrowings | $ 684,300 | 1.85%～6.1% |
| Secured borrowings | 440,000 | 1.94%～1.95% |
| | $ 1,124,300 | |

| Type of borrowings | March 31, 2025 | Interest rate range |
|---|---|---|
| Bank borrowings | | |
| Unsecured borrowings | $ 931,025 | 1.90%～6.00% |
| Secured borrowings | 150,000 | 1.95% |
| | $ 1,081,025 | |

Details of collateral for short-term borrowings are provided in Note 8.

(14) Other payables

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Accrued salaries and bonus | $ 181,790 | $ 219,314 | $ 176,462 |
| Labour and health insurance payable | 22,732 | 22,527 | 24,086 |
| Payable on machinery and equipment | 12,550 | 1,158 | 1,230 |
| Pension cost payable | 11,654 | 12,033 | 11,961 |
| Processing fees payable | 8,692 | 6,187 | 5,784 |
| Others | 87,005 | 78,372 | 87,016 |
| | $ 324,423 | $ 339,591 | $ 306,539 |

(15) Provisions

| | 2026 | 2025 |
|---|---|---|
| At January 1 | $ 37,446 | $ 39,015 |
| Additional provisions | 9,190 | 10,900 |
| Used during the period | ( 5,740) | ( 8,444) |
| At March 31 | $ 40,896 | $ 41,471 |

Analysis of total provisions:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current | $ 30,566 | $ 27,490 | $ 31,117 |
| Non-current | $ 10,330 | $ 9,956 | $ 10,354 |

The Group's warranty provisions were associated with the sales of industrial personal computer products, and were estimated in accordance with the historical warranty data of products.

(16) Long-term borrowings

| Type of borrowings | and repayment term | Interest rate | March 31, 2026 |
|---|---|---|---|
| Long-term bank loans | From 10/5/2014 to 9/5/2044; interest is payable monthly | 2.05% | $ 18,281 |
| Less: Long-term borrowings-current portion | | | ( 820) |
| | | | $ 17,461 |

| Type of borrowings | Borrowing period and repayment term | Interest rate | December 31, 2025 |
|---|---|---|---|
| Long-term bank loans | From 10/5/2014 to 9/5/2044; interest is payable monthly | 2.05% | $ 18,483 |
| Less: Long-term borrowings-current portion | | | ( 816) |
| | | | $ 17,667 |

| Type of borrowings | Borrowing period and repayment term | Interest rate | March 31, 2025 |
|---|---|---|---|
| Long-term bank loans | From 10/5/2024 to 9/5/2044; interest is payable monthly | 2.05% | $ 34,244 |
| Less: Long-term borrowings-current portion | | | ( 1,446) |
| | | | $ 32,798 |

Details of collateral for long-term borrowings are provided in Note 8.

(17) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, 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 Act. 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 and its domestic subsidiaries contribute monthly an amount equal to 4% 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 and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

(b) 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 utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation 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 utilisation 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 and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value percentage of plan assets for the three months ended March 31, 2026 and 2025 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(c) The actuarial report showed that the Group had contributed sufficient pension funds. Thus, the Group discontinued contributing to the labor pension reserve funds temporarily from June 2021 to May 2022 in accordance with Labor Affairs Department, New Taipei City Government Letter No.1101223971.

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 and its domestic subsidiaries contribute 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 Group's overseas subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the local pension regulations are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2026 and 2025 were $11,706 and $12,025, respectively.

(18) Share-based payment

A. Subsidiary of the Group, NexCOBOT Taiwan Co., Ltd.

The fair value of stock options granted on March 17, 2026 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 | 2026.03.17 | $16.16 | $ 15 | 39.69 | 0.06 | - | 1.215 | $1.3675 |

The cost of this stock option plan for the period from January 1 to March 31, 2026 was $410.

B. Subsidiary of the Group, NexAIoT Co., Ltd.

The fair value of stock options granted on January 27, 2026 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 | 2026.01.27 | $ 6.29 | $ 10 | 27.12 | 0.07 | - | 1.215 | $ - |

No subscription fees were recorded for this stock option plan from January 1 to March 31, 2026.

(19) Share capital

As of March 31, 2026, the Company's authorized capital was $1,800,000 (including 15,000 thousand shares reserved for employee stock options), and the paid-in capital was $1,412,265, consisting of 141,226 thousand shares with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(20) 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 Law 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.

| | 2026 | | | |
|---|---|---|---|---|
| | Share premium | Treasury share transactions | Changes in subsidiaries accounted for using equity method | Difference between the actual acquired or disposed equity of subsidiaries and its book value |
| At January 1 | $ 360,755 | $ 2,880 | $ 11,910 | $ - |
| Changes in owership interests in subsidiaries | - | - | 2,125 | - |
| Difference between the actual acquisition or disposal price of subsidiary equity and its book value | - | - | - | 9,158 |
| At March 31 | $ 360,755 | $ 2,880 | $ 14,035 | $ 9,158 |

| | 2025 | | |
|---|---|---|---|
| | Share premium | Treasury share transactions | Changes in subsidiaries accounted for using equity method |
| At January 1 | $ 360,755 | $ 2,880 | $ 11,910 |
| (At March 31) | | | |

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings (after appropriation of no less than 1% as employees' compensation, of which not less than 5% shall be distributed to eligible frontline employees, and no more than 1% as directors' remuneration), if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve unless and until the legal reserve equals the Company's paid-in capital. In addition, special reserve appropriated or reversed in accordance with applicable regulations, together with the beginning balance of unappropriated retained earnings, may be distributed as dividends upon a proposal by the Board of Directors and approval by the shareholders at a shareholders' meeting.

B. In order to meet future capital requirements and long-term financial plan, the Company takes into account the Company's business environment and growth stage. Every year, total distributed shareholders' dividends shall not be higher than 90% of the total earnings distributable, and cash dividends shall not be lower than 5% of total dividends. If the total dividends distributable is lower than $0.5 (in dollars) per share, the above restriction on ratio shall not apply.

C. 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.

D. In accordance with the regulations, the Company shall set aside special reserve for 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.

E. The appropriations of 2025 earnings as proposed by the Board of Directors on May 13, 2026 and the appropriations of 2024 earnings as resolved by shareholders on June 25, 2025, are as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Amount | Dividends per share (in dollars) | Amount | Dividends per share (in dollars) |
| Legal reserve | $ 5,647 | | $ 8,691 | |
| Appropriation for (reversal of) special reserve | 31,417 | | ( 20,828) | |
| Cash dividends | 56,491 | $ 0.40 | 84,736 | $ 0.60 |

As of review report date, the appropriations of 2025 earnings have not yet been resolved by the shareholders.

The information on distribution of earnings of the Company as resolved by the Board of Directors and shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. For the information relating to employees' compensation and directors' remuneration, refer to Note 6(27).

(22) Operating revenue

A. The Group derives revenue from the transfer of goods and services at a point in time, as follows:

| Three months ended March 31, 2026 | Network and Communication Solutions | IoT Automation Solutions | Intelligent Video Surveillance | Mobile Computing Solutions | Intelligent Platform | Others | Total |
|---|---|---|---|---|---|---|---|
| Timing of revenue recognition | | | | | | | |
| At a point in time | $ 326,488 | $ 341,409 | $ 148,156 | $ 242,013 | $ 44,281 | $ 28,893 | $1,131,240 |
| Over time | - | 12,888 | 2,603 | - | - | - | 15,491 |
| | $ 326,488 | $ 354,297 | $ 150,759 | $ 242,013 | $ 44,281 | $ 28,893 | $1,146,731 |

| Three months ended March 31, 2025 | Network and Communication Solutions | IoT Automation Solutions | Intelligent Video Surveillance | Mobile Computing Solutions | Intelligent Platform | Others | Total |
|---|---|---|---|---|---|---|---|
| Timing of revenue recognition | | | | | | | |
| At a point in time | $ 760,324 | $ 388,856 | $ 159,872 | $ 169,718 | $ 100,719 | $ 16,218 | $1,595,707 |
| Over time | - | 20,836 | 33,213 | - | - | - | 54,049 |
| | $ 760,324 | $ 409,692 | $ 193,085 | $ 169,718 | $ 100,719 | $ 16,218 | $1,649,756 |

B. Contract liabilities

(a) The Group has recognized the following revenue-related contract liabilities:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 | January 1, 2025 |
|---|---|---|---|---|
| Contract liabilities -Advance sales receipts | $ 106,557 | $ 95,703 | $ 117,901 | $ 120,351 |

(b) Revenue recognized that was included in the contract liability balance at the beginning of the period:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Revenue recognized that was included in the contract liability balance at the beginning of the period | | |
| Advance sales receipts | $ 18,138 | $ 50,410 |

(23) Interest income

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Interest income from bank deposits | $ 328 | $ 4,401 |
| Interest income from financial assets measured at amortised cost | 609 | 41 |
| | $ 937 | $ 4,442 |

(24) Other income

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Rental revenue | $ 3,464 | $ 3,079 |
| Marketing allowance revenue | - | 655 |
| Government grants revenue | 2,124 | 200 |
| Others | 1,362 | 542 |
| | $ 6,950 | $ 4,476 |

(25) Other gains and losses

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Net gain on foreign exchange | $ 12,557 | $ 20,652 |
| Gains arising from lease modifications | 3,981 | - |
| Gain on disposal of property, plant and equipment | 136 | - |
| Investment property depreciation expense | ( 518) | ( 518) |
| Loss on prepayments | ( 1,537) | - |
| Other losses | ( 1,098) | ( 209) |
| | $ 13,521 | $ 19,925 |

(26) Expenses by nature

| | Three months ended March 31, 2026 | | |
|---|---|---|---|
| | Recognized in operating costs | Recognized in operating expenses | Total |
| Employee benefit expense | $ 73,438 | $ 248,042 | $ 321,480 |
| Depreciation charges on right-of-use assets | 18,418 | 4,960 | 23,378 |
| Depreciation charges on property, plant and equipment | 5,472 | 12,628 | 18,100 |
| Amortisation charges on intangible assets | 1,649 | 6,450 | 8,099 |
| | $ 98,977 | $ 272,080 | $ 371,057 |

| | Three months ended March 31, 2025 | | |
|---|---|---|---|
| | Recognized in operating costs | Recognized in operating expenses | Total |
| Employee benefit expense | $ 83,441 | $ 257,270 | $ 340,711 |
| Depreciation charges on right-of-use assets | 15,073 | 4,610 | 19,683 |
| Depreciation charges on property, plant and equipment | 5,222 | 13,152 | 18,374 |
| Amortisation charges on intangible assets | 2,115 | 6,872 | 8,987 |
| | $ 105,851 | $ 281,904 | $ 387,755 |

(27) Employee benefit expense

| | Three months ended March 31, 2026 | | |
|---|---|---|---|
| | Recognized in operating costs | Recognized in operating expenses | Total |
| Wages and salaries | $ 61,042 | $ 210,402 | $ 271,444 |
| Labour and health insurance fees | 7,876 | 20,387 | 28,263 |
| Pension costs | 1,839 | 9,867 | 11,706 |
| Other personnel expenses | 2,681 | 7,386 | 10,067 |
| | $ 73,438 | $ 248,042 | $ 321,480 |

| | Three months ended March 31, 2025 | | |
|---|---|---|---|
| | Recognized in operating costs | Recognized in operating expenses | Total |
| Wages and salaries | $ 69,843 | $ 218,713 | $ 288,556 |
| Labour and health insurance fees | 8,139 | 21,079 | 29,218 |
| Pension costs | 2,160 | 9,865 | 12,025 |
| Other personnel expenses | 3,299 | 7,613 | 10,912 |
| | $ 83,441 | $ 257,270 | $ 340,711 |

A. According to the Articles of Incorporation of the Company, a ratio of the current year's profit (profit before tax without provision for employees' compensation and directors' remuneration), if any, shall be accrued as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation, of which not less than 5% shall be allocated to eligible frontline employees, and shall not be higher than 1% for directors' remuneration. However, if the Company has accumulated deficit, earnings shall first be reserved to cover the deficit.

B. For the three months ended March 31, 2026, the Company had loss before tax and therefore did not accrue employees' compensation and directors' remuneration.

For the three months ended March 31, 2025, employees' compensation was accrued at $1,804; directors' remuneration was accrued at $695. For the three months ended March 31, 2025, the employees' compensation and directors' remuneration were estimated and accrued based on 1.67% and 0.64% of current profit before income tax, net of employees' compensation and directors' remuneration, respectively. The employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2025 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2025 financial statements.

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

(28) Income tax

A. Income tax (benefit) expense

Components of income tax (benefit) expense:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Current tax: | | |
| Current tax on profits for the period | $ 4,045 | $ 26,040 |
| Prior year income tax underestimation | 306 | 1,318 |
| Total current tax | 4,351 | 27,358 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | ( 16,774) | ( 3,055) |
| Income tax (benefit) expense | ($ 12,423) | $ 24,303 |

B. The Company and domestic subsidiaries' income tax returns through 2024 have been assessed and approved by the Tax Authority.

(29) Earnings (loss) per share

| | Three months ended March 31, 2026 | | |
|---|---|---|---|
| | Amount after tax | Weighted average number of ordinary shares outstanding (shares in thousands) | Loss per share (in dollars) |
| Basic loss per share | | | |
| Loss attributable to ordinary shareholders of the parent | ($ 62,616) | 141,226 | ($ 0.44) |

| | Three months ended March 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 | $ 80,058 | 141,226 | $ 0.57 |
| Diluted earnings per share | | | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 23 | |
| Profit plus effect of potential ordinary shares | $ 80,058 | 141,249 | $ 0.57 |

(30) Transactions with non-controlling interest

Disposal of equity interest in a subsidiary (that did not result in a loss of control)

In March, 2026, the Group disposed of 3.01% of shares of its subsidiary—Greenbase Technology Corp. for a total cash consideration of $19,174. The carrying amount of non-controlling interest in Greenbase Technology Corp. was $80,761 at the disposal date. This transaction resulted in an increase in the non-controlling interest by $10,016 and a decrease in the equity attributable to owners of the parent by $10,016. The effect of changes in interests in Greenbase Technology Corp. on the equity attributable to owners of the parent for the year ended March 31, 2026 is shown below:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Carrying amount of non-controlling interest disposed | ($ 10,016) | $ - |
| Consideration received from non-controlling interest | 19,174 | - |
| Capital surplus - recognition of changes in ownership interest in subsidiaries | $ 9,158 | $ - |

(31) Supplemental cash flow information

Investing activities with partial cash payments:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Purchase of property, plant and equipment | $ 88,145 | $ 12,072 |
| Add: Opening balance of payable on equipment | 1,158 | 299 |
| Less: Ending balance of payable on equipment | ( 12,550) | ( 1,230) |
| Cash paid during the period | $ 76,753 | $ 11,141 |

4. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

| Names of related parties | Relationship with the Group |
|---|---|
| Beijing NexGemo Technology Co., Ltd. | Associate |
| Chongqing She Mao Electronic Technology Co., Ltd. | Other related party |

(2) Significant transactions with related parties

A. Operating revenue:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Sales of goods: | | |
| Associate | $ 5,695 | $ 12,791 |

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases and processing fees:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Purchases and processing fees: | | |
| Associate | $ 611 | $ 2,612 |
| Other related party | 5,611 | 5,638 |
| | $ 6,222 | $ 8,250 |

Goods are purchases and processing fees based on the price lists in force and terms that would be available to third parties.

C. Accounts receivable:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Accounts receivable: | | | |
| Associate | $ 64,247 | $ 68,160 | $ 66,539 |
| Other related party | - | 17 | 1,087 |
| | 64,247 | 68,177 | 67,626 |
| Less : Allowance for uncollectible accounts | ( 30,205) | ( 25,246) | ( 35,581) |
| | $ 34,042 | $ 42,931 | $ 32,045 |

The receivables due from related parties had no collateral, were not pledged and do not bear interest.

D. Accounts payable:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Accounts payable: | | | |
| Associate | $ 3,512 | $ 2,866 | $ 839 |
| Other related party | 7,633 | 4,775 | 7,641 |
| | $ 11,145 | $ 7,641 | $ 8,480 |
| Other payables: | | | |
| Associate | $ 123 | $ 120 | $ 55 |
| Other related party | 956 | 844 | 2,602 |
| | $ 1,079 | $ 964 | $ 2,657 |
| | $ 12,224 | $ 8,605 | $ 11,137 |

E. Acquisition of property, plant and equipment:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Machinery and equipment: | | |
| Other related party | $ 1,753 | $ 1,971 |

(3) Key management compensation

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Salaries and other short-term employee benefits | $ 10,819 | $ 12,857 |
| Post-employment benefits | 451 | 424 |
| | $ 11,270 | $ 13,281 |

5. PLEDGED ASSETS

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

| | Book value | | | |
|---|---|---|---|---|
| Pledged asset | March 31, 2026 | December 31, 2025 | March 31, 2025 | Purpose |
| Non-current financial assets at amortised cost | $ 24,851 | $ 24,687 | $ 25,115 | Guarantee for import duty and Performance guarantee and Guarantee for credit line of short-term borrowings |
| Property, plant and equipment -land and buildings and structures | 1,226,570 | 1,229,007 | 1,236,321 | Guarantee for credit line of long-term and short-term borrowings |
| Investment property -land and buildings and structures | 183,409 | 183,927 | 185,483 | Guarantee for credit line of short-term borrowings |
| | $ 1,434,830 | $ 1,437,621 | $ 1,446,919 | |

6. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

A. As of March 31, 2026, the amount of the Group's property, plant and equipment contracted but not yet paid was NT$64,261.

B. The Group's subsidiary received a lawsuit from EMO MANAGEMENT TECHNOLOGIES INC. in the New Taipei District Court of Taiwan, claiming a compensation of $7,500 in contract fees. The subsidiary has assessed that, as the case is still under court proceedings as of the financial reporting date, the obligation remains uncertain, and therefore no provision for liabilities has been made.

C. The Group's subsidiary received a lawsuit filed by RAE Development Co., Ltd. in the New Taipei District Court of Taiwan, seeking payment of $1,050 in contract fees. The subsidiary has assessed that, as the case is still under court proceedings as of the financial reporting date, the obligation remains uncertain, and therefore no provision for liabilities has been made.

(2) Commitments

The Group has issued and deposited certified checks amounting to $2,900,000 and US$17,000 thousand for the Group's short and long-term credit facilities and forward exchange contracts.

7. SIGNIFICANT DISASTER LOSS

None.

8. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On May 13, 2026, the Board of Directors of the Company approved the distribution of 2025 retained earnings. Refer to Note 6(21) for details.

9. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Financial assets | | | |
| Financial assets at fair value through other comprehensive income | $ 32,041 | $ 33,171 | $ 44,273 |
| Financial assets at amortised cost (Note) | $ 1,963,471 | $ 1,873,422 | $ 2,620,962 |
| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
| Financial liabilities | | | |
| Financial liabilities at amortised cost (Note) | $ 2,756,054 | $ 2,312,706 | $ 2,273,092 |
| Lease liability | $ 448,058 | $ 447,819 | $ 326,248 |

Note: For financial assets at amortised cost, including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, financial assets at amortised cost, and guarantee deposits paid, and financial liabilities at amortised cost, including short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, long-term borrowings (including those maturing within one year or one business cycle) and guarantee deposits received, refer to the balance sheet for details.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's each 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 and 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 Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR, JPY and RMB. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

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

| | March 31, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Foreign Currency Amount (In thousands) | Exchange rate | Book value (NTD) | Sensitivity Analysis | | |
| | | | | Degree of variation | Effect on profit (loss) | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | | | |
| Financial assets | | | | | | |
| Monetary items | | | | | | |
| USD：NTD | $ 31,038 | 32.00 | $ 993,061 | 1% | $ 9,931 | $ - |
| RMB：NTD | 65,908 | 4.63 | 305,088 | 1% | 3,051 | - |
| EUR：NTD | 2,254 | 36.71 | 82,744 | 1% | 827 | - |
| USD：RMB | 978 | 6.91 | 28,871 | 1% | 289 | - |
| USD：JPY | 108 | 159.58 | 3,547 | 1% | 35 | - |
| Financial liabilities | | | | | | |
| Monetary items | | | | | | |
| USD：NTD | $ 25,717 | 32.00 | $ 822,815 | 1% | $ 8,228 | $ - |
| USD：JPY | 414 | 159.58 | 13,596 | 1% | 136 | - |
| EUR：NTD | 960 | 36.71 | 35,242 | 1% | 352 | - |
| RMB：NTD | 7,532 | 4.63 | 34,866 | 1% | 349 | - |
| USD：RMB | 303 | 6.91 | 8,945 | 1% | 89 | - |

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Foreign Currency Amount (In thousands) | Exchange rate | Book value (NTD) | Sensitivity Analysis Degree of variation | Effect on profit (loss) | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | | | |
| Financial assets | | | | | | |
| Monetary items | | | | | | |
| USD：NTD | $ 30,427 | 31.43 | $ 956,321 | 1% | $ 9,563 | $ - |
| RMB：NTD | 68,292 | 4.50 | 307,041 | 1% | 3,070 | - |
| EUR：NTD | 1,901 | 36.90 | 70,147 | 1% | 701 | - |
| USD：RMB | 1,116 | 6.99 | 33,321 | 1% | 333 | - |
| USD：JPY | 653 | 156.52 | 21,035 | 1% | 210 | - |
| Financial liabilities | | | | | | |
| Monetary items | | | | | | |
| USD：NTD | $ 26,029 | 31.43 | $ 818,091 | 1% | $ 8,181 | $ - |
| USD：JPY | 887 | 156.52 | 28,573 | 1% | 286 | - |
| EUR：NTD | 1,004 | 36.90 | 37,048 | 1% | 370 | - |
| RMB：NTD | 6,803 | 4.50 | 30,586 | 1% | 306 | - |
| USD：RMB | 313 | 6.99 | 9,345 | 1% | 93 | - |

| | March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Foreign Currency Amount (In thousands) | Exchange rate | Book value (NTD) | Sensitivity Analysis Degree of variation | Effect on profit (loss) | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | | | |
| Financial assets | | | | | | |
| Monetary items | | | | | | |
| USD：NTD | $ 38,992 | 33.21 | $ 1,294,924 | 1% | $ 12,949 | $ - |
| RMB：NTD | 71,904 | 4.57 | 328,817 | 1% | 3,288 | - |
| EUR：NTD | 2,813 | 35.97 | 101,184 | 1% | 1,012 | - |
| USD：RMB | 755 | 7.26 | 25,066 | 1% | 251 | - |
| USD：JPY | 655 | 149.10 | 21,749 | 1% | 217 | - |
| Financial liabilities | | | | | | |
| Monetary items | | | | | | |
| USD：NTD | $ 19,998 | 33.21 | $ 664,034 | 1% | $ 6,640 | $ - |
| USD：JPY | 749 | 149.10 | 24,870 | 1% | 249 | - |
| EUR：NTD | 1,416 | 35.97 | 50,934 | 1% | 509 | - |
| RMB：NTD | 6,980 | 4.57 | 31,920 | 1% | 319 | - |
| USD：RMB | 311 | 7.26 | 10,325 | 1% | 103 | - |

Total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2026 and 2025 amounted to $12,557 and $20,652, respectively.

Price risk

The Group invests in equity securities issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, profit before income tax for the three months ended March 31, 2026 and 2025 would have increased/decreased by $677 and $709, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from long-term and short-term borrowings and short-term notes and bills payable. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.
ii. At March 31, 2026, December 31, 2025 and March 31, 2025, if interest rates on borrowings had been 0.25% higher/lower with all other variables held constant, post-tax profit for the three months ended March 31, 2026 and 2025, would have been $965 and $279 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and 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. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.
iii. The Group adopts the following assumptions 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 were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
    (ii) The actual or expected significant changes of customer operating results.

(iii)The existing or estimated adverse changes in operations, finance or economic circumstances that were expected to cause significant changes in the customer's ability to fulfil its debt obligation.

iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 180 days.

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

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

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

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

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

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

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On March 31, 2026, December 31, 2025 and March 31, 2025, the provision matrix is as follows:

| | Individual | Group | | | | |
|---|---|---|---|---|---|---|
| | | Not past due | Up to 90 days past due | 91 ~ 180 days past due | Over 180 days past due | Total |
| At March 31, 2026 | | | | | | |
| Expected loss rate | | 0.03%-0.04% | 0.03%-0.12% | 50% | 98%-100% | |
| Total book value | $ 103,033 | $ 687,561 | $ 83,576 | $ 273 | $ 72,266 | $ 946,709 |
| Loss allowance | $ 30,216 | $ 190 | $ 331 | $ 136 | $ 72,200 | $ 103,073 |

| | Individual | Group | | | | |
|---|---|---|---|---|---|---|
| | | Not past due | Up to 90 days past due | 91 ~ 180 days past due | Over 180 days past due | Total |
| At December 31, 2025 | | | | | | |
| Expected loss rate | | 0.03%-0.06% | 0.03%-4.37% | 50% | 98%-100% | |
| Total book value | $ 125,803 | $ 713,243 | $ 103,490 | $ 1,688 | $ 72,330 | $ 1,016,554 |
| Loss allowance | $ 25,264 | $ 256 | $ 264 | $ 844 | $ 71,450 | $ 98,078 |

| | Individual | Group | | | | |
|---|---|---|---|---|---|---|
| | | Not past due | Up to 90 days past due | 91 ~ 180 days past due | Over 180 days past due | Total |
| At March 31, 2025 | | | | | | |
| Expected loss rate | | 0.03% | 0.03% | 50.00% | 97%-100% | |
| Total book value | $ 83,439 | $ 1,093,353 | $ 106,405 | $ 926 | $ 90,048 | $ 1,374,171 |
| Loss allowance | $ 35,586 | $ 309 | $ 157 | $ 463 | $ 88,366 | $ 124,881 |

Individual: Subsidiaries and accounts receivable that were individually material and have defaulted were individually estimated for expected credit losses.

Group: Other customers.

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

| | 2026 | 2025 |
|---|---|---|
| | Accounts receivable | Accounts receivable |
| At January 1 | $ 98,078 | $ 117,326 |
| Provision for impairment | 3,610 | 6,352 |
| Effect of foreign exchange | 1,385 | 1,203 |
| At March 31 | $ 103,073 | $ 124,881 |

(c) Liquidity risk

i. Surplus cash held by the operating entities over and above balance required for working capital management are used and invested properly. The Group chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom.

ii. The Group's non-derivative financial liabilities classified into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Except for the following, the maturity dates of non-derivative financial liabilities comprising short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables and long-term borrowings expiring within one year are all less than 360 days as of March 31, 2026, December 31, 2025 and March 31, 2025.

Non-derivative financial liabilities:

| March 31, 2026 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| Long-term borrowings | $ 1,190 | $ 1,193 | $ 3,580 | $ 16,108 |
| Lease liability | $ 93,149 | $ 87,240 | $ 166,426 | $ 189,232 |

| December 31, 2025 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| Long-term borrowings | $ 1,189 | $ 1,193 | $ 3,580 | $ 16,406 |
| Lease liability | $ 89,596 | $ 81,231 | $ 134,910 | $ 199,284 |

| March 31, 2025 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| Long-term borrowings | $ 2,135 | $ 2,137 | $ 6,422 | $ 31,039 |
| Lease liability | $ 82,849 | $ 76,923 | $ 146,405 | $ 29,728 |

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at March 31, 2026 and 2025 is as follows:

On March 31, 2026, December 31, 2025 and March 31, 2025, financial assets at fair value through other comprehensive income categorised within Level 3 amounted to $32,041, $33,171 and $44,273, respectively.

D. The methods and assumptions the Group used to measure fair value are as follows:

The valuation of financial assets at fair value through other comprehensive income uses the most recent non-active market price, market comparable companies and the net assets value as their fair values (that is, Level 3).

E. For the three months ended March 31, 2026 and 2025, there was no transfer among each valuation level.

F. The following chart is the movements of Level 3 for the three months ended March 31, 2026 and 2025:

| | 2026 | 2025 |
|---|---|---|
| | Equity instruments | Equity instruments |
| At January 1 | $ 33,171 | $ 39,604 |
| Gains and losses recognized in other comprehensive income | ( 1,130) | 4,669 |
| At March 31 | $ 32,041 | $ 44,273 |

G. The following is the qualitative information of 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 March 31, 2026 | Valuation technique | Significant unobservable input | Relationship of inputs to fair value |
|---|---|---|---|---|
| Non-derivative equity | | | | |
| Unlisted shares | $ 256 | Market comparable companies | Discount for lack of marketability | The higher the discount for lack of marketability, the lower the fair value |
| Venture capital shares | | | | |
| Private equity fund investment | 31,785 | Net asset value | N/A | N/A |

| | Fair value at December 31, 2025 | Valuation technique | Significant unobservable input | Relationship of inputs to fair value |
|---|---|---|---|---|
| Non-derivative equity instruments: | | | | |
| Unlisted shares | $ 256 | Market comparable companies | Discount for lack of marketability | The higher the discount for lack of marketability, the lower the fair value |
| Venture capital shares | | | | |
| Private equity fund investment | 32,915 | Net asset value | N/A | N/A |

| | Fair value at March 31, 2025 | Valuation technique | Significant unobservable input | Relationship of inputs to fair value |
|---|---|---|---|---|
| Non-derivative equity instruments: | | | | |
| Unlisted shares | $ 256 | Market comparable companies | Discount for lack of marketability | The higher the discount for lack of marketability, the lower the fair value |
| Venture capital shares | | | | |
| Private equity fund investment | 44,017 | Net asset value | N/A | N/A |

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

| | | | March 31, 2026 | | | |
|---|---|---|---|---|---|---|
| | | | Recognized in profit or loss | | Recognized in other comprehensive income | |
| | Input | Variation | Favorable variance | Unfavorable variance | Favorable variance | Unfavorable variance |
| Financial assets: | | | | | | |
| Equity instruments | Discount for lack of marketability | ±1% | $ - | $ - | $ 3 | ($ 3) |
| Equity instruments | N/A | ±1% | $ - | $ - | $ 318 | ($ 318) |

| | | | December 31, 2025 | | | |
|---|---|---|---|---|---|---|
| | | | Recognized in profit or loss | | Recognized in other comprehensive income | |
| | Input | Variation | Favorable variance | Unfavorable variance | Favorable variance | Unfavorable variance |
| Financial assets: | | | | | | |
| Equity instruments | Discount for lack of marketability | ±1% | $ - | $ - | $ 3 | ($ 3) |
| Equity instruments | N/A | ±1% | $ - | $ - | $ 329 | ($ 329) |

| | | | March 31, 2025 | | | |
|---|---|---|---|---|---|---|
| | | | Recognized in profit or loss | | Recognized in other comprehensive income | |
| | Input | Variation | Favorable variance | Unfavorable variance | Favorable variance | Unfavorable variance |
| Financial assets: | | | | | | |
| Equity instruments | Discount for lack of marketability | ±1% | $ - | $ - | $ 3 | ($ 3) |
| Equity instruments | N/A | ±1% | $ - | $ - | $ 440 | ($ 440) |

10. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Refer to table 1.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to table 3.

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to table 4.

F. Significant inter-company transactions during the reporting period: Refer to table 5.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

11. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(2) Segment information

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

| Three months ended March 31, 2026 | Taiwan | Asia | America | Adjustments and elimination | Total |
|---|---|---|---|---|---|
| Revenue from external customers | $ 901,798 | $ 45,269 | $ 199,664 | $ - | $ 1,146,731 |
| Inter-segment revenue | 170,973 | 37,585 | 383 | ( 208,941) | - |
| Total segment revenue | $ 1,072,771 | $ 82,854 | $ 200,047 | ($ 208,941) | $ 1,146,731 |
| Segment profit - (loss) profit before tax | ($ 90,953) | $ 655 | $ 12,312 | $ 635 | ($ 77,351) |

| Three months ended March 31, 2025 | Taiwan | Asia | America | Adjustments and elimination | Total |
|---|---|---|---|---|---|
| Revenue from external customers | $ 1,464,645 | $ 27,587 | $ 157,524 | $ - | $ 1,649,756 |
| Inter-segment revenue | 126,389 | 23,866 | 1,681 | ( 151,936) | - |
| Total segment revenue | $ 1,591,034 | $ 51,453 | $ 159,205 | ($ 151,936) | $ 1,649,756 |
| Segment profit - (loss) profit before tax | $ 112,348 | ($ 4,215) | $ 3,221 | ($ 6,010) | $ 105,344 |

Note : Segment information is based on geographic location of each segment.

(3) Reconciliation for segment income (loss)

The revenue from external customers and gains or losses reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

NEXCOM INTERNATIONAL CO., LTD.
Provision of endorsements and guarantees to others
Three months ended March 31, 2026

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Endorser/ guarantor | Party being endorsed/guaranteed: Company name | Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2) | Limit on endorsements/ guarantees provided for a single party (Note 3) | Maximum outstanding endorsement/ guarantee amount as of March 31, 2026 (Note 4) | Outstanding endorsement/ guarantee amount at March 31, 2026 (Notes 5, 6) | Actual amount drawn down (Note 7) | Amount of endorsements/ guarantees secured with collateral | Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company | Ceiling on total amount of endorsements/ guarantees provided (Note 3) | Provision of endorsements/guarantees by parent company to subsidiary (Note 8) | Provision of endorsements/guarantees by subsidiary to parent company (Note 8) | Provision of endorsements/guarantees to the party in Mainland China (Note 8) | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | The Company | Nexcom Japan Co., Ltd. | 2 | $ 912,768 | $ 5,121 | $ 5,016 | $ 5,016 | $ - | 0.16 | $ 1,521,280 | Y | N | N | - |
| 0 | The Company | EMBUX Technology Co., Ltd. | 2 | $ 912,768 | 25,000 | 25,000 | 10,000 | 10,000 | 0.82 | $ 1,521,280 | Y | N | N | - |
| 0 | The Company | NexCOBOT Taiwan Co., Ltd. | 2 | $ 912,768 | 175,000 | 175,000 | 62,124 | 2,124 | 5.75 | $ 1,521,280 | Y | N | N | - |
| 0 | The Company | NexAIoT Co., Ltd. | 2 | $ 912,768 | 260,000 | 260,000 | 91,995 | - | 8.55 | $ 1,521,280 | Y | N | N | - |

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: The guarantee ceiling is calculated as follows:
(1) The Company's total guarantees and endorsements to others should not exceed 50% of the Company's net worth. Net worth is determined based on the latest audited financial statements.
(2) The guarantees and endorsements for a single party should not exceed 20% of the Company's net worth, except that the guarantees and endorsements for any single foreign subsidiary should not exceed 30% of the Company's net worth. If the guarantees and endorsements were made upon business relationships, the guarantees and endorsements should not exceed the total transaction amount (higher of the purchase or the sales between the two parties) for the most recent year ended.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: The amount guaranteed by the Company to Nexcom Japan Co.,Ltd., EMBUX Technology Co., Ltd.,NexAIoT Co., Ltd., and NexCOBOT Taiwan Co., Ltd. was JPY 25,018 thousand, NTD 25,000 thousand, NTD 260,000 thousand and NTD 175,000 thousand, respectively.

Note 6: Fill in the amount approved by the Board of Directors of the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 7: Fill in the actual ammount of endorsements/guarantees used by the ensorsed/guaranteed company.

Note 8: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland Chain.

NEXCOM INTERNATIONAL CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Three months ended March 31, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

| | | | | As of March 31, 2026 | | | |
|---|---|---|---|---|---|---|---|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares (in thousands) | Book value | Ownership (%) | Fair value (Note) |
| The Company | Lionic Co., Ltd. | None | Financial assets at fair value through other comprehensive income-non-current | 190 | $ - | 0.62 | $ - |
| The Company | WK Technology Fund Co., Ltd. | " | Financial assets at fair value through other comprehensive income-non-current | 1,248 | 31,785 | 2.50 | 31,785 |
| The Company | Datacom Technology Corp. | " | Financial assets at fair value through other comprehensive income-non-current | 700 | - | 6.54 | - |
| Greenbase Technology Corp. | Iryx Corporation | " | Financial assets at fair value through other comprehensive income-non-current | 550 | - | 4.35 | - |
| DIVIOTEC INC. | DIVIOTEC COMPANY LIMITED | " | Financial assets at fair value through other comprehensive income-non-current | 5 | 256 | 19.00 | 256 |

NEXCOM INTERNATIONAL CO., LTD.
Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more
Three months ended March 31, 2026

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| | | | Transaction | | | | Differences in transaction terms compared to third party transactions | | Notes/accounts receivable | |
|---|---|---|---|---|---|---|---|---|---|---|
| Purchaser/seller | Counterparty | Relationship with the counterparty | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) |
| The Company | Nex Computer, Inc. | The Company's consolidated subsidiary | Sales | 140,688 | 18 | 90 days after monthly billing | The Company's sales price to related parties was approximately the same as third parties. | The credit term to related parties was approximately the same as third parties. | 77,312 | 7 |

NEXCOM INTERNATIONAL CO., LTD.
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
Three months ended March 31, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as at March 31, 2026 | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date (Note) | Allowance for doubtful accounts |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount | Action taken | | |
| The Company | NexAIoT Co., Ltd. | The Company's consolidated subsidiary | $ 326,591 | 1.88 | $ 191,678 | Taking prompt action in collecting the overdue receivables. | $ 124,999 | $ - |
| The Company | NexCOBOT Taiwan Co., Ltd. | The Company's consolidated subsidiary | 113,944 | 1.33 | 72,647 | Taking prompt action in collecting the overdue receivables. | 18,912 | - |

Note: Represents amounts collected up to May 13, 2026.

NEXCOM INTERNATIONAL CO., LTD.
Significant inter-company transactions during the reporting period
Three months ended March 31, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number | Company name | Counterparty | Relationship (Note 1) | Transaction | | | | Percentage of consolidated total operating revenues or total assets (Note 2) |
|---|---|---|---|---|---|---|---|---|
| | | | | General ledger account | | Amount | Transaction terms | |
| 0 | The Company | NexAIoT Co., Ltd. | 1 | Sales | $ | 96,463 | Note 3 | 8 |
| 0 | The Company | NexAIoT Co., Ltd. | 1 | Accounts receivable | | 326,591 | Note 3 | 5 |
| 0 | The Company | Nexcom Computer, Inc. | 1 | Sales | | 140,688 | Note 3 | 12 |
| 0 | The Company | Nexcom Computer, Inc. | 1 | Accounts receivable | | 77,312 | Note 3 | 1 |
| 0 | The Company | NexCOBOT Taiwan Co., Ltd. | 1 | Sales | | 26,172 | Note 3 | 2 |
| 0 | The Company | NexCOBOT Taiwan Co., Ltd. | 1 | Accounts receivable | | 113,944 | Note 3 | 2 |

Note 1: Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 2: 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 3: Sales and collection terms of sales to related parties are approximately the same as with third parties.

NEXCOM INTERNATIONAL CO., LTD.
Information on investees
Three months ended March 31, 2026

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2026 | | | Net profit (loss) of the investee for the three months ended March 31, 2026 | Investment income (loss) recognised by the Company for the three months ended March 31, 2026 | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Balance as at March 31, 2026 | Balance as at December 31, 2025 | Number of shares (shares in thousands) | Ownership (%) | Book value | | | |
| The Company | Nex Computers, Inc. | United States of America | Sales of PCs and peripherals | $ 56,977 | $ 56,977 | 5,000 | 100 | $ 158,186 | $ 9,514 | $ 9,514 | |
| The Company | Nexcom Japan Co., Ltd. | Japan | Sales of PCs and peripherals | 16,780 | 16,780 | 1 | 100 | 45,388 | 973 | 973 | Note |
| The Company | Nexcom International Co., Ltd. (SAMOA) | Samoa | General investment | 14,562 | 14,562 | 200 | 100 | 13,659 | 91 | 91 | Note |
| The Company | Greenbase Technology Corp. | Taiwan | Sales of PCs and peripherals | 72,818 | 82,834 | 14,554 | 72.72 | 249,302 | 2,814 | 1,865 | Note |
| The Company | NexAIoT Co., Ltd. | Taiwan | Sales of PCs and peripherals | 219,302 | 97,063 | 31,219 | 82.24 | ( 8,185) | ( 13,451) | ( 16,878) | |
| The Company | AIOT CLOUD CORP. | Taiwan | Sales of PCs and peripherals | 34,415 | 34,415 | 1,000 | 100 | 481 | 15 | 15 | Note |
| The Company | EMBUX Technology Co., Ltd. | Taiwan | Sales of PCs and peripherals | 12,100 | 12,100 | 7,290 | 100 | 38 | 79 | 79 | Note |
| The Company | TMR Technologies Co., Ltd. | Taiwan | Sales of PCs and peripherals | 37,818 | 37,818 | 3,782 | 82.08 | 2,864 | ( 3,544) | ( 2,909) | Note |
| The Company | NEXCOBOT INC. | United States of America | Sales of PCs and peripherals | 5,921 | 5,921 | 200 | 100 | 9 | - | - | Note |
| Greenbase Technology Corp. | DIVIOTED INC. | Taiwan | Sales of PCs and peripherals | 12,579 | 12,579 | 4,000 | 100 | 64,411 | 3,879 | 3,821 | Note |
| NexAIoT Co., Ltd. | NexCOBOT Taiwan Co., Ltd. | Taiwan | Sales of PCs and peripherals | 67,549 | 67,549 | 7,980 | 100 | 53,215 | ( 1,523) | ( 1,523) | Note |

Note:Since the consolidated subsidiary was an insignificant subsidiary, the investment income or loss was recognized based on the financial statements which were not reviewed by the independent auditors.

NEXCOM INTERNATIONAL CO., LTD.
Information on investments in Mainland China
Three months ended March 31, 2026

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026 | Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2026 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026 | Net income of investee for the three months ended March 31, 2026 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for three months ended March 31, 2026 | Book value of investments in Mainland China as of March 31, 2026 | Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026 | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Nexcom Shanghai Co., Ltd. | Sales of PCs and peripherals | $ 104,234 | Through investing in an existing company (NexAIOT Co., Ltd.) in the third area, which then invested in the investee in Mainland China. | $ 104,234 | $ - | $ - | $ 104,234 | ($ 543) | $ 82.24 | ($ 447) | ($ 121,456) | $ - | Note |
| Nexcom Surveillance Technology Co., Ltd. | Sales of PCs and peripherals | 30,321 | Through investing in an investee company (Greenbase Technology Corp.) in Mainland China, which then invested in the investee in Mainland China. | 30,321 | - | - | 30,321 | ( 715) | 72.72 | ( 520) | 39,202 | - | Note |
| Nexcom United System Service Co., Ltd. | Sales of PCs and peripherals | 33,998 | Through investing in an existing company (Nexcom Interrational Co., Ltd. (SAMOA)) in the third area, which then invested in the investee in Mainland China. | 28,691 | - | - | 28,691 | 91 | 100 | 91 | 1,140 | - | Note |
| NEXGOL Co., Ltd. | Sales of PCs and peripherals | 44,650 | Through investing in an investee (Nexcom Shanghai Co., Ltd.) in Mainland China, which then invested in the investee in Mainland China. | - | - | - | - | ( 1,513) | 65.79 | ( 995) | ( 68,184) | - | Note |
| Beijing NexGemo Technology Co., Ltd. | Sales of PCs and peripherals | 45,770 | Through investing in an investee (Nexcom Shanghai Co., Ltd.) in Mainland China, which then invested in the investee in Mainland China. | - | - | - | - | 867 | 37 | 321 | 6,973 | - | Note |
| Chongqing Keli Ruixing Technology Co., Ltd. | Sales of PCs and peripherals | 25,314 | Through investing in an investee (Nexcom Shanghai Co., Ltd.) in Mainland China, which then invested in the investee in Mainland China. | - | - | - | - | 2,539 | 43.78 | 1,112 | ( 9,321) | - | Note |

Note:Since the consolidated subsidiary was an insignificant subsidiary, the investment income or loss was recognized based on the financial statements which were not reviewed by the independent auditors.

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026 | 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 |
|---|---|---|---|
| The Company | $ 163,246 | $ 164,647 | $ 1,825,536 |