NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2026 AND 2025

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

JUNE 30, 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.

PWCR26000087

Introduction

We have reviewed the accompanying consolidated balance sheets of NEXCOM International Co., Ltd. and its subsidiaries (the "Group") as at June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six 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$1,080,575 thousand and NT$900,855 thousand, both constituting 15% of the consolidated total assets, and total liabilities of NT$422,703 thousand and NT$340,493 thousand, constituting 10% and 12% of the consolidated total liabilities as at June 30, 2026 and 2025, respectively, and total comprehensive income (loss) of NT$26,194 thousand, (NT$14,710) thousand, NT$23,314 thousand and NT$5,598 thousand, constituting 61%, 16%, (110%) and 2871% of the consolidated total comprehensive

income for the three months and six 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 June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six 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

August 5, 2026

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
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 733,271	10	$ 816,788	14	$ 1,102,972	19
1136	Current financial assets at amortised cost	6(5)	34,514	1	22,140	-	-	-
1150	Notes receivable, net	6(2)	4,240	-	1,409	-	612	-
1170	Accounts receivable, net	6(2)	1,218,666	17	875,545	14	1,051,422	18
1180	Accounts receivable - related parties	7	47,595	1	42,931	1	33,510	-
1200	Other receivables		60,484	1	51,433	1	52,839	1
130X	Inventory	6(3)	2,431,489	34	1,730,422	29	1,424,823	24
1410	Prepayments		93,418	1	62,581	1	75,623	1
11XX	**Total current assets**		4,623,677	65	3,603,249	60	3,741,801	63
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6(4)	29,833	-	33,171	1	33,842	1
1535	Non-current financial assets at amortised cost	6(5) and 8	24,809	-	24,687	-	23,981	-
1550	Investments accounted for under equity method	6(6)	6,817	-	6,389	-	3,117	-
1600	Property, plant and equipment	6(7) and 8	1,546,179	22	1,442,161	24	1,375,957	23
1755	Right-of-use assets	6(8)	421,232	6	439,567	7	292,819	5
1760	Investment property - net	6(10) and 8	182,890	2	183,927	3	184,964	3
1780	Intangible assets	6(11)	40,494	1	50,839	1	46,682	1
1840	Deferred income tax assets		191,985	3	174,110	3	168,448	3
1900	Other non-current assets	6(12)	85,141	1	87,515	1	62,944	1
15XX	**Total non-current assets**		2,529,380	35	2,442,366	40	2,192,754	37
1XXX	**Total assets**		$ 7,153,057	100	$ 6,045,615	100	$ 5,934,555	100

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13) and 8	$ 1,865,175	26	$ 1,124,300	19	$ 993,000	17
2130	Current contract liabilities	6(22)	99,847	1	95,703	2	115,266	2
2150	Notes payable		442	-	5	-	2	-
2170	Accounts payable	7	1,180,959	17	817,913	13	840,196	14
2200	Other payables	6(14) and 7	387,652	5	339,591	6	397,705	7
2230	Current income tax liabilities		-	-	-	-	34,490	-
2250	Provisions for liabilities - current	6(15)	30,789	1	27,490	-	36,428	1
2280	Current lease liabilities		69,286	1	77,533	1	77,544	1
2320	Long-term liabilities, current portion	6(16)	823	-	816	-	808	-
2399	Other current liabilities, others		15,515	-	15,781	-	21,184	-
21XX	**Total current liabilities**		3,650,488	51	2,499,132	41	2,516,623	42
	Non-current liabilities							
2540	Long-term borrowings	6(16) and 8	17,254	1	17,667	1	18,077	-
2550	Provisions for liabilities - non-current	6(15)	10,720	-	9,956	-	5,413	-
2570	Deferred income tax liabilities		9,348	-	6,940	-	27,789	1
2580	Non-current lease liabilities		360,826	5	370,286	6	230,098	4
2600	Other non-current liabilities		12,227	-	12,414	-	2,318	-
25XX	**Total non-current liabilities**		410,375	6	417,263	7	283,695	5
2XXX	**Total liabilities**		4,060,863	57	2,916,395	48	2,800,318	47
	Equity attributable to owners of parent							
	Share capital	6(19)						
3110	Common stock		1,412,265	20	1,412,265	23	1,412,265	24
	Capital surplus	6(20)						
3200	Capital surplus		388,712	5	375,545	6	375,545	6
	Retained earnings	6(21)						
3310	Legal reserve		460,545	6	454,898	8	454,898	8
3320	Special reserve		31,417	-	-	-	-	-
3350	Unappropriated retained earnings		766,532	11	880,676	15	883,665	15
	Other equity interest							
3400	Other equity interest		(33,938)	-	(31,417)	(1)	(38,098)	(1)
31XX	**Equity attributable to owners of parent**		3,025,533	42	3,091,967	51	3,088,275	52
36XX	Non-controlling interest		66,661	1	37,253	1	45,962	1
3XXX	**Total equity**		3,092,194	43	3,129,220	52	3,134,237	53
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$ 7,153,057	100	$ 6,045,615	100	$ 5,934,555	100

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amount)

			Three months ended June 30				Six months ended June 30			
			2026		2025		2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(22) and 7	$ 1,676,559	100	$ 1,483,745	100	$ 2,823,290	100	$ 3,133,501	100
5000	Operating costs	6(3)(26)(27) and 7	(1,288,235)	(77)	(1,096,099)	(74)	(2,175,940)	(77)	(2,303,037)	(74)
5900	Gross profit from operations		388,324	23	387,646	26	647,350	23	830,464	26
	Operating expenses	6(26)(27)								
6100	Selling expenses		(160,267)	(9)	(169,448)	(11)	(319,424)	(11)	(340,086)	(11)
6200	Administrative expenses		(45,305)	(3)	(42,190)	(3)	(87,842)	(3)	(84,413)	(2)
6300	Research and development expense		(138,216)	(8)	(141,636)	(10)	(277,869)	(10)	(281,063)	(9)
6450	Reversal of expected credit impairment loss determined in accordance with IFRS 9	12(2)	4,606	-	12,969	1	996	-	6,617	-
6000	Total operating expenses		(339,182)	(20)	(340,305)	(23)	(684,139)	(24)	(698,945)	(22)
6900	Operating profit (loss)		49,142	3	47,341	3	(36,789)	(1)	131,519	4
	Non-operating income and expenses									
7100	Interest income	6(23)	2,288	-	6,664	1	3,225	-	11,106	-
7010	Other income	6(24)	7,540	1	12,801	1	14,490	-	17,277	1
7020	Other gains and losses	6(25)	5,232	-	(101,691)	(7)	18,753	1	(81,766)	(3)
7050	Finance costs		(12,123)	(1)	(8,894)	(1)	(25,341)	(1)	(17,910)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(6)	1,267	-	1,171	-	1,657	-	2,510	-
7000	Total non-operating income and expenses		4,204	-	(89,949)	(6)	12,784	-	(68,783)	(2)
7900	**Profit (loss) before income tax**		53,346	3	(42,608)	(3)	(24,005)	(1)	62,736	2
7950	Income tax (expense) benefit	6(28)	(7,546)	-	14,596	1	4,877	-	(9,707)	-
8200	**Profit (loss) for the period**		$ 45,800	3	$ (28,012)	(2)	$ (19,128)	(1)	$ 53,029	2

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amount)

			Three months ended June 30				Six months ended June 30			
			2026		2025		2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%	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 gain (loss) on financial assets measured at fair value through other comprehensive income	6(4)	288	-	(10,431)	-	(842)	-	(5,762)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-	(478)	-	(469)	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		288	-	(10,431)	-	1,069	-	(3,884)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Exchange differences on translation of foreign financial statements		(3,287)	-	(56,418)	(4)	(3,177)	-	(48,950)	(2)
8360	Other comprehensive loss that will be reclassified to profit or loss		(3,287)	-	(56,418)	(4)	(3,177)	-	(48,950)	(2)
8300	**Total other comprehensive loss for the period**		$ (2,999)	-	$ (66,849)	(4)	$ (2,108)	-	$ (52,834)	(2)
8500	**Total comprehensive income (loss) for the period**		$ 42,801	3	$ (94,861)	(6)	$ (21,236)	(1)	$ 195	-
	Profit (loss) attributable to:									
8610	Owners of the parent		$ 40,116	3	$ (22,481)	(2)	$ (22,500)	(1)	$ 57,577	2
8620	Non-controlling interest		5,684	-	(5,531)	-	3,372	-	(4,548)	-
			$ 45,800	3	$ (28,012)	(2)	$ (19,128)	(1)	$ 53,029	2
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		$ 37,580	3	$ (93,063)	(6)	$ (23,110)	(1)	$ 1,724	-
8720	Non-controlling interest		5,221	-	(1,798)	-	1,874	-	(1,529)	-
			$ 42,801	3	$ (94,861)	(6)	$ (21,236)	(1)	$ 195	-
	Earnings (loss) per share (in dollars)									
9750	Basic earnings (loss) per share	6(29)	$ 0.28		$ (0.16)		$ (0.16)		$ 0.41	
9850	Diluted earnings (loss) per share	6(29)	$ 0.28		$ (0.16)		$ (0.16)		$ 0.41	

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		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
Six months ended June 30, 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 (loss) for the period		-	-	-	-	57,577	-	-	57,577	(4,548)	53,029
Other comprehensive income (loss) for the period	6(4)	-	-	-	-	1,878	(51,969)	(5,762)	(55,853)	3,019	(52,834)
Total comprehensive income (loss)		-	-	-	-	59,455	(51,969)	(5,762)	1,724	(1,529)	195
Appropriations of 2024 earnings	6(21)										
Legal reserve		-	-	8,691	-	(8,691)	-	-	-	-	-
Reversal of special reserve		-	-	-	(20,828)	20,828	-	-	-	-	-
Cash dividends		-	-	-	-	(84,736)	-	-	(84,736)	-	(84,736)
Change in non-controlling interests		-	-	-	-	-	-	-	-	(12,143)	(12,143)
Balance at June 30, 2025		$ 1,412,265	$ 375,545	$ 454,898	$ -	$ 883,665	$ (4,354)	$ (33,744)	$ 3,088,275	$ 45,962	$ 3,134,237
Six months ended June 30, 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) profit for the period		-	-	-	-	(22,500)	-	-	(22,500)	3,372	(19,128)
Other comprehensive income (loss) for the period	6(4)	-	-	-	-	1,911	(1,679)	(842)	(610)	(1,498)	(2,108)
Total comprehensive income (loss)		-	-	-	-	(20,589)	(1,679)	(842)	(23,110)	1,874	(21,236)
Appropriations of 2025 earnings	6(21)										
Legal reserve		-	-	5,647	-	(5,647)	-	-	-	-	-
Appropriation for special reserve		-	-	-	31,417	(31,417)	-	-	-	-	-
Cash dividends		-	-	-	-	(56,491)	-	-	(56,491)	-	(56,491)
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 ownership interests in subsidiaries	6(20)	-	4,009	-	-	-	-	-	4,009	-	4,009
Change in non-controlling interests		-	-	-	-	-	-	-	-	27,534	27,534
Balance at June 30, 2026		$ 1,412,265	$ 388,712	$ 460,545	$ 31,417	$ 766,532	$ (1,801)	$ (32,137)	$ 3,025,533	$ 66,661	$ 3,092,194

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Six months ended June 30 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		$ (24,005)	$ 62,736
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property)	6(7)(10)(25)(26)	41,551	37,995
Depreciation (Right-of-use assets)	6(8)(26)	43,072	39,396
Amortization	6(11)(26)	15,882	17,114
Reversal of impairment loss	12(2)	(996)	(6,617)
Interest expense		17,462	15,387
Interest expense (lease liability)	6(8)	7,879	2,523
Interest income	6(23)	(3,225)	(11,106)
Dividend income	6(24)	(2,471)	(6,536)
Share-based payments	6(18)	410	-
Share of profit of associates accounted for under the equity method	6(6)	(1,657)	(2,510)
Gain on disposal and scrap of property, plant and equipment	6(25)	(179)	(2)
Gain from lease modification	6(8)(25)	(3,981)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(2,831)	(59)
Accounts receivable		(341,660)	241,452
Accounts receivable - related parties		(5,129)	289
Other receivables		(14,863)	12,713
Inventories		(701,067)	156,450
Prepayments		(30,837)	(11,346)
Other non-current assets		964	(224)
Changes in operating liabilities			
Contract liabilities		4,144	(5,085)
Notes payable		437	(1,182)
Accounts payable		363,046	(150,855)
Other payables		(14,326)	(58,837)
Provision		4,063	2,826
Other current liabilities		(266)	2,426
Cash (outflow) inflow generated from operations		(648,583)	336,948
Interest received		3,976	11,025
Dividends received		2,471	6,536
Interest paid		(25,222)	(17,845)
Income tax paid		(5,592)	(67,842)
Net cash flows (used in) from operating activities		(672,950)	268,822

(Continued)

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Six months ended June 30 2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6(4)	$ 2,496	$ -
Increase in financial assets at amortised cost, net-current		(12,374)	-
Increase in financial assets at amortised cost, net-non-current		(122)	(8,508)
Acquisition of property, plant and equipment	6(31)	(124,715)	(20,274)
Proceeds from disposal of property, plant and equipment		640	138
Acquisition of intangible assets	6(11)	(5,537)	(10,889)
Increase in refundable deposits		(3,079)	(161)
Increase in other non-current assets		(10,029)	(1,305)
Cash obtained from acquisition of subsidiaries		19,174	-
Net cash flows used in investing activities		(133,546)	(40,999)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans		740,875	(454,850)
Decrease in short-term notes and bills payable		-	(50,000)
Payment of long-term debt		(406)	(15,716)
Decrease in guarantee deposits received		(187)	(298)
Payment of lease liabilities		(46,418)	(42,658)
Change in non-controlling interest		32,037	-
Net cash flows from (used in) financing activities		725,901	(563,522)
Effect of foreign exchange translations		(2,922)	(47,174)
Net decrease in cash and cash equivalents		(83,517)	(382,873)
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)	$ 733,271	$ 1,102,972

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

NEXCOM INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 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 August 5, 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:

(a) the practical ability to withdraw, stop or cancel the payment instruction;

(b) the practical ability to access the cash used for settlement; and

(c) 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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS 28 investments in associates and joint ventures'	January 1, 2027 (Note 2)

Note 1：The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.

Note 2：The entities shall apply the amendment simultaneously with 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.

(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 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

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

4. 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 (%)			Footnote
			June 30, 2026	December 31, 2025	June 30, 2025	
Nexcom International Co., Ltd.	Nex Computers, Inc.	Sales of PCs and peripherals	100	100	100	
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

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2026	December 31, 2025	June 30, 2025	Footnote
NexAIoT Co., Ltd.	NexCOBOT Taiwan Co., Ltd.	Sales of PCs and peripherals	96.55	100	100	Notes 1、2、5
NexAIoT Co., Ltd.	Nexcom Shanghai Co., Ltd.	Sales of PCs and peripherals	100	100	100	Notes 1、2
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 six months ended June 30, 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 six months ended June 30, 2025 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: In line with its application for listing on the Emerging Stock Market, Greenbase Technology Corp., conducted a share offering in March 2026. Consequently, the Company's shareholding percentage reduced to 72.72% 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. As the Company did not subscribe in accordance with its shareholding ratio, the Company's shareholding ratio decreased to 82.24% after the capital increase.

Note 5: In March 2026, the sub-subsidiary, NexCOBOT Taiwan Co., Ltd., exercised 285,000 employee stock options at a total exercise price of $4,275 thousand. After the exercise, the shareholding ratio was 96.55%.

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) Employee share-based payment

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

B. For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at fair value of the liability to pay for those services, and are recognized as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled at the settlement date, with any changes in fair value recognized in profit or loss.

(27) 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.

(28) 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.

(29) 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.

(30) 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.

(31) 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.

5. 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 June 30, 2026, the carrying amount of inventories is described in Note 6(3).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and petty cash	$ 1,342	$ 1,535	$ 1,514
Checking accounts and demand deposits	731,929	815,253	1,101,458
	$ 733,271	$ 816,788	$ 1,102,972

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

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 4,240	$ 1,409	$ 612
	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	$ 1,292,040	$ 948,377	$ 1,129,948
Less: Allowance for uncollectible accounts	(73,374)	(72,832)	(78,526)
	$ 1,218,666	$ 875,545	$ 1,051,422

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

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	$ 1,066,881	$ 770,869	$ 945,291
1 to 90 days	152,223	103,490	102,007
91 to 180 days	2,123	1,688	6,735
Over 181 days	70,813	72,330	75,915
	$ 1,292,040	$ 948,377	$ 1,129,948

The above ageing analysis was based on past due date.

B. As of June 30, 2026, December 31, 2025 and June 30, 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 June 30, 2026, December 31, 2025 and June 30, 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 $4,240, $1,409 and $612, and

accounts receivable were $1,218,666, $875,545 and $1,051,422, respectively.

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

(3) Inventories

	June 30, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,811,919	($ 240,783)	$ 1,571,136
Work in progress	425,879	(5,323)	420,556
Semi-finished goods	174,972	(39,108)	135,864
Finished goods	435,848	(131,915)	303,933
	$ 2,848,618	($ 417,129)	$ 2,431,489

	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

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 914,166	($ 207,347)	$ 706,819
Work in progress	292,529	(10,369)	282,160
Semi-finished goods	203,105	(36,917)	166,188
Finished goods	398,878	(129,222)	269,656
	$ 1,808,678	($ 383,855)	$ 1,424,823

The cost of inventories recognized as expense for the period:

	Three months ended June 30,	
	2026	2025
Cost of goods sold	$ 1,267,588	$ 1,106,935
Loss from scrap inventory	-	644
Loss (gain) on inventory valuation (Note 1)	13,248	(23,249)
Others (Note 2)	7,399	11,769
	$ 1,288,235	$ 1,096,099

	Six months ended June 30,	
	2026	2025
Cost of goods sold	$ 2,094,685	$ 2,296,547
Loss from scrap inventory	298	655
Loss (gain) on inventory valuation (Note 1)	28,374	(16,924)
Others (Note 2)	52,583	22,759
	$ 2,175,940	$ 2,303,037

Note 1: The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold as certain inventory items which were previously provided with allowance were subsequently sold for the three months and six months ended June 30, 2025.

Note 2: 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	June 30, 2026	December 31, 2025	June 30, 2025
Unlisted stocks	$ 65,241	$ 67,737	$ 70,857
Valuation adjustment	(35,408)	(34,566)	(37,015)
	$ 29,833	$ 33,171	$ 33,842

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 June 30,	
	2026	2025
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	$ 288	($ 10,431)
Dividend income recognized in profit or loss held at end of period	$ 2,471	$ 6,536

	Six months ended June 30,	
	2026	2025
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 842)	($ 5,762)
Dividend income recognized in profit or loss held at end of period	$ 2,471	$ 6,536

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 June 30, 2026, December 31, 2025 and June 30, 2025 were $29,833, $33,171

and $33,842, respectively.

C. Certain companies whose equity instruments are held by the Group reduced its capital in May 2026 and August 2025, and returned shares in the amount of $2,496 and $3,120.

D. As of June 30, 2026, December 31, 2025 and June 30, 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

	June 30, 2026	December 31, 2025	June 30, 2025
Current item:			
Pledged demand deposits	$ 34,514	$ 22,140	$ -
Non-current item:			
Pledged time deposits	$ 24,809	$ 24,687	$ 23,981

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

	Three months ended June 30,	
	2026	2025
Interest income	$ 158	$ 213
	Six months ended June 30,	
	2026	2025
Interest income	$ 767	$ 254

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:

	June 30, 2026	
	Percentage of ownership	Carrying amount
Beijing NexGemo Technology Co., Ltd.	45%	$ 6,817
	December 31, 2025	
	Percentage of ownership	Carrying amount
Beijing NexGemo Technology Co., Ltd.	45%	$ 6,389
	June 30, 2025	
	Percentage of ownership	Carrying amount
Beijing NexGemo Technology Co., Ltd.	45%	$ 3,117

B. As of June 30, 2026, December 31, 2025 and June 30, 2025, NexAIoT Co., Ltd. held a 45% stake in Beijing NexGemo Technology Co., Ltd. in each case. The Group's ultimate shareholding percentages were 37.01%, 37.23% and 37.23%, respectively.

C. Amounts recognized in loss of associates and joint ventures accounted for using equity method for the three months and six months ended June 30, 2026 and 2025 were $1,267, $1,171, $1,657 and $2,510, respectively.

D. 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 June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amount of the Group’s individually immaterial associates amounted to $6,817, $6,389 and $3,117, respectively.

	Three months ended June 30,	
	2026	2025
Profit from continuing operations	$ 1,267	$ 1,171
Total comprehensive income	$ 1,267	$ 1,171

	Six months ended June 30,	
	2026	2025
Profit from continuing operations	$ 1,657	$ 2,510
Total comprehensive income	$ 1,657	$ 2,510

(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	-	-	29,287	13,604	73,621	10,940	127,452
Disposal	-	-	-	(5)	(456)	-	(461)
Transfers	-	-	8,157	4,143	83,114	(78,507)	16,907
Depreciation	-	(4,875)	(21,807)	(3,262)	(10,570)	-	(40,514)
Net exchange differences	-	-	577	18	39	-	634
At June 30	$859,190	$ 364,944	$ 104,482	$ 30,629	$ 175,475	$ 11,459	$ 1,546,179
At June 30, 2026							
Cost	$859,190	$ 582,330	$ 757,975	$ 101,235	$ 284,908	$ 11,459	$ 2,597,097
Accumulated depreciation	-	(217,386)	(653,493)	(70,606)	(109,433)	-	(1,050,918)
	$859,190	$ 364,944	$ 104,482	$ 30,629	$ 175,475	$ 11,459	$ 1,546,179

	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	-	-	14,514	5,519	2,193	22,226
Disposal	-	-	(132)	(4)	-	(136)
Transfers	-	-	581	-	-	581
Depreciation	-	(4,875)	(21,958)	(2,922)	(7,203)	(36,958)
Net exchange differences	-	-	(672)	(140)	(176)	(988)
At June 30	$ 859,190	$ 374,694	$ 99,002	$ 12,501	$ 30,570	$ 1,375,957
At June 30, 2025						
Cost	$ 859,190	$ 582,330	$ 749,236	$ 78,908	$ 166,305	$ 2,435,969
Accumulated depreciation	-	(207,636)	(650,234)	(66,407)	(135,735)	(1,060,012)
	$ 859,190	$ 374,694	$ 99,002	$ 12,501	$ 30,570	$ 1,375,957

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:

	June 30, 2026	December 31, 2025	June 30, 2025
	Carrying amount	Carrying amount	Carrying amount
Buildings	$ 421,232	$ 439,567	$ 292,819

	Three months ended June 30,	
	2026	2025
	Depreciation charge	Depreciation charge
Buildings	$ 19,694	$ 19,713

	Six months ended June 30,	
	2026	2025
	Depreciation charge	Depreciation charge
Buildings	$ 43,072	$ 39,396

C. For the six months ended June 30, 2026 and 2025, the additions to right-of-use assets were $41,510 and $14,712, respectively.

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

	Three months ended June 30,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,957	$ 1,213
Expense on short-term lease contracts	$ 4,179	$ 3,012

	Six months ended June 30,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 7,879	$ 2,523
Expense on short-term lease contracts	$ 8,261	$ 5,418
Gain on lease modification	($ 3,981)	$ -

E. For the six months ended June 30, 2026 and 2025, the Group's total cash outflow for leases were $62,558 and $50,599, 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 and six months ended June 30, 2026 and 2025, the Group recognized rent income in the amounts of $3,063, $3,058, $6,527 and $6,137, 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:

	June 30, 2026	December 31, 2025	June 30, 2025
2025	$ -	$ -	$ 7,812
2026	5,055	9,210	9,210
2027	5,495	6,907	4,483
2028~	6,907	4,483	6,906
	$ 17,457	$ 20,600	$ 28,411

(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	-	(1,037)	(1,037)
At June 30	$ 128,902	$ 53,988	$ 182,890
At June 30, 2026			
Cost	$ 128,902	$ 114,137	$ 243,039
Accumulated depreciation	-	(60,149)	(60,149)
	$ 128,902	$ 53,988	$ 182,890

	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	-	(1,037)	(1,037)
At June 30	$ 128,902	$ 56,062	$ 184,964
At June 30, 2025			
Cost	$ 128,902	$ 114,137	$ 243,039
Accumulated depreciation	-	(58,075)	(58,075)
	$ 128,902	$ 56,062	$ 184,964

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 June 30,	
	2026	2025
Rental income from investment property	$ 2,829	$ 2,887
Direct operating expenses arising from the investment property that generated rental income during the period	$ 689	$ 689

	Six months ended June 30,	
	2026	2025
Rental income from investment property	$ 5,865	$ 5,754
Direct operating expenses arising from the investment property that generated rental income during the period	$ 1,377	$ 1,377

D. The fair value of the investment property held by the Group as at June 30, 2026, December 31, 2025 and June 30, 2025 was $470,340, $500,303 and $481,650, 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	-	5,537	-	5,537
Amortisation charge	-	(15,062)	(820)	(15,882)
At June 30, 2026	$ 2,167	$ 37,865	$ 462	$ 40,494
At June 30, 2026				
Cost	$ 2,167	$ 95,041	$ 5,117	$ 102,325
Accumulated amortisation	-	(57,176)	(4,655)	(61,831)
	$ 2,167	$ 37,865	$ 462	$ 40,494

	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	-	9,609	1,280	10,889
Amortisation charge	-	(16,149)	(965)	(17,114)
At June 30, 2025	$ 2,167	$ 42,801	$ 1,714	$ 46,682
At June 30, 2025				
Cost	$ 2,167	$ 109,778	$ 6,687	$ 118,632
Accumulated amortisation	-	(66,977)	(4,973)	(71,950)
	$ 2,167	$ 42,801	$ 1,714	$ 46,682

Details of amortization on intangible assets are as follows:

	Three months ended June 30,	
	2026	2025
Operating costs	$ 1,705	$ 2,252
Selling expenses	898	1,012
Administrative expenses	2,836	2,633
Research and development expenses	2,344	2,230
	$ 7,783	$ 8,127

	Six months ended June 30,	
	2026	2025
Operating costs	$ 3,354	$ 4,367
Selling expenses	2,037	2,245
Administrative expenses	5,908	5,484
Research and development expenses	4,583	5,018
	$ 15,882	$ 17,114

(12) Other non-current assets

	June 30, 2026	December 31, 2025	June 30, 2025
Refundable deposits	$ 41,568	$ 38,489	$ 30,367
Net defined benefit assets	32,373	29,984	29,985
Prepayments for equipment	9,693	16,571	1,734
Others	1,507	2,471	858
	$ 85,141	$ 87,515	$ 62,944

(13) Short-term borrowings

Type of borrowings	June 30, 2026	Interest rate range
Bank borrowings		
Unsecured borrowings	$ 1,195,175	1.85%～5.10%
Secured borrowings	670,000	1.90%～1.99%
	$ 1,865,175	

Type of borrowings	December 31, 2025	Interest rate range
Bank borrowings		
Unsecured borrowings	$ 684,300	1.85%～6.10%
Secured borrowings	440,000	1.94%～1.95%
	$ 1,124,300	

Type of borrowings	June 30, 2025	Interest rate range
Bank borrowings		
Unsecured borrowings	$ 803,000	1.95%～6.03%
Secured borrowings	190,000	1.95%
	$ 993,000	

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

(14) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Accrued salaries and bonus	$ 184,948	$ 219,314	$ 175,970
Dividends payable	56,491	-	84,736
Labour and health insurance payable	23,702	22,527	24,874
Pension cost payable	11,711	12,033	12,095
Processing fees payable	7,704	6,187	4,663
Payable on machinery and equipment	3,895	1,158	2,251
Others	99,201	78,372	93,116
	$ 387,652	$ 339,591	$ 397,705

(15) Provisions

	2026	2025
At January 1	$ 37,446	$ 39,015
Additional provisions	17,611	18,583
Used during the period	(13,548)	(15,757)
At June 30	$ 41,509	$ 41,841

Analysis of total provisions:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	$ 30,789	$ 27,490	$ 36,428
Non-current	$ 10,720	$ 9,956	$ 5,413

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	Borrowing period and repayment term	Interest rate	June 30, 2026
Long-term bank loans	From 10/5/2014 to 9/5/2044; interest is payable monthly	2.05%	$ 18,077
Less: Long-term borrowings-current portion			(823)
			$ 17,254

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	June 30, 2025
Long-term bank loans	From 10/5/2024 to 9/5/2044; interest is payable monthly	2.05%	$ 18,885
Less: Long-term borrowings-current portion			(808)
			$ 18,077

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 and six months ended June 30, 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 and six months ended June 30, 2026 and 2025 were $11,761, $12,164, $23,467 and $24,189, 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 years	-	1.215%	$1.3675

The cost of this stock option plan for the period from January 1 to June 30, 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 years	-	1.22%	$ -

No subscription fees were recorded for this stock option plan from January 1 to June 30, 2026.

(19) Share capital

As of June 30, 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 ownership interests in subsidiaries	-	-	4,009	-
Difference between the actual acquisition or disposal price of subsidiary equity and its book value	-	-	-	9,158
At June 30	$ 360,755	$ 2,880	$ 15,919	$ 9,158

	2025		
	Share premium	Treasury share transactions	Changes in subsidiaries accounted for using equity method
At January 1			
(At June 30)	$ 360,755	$ 2,880	$ 11,910

(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 and 2024 earnings as resolved by the shareholders on June 24, 2026 and June 25, 2025, respectively, 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

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 June 30, 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	$ 512,210	$ 536,894	$ 242,707	$ 231,289	$ 84,549	$ 12,650	$1,620,299
Over time	-	49,250	7,010	-	-	-	56,260
	$ 512,210	$ 586,144	$ 249,717	$ 231,289	$ 84,549	$ 12,650	$1,676,559

Three months ended June 30, 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	$ 707,818	$ 396,499	$ 153,592	$ 131,175	$ 84,799	$ 2,600	$1,476,483
Over time	-	4,695	2,567	-	-	-	7,262
	$ 707,818	$ 401,194	$ 156,159	$ 131,175	$ 84,799	$ 2,600	$1,483,745

Six months ended June 30, 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	$ 838,698	$ 878,303	$ 390,863	$ 473,302	$ 128,830	$ 41,543	$2,751,539
Over time	-	62,138	9,613	-	-	-	71,751
	$ 838,698	$ 940,441	$ 400,476	$ 473,302	$ 128,830	$ 41,543	$2,823,290

Six months ended June 30, 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	$ 1,468,142	$ 785,355	$ 313,464	$ 300,893	$ 185,518	$ 18,818	$3,072,190
Over time	-	25,531	35,780	-	-	-	61,311
	$ 1,468,142	$ 810,886	$ 349,244	$ 300,893	$ 185,518	$ 18,818	$3,133,501

B. Contract liabilities

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

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Contract liabilities -Advance sales receipts	$ 99,847	$ 95,703	$ 115,266	$ 120,351

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

	Three months ended June 30,	
	2026	2025
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	$ 12,956	$ 3,153

	Six months ended June 30,	
	2026	2025
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	$ 31,094	$ 53,563

(23) Interest income

	Three months ended June 30,	
	2026	2025
Interest income from bank deposits	$ 2,130	$ 6,451
Interest income from financial assets measured at amortised cost	158	213
	$ 2,288	$ 6,664

	Six months ended June 30,	
	2026	2025
Interest income from bank deposits	$ 2,458	$ 10,852
Interest income from financial assets measured at amortised cost	767	254
	$ 3,225	$ 11,106

(24) Other income

	Three months ended June 30,	
	2026	2025
Dividend income	$ 2,471	$ 6,536
Rental revenue	3,063	3,058
Marketing allowance revenue	-	1,995
Government grants revenue	1,244	660
Others	762	552
	$ 7,540	$ 12,801

	Six months ended June 30,	
	2026	2025
Dividend income	$ 2,471	$ 6,536
Rental revenue	6,527	6,137
Marketing allowance revenue	-	2,650
Government grants revenue	3,368	860
Others	2,124	1,094
	$ 14,490	$ 17,277

(25) Other gains and losses

	Three months ended June 30,	
	2026	2025
Net gain (loss) on foreign exchange	$ 5,049	($ 101,040)
Gain on disposal of property, plant and equipment	43	2
Investment property depreciation expense	(519)	(519)
Loss on prepayments	1,537	-
Other losses	(878)	(134)
	$ 5,232	($ 101,691)

	Six months ended June 30,	
	2026	2025
Net gain (loss) on foreign exchange	$ 17,606	($ 80,388)
Gains arising from lease modifications	3,981	-
Gain on disposal of property, plant and equipment	179	2
Investment property depreciation expense	(1,037)	(1,037)
Other losses	(1,976)	(343)
	$ 18,753	($ 81,766)

(26) Expenses by nature

	Three months ended June 30, 2026		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefit expense	$ 80,837	$ 243,728	$ 324,565
Depreciation charges on right-of-use assets	15,177	4,517	19,694
Depreciation charges on property, plant and equipment	10,175	12,239	22,414
Amortisation charges on intangible assets	1,705	6,078	7,783
	$ 107,894	$ 266,562	$ 374,456

	Three months ended June 30, 2025		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefit expense	$ 81,307	$ 244,301	$ 325,608
Depreciation charges on right-of-use assets	14,962	4,751	19,713
Depreciation charges on property, plant and equipment	5,594	12,990	18,584
Amortisation charges on intangible assets	2,252	5,875	8,127
	$ 104,115	$ 267,917	$ 372,032

	Six months ended June 30, 2026		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefit expense	$ 154,275	$ 491,770	$ 646,045
Depreciation charges on right-of-use assets	33,595	9,477	43,072
Depreciation charges on property, plant and equipment	15,647	24,867	40,514
Amortisation charges on intangible assets	3,354	12,528	15,882
	$ 206,871	$ 538,642	$ 745,513

	Six months ended June 30, 2025		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefit expense	$ 164,748	$ 501,571	$ 666,319
Depreciation charges on right-of-use assets	30,035	9,361	39,396
Depreciation charges on property, plant and equipment	10,816	26,142	36,958
Amortisation charges on intangible assets	4,367	12,747	17,114
	$ 209,966	$ 549,821	$ 759,787

(27) Employee benefit expense

	Three months ended June 30, 2026		
	Recognized in operating costs	Recognized in operating expenses	Total
Wages and salaries	$ 68,279	$ 206,373	$ 274,652
Labour and health insurance fees	7,587	20,284	27,871
Pension costs	1,958	9,803	11,761
Other personnel expenses	3,013	7,268	10,281
	$ 80,837	$ 243,728	$ 324,565

	Three months ended June 30, 2025		
	Recognized in operating costs	Recognized in operating expenses	Total
Wages and salaries	$ 67,693	$ 205,447	$ 273,140
Labour and health insurance fees	8,070	20,857	28,927
Pension costs	2,192	9,972	12,164
Other personnel expenses	3,352	8,025	11,377
	$ 81,307	$ 244,301	$ 325,608

	Six months ended June 30, 2026		
	Recognized in operating costs	Recognized in operating expenses	Total
Wages and salaries	$ 129,321	$ 416,775	$ 546,096
Labour and health insurance fees	15,463	40,671	56,134
Pension costs	3,797	19,670	23,467
Other personnel expenses	5,694	14,654	20,348
	$ 154,275	$ 491,770	$ 646,045

	Six months ended June 30, 2025		
	Recognized in operating costs	Recognized in operating expenses	Total
Wages and salaries	$ 137,536	$ 424,160	$ 561,696
Labour and health insurance fees	16,209	41,936	58,145
Pension costs	4,352	19,837	24,189
Other personnel expenses	6,651	15,638	22,289
	$ 164,748	$ 501,571	$ 666,319

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 and six months ended June 30, 2026, the Company had loss before tax and therefore did not accrue employees' compensation and directors' remuneration.

For the three months and six months ended June 30, 2025, employees' compensation was accrued at ($448) and $1,356, respectively; directors' remuneration was accrued at ($175) and $520, respectively.

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 expense (benefit)

Components of income tax expense (benefit):

	Three months ended June 30,	
	2026	2025
Current tax:		
Current tax on profits for the period	$ 11,688	$ 9,506
Tax on undistributed earnings	353	715
Prior year income tax over estimation	(5,358)	(5,797)
Total current tax	6,683	4,424
Deferred tax:		
Origination and reversal of temporary differences	863	(19,020)
Income tax expense (benefit)	$ 7,546	($ 14,596)

	Six months ended June 30,	
	2026	2025
Current tax:		
Current tax on profits for the period	$ 15,733	$ 35,546
Tax on undistributed earnings	353	715
Prior year income tax over estimation	(5,052)	(4,479)
Total current tax	11,034	31,782
Deferred tax:		
Origination and reversal of temporary differences	(15,911)	(22,075)
Income tax expense (benefit)	($ 4,877)	$ 9,707

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 June 30, 2026		
	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	$ 40,116	141,226	$ 0.28

	Three months ended June 30, 2025		
	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	($ 22,481)	141,226	($ 0.16)

	Six months ended June 30, 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	($ 22,500)	141,226	($ 0.16)

	Six months ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 57,577	141,226	$ 0.41
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	17	
Profit attributable to ordinary shareholders of the parent	$ 57,577	141,243	$ 0.41

(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 six months ended June 30, 2026 is shown below:

	Six months ended June 30,	
	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

A. Investing activities with partial cash payments:

	Six months ended June 30,	
	2026	2025
Purchase of property, plant and equipment	$ 127,452	$ 22,226
Add: Opening balance of payable on equipment	1,158	299
Less: Ending balance of payable on equipment	(3,895)	(2,251)
Cash paid during the period	$ 124,715	$ 20,274

B. Financing activities with no cash flow effects:

	Six months ended June 30,	
	2026	2025
Dividends	$ 56,491	$ 84,736

7. 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 June 30,	
	2026	2025
Sales of goods:		
Associate	$ 35,728	$ 17,764

	Six months ended June 30,	
	2026	2025
Sales of goods:		
Associate	$ 41,423	$ 30,555

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 June 30,	
	2026	2025
Purchases and processing fees:		
Associate	$ 759	$ 5,163
Other related party	8,130	3,325
	$ 8,889	$ 8,488

	Six months ended June 30,	
	2026	2025
Purchases and processing fees:		
Associate	$ 1,370	$ 7,775
Other related party	13,741	8,963
	$ 15,111	$ 16,738

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

C. Accounts receivable:

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable:			
Associate	$ 73,304	$ 68,160	$ 60,445
Other related party	2	17	607
	73,306	68,177	61,052
Less : Allowance for uncollectible accounts	(25,711)	(25,246)	(27,542)
	$ 47,595	$ 42,931	$ 33,510

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

D. Accounts payable:

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable:			
Associate	$ 1,050	$ 2,866	$ 1,616
Other related party	6,383	4,775	2,804
	$ 7,433	$ 7,641	$ 4,420
Other payables:			
Associate	$ 198	$ 120	$ 158
Other related party	1,090	844	509
	$ 1,288	$ 964	$ 667
	$ 8,721	$ 8,605	$ 5,087

E. Acquisition of property, plant and equipment:

	Three months ended June 30,	
	2026	2025
Machinery and equipment:		
Other related party	$ 459	$ -

	Six months ended June 30,	
	2026	2025
Machinery and equipment:		
Other related party	$ 2,212	$ 1,971

(3) Key management compensation

	Three months ended June 30,	
	2026	2025
Salaries and other short-term employee benefits	$ 10,725	$ 10,680
Post-employment benefits	452	425
	$ 11,177	$ 11,105

	Six months ended June 30,	
	2026	2025
Salaries and other short-term employee benefits	$ 21,544	$ 23,537
Post-employment benefits	903	849
	$ 22,447	$ 24,386

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	June 30, 2026	December 31, 2025	June 30, 2025	
Non-current financial assets at amortised cost	$ 24,809	$ 24,687	$ 23,981	Guarantee for import duty, Performance guarantee and Guarantee for credit line of short-term borrowings
Property, plant and equipment -land and buildings and structures	1,224,132	1,229,007	1,233,833	Guarantee for credit line of long-term and short-term borrowings
Investment property -land and buildings and structures	182,890	183,927	184,964	Guarantee for credit line of short-term borrowings
	$ 1,431,831	$ 1,437,621	$ 1,442,778	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

A. As of June 30, 2026, the amount of the Group's property, plant and equipment contracted but not yet paid was $32,328.

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 $2,950,000 and US$17,000 thousand for the Group's short and long-term credit facilities and forward exchange contracts.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. 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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at fair value through other comprehensive income	$ 29,833	$ 33,171	$ 33,842
Financial assets at amortised cost (Note)	$ 2,165,147	$ 1,873,422	$ 2,295,703
	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities			
Financial liabilities at amortised cost (Note)	$ 3,464,532	$ 2,312,706	$ 2,252,106
Lease liability	$ 430,112	$ 447,819	$ 307,642

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:

	June 30, 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	$ 40,652	31.85	$ 1,294,766	1%	$ 12,948	$ -
RMB：NTD	65,102	4.69	305,328	1%	3,053	-
EUR：NTD	2,461	36.29	89,310	1%	893	-
USD：RMB	1,327	6.79	42,258	1%	423	-
USD：JPY	106	162.25	3,376	1%	34	-
Financial liabilities						
Monetary items						
USD：NTD	$ 30,575	31.85	$ 973,814	1%	$ 9,738	$ -
USD：JPY	1,286	162.25	40,959	1%	410	-
EUR：NTD	851	36.29	30,883	1%	309	-
RMB：NTD	8,093	4.69	37,956	1%	380	-
USD：RMB	303	6.79	9,649	1%	96	-

	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	-

	June 30, 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	$ 38,028	29.30	$ 1,114,220	1%	$ 11,142	$ -
RMB：NTD	70,099	4.09	286,775	1%	2,868	-
EUR：NTD	2,025	34.35	69,559	1%	696	-
USD：RMB	1,017	7.16	29,790	1%	298	-
USD：JPY	1,116	144.05	32,699	1%	327	-
Financial liabilities						
Monetary items						
USD：NTD	$ 26,411	29.30	$ 773,842	1%	$ 7,738	$ -
USD：JPY	1,044	144.05	30,589	1%	306	-
EUR：NTD	1,165	34.35	40,018	1%	400	-
RMB：NTD	8,279	4.09	33,869	1%	339	-
USD：RMB	344	7.16	10,076	1%	101	-

Total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2026 and 2025 amounted to $5,049, ($101,040), $17,606 and ($80,388), 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 six months ended June 30, 2026 and 2025 would have increased/decreased by $652 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 June 30, 2026, December 31, 2025 and June 30, 2025, if interest rates on borrowings had been 0.25% higher/lower with all other variables held constant, post-tax profit for the six months ended June 30, 2026 and 2025, would have been $2,354 and $1,265 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 June 30, 2026, December 31, 2025 and June 30, 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 June 30, 2026						
Expected loss rate		0.03%-0.07%	0.03%-0.21%	50%	100%	
Total book value	$ 128,380	$ 1,034,673	$ 129,357	$ 2,123	$ 70,813	$ 1,365,346
Loss allowance	$ 25,728	$ 1,405	$ 77	$ 1,062	$ 70,813	$ 99,085

	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 June 30, 2025						
Expected loss rate		0.03%	0.03%	0.04-50%	99%-100%	
Total book value	$ 88,896	$ 917,447	$ 102,007	$ 6,735	$ 75,915	$ 1,191,000
Loss allowance	$ 27,550	$ 952	$ 27	$ 1,935	$ 75,604	$ 106,068

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
Reversal of provision for impairment	(996)	(6,617)
Effect of foreign exchange	2,003	(4,641)
At June 30	$ 99,085	$ 106,068

(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, notes payable, accounts payable, other payables and long-term borrowings expiring within one year are all less than 360 days as of June 30, 2026, December 31, 2025 and June 30, 2025.

Non-derivative financial liabilities:

June 30, 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Long-term borrowings	$ 1,192	$ 1,193	$ 3,580	$ 15,809
Lease liability	$ 91,520	$ 86,407	$ 155,378	$179,180

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

June 30, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Long-term borrowings	$ 1,188	$ 1,192	$ 3,580	$ 17,003
Lease liability	$ 82,562	$ 77,205	$ 138,963	$ 20,810

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 June 30, 2026 and 2025 is as follows:

On June 30, 2026, December 31, 2025 and June 30, 2025, financial assets at fair value through other comprehensive income categorised within Level 3 amounted to $29,833, $33,171 and $33,842, 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 six months ended June 30, 2026 and 2025, there was no transfer among each valuation level.

F. The following chart is the movements of Level 3 for the six months ended June 30, 2026 and 2025:

	2026	2025
	Equity instruments	Equity instruments
At January 1	$ 33,171	$ 39,604
Gains and losses recognized in other comprehensive income	(842)	(5,762)
Capital reduction	(2,496)	-
At June 30	$ 29,833	$ 33,842

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 June 30, 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	29,577	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 June 30, 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	33,586	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:

			June 30, 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%	$ -	$ -	$ 296	($ 296)

			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)

			June 30, 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%	$ -	$ -	$ 336	($ 336)

13. 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.

14. 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 June 30, 2026	Taiwan	Asia	America	Adjustments and elimination	Total
Revenue from external customers	$ 1,425,846	$ 56,812	$ 193,901	$ -	$ 1,676,559
Inter-segment revenue	149,439	50,896	543	(200,878)	-
Total segment revenue	$ 1,575,285	$ 107,708	$ 194,444	($ 200,878)	$ 1,676,559
Segment profit (loss) before tax	$ 59,099	$ 10,635	$ 17,581	($ 33,969)	$ 53,346

Three months ended June 30, 2025	Taiwan	Asia	America	Adjustments and elimination	Total
Revenue from external customers	$ 1,288,041	$ 54,397	$ 141,307	$ -	$ 1,483,745
Inter-segment revenue	130,557	31,623	1,533	(163,713)	-
Total segment revenue	$ 1,418,598	$ 86,020	$ 142,840	($ 163,713)	$ 1,483,745
Segment profit (loss) before tax	($ 67,258)	$ 5,896	$ 4,105	$ 14,649	($ 42,608)

Six months ended June 30, 2026	Taiwan	Asia	America	Adjustments and elimination	Total
Revenue from external customers	$ 2,327,644	$ 102,081	$ 393,565	$ -	$ 2,823,290
Inter-segment revenue	320,412	88,481	926	(409,819)	-
Total segment revenue	$ 2,648,056	$ 190,562	$ 394,491	($ 409,819)	$ 2,823,290
Segment profit (loss) before tax	($ 31,854)	$ 11,290	$ 29,893	($ 33,334)	($ 24,005)

Six months ended June 30, 2025	Taiwan	Asia	America	Adjustments and elimination	Total
Revenue from external customers	$ 2,752,686	$ 81,984	$ 298,831	$ -	$ 3,133,501
Inter-segment revenue	256,946	55,489	3,214	(315,649)	-
Total segment revenue	$ 3,009,632	$ 137,473	$ 302,045	($ 315,649)	$ 3,133,501
Segment profit (loss) before tax	$ 45,090	$ 1,681	$ 7,326	$ 8,639	$ 62,736

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
Six months ended June 30, 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 June 30, 2026 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 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	$ 907,660	$ 5,121	$ 4,911	$ 4,911	$ -	0.16	$ 1,512,767	Y	N	N	-
0	The Company	EMBUX Technology Co., Ltd.	2	$ 907,660	25,000	25,000	10,000	10,000	0.83	$ 1,512,767	Y	N	N	-
0	The Company	NexCOBOT Taiwan Co., Ltd.	2	$ 907,660	175,000	175,000	63,500	3,500	5.78	$ 1,512,767	Y	N	N	-
0	The Company	NexAIoT Co., Ltd.	2	$ 907,660	260,000	260,000	130,000	-	8.59	$ 1,512,767	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 amount 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)

Six months ended June 30, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of June 30, 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	998	29,577	2.50	29,577
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
Six months ended June 30, 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	NexAIoT Co., Ltd.	The Company's consolidated subsidiary	Sales	$ 288,865	15	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.	$ 307,407	24
The Company	Nex Computer, Inc.	The Company's consolidated subsidiary	Sales	234,045	12	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.	70,281	6

NEXCOM INTERNATIONAL CO., LTD.
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
June 30, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 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	$ 307,407	1.92	$ 57,852	Taking prompt action in collecting the overdue receivables.	$ 95,510	$ -
The Company	NexCOBOT Taiwan Co., Ltd.	The Company's consolidated subsidiary	125,223	1.40	51,243	Taking prompt action in collecting the overdue receivables.	12,050	-

Note: Represents amounts collected up to August 5, 2026.

NEXCOM INTERNATIONAL CO., LTD.
Significant inter-company transactions during the reporting period
June 30, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number	Company name	Counterparty	Relationship (Note 1)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 2)
0	The Company	NexAIoT Co., Ltd.	1	Sales	$ 288,865	Note 3	10
0	The Company	NexAIoT Co., Ltd.	1	Accounts receivable	307,407	Note 3	4
0	The Company	Nexcom Computer, Inc.	1	Sales	234,045	Note 3	8
0	The Company	Nexcom Computer, Inc.	1	Accounts receivable	70,281	Note 3	1
0	The Company	NexCOBOT Taiwan Co., Ltd.	1	Sales	86,097	Note 3	3
0	The Company	NexCOBOT Taiwan Co., Ltd.	1	Accounts receivable	125,223	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
June 30, 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 June 30, 2026			Net profit (loss) of the investee for the six months ended June 30, 2026	Investment income (loss) recognized by the Company for the six months ended June 30, 2026	Footnote
				Balance as at June 30, 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	$ 175,246	$ 21,656	$ 21,656	
The Company	Nexcom Japan Co., Ltd.	Japan	Sales of PCs and peripherals	16,780	16,780	1	100	39,079	6,883	6,883	Note
The Company	Nexcom International Co., Ltd. (SAMOA)	Samoa	General investment	14,562	14,562	200	100	13,743	215	215	Note
The Company	Greenbase Technology Corp.	Taiwan	Sales of PCs and peripherals	72,818	82,834	14,554	72.72	235,181	22,847	16,447	Note
The Company	NexAIoT Co., Ltd.	Taiwan	Sales of PCs and peripherals	219,302	97,063	31,219	82.24	(5,695)	(10,004)	(13,884)	
The Company	AIOT CLOUD CORP.	Taiwan	Sales of PCs and peripherals	34,415	34,415	1,000	100	556	90	90	Note
The Company	EMBUX Technology Co., Ltd.	Taiwan	Sales of PCs and peripherals	12,100	12,100	7,290	100	(10)	21	21	Note
The Company	TMR Technologies Co., Ltd.	Taiwan	Sales of PCs and peripherals	37,818	37,818	3,782	82.08	415	(6,528)	(5,358)	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	69,351	10,574	10,561	Note
NexAIoT Co., Ltd.	NexCOBOT Taiwan Co., Ltd.	Taiwan	Sales of PCs and peripherals	67,549	67,549	7,980	96.55	55,178	(329)	(1,852)	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
June 30, 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 six months ended June 30, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Net income of investee for the six months ended June 30, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six months ended June 30, 2026	Book value of investments in Mainland China as of June 30, 2026	Accumulated amount of investment income remitted back to Taiwan as of June 30, 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	$ 1,540	$ 82.24	$ 1,266	($ 120,930)	$ -	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	(215)	72.72	(156)	39,371	-	Note
Nexcom United System Service Co., Ltd.	Sales of PCs and peripherals	33,998	Through investing in an existing company (Nexcom International Co., Ltd. (SAMOA)) in the third area, which then invested in the investee in Mainland China.	28,691	-	-	28,691	183	100	183	1,249	-	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.	-	-	-	-	(3,258)	65.79	(2,144)	(70,494)	-	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.	-	-	-	-	3,683	37.01	1,363	8,352	-	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.	-	-	-	-	3,575	43.78	1,565	(8,893)	-	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 June 30, 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	$ 1,815,320