

**EverFocus Electronics Corp. and Subsidiaries**  
**Consolidated Financial Statements With Independent Auditor's**  
**Report**  
**The Years Ended December 31, 2025 and 2024**  
**(Stock Code: 5484)**

**Address: 7F-1, No. 133, Ln. 235, Baoqiao Rd., Xindian Dist., New Taipei City, Taiwan**  
**Tel: (02) 2662-2338**

## **EverFocus Electronics Corp. and Subsidiaries**

### **In the Years Ended December 31, 2025 and 2024 Consolidated Financial**

### **Statements With Independent Auditor's Report**

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**EverFocus Electronics Corp.**  
**Representation Letter**

The entities required to be included in the combined financial statements of The Corporation as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, The Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company Name: EverFocus Electronics Corp.



Person in Charge: Yung-Shun Chuang



March 4, 2026

## Independent Auditors' Report

(2026) Financial Audit Report No. 25004881

The Board of Directors and Shareholders of EVERFOCUS ELECTRONICS CORP.

We have audited the accompanying consolidated balance sheets of EverFocus Electronics Corp. and its subsidiaries (the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, and December 31, 2024, and its consolidated financial performance and consolidated cash flows for the years ended From January 1 to December 31, 2025, and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The personnel within our CPA firm, who are subject to independence regulations, have remained independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China and have fulfilled other ethical responsibilities under that code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most

significance in our audit of the consolidated financial statements of 2025. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters individually.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

### **The authenticity of sales revenue**

#### Description

Please refer to Note 4(29) to the consolidated financial statements for the accounting policy on revenue recognition and Note 6(18) to the consolidated financial statements for the description of operating income items.

The Group's main business activities include the manufacturing, sales, and customization of various image processors, electronic surveillance products such as electronic cameras, and industrial computers. Its primary sales regions include Europe, the Americas, and Asia. Additionally, some customers belong to regional enterprises. Therefore, during the audit process, it is crucial to focus more on the existence and occurrence risks of sales revenue. Since sales revenue has a significant impact on the financial statements, the auditor considers the authenticity of the aforementioned sales revenue as one of the most critical audit matters.

#### Audit procedures for the key audit matter

The audit matters cover the Company and part of its subsidiaries (investments accounted for using the equity method). The audit procedures for the specified aspects of the aforementioned key audit matters are listed as follows:

1. For the assessment and testing of the financial statements, the internal control procedures of sales transactions are based on Group's internal control system.
2. Obtaining and sampling relevant documents, such as sales invoices, to confirm that customers have taken control of the goods and assumed the risks of the goods before recognizing revenue.

## **Accounting estimate of inventory valuation**

### Description

Regarding the accounting policy for inventory valuation, please refer to Note 4(14) of the consolidated financial statements. For the accounting estimates and uncertainties related to inventory valuation, please refer to Note 5 of the consolidated financial statements. For the description of inventory accounting items, please refer to Note 6(5) of the consolidated financial statements.

The Group's primary business activities involve the manufacturing and sales of various electronic surveillance products such as image processors, electronic cameras, and industrial computers. Due to longer product cycles, certain products or spare parts may have extended inventory periods due to long-term supply and maintenance demands from customers. Adjustments to orders by customers or unexpected market sales conditions could result in price fluctuations of products or slower-than-expected turnover, leading to higher risks of inventory write-downs or obsolescence. The Group measures normal inventory for sale at the lower of cost and net realizable value. For inventory aged beyond a certain period or identified as obsolete, provision for inventory write-downs is made based on the provision for impairment policy and individual assessment.

Corresponding to the sales market and development strategies, the Group readily adjusts its stocking demands, with significant inventory balances. In addition, given high uncertainty from the management's subjective estimates on the net realizable value used in evaluating obsolete inventories, the allowance for inventory evaluation is listed as one of the key audit matters.

### Audit procedures for the key audit matter

The audit matters cover the Company and part of its subsidiaries (investments accounted for using the equity method). The audit procedures for the specified aspects of the aforementioned key audit matters are listed as follows:

1. Assessing the policy of allowance for inventory impairment with the understanding of the Group's operations.
2. Checking the management's details of outdated inventories as well as relevant

documentary evidence.

3. Testing the price basis of net realizable value for each inventory item, and randomly checking the correctness of net realizable value.

### **- Separate Financial reports**

EverFocus Electronics Corp. has prepared separate financial statements for the years 2025 and 2024, and our auditor has issued an unqualified opinion in the audit report, which is available for reference.

### **Responsibilities of Management and Those Charged with Governance for Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the propriety of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

PricewaterhouseCoopers, Taiwan

Mavis Chang

CPA

Wei-Li Hsieh

Former Financial Supervisory Commission,  
Executive Yuan  
Approval reference: Jin-Guan-Zheng-Shen-Zi  
No.0990042602

Financial Supervisory Commission  
Approval reference: Jin-Guan-Zheng-Shen-Zi  
No.1140351490

March 4, 2026



**EverFocus Electronics Corp. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2025, and December 31, 2024**

ASSETS		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Unit: NT\$ thousand						
<b>CURRENT ASSETS</b>						
1100	Cash and cash equivalents	VI (I)	\$ 60,723	7	\$ 95,786	11
1110	Financial assets at fair value through profit or loss - current	VI (II) and VIII	71,389	8	72,763	8
1136	Financial assets at amortized cost - current	VI (III) and VIII	73,912	8	74,978	9
1150	Notes receivable, net	VI (IV)	-	-	282	-
1170	Accounts receivable, net	VI (IV)	55,196	6	62,021	7
1180	Accounts receivables - Related parties, net	VI (IV) and VII	60,675	6	6,606	1
1200	Other receivables	VI (XIX)	38,177	4	2,403	-
1210	Other receivables - Related parties	VII	3,883	-	26,208	3
130X	Inventories	VI (V)	150,603	16	103,217	12
1479	Other current assets - other		18,150	2	14,259	2
11XX	<b>Total current assets</b>		<u>532,708</u>	<u>57</u>	<u>458,523</u>	<u>53</u>
<b>NON-CURRENT ASSETS</b>						
1510	Financial assets at fair value through profit or loss - non-current	VI (II)	44,760	5	31,572	4
1517	Financial assets at FVTOCI - non-current	VI (VI)	117	-	2,230	-
1550	Investments accounted for using the equity method	VI (VII)	20,709	2	13,688	2
1600	Property, plant and equipment	VI (VIII)	14,927	1	17,284	2
1755	Right-of-use assets	VI (IX) and VII	8,121	1	16,204	2
1760	Investment properties, net	VI (X) and VIII	206,532	22	209,062	24
1840	Deferred tax assets	VI (XXIV)	63,955	7	69,708	8
1930	Long-term notes and accounts receivable	VI (IV)	3,946	-	8,034	1
1990	Other non-current assets - other	VI (XI) (XIV) and VII	43,900	5	34,457	4
15XX	<b>Total non-current assets</b>		<u>406,967</u>	<u>43</u>	<u>402,239</u>	<u>47</u>
1XXX	<b>TOTAL ASSETS</b>		<u>\$ 939,675</u>	<u>100</u>	<u>\$ 860,762</u>	<u>100</u>

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**EverFocus Electronics Corp. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2025, and December 31, 2024**

Unit: NT\$ thousand

LIABILITIES AND EQUITY	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
<b>CURRENT LIABILITIES</b>						
2100	Short-term borrowings	VI (XII) and VIII	\$ 253,956	27	\$ 201,476	24
2130	Contract liabilities - current	VI (XVIII)	19,072	2	3,080	-
2170	Accounts payable		90,689	10	47,170	6
2180	Accounts payable to related parties	VII	3,278	-	1,570	-
2200	Other payables	VI (XIII)	57,775	6	45,635	5
2220	Other payables - Related parties	VII	890	-	3,468	1
2250	Provisions - current		1,429	-	1,833	-
2280	Lease liabilities - current	VII	7,375	1	9,652	1
2399	Other current liabilities - other		4,246	-	2,925	-
21XX	<b>Total current liabilities</b>		<u>438,710</u>	<u>46</u>	<u>316,809</u>	<u>37</u>
<b>NON-CURRENT LIABILITIES</b>						
2550	Provisions - noncurrent		-	-	823	-
2570	Deferred tax liabilities	VI (XXIV)	4,600	1	5,115	-
2580	Lease liabilities - non-current	VII	931	-	6,782	1
2670	Other non-current liabilities - other	VII	1,340	-	1,199	-
25XX	<b>Total non-current liabilities</b>		<u>6,871</u>	<u>1</u>	<u>13,919</u>	<u>1</u>
2XXX	<b>TOTAL LIABILITIES</b>		<u>445,581</u>	<u>47</u>	<u>330,728</u>	<u>38</u>
<b>Equity</b>						
<b>Equity attributed to the owners of the parent company</b>						
Share capital						
3110	Share Capital	VI (XV)	668,010	71	668,010	78
Capital surplus						
3200	Capital surplus	VI (XVI)	55,312	6	55,312	6
Deficit to be offset						
3350	Deficit to be offset	VI (XVII)	( 254,403)	( 27)	( 215,593)	( 25)
Other equity						
3400	Other equity		25,175	3	22,305	3
31XX	<b>Total equity attributable to owners of the Company</b>		<u>494,094</u>	<u>53</u>	<u>530,034</u>	<u>62</u>
3XXX	<b>TOTAL EQUITY</b>		<u>494,094</u>	<u>53</u>	<u>530,034</u>	<u>62</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
3X2X	<b>TOTAL LIABILITIES AND EQUITY</b>	IX	<u>\$ 939,675</u>	<u>100</u>	<u>\$ 860,762</u>	<u>100</u>

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements, please refer to them accordingly.

Chairman: Yung-Shun Chuang




Manager: Hao-Jung Shih



Head of Accounting: Chia-Wei Lin



  
**EverFocus Electronics Corp. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**January 1 to December 31, 2025, and 2024**

Unit: NT\$ thousand

(Except for losses per share in NT\$)

Item	Notes	2025		2024	
		Amount	%	Amount	%
4000 Operating revenue	VI (XVIII) and VII	\$ 506,246	100	\$ 460,280	100
5000 Operating costs	VI (V) (XXII) (XXIII) and VII	( 390,549)	( 77)	( 328,391)	( 71)
5900 Gross profit		<u>115,697</u>	<u>23</u>	<u>131,889</u>	<u>29</u>
<b>OPERATING EXPENSES</b>					
6100 Selling and marketing expenses	VI (XXII) (XXIII) and VII	( 37,148)	( 8)	( 49,440)	( 11)
6200 General and administrative expenses		( 60,149)	( 12)	( 63,817)	( 14)
6300 Research and development expenses		( 92,823)	( 18)	( 121,638)	( 26)
6450 Expected credit impairment gains (losses)	XII (II)	98	-	( 160)	-
6000 Total operating expenses		<u>( 190,022)</u>	<u>( 38)</u>	<u>( 235,055)</u>	<u>( 51)</u>
6900 Operating loss		<u>( 74,325)</u>	<u>( 15)</u>	<u>( 103,166)</u>	<u>( 22)</u>
<b>NON-OPERATING INCOME AND EXPENSES</b>					
7100 Interest income	VI (III)	3,321	1	5,476	1
7010 Other income	VI (XIX) and VII	46,989	9	32,435	7
7020 Other gains and losses	VI (VII) (XX)	( 12,134)	( 2)	20,762	4
7050 Finance costs	VI (IX) (XII) (XXI) and VII	( 6,662)	( 1)	( 5,164)	( 1)
7055 Expected credit impairment gains	VII	-	-	399	-
7060 The share of profits and losses from associates and joint ventures accounted for using the equity method	VI (VII)	<u>7,282</u>	<u>1</u>	<u>( 1,817)</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>38,796</u>	<u>8</u>	<u>52,091</u>	<u>11</u>
7900 <b>Loss before income tax</b>		<u>( 35,529)</u>	<u>( 7)</u>	<u>( 51,075)</u>	<u>( 11)</u>
7950 Income tax expenses	VI (XXIV)	( 4,811)	( 1)	( 8,717)	( 2)
8200 <b>Net loss for the period</b>		<u>(\$ 40,340)</u>	<u>( 8)</u>	<u>(\$ 59,792)</u>	<u>( 13)</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
8311 Gains on remeasurements of defined benefit plans	VI (XIV)	\$ 1,911	-	\$ 2,778	-
8316 Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	VI (VI)	( 2,113)	-	( 1,770)	-
8349 Income tax related to components that will not be reclassified to profit or loss	VI (XXIV)	( 381)	-	( 556)	-
8310 Total components of other comprehensive income that will not be reclassified to profit or loss		<u>( 583)</u>	<u>-</u>	<u>452</u>	<u>-</u>
<b>Items that may be reclassified subsequently to profit or loss</b>					
8361 Exchange differences on foreign operations translations		5,244	1	( 2,735)	( 1)
8370 Share of other comprehensive income of associates and joint	VI (VII)	( 261)	-	( 634)	-

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements, please refer to them accordingly.

Chairman: Yung-Shun Chuang



Manager: Hao-Jung Shih



Head of Accounting: Chia-Wei Lin





**EverFocus Electronics Corp. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**January 1 to December 31, 2025, and 2024**

Unit: NT\$ thousand

(Except for losses per share in NT\$)

	ventures accounted for using the equity method - items that may be reclassified subsequently to profit or loss				
8360	Total components of other comprehensive income that will be reclassified to profit or loss				
		4,983	1	( 3,369)	( 1)
8300	<b>Net other comprehensive income</b>	<u>\$ 4,400</u>	<u>1</u>	<u>(\$ 2,917)</u>	<u>( 1)</u>
8500	<b>Total comprehensive income for the period</b>	<u>(\$ 35,940)</u>	<u>( 7)</u>	<u>(\$ 62,709)</u>	<u>( 14)</u>
	Net profit (loss) attributable to:				
8610	Owners of the Corporation	<u>(\$ 40,340)</u>	<u>( 8)</u>	<u>(\$ 59,792)</u>	<u>( 13)</u>
	Total comprehensive income attributed to:				
8710	Owners of the Corporation	<u>(\$ 35,940)</u>	<u>( 7)</u>	<u>(\$ 62,709)</u>	<u>( 14)</u>
	Basic losses per share				
9750	Basic losses per share VI (XXV)	<u>(\$ 0.60)</u>		<u>(\$ 0.90)</u>	
9850	Diluted losses per share VI (XXV)	<u>(\$ 0.60)</u>		<u>(\$ 0.90)</u>	

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements, please refer to them accordingly.

Chairman: Yung-Shun Chuang




Manager: Hao-Jung Shih



Head of Accounting: Chia-Wei Lin



  
**EverFocus Electronics Corp. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**January 1 to December 31, 2025, and 2024**

Unit: NT\$ thousand

Notes	Equity attributed to the owners of the parent company						Total
	Capital surplus			Other equity			
	Share Capital	Capital surplus - Premium on share issuance	Capital surplus - Others	Deficit to be offset	Exchange differences on foreign operations translations	Unrealized valuation profit or loss on financial assets measured at fair value through other comprehensive income	
<b>2024</b>							
Balance at January 1, 2024	\$ 668,010	\$ 55,051	\$ 261	(\$ 158,023)	\$ 27,444	\$ -	\$ 592,743
Net loss for the period	-	-	-	( 59,792)	-	-	( 59,792)
Other comprehensive income (loss) for the period	-	-	-	2,222	( 3,369)	( 1,770)	( 2,917)
Total comprehensive income for the period	-	-	-	( 57,570)	( 3,369)	( 1,770)	( 62,709)
Balance at December 31, 2024	<u>\$ 668,010</u>	<u>\$ 55,051</u>	<u>\$ 261</u>	<u>(\$ 215,593)</u>	<u>\$ 24,075</u>	<u>(\$ 1,770)</u>	<u>\$ 530,034</u>
<b>2025</b>							
Balance at January 1, 2025	\$ 668,010	\$ 55,051	\$ 261	(\$ 215,593)	\$ 24,075	(\$ 1,770)	\$ 530,034
Net loss for the period	-	-	-	( 40,340)	-	-	( 40,340)
Other comprehensive income (loss) for the period	-	-	-	1,530	4,983	( 2,113)	4,400
Total comprehensive income for the period	-	-	-	( 38,810)	4,983	( 2,113)	( 35,940)
Balance at December 31, 2025	<u>\$ 668,010</u>	<u>\$ 55,051</u>	<u>\$ 261</u>	<u>(\$ 254,403)</u>	<u>\$ 29,058</u>	<u>(\$ 3,883)</u>	<u>\$ 494,094</u>

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements, please refer to them accordingly.

Chairman: Yung-Shun Chuang



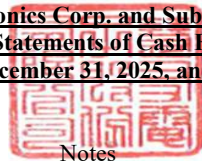
Manager: Hao-Jung Shih



Head of Accounting: Chia-Wei Lin



**EverFocus Electronics Corp. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1 to December 31, 2025, and 2024**



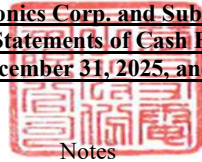
Unit: NT\$ thousand  
January 1 to  
December 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

	Notes	January 1 to December 31, 2025		January 1 to December 31, 2024
Net loss before income tax		(\$ 35,529)	(\$	51,075)
Adjustments for:				
Profit and loss items				
Depreciation	VI (VIII) (IX) (X) (XXII)	16,861		16,436
Amortization	VI (XXII)	2,873		2,129
Expected credit impairment (gain) losses	VII and XII (II)	( 98 )		239
Gain on financial assets or liabilities at fair value through profit or loss	VI (II) (XX)	( 11,814 )	(	8,961)
Finance costs	VI (IX) (XII) (XXI)	6,662		5,164
Interest income		( 3,321 )	(	5,476)
Dividend income	VI (XIX)	( 1,966 )	(	1,904)
Loss on impairment of non-financial assets	VI (VII) (XX)	6,288		1,745
Share of profits from associates and joint ventures accounted for using the equity method	VI (VII)	( 7,282 )	(	1,817)
Unrealized exchange (gain) loss on financial assets measured at amortized cost		2,856	(	4,201)
Gains on lease modifications	VI (IX)(XX)	( 6 )	(	2)
Changes in operating assets and liabilities				
Net changes in operating assets				
Financial Assets at FVTPL		-		26,152
Notes receivable		282		4,650
Accounts receivable		10,859	(	12,643)
Accounts receivable - Related parties		( 54,069 )	(	7,324)
Other receivables		( 35,757 )	(	329)
Other receivables - Related parties		22,325		16,331
Inventories		( 53,895 )	(	17,976)
Other current assets		( 3,824 )	(	9,059)
Other non-current assets		( 9,224 )	(	498)
Net changes in operating liabilities				
Contract liabilities		15,977	(	2,792)
Notes payable		-	(	100)
Accounts payable		43,544	(	9,971)
Accounts payable - Related parties		1,708	(	4,657)
Other payables		12,901		1,022
Other payables - Related parties		( 2,578 )	(	36,448)
Provisions for liabilities		( 1,187 )	(	109)
Other current liabilities		1,321	(	194)
Cash flows used in operations		( 76,093 )	(	29,098)
Income tax paid		( 59 )	(	164)
Interest received		3,321		5,476
Dividends received		1,949		1,836
Interest paid		( 6,662 )	(	5,164)
Net cash flows used in operating activities		( 77,544 )	(	27,114)

(Continued next page)

**EverFocus Electronics Corp. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1 to December 31, 2025, and 2024**



Unit: NT\$ thousand  
January 1 to  
December 31, 2024

**CASH FLOWS FROM INVESTING ACTIVITIES**

	Notes	January 1 to December 31, 2025	January 1 to December 31, 2024
Acquisition of financial assets at amortized cost		(\$ 1,790)	(\$ 1,937)
Acquisition of Financial Assets at FVTPL		-	( 30,000)
Acquisition of property, plant and equipment	VI (VIII) (XXVI)	( 1,626)	( 9,473)
Consideration from disposal of subsidiary	IV (III) and VII	-	399
Purchase of intangible assets		( 2,025)	( 4,370)
Decrease (Increase) in refundable deposits		844	( 502)
Net cash flows used in investing activities		<u>( 4,597)</u>	<u>( 45,883)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Increase in short-term borrowings	VI (XXVII)	54,911	69,025
Repayment of the principal portion of lease liabilities	VI (XXVII)	( 10,388)	( 9,967)
Increase in guarantee deposits		141	211
Net cash generated by financing activities		<u>44,664</u>	<u>59,269</u>
Effect of exchange rate change		2,414	( 1,740)
Net decrease in cash and cash equivalents		( 35,063)	( 15,468)
Balance of cash and cash equivalents at the beginning of the period		<u>95,786</u>	<u>111,254</u>
Balance of cash and cash equivalents at the end of the period		<u>\$ 60,723</u>	<u>\$ 95,786</u>

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements, please refer to them accordingly.

Chairman: Yung-Shun Chuang



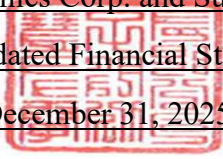
Manager: Hao-Jung Shih



Head of Accounting: Chia-Wei Lin



EverFocus Electronics Corp. and Subsidiaries  
Notes to Consolidated Financial Statements  
The Years Ended December 31, 2025 and 2024



Unit: NT\$ thousand  
(Unless otherwise noted)

I. General Information

EverFocus Electronics Corp. (hereinafter referred to as the “Company”) was established in Taiwan. Together with its subsidiaries (hereinafter collectively referred to as the “Group”), the Company specializes in the design, manufacturing, installation, sales, and agency import/export of various electronic surveillance products and equipment, including AV-over-IP devices, IP cameras, and industrial computers. The Company’s shares have been listed on the Taipei Exchanges (OTC) in March 2001 and subsequently listed on the TWSE in August 2003.

II. Approval of Financial Statements

These consolidated financial reports were approved by the board of directors on March 4, 2026.

III. Application of New and Amended Standards and Interpretations

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective dates issued by the International Accounting Standards Board</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

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

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

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

<u>Newly Issued and Revised Standards and Interpretations</u>	<u>Effective dates issued by the International Accounting Standards Board</u>
IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts involving Natural Electricity”	January 1, 2026

IFRS 17, “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Annual Improvements to IFRS Standards - Volume 11	January 1, 2026

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

(III) Impact of IFRSs issued by IASB but not yet endorsed by the FSC

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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective dates issued by the International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28 regarding “Sale or contribution of Assets Between an Investor and its Associate or Joint Venture”	To be Determined by the International Accounting Standards Board
IFRS 18 “Presentation and Disclosure of Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21 “Translation into Hyperinflationary Currencies”	January 1, 2027

Note: In a press release issued on September 25, 2025, the Financial Supervisory Commission (FSC) announced that publicly listed companies will be required to apply International Financial Reporting Standard No. 18 (hereinafter referred to as IFRS 18) starting from the 2028. In addition, if a company wishes to adopt IFRS 18 earlier, it may choose to do so once the FSC has approved IFRS 18.

Except those described below, 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 of Financial Statements”

IFRS 18 “Presentation and Disclosure of Financial Statements” replaces IAS 1 and updates the structure of the statement of comprehensive income, adds disclosure of management performance measures, and strengthens the principles of aggregation and disaggregation applied to the primary financial statements and notes.

IV. Summary of Significant Accounting Policies

Except for the statement of compliance, basis of preparation, and basis of consolidation provided below, these policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(II) Basis of preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
  - (1) Financial assets at fair value through profit or loss.
  - (2) Financial assets measured at fair value through other comprehensive income.
  - (3) Defined benefit liabilities (or assets) recognized based on the net amount of pension fund assets less present value of defined benefit obligations.
2. For the preparation of financial statements in conformity with the IFRS, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, it 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 higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements:
  - (1) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (2) 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.
  - (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
  - (4) 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.

2. Subsidiaries included in the consolidated financial statements:

<u>Name of Investor</u>	<u>Subsidiary Name</u>	<u>Business Activities</u>	<u>Proportion of Ownership (%)</u>		<u>Remark</u>
			<u>December 31, 2025</u>	<u>December 31, 2024</u>	
The Corporation	EverFocus Electronics Corp. (EverFocus U.S.)	Selling products and providing customer service for the Company	100%	100%	
The Corporation	EverFocus Electronics (Shenzhen) Co., Ltd. (EverFocus Shenzhen)	Develop, manufacture and sell commercial surveillance equipment	100%	100%	
The Corporation	EverFocus Japan Corp. (EverFocus Japan)	Selling products and providing customer service for the Company	100%	100%	

3. Subsidiaries not included in the consolidated financial statements:

<u>Name of Investor</u>	<u>Subsidiary Name</u>	<u>Business Activities</u>	<u>Proportion of Ownership (%)</u>		<u>Remark</u>
			<u>December 31, 2025</u>	<u>December 31, 2024</u>	
The Corporation	EVERHIGHLIGHT TECHNOLOGY CORP. (Everhighlight)	Manufacture and sale of optical electronic devices	-	100%	Note 1
The Corporation	EVERFOCUS ELECTRONIC S LIMITED. (EverFocus UK)	Selling products and providing customer service for the Company	-	75%	Note 2

Note 1: Everhighlight filed for dissolution and liquidation with the local court on December 27, 2023. Therefore, the Group will no longer recognize investment (loss) income related to that company from that date onwards. As of the end of the reporting period, Everhighlight has completed its dissolution and liquidation procedures.

Note 2: EverFocus UK filed for liquidation in 2013. Therefore, the Group will no longer consolidate its financial statements starting from 2013. EverFocus UK has remitted a portion of funds amounting to \$2,048 (GBP 50,969.89) and \$399 (GBP 9,939.13), respectively, in August 2023 and March 2024, and completed the dissolution and liquidation process in October 2025.

4. Adjustment for subsidiaries with different balance sheet dates: None.
5. Significant limitations: None.
6. Subsidiaries that have non-controlling interests that are material to the Group: None.

(IV) 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.

1. Foreign currency transactions and balances
  - (1) 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.
  - (2) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss for the period.
  - (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
  - (4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within "other gains and losses".
2. Translation of foreign operations:

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

  - (1) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - (2) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

- (3) All resulting exchange differences are recognized in other comprehensive income.

(V) Classification of current and non-current items

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

The Group classifies all assets that do not meet the above criteria as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:
  - (1) Expected to be settled within the normal operating cycle.
  - (2) Assets held mainly for trading purposes.
  - (3) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (4) Does not have the right to defer settlement of the liability to more than twelve months after the balance sheet date.

The Group classifies all liabilities that do not meet the above criteria as non-current liabilities.

(VI) 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 which meet the above definition and are held for the purpose of meeting short-term cash commitments should be recognized as cash equivalents.

(VII) Financial Assets at FVTPL

1. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
2. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
3. 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.
4. 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.

(VIII) Financial assets at FVTOCI

1. This refers to an irrevocable election made at initial recognition to present the fair value changes of equity instruments classified as non-trading investments in other comprehensive income.
2. The Group adopts settlement date accounting for financial assets measured at fair value through other comprehensive income in accordance with regular way trades.

3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs, and subsequently measures them at fair value:  
For equity instruments, changes in fair value are recognized in other comprehensive income and are not reclassified to profit or loss upon derecognition, but transferred to retained earnings. 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.

(IX) Financial assets at amortized cost

1. Financial assets at amortized cost are those that meet all of the following criteria:
  - (1) The objective of the Company's business model is achieved by collecting contractual cash flows.
  - (2) The assets' contractual cash flows represent solely payments of principal and interest.
2. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
3. Time deposits held by the Group that do not meet cash equivalents criteria are measured at the amount invested due to the short holding period and the effect of discounting is not significant.

(X) Accounts and notes receivable

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

(XI) Financial assets impairment

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

(XII) Derecognition of financial assets

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

(XIII) Operating leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XIV) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated

based on actual operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(XV) Equity method investments - Affiliates

1. The affiliates refer to entities over which the Group has significant influence but not control, typically by holding directly or indirectly more than 20% of the voting rights. The Group accounts for investments in associated companies using the equity method, recognizing them at cost upon acquisition.
2. The Group recognizes its share of profit or loss from the affiliates in the current period's profit or loss and its share of other comprehensive income after acquisition as other comprehensive income. If the Group's share of losses from any affiliate equals or exceeds its interest in that affiliate's equity (including any other unsecured receivables), the Group does not recognize further losses unless it has incurred a legal obligation, a presumed obligation, or has already made payments on behalf of the affiliate.
3. When there are equity changes in an affiliate that are non-profit or other comprehensive income related and do not affect the Group's shareholding percentage in the affiliate, the Group records all equity changes as 'Capital Reserves' based on its ownership proportion.
4. The unrealized gains and losses arising from transactions between the Group and the affiliates have been eliminated in proportion to the Group's interest in the affiliate. Unrealized losses are also eliminated unless evidence indicates impairment of the transferred assets. The accounting policies of associates have been adjusted as necessary to align with the policies adopted by the Group.
5. When the Group disposes of an affiliate and loses significant influence over it, the accounting treatment for all amounts previously recognized in other comprehensive income related to that affiliate follows the same basis as when the Group directly disposes of assets or liabilities. That is, any previously recognized gains or losses in other comprehensive income are reclassified to profit or loss upon disposal of the related assets or liabilities. Therefore, when significant influence over the affiliate is lost, such gains or losses are reclassified from equity to profit or loss. If significant influence over the affiliate is still retained, the amounts previously recognized in other comprehensive income are reclassified proportionally in the same manner as described above.

(XVI) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. 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.

3. 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.
4. 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:

Leasehold Improvements	3 to 6 years
Machinery and equipment	3 to 6 years
Transportation equipment	7 years
Other equipment	3 to 6 years

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

1. 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.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments include the 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.
3. The right-of-use asset is recognized at cost on the lease commencement date. The cost includes:
  - (1) The original measurement amount of the lease liability; and
  - (2) Any initial direct costs incurred.
 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.
4. When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the

right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

(XVIII) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, depreciation is provided on a straight-line basis over the estimated useful life of 56 years.

(XIX) Intangible assets

Computer software is recognized at acquisition cost and amortized by the straight-line method over its estimated useful life of 1 to 3 years.

(XX) 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. 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.

(XXI) Borrowings

These are short-term loans from banks. The Group recognizes initially at fair value, net of transaction costs incurred. Subsequently, 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.

(XXII) Accounts payable

1. Accounts payable are liabilities for purchases of raw materials, goods or services.
2. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XXIII) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled, or expire.

(XXIV) Provisions for liabilities

Provisions (including warranty) 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, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(XXV) Employee benefits

1. 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.

2. Pensions

(1) Defined contribution plans

For the defined contribution plan, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

A. 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.

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

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

3. Employee compensation and directors' remuneration

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

(XXVI) Income Tax

1. The tax expense for the period comprises current and deferred tax. 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.

2. 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 Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations and, where applicable, estimates income tax liabilities based on the

expected amounts 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 following the earnings year, after the stockholders pass a resolution on the distribution of earnings based on the actual distribution of the earnings.

3. 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 liabilities arising from the initial recognition of goodwill are not recognized. If deferred tax arises from the initial recognition of an asset or liability in a transaction (excluding a business combination) that at the time of the transaction does not affect accounting profit or taxable profit (tax loss) and does not result in taxable and deductible temporary differences of equal amounts, it is not recognized. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(XXVII) Share capital

Common stock is classified as equity. The net amount after deducting income tax from the increased cost of issuing new shares or exercising subscription rights is directly attributed as a deduction from equity.

(XXVIII) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(XXIX) Revenue recognition

1. Sales of goods
  - (1) The Group manufactures and sells industrial computers, digital video recorders, vehicle video recorders, and security surveillance related products. 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 there is objective evidence that all criteria for acceptance have been satisfied.

- (2) Sales revenue from industrial computers, digital video recorders, vehicle-mounted video recorders, and related security surveillance products is recognized at the net amount after deducting estimated quantity discounts and sales allowances from the contract price. As the time interval between the transfer of goods or services committed for sale and the customer's payment does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (3) The Group provides standard warranty on the products sold, and has the refund obligation for product defects. The provisions are recognized when the goods are sold.
- (4) 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.

2. Services revenue

The Group provides equipment installation, testing, and proxy purchase-related services. Services revenue is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the number of actual labor hours incurred to the total number of estimated labor hours. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(XXX) Government subsidy

Government subsidies are recognized at fair value when it is reasonably assured that the enterprise will comply with the conditions attached to the government subsidies and that the subsidy will be received. If the nature of the government subsidy is to compensate for expenses incurred by the Group, the subsidy is recognized in profit or loss on a systematic basis over the periods in which the related expenses are incurred.

(XXXI) 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.

V. Critical accounting Judgments and Key Sources of Estimation Uncertainty and Assumptions

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. The critical accounting estimates and assumptions made 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. Please refer to the following for the explanation of critical accounting judgments, estimates, and assumptions uncertainties:

### Critical accounting estimates and assumptions

#### 1. Valuation of Inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid change in the industry, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value. This valuation of inventories is primarily based on past product sales experience, thus there might be significant changes in the valuation.

As of December 31, 2025, the carrying amount of inventories was \$150,603.

#### 2. Realization of Deferred Income Tax Assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires management's significant accounting judgments and estimates, including assumptions about future sales revenue growth and profitability, the availability of tax credits, and tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

As of December 31, 2025, the Group recognized deferred income tax assets of \$63,955.

### VI. Descriptions of Material Accounting Items

#### (I) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working fund	\$ 460	\$ 576
Checking accounts and demand deposits	60,263	65,703
Time deposits	-	29,507
	<u>\$ 60,723</u>	<u>\$ 95,786</u>

1. 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.
2. For information on the pledge of cash and cash equivalents to others, please refer to Note VIII.

#### (II) Financial Assets at FVTPL

Item	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at FVTPL		
Stocks of listed companies	\$ 83,594	\$ 83,594
Valuation adjustments	<u>( 12,205)</u>	<u>( 10,831)</u>

	<u>\$</u>	<u>71,389</u>	<u>\$</u>	<u>72,763</u>
Non-current items:				
Financial assets mandatorily measured at FVTPL				
Stocks of non-listed companies	\$	30,000	\$	30,000
Valuation adjustments		<u>14,760</u>		<u>1,572</u>
	<u>\$</u>	<u>44,760</u>	<u>\$</u>	<u>31,572</u>

1. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at FVTPL		
Equity instruments	<u>\$</u>	<u>11,814</u>
	<u>\$</u>	<u>8,961</u>

2. For details of the Group's use of financial assets measured at fair value through profit or loss as collateral, please refer to Note VIII.

(III) Financial assets at amortized cost

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Restricted time deposits	\$	73,860
Restricted bank deposits		<u>52</u>
	<u>\$</u>	<u>73,912</u>
	<u>\$</u>	<u>74,978</u>

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

	<u>2025</u>	<u>2024</u>
Interest income	<u>\$</u>	<u>2,696</u>
	<u>\$</u>	<u>3,350</u>

2. Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of financial assets at amortized cost as of December 31, 2025, and December 31, 2024, were NT\$73,912 and NT\$74,978, respectively.
3. The information for the Group pledged its financial assets measured at amortized costs, please refer to Note 8.
4. Please refer to Note XII for information on the credit risk of financial assets measured at amortized cost. The Group invests in fixed deposits with financial institutions of good credit quality, and expects that the probability of default is very low.

(IV) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ -	\$ 282
Accounts receivable	\$ 52,161	\$ 59,225
Accounts receivable - Related parties	60,675	6,606
Installment receivables	4,287	4,229
Less: Unrealized interest income	( 90)	( 149)
Less: Loss allowance	( 1,162)	( 1,284)
	<u>\$ 115,871</u>	<u>\$ 68,627</u>
Long-term installment receivables	\$ 3,977	\$ 8,152
Less: Unrealized interest income - Long-term installment receivables	( 31)	( 118)
	<u>\$ 3,946</u>	<u>\$ 8,034</u>

1. The aging analysis of accounts receivable and notes receivable (both current and non-current) are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 118,128	\$ 74,625
Within 30 days	2,292	1,225
31-60 days	191	647
61-90 days	6	946
91-180 days	-	516
181-360 days	97	60
More than 360 days	265	208
	<u>\$ 120,979</u>	<u>\$ 78,227</u>

The above ageing analysis was based on past due date.

2. The Group does not hold any collateral over the accounts and notes receivables.
3. The balances of accounts receivable and notes receivable as of December 31, 2025 and 2024 were arising from customer contracts. As of January 1, 2024, the accounts receivable balance, unrealized interest income and allowance for losses on customer contracts were NT\$77,629, NT\$473, and NT\$1,100, respectively.
4. Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of notes receivables as of December 31, 2025, and December 31, 2024, were NT\$0 and NT\$282, respectively, and the maximum exposure to the credit risk of accounts receivable (including current and non-current portions) as of December 31, 2025, and December 31, 2024, were NT\$119,817 and NT\$76,661, respectively.

5. Please refer to Note 12(2) for information on the credit risk of notes and accounts receivable.

(V) Inventories

	<u>December 31, 2025</u>		
	<u>Costs</u>	<u>Allowance for decline in inventory value</u>	<u>Carrying Amount</u>
Raw materials	\$ 72,218	(\$ 33,674)	\$ 38,544
Semi-finished goods	37,978	( 9,761)	28,217
Work in process	63,989	-	63,989
Finished goods	29,908	( 11,597)	18,311
Merchandise Inventory	2,990	( 1,448)	1,542
	<u>\$ 207,083</u>	<u>(\$ 56,480)</u>	<u>\$ 150,603</u>

	<u>December 31, 2024</u>		
	<u>Costs</u>	<u>Allowance for decline in inventory value</u>	<u>Carrying Amount</u>
Raw materials	\$ 80,409	(\$ 42,549)	\$ 37,860
Semi-finished goods	31,692	( 8,127)	23,565
Work in process	19,591	( 219)	19,372
Finished goods	34,483	( 12,842)	21,641
Merchandise Inventory	2,996	( 2,217)	779
	<u>\$ 169,171</u>	<u>(\$ 65,954)</u>	<u>\$ 103,217</u>

The cost of inventories recognized as expense for the year:

	<u>2025</u>	<u>2024</u>
Cost of goods sold	\$ 389,760	\$ 352,976
Inventory devaluation reversal gains (Note)	( 9,358)	( 35,283)
Loss for inventory obsolescence	10,172	10,690
Gain or Loss on physical inventory	( 25)	8
	<u>\$ 390,549</u>	<u>\$ 328,391</u>

Note: In the Years Ended December 31, 2025 and 2024, the Group recognized recovery gain on inventory that had devaluation recognized in previous years.

(VI) Financial assets at FVTOCI

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		

Equity instruments		
Stocks of companies not listed on TWSE, TPEx, and Emerging Board	\$ 4,000	\$ 4,000
Valuation adjustments	( 3,883)	( 1,770)
	<u>\$ 117</u>	<u>\$ 2,230</u>

- The Group has elected to classify the aforementioned stocks, which are strategic investments, as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2025, and December 31, 2024, were NT\$117 and NT\$2,230, respectively.
- Amounts recognized in profit or loss and comprehensive income in relation to financial assets at fair value through other comprehensive income are listed below:

	<u>2025</u>	<u>2024</u>
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	<u>(\$ 2,113)</u>	<u>(\$ 1,770)</u>

- The Group has not provided any collateral with financial assets measured at fair value through other comprehensive income.

(VII) Investments accounted for using the equity method

	<u>2025</u>	<u>2024</u>
January 1	\$ 13,688	\$ 17,884
Share of profit (loss) of investments accounted for using equity method	7,282	( 1,817)
Provision of impairment loss	-	( 1,745)
Changes in other equity	<u>( 261)</u>	<u>( 634)</u>
December 31	<u>\$ 20,709</u>	<u>\$ 13,688</u>

December 31, 2025

<u>Name of Associate</u>	<u>Holding %</u>	<u>Amount presented</u>
Acrosser Technology Co., Ltd. (Acrosser Technology)	15.25%	<u>\$ 20,709</u>

December 31, 2024

<u>Name of Associate</u>	<u>Holding %</u>	<u>Amount presented</u>
Acrosser Technology Co., Ltd. (Acrosser Technology)	15.25%	<u>\$ 13,688</u>

- The Group holds a 15.25% equity interest in Acrosser Technology. Although this is

below 20%, when combined with the shares held by other related party - Fu Li Investment Co., Ltd. (whose chairman is also the chairman of the Company), the total shareholding reaches 20%. Additionally, the Group is among the top five single shareholders. After assessment, it was determined that the Group has significant influence, therefore, the investment has been accounted for using the equity method.

2. As the recoverable amount of the Group's investment in Mitac Computer was lower than the carrying amount, impairment losses of NT\$0 and NT\$1,745 were recognized for the years ended December 31, 2025 and 2024, respectively.
3. The Group has not provided any investments accounted for using the equity method as collateral.

(VIII) Property, plant and equipment  
2025

	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leasehold Improvements</u>	<u>Other equipment</u>	<u>Total</u>
January 1					
Costs	\$ 31,317	\$ 1,481	\$ 12,604	\$ 24,531	\$ 69,933
Accumulated depreciation	( 27,610)	( 1,151)	( 3,773)	( 20,115)	(52,649)
	<u>\$ 3,707</u>	<u>\$ 330</u>	<u>\$ 8,831</u>	<u>\$ 4,416</u>	<u>\$ 17,284</u>
January 1	\$ 3,707	\$ 330	\$ 8,831	\$ 4,416	\$ 17,284
Additions	1,465	-	148	13	1,626
Depreciation	( 850)	( 63)	( 1,892)	( 1,178)	( 3,983)
Net exchange difference	1	-	-	( 1)	-
December 31	<u>\$ 4,323</u>	<u>\$ 267</u>	<u>\$ 7,087</u>	<u>\$ 3,250</u>	<u>\$ 14,927</u>
December 31					
Costs	\$ 32,791	\$ 1,481	\$ 12,752	\$ 24,558	\$ 71,582
Accumulated depreciation	( 28,468)	( 1,214)	( 5,665)	( 21,308)	(56,655)
	<u>\$ 4,323</u>	<u>\$ 267</u>	<u>\$ 7,087</u>	<u>\$ 3,250</u>	<u>\$ 14,927</u>

2024

	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leasehold Improvements</u>	<u>Other equipment</u>	<u>Uncompleted constructions and equipment pending inspection</u>	<u>Total</u>
January 1						
Costs	\$ 27,819	\$ 1,428	\$ 5,099	\$ 22,640	\$ 1,791	\$ 58,777
Accumulated depreciation	( 27,051)	( 1,093)	( 1,836)	( 18,712)	-	( 48,692)
	<u>\$ 768</u>	<u>\$ 335</u>	<u>\$ 3,263</u>	<u>\$ 3,928</u>	<u>\$ 1,791</u>	<u>\$ 10,085</u>
January 1	\$ 768	\$ 335	\$ 3,263	\$ 3,928	\$ 1,791	\$ 10,085
Additions	3,450	53	5,714	1,806	-	11,023
Reclassifications	-	-	1,791	-	( 1,791)	-
Depreciation	( 513)	( 58)	( 1,937)	( 1,325)	-	( 3,833)
Net exchange difference	2	-	-	7	-	9
December 31	<u>\$ 3,707</u>	<u>\$ 330</u>	<u>\$ 8,831</u>	<u>\$ 4,416</u>	<u>\$ -</u>	<u>\$ 17,284</u>
December 31						
Costs	\$ 31,317	\$ 1,481	\$ 12,604	\$ 24,531	\$ -	\$ 69,933
Accumulated depreciation	( 27,610)	( 1,151)	( 3,773)	( 20,115)	-	( 52,649)
	<u>\$ 3,707</u>	<u>\$ 330</u>	<u>\$ 8,831</u>	<u>\$ 4,416</u>	<u>\$ -</u>	<u>\$ 17,284</u>

1. The above-mentioned property, plant and equipment are all assets for the Group's own use.
2. None of the Group's property, plant and equipment has been pledged as collateral.

(IX) Leasing arrangements-lessee

1. The Group leases various assets including buildings, and transportation equipment. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
2. The lease period of certain premises and parking spaces leased by the Group does not exceed 12 months.
3. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying Amount</u>	<u>Carrying Amount</u>
Buildings	\$ 8,121	\$ 15,762
Transportation equipment	-	442
	<u>\$ 8,121</u>	<u>\$ 16,204</u>

	<u>2025</u>	<u>2024</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Buildings	\$ 9,906	\$ 9,631
Transportation equipment	442	442
	<u>\$ 10,348</u>	<u>\$ 10,073</u>

4. Amounts of right-of-use assets added during the years ended December 31, 2025 and 2024, were NT\$2,653 and NT\$4,698, respectively.
5. Information on profit or loss in relation to lease contracts is as follows:

	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense of lease liabilities	\$ 316	\$ 465
Expense on short-term lease contracts	2,563	2,168
Gains on lease modifications	6	2

6. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$13,267 and \$12,600, respectively.

(X) Investment property

	<u>Land</u>	<u>2025</u> <u>Buildings and</u> <u>structures</u>	<u>Total</u>
January 1			
Costs	\$ 119,615	\$ 151,715	\$ 271,330



of December 31, 2025, and December 31, 2024, respectively. These values were determined based on independent appraisals conducted on January 9, 2026, June 29, 2023, and December 31, 2022, using the comparative and income approach methods. After assessment by the Group's management, it was concluded that there were no significant changes in the fair values of the investment properties. The fair values mentioned above are all classified as Level 3 fair values, with the following key assumptions:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Gross margin	2.84%~3.14%	2.94%
Income capitalization rate	0.78%~1.79%	0.61%~1.85%

3. The Group pledged its investment properties, please refer to Note 8 for more information.

(XI) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Net defined benefit assets	\$ 28,388	\$ 26,085
Guarantee deposits paid	3,558	4,402
Other assets	<u>11,954</u>	<u>3,970</u>
	<u>\$ 43,900</u>	<u>\$ 34,457</u>

(XII) Short-term borrowings

<u>Nature of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Secured loans	\$ 43,172	1.67%~2.78%	Bank time deposits Land, building and construction (listed in investment property) Stocks of listed companies (accounted as Financial Assets at FVTPL) Land, building and construction (listed in investment property)
Secured loans	160,648	2.34%~2.60%	
Secured loans	25,000	2.29%	
Secured loans	<u>25,136</u>	6.93%~7.20%	
	<u>\$ 253,956</u>		

<u>Nature of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Secured loans	\$ 44,562	1.44%~2.34%	Bank time deposits

Secured loans	143,800	2.43%~2.55%	Land, building and construction (listed in investment property)
Secured loans	13,114	7.75%	Land, building and construction (listed in investment property)
	<u>\$</u>	<u>201,476</u>	

1. The interest expense recognized in profit or loss for the years ended December 31, 2025 and 2024 were \$6,329 and \$4,682, respectively.
2. Please refer to Note 8 for the information on short-term loans pledge.

(XIII) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salaries and bonuses payable	\$ 18,014	\$ 15,447
Payable for labor services	779	1,347
Labor insurance payable	984	956
National health insurance payable	853	821
Pensions payable	1,044	921
Payable for overdue penalty	7,895	-
Others	28,206	26,143
	<u>\$ 57,775</u>	<u>\$ 45,635</u>

(XIV) Pensions

1.

- (1) The Company has established a defined benefit pension plan in accordance with the "Labor Standards Act," which applies to the service years of all formal employees prior to July 1, 2005, when the "Labor Pension Act" was implemented, as well as to the subsequent service years of employees who chose to continue to be subject to the Labor Standards Act after the implementation of the "Labor Pension Act." For employees who meet retirement conditions, pension payments are calculated based on service years and the average salary of the six months prior to retirement. For each year of service within 15 years (inclusive), two base units are given, and for each year of service beyond 15 years, one base unit is given, with a maximum accumulation of 45 base units. The Company contributes 2% of the total monthly payroll as retirement fund, which is deposited in a dedicated account under the name of the Labor Retirement Reserve Supervision Committee at the Bank of Taiwan. Additionally, at the end of each fiscal year, the Company estimates the balance in the aforementioned labor retirement reserve account. If the balance is insufficient to pay the retirement benefits calculated according to the aforementioned method for employees estimated to meet retirement conditions in the following year, the Company will make a lump-sum contribution to cover the difference by the end

of March of the following year.

In 2025 and 2024, the Company was approved by the Labor Affairs Department, New Taipei City Government to suspend the contribution to the labor retirement reserve for 2025 and 2024, respectively.

(2) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	(\$ 4,142)	(\$ 4,856)
Fair value of plan assets	<u>32,530</u>	<u>30,941</u>
Net defined benefit liability (Listed as other non-current assets)	<u>\$ 28,388</u>	<u>\$ 26,085</u>

(3) Movements in net defined benefit assets are as follows:

	<u>2025</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
Balance at January 1	(\$ 4,856)	\$ 30,941	\$ 26,085
Interest expense (income)	( 72)	464	392
	<u>( 4,928)</u>	<u>31,405</u>	<u>26,477</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,205	2,205
Change in financial assumptions	( 49)	-	( 49)
Experience adjustments	( 245)	-	( 245)
	<u>( 294)</u>	<u>2,205</u>	<u>1,911</u>
Pay retirement pension	1,080	( 1,080)	-
Balance at December 31	<u>(\$ 4,142)</u>	<u>\$ 32,530</u>	<u>\$ 28,388</u>

	<u>2024</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
Balance at January 1	(\$ 6,038)	\$ 29,057	\$ 23,019
Interest expense (income)	( 76)	364	288

	(	6,114)	29,421	23,307
Remeasurements:				
Return on plan assets (excluding amounts included in interest income or expense)	-		2,578	2,578
Change in financial assumptions	98		-	98
Experience adjustments	102		-	102
	200		2,578	2,778
Pay retirement pension	1,058	(	1,058)	-
Balance at December 31	(\$	4,856)	\$	30,941
			\$	26,085

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

	2025	2024
Discount rate	1.38%	1.50%
Future salary increases	2.50%	2.50%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined

benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Additions</u> <u>of 0.25%</u>	<u>Decrease</u> <u>0.25%</u>	<u>Additions</u> <u>of 0.25%</u>	<u>Decrease</u> <u>0.25%</u>
December 31, 2025				
Impact on the present value of defined benefit obligations	(\$ 96)	\$ 100	\$ 97	(\$ 94)
December 31, 2024				
Impact on the present value of defined benefit obligations	(\$ 95)	\$ 98	\$ 95	(\$ 93)

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (6) Expected contributions to the defined benefit pension plan of the Company for 2026 is NT\$0.
- (7) As of December 31, 2025, the weighted average duration of the retirement plan is 9.4 years.

2.

- (1) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with Taiwan nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) EverFocus Electronics (ShenZhen) CO., Ltd. contributes monthly to the old-age insurance fund at a certain rate based on the total salary of local employees in accordance with the PRC’s defined pension insurance system. Each employee’s pension is managed and arranged by the PRC government and EverFocus Shenzhen has no further obligation other than making monthly contributions.
- (3) EverFocus America and EverFocus Japan make pension contributions in accordance with local laws and regulations.
- (4) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2025 and 2024 were \$5,253 and \$4,906, respectively.

(XV) Share capital

1. As of December 31, 2025, the Company’s authorized capital was NT\$2,070,000,

consisting of 207,000 thousand shares of ordinary stock (including 30,000 thousand shares reserved for employee stock options), and the paid-in capital was NT\$668,010, divided into 66,801 thousand shares with par value of \$10 per share. All proceeds from shares issued have been collected.

2. Movements in the number of the Corporation's ordinary shares (shares in thousands) outstanding are as follows:

	<u>2025</u>	<u>2024</u>
January 1 (i.e. December 31)	66,801	66,801

(XVI) Capital surplus

Pursuant to the 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 Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(XVII) Deficit to be offset

1. According to Article of Incorporation, if the Company has earnings surplus as evidenced by the year-end accounting settlement, it shall pay taxes and make up for losses in accordance with the law and set aside 10% as a legal reserve, except when the legal reserve has reached the Company's total paid-in capital. The remainder shall be set aside or reversed as a special reserve in accordance with the laws and regulations. The Board of Directors shall prepare a proposal for the appropriation of earnings and submit it to the shareholders to resolve the distribution of dividends to shareholders if there is still a balance available, together with the accumulated undistributed earnings to allocate 0% to 100% of the distributable earnings.  
The distributable dividends or bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
2. Dividends are distributed on the basis that maintaining a sound financial structure and matching future business growth of the Company. In accordance with the Company Act, the Board of Directors prepares a proposal for the distribution of earnings each year after the approval of the shareholders' meeting, taking into account the Company's profitability and future operating needs and to protect the interests of investors. The Company adopts the following three methods to distribute dividends: capitalization of earnings, capitalization of capital surplus and cash dividends. If there is an appropriate investment plan that can increase the Company's profitability, the capitalization of earnings or capitalization of capital surplus will be used. When the capital increase affects the dividend level, cash dividends will be paid. Stock dividends

will account for 0% to 90% while cash dividends will account for 10% to 100% of the total amount of dividends paid. The actual amount of dividends paid will be determined by the amount approved at the shareholders' meeting.

3. The proposals for offsetting losses for 2024 and 2023 were approved by the shareholders' meeting on June 20, 2025, and June 21, 2024, and information on the Board of Directors' approval and the offsetting losses resolved at the shareholders' meeting is available on the "Market Observation Post System (MOPS)" of the TWSE.
4. As of December 31, 2025 and December 31, 2024, the Company had no earnings available for appropriation.

(XVIII) Operating revenue

	<u>2025</u>	<u>2024</u>
Revenue from Contracts with Customers	\$ 506,246	\$ 460,280

1. Disaggregation of revenue from contracts with customers

The Group's revenue comes from the provision of goods and services that are transferred over time and at a point in time. The revenues are segmented into the following types:

<u>2025</u>	<u>Sales</u>	<u>Services revenue</u>	<u>Total</u>
Revenue from contracts	\$ 496,643	\$ 9,603	\$ 506,246
Time of income recognition			
Income recognized at a point in time	\$ 496,643	\$ -	\$ 496,643
Revenue recognized over time	-	9,603	9,603
	<u>\$ 496,643</u>	<u>\$ 9,603</u>	<u>\$ 506,246</u>

<u>2024</u>	<u>Sales</u>	<u>Services revenue</u>	<u>Total</u>
Revenue from contracts	\$ 435,329	\$ 24,951	\$ 460,280
Time of income recognition			
Income recognized at a point in time	\$ 435,329	\$ -	\$ 435,329
Revenue recognized over time	-	24,951	24,951
	<u>\$ 435,329</u>	<u>\$ 24,951</u>	<u>\$ 460,280</u>

2. Contract liabilities

- (1) Recognized contract liabilities relative to revenue from contracts with customers are as follows:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>January 1, 2024</u>
Contract liabilities			
Sales contracts	\$ 19,072	\$ 3,080	\$ 5,776

(2) Revenue recognized during the period from the beginning amount of contract liabilities

	<u>2025</u>	<u>2024</u>
Revenue recognized during the period from contract liabilities at the beginning of the period		
Sales contracts	\$ 1,694	\$ 4,331

(XIX) Other income

	<u>2025</u>	<u>2024</u>
Rental income	\$ 7,931	\$ 6,459
Dividend income	1,966	1,904
Government subsidy income (Note)	33,500	18,420
Other incomes	3,592	5,652
	<u>\$ 46,989</u>	<u>\$ 32,435</u>

Note: Primarily, it is the subsidy from the Ministry of Transportation's project plan. As of December 31, 2025, the receivable subsidy amounted to \$33,500, which is currently in the process of government procedures, and is presented as other receivables.

(XX) Other gains and losses

	<u>2025</u>	<u>2024</u>
Gain on financial assets or liabilities at fair value through profit or loss	\$ 11,814	\$ 8,961
Loss on impairment of non-financial assets (Note)	( 6,288)	( 1,745)
(Loss) Gain on foreign exchange	( 9,598)	13,558
Gains on lease modifications	6	2
Overdue penalty loss	( 7,895)	-
Other loss	( 173)	( 14)
	<u>(\$ 12,134)</u>	<u>\$ 20,762</u>

Note: With regards to the prepaid purchases (presented as "Other current assets"), the Group

expects to generate future economic benefits at a amount lower than the book value, and therefore recognized impairment losses totaling NT\$6,288 in the year 2025.

(XXI) Finance costs

	<u>2025</u>		<u>2024</u>	
Interest on bank loans	\$	6,329	\$	4,682
Lease liabilities interests		316		465
Other interest expenses		17		17
	\$	6,662	\$	5,164

(XXII) Costs and Expenses by nature

	<u>2025</u>			<u>2024</u>		
	<u>Operating</u>	<u>Operating</u>	<u>Total</u>	<u>Operating</u>	<u>Operating</u>	<u>Total</u>
	<u>Costs</u>	<u>Expenses</u>		<u>Costs</u>	<u>Expenses</u>	
Employee benefit expenses	\$ 34,480	\$ 102,479	\$ 136,959	\$ 33,327	\$ 96,653	\$ 129,980
Depreciation	5,784	11,077	16,861	4,606	11,830	16,436
Amortization	9	2,864	2,873	28	2,101	2,129

(XXIII) Employee benefit expenses

	<u>2025</u>		<u>2024</u>	
Salaries	\$	114,653	\$	108,643
Labor and health insurance premiums		11,754		11,042
Pension expenses		4,861		4,618
Other personnel expenses		5,691		5,677
	\$	136,959	\$	129,980

1. In accordance with the Company's Articles of Incorporation, if there is a surplus after offsetting accumulated losses against the annual profit, the Company shall allocate 3% to 10.5% of such surplus as employee compensation and up to 2.5% as director compensation. At least 20% of the employee compensation shall be reserved for grassroots employees. The distribution of employee compensation shall be determined by the Board of Directors and may be made in the form of shares or cash.
2. The Company did not estimate the compensation to employees, directors and supervisors for the years ended December 31, 2025 and 2024 due to the Company had net loss before tax.
3. Information on remuneration of employees, directors and supervisors approved by the board of directors is disclosed on the MOPS.

(XXIV) Income Tax

1. Income tax expenses

(1) Components of income tax expense:

	<u>2025</u>	<u>2024</u>
Current income tax:		
Underestimation of income tax expenses in previous years	\$ 59	\$ 164
Total current income tax	<u>59</u>	<u>164</u>
Deferred income tax:		
Origination and reversal of temporary differences	4,752	8,553
Income tax expense (benefit)	<u>\$ 4,811</u>	<u>\$ 8,717</u>

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

	<u>2025</u>	<u>2024</u>
Re-measurement of defined benefit obligations	\$ 381	\$ 556

2. Reconciliation between income tax expense and accounting profit

	<u>2025</u>	<u>2024</u>
Income tax calculated by applying statutory rate to the profit before tax (Note)	(\$ 7,058)	(\$ 9,835)
Expenses to be deducted as required by tax regulations	-	945
Income exempt from tax regulation	( 2,756)	( 2,770)
Tax losses unrecognized deferred tax assets	17,381	21,396
The net investment income is not included in the income	( 2,756)	( 1,019)
Income tax expenses	<u>\$ 4,811</u>	<u>\$ 8,717</u>

Note: The basis of the applicable tax rate is determined by the local country.

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

	<u>2025</u>			
<u>January 1</u>	<u>Recognize</u> <u>d through</u> <u>profit or</u>	<u>Recognize</u> <u>d in Other</u> <u>Comprehen</u>	<u>Net exchange</u> <u>difference</u>	<u>Decembe</u> <u>r 31</u>

		<u>loss</u>		<u>sive</u>		<u>Income</u>
Deferred income tax assets:						
- Temporary differences:						
Provisions of bad debt expense	\$ 6,661	(\$ 4,855)	\$ -	(\$ 75)	\$ 1,731	
Allowance to reduce inventory to market	12,629	( 1,894)	-	( 13)	10,722	
Others	1,636	1,101	-	( 17)	2,720	
Tax losses	48,782	-	-	-	48,782	
	<u>69,708</u>	<u>( 5,648)</u>	<u>-</u>	<u>( 105)</u>	<u>63,955</u>	
Deferred income tax liabilities:						
Unrealized gain on foreign exchange	( 1,188)	896	-	-	( 292)	
Re-measurement of defined benefit plans	( 3,927)	-	( 381)	-	( 4,308)	
	<u>5,115</u>	<u>896</u>	<u>( 381)</u>	<u>-</u>	<u>( 4,600)</u>	
	<u>\$ 64,593</u>	<u>(\$ 4,752)</u>	<u>(\$ 381)</u>	<u>(\$ 105)</u>	<u>\$ 59,355</u>	

			<u>2024</u>			
	<u>January 1</u>	<u>Recognize</u>	<u>Recognize</u>	<u>Net exchange</u>	<u>December</u>	
		<u>d through</u>	<u>d in Other</u>	<u>difference</u>	<u>31</u>	
		<u>profit or</u>	<u>sive</u>			
		<u>loss</u>	<u>Income</u>			
Deferred income tax assets:						
- Temporary differences:						
Provisions of bad debt expense	\$ 6,693	(\$ 144)	\$ -	\$ 112	\$ 6,661	
Allowance to reduce inventory to market	18,949	( 6,356)	-	36	12,629	
Others	2,478	( 865)	-	23	1,636	
Tax losses	48,782	-	-	-	48,782	
	<u>76,902</u>	<u>( 7,365)</u>	<u>-</u>	<u>171</u>	<u>69,708</u>	
Deferred income tax liabilities:						

Unrealized gain on foreign exchange	-	( 1,188)	-	-	( 1,188)
Re-measurement of defined benefit plans	( 3,371)	-	( 556)	-	( 3,927)
	( 3,371)	( 1,188)	( 556)	-	( 5,115)
	\$ 73,531	(\$ 8,553)	(\$ 556)	\$ 171	\$ 64,593

4. Expiration dates of unused net operating tax losses of the Company and amounts of unrecognized deferred tax assets are as follows:

<u>Year incurred</u>	<u>December 31, 2025</u>				<u>Expiry year</u>
	<u>Amount filed/assessed</u>	<u>Unused amount</u>	<u>Unrecognized deferred tax assets amount</u>		
2017	\$ 49,598	\$ 49,598	\$ 49,598		2027
2018	89,436	89,436	89,436		2028
2019	94,356	94,356	94,356		2029
2020	69,572	69,572	69,572		2030
2021	52,064	52,064	52,064		2031
2022	58,803	58,803	58,803		2032
2023	96,841	96,841	40,363		2033
2024	102,495	102,495	-		2034
2025	84,936	84,936	-		2035
	<u>\$ 698,101</u>	<u>\$ 698,101</u>	<u>\$ 454,192</u>		

<u>Year incurred</u>	<u>December 31, 2024</u>				<u>Expiry year</u>
	<u>Amount filed/assessed</u>	<u>Unused amount</u>	<u>Unrecognized deferred tax assets amount</u>		
2015	\$ 56,076	\$ 28,696	\$ 28,696		2025
2017	49,598	49,598	49,598		2027
2018	89,436	89,436	89,436		2028
2019	94,256	94,256	94,256		2029
2020	69,562	69,562	69,562		2030
2021	51,809	51,809	51,809		2031
2022	59,023	59,023	17,106		2032
2023	96,918	96,918	-		2033
2024	105,074	105,074	-		2034

\$	671,752	\$	644,372	\$	400,463
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5. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(XXV) Losses per share

<u>Basic/Diluted Losses Per Share</u>	<u>Profit after tax</u>	<u>2025 Weighted average number of shares outstanding (thousand shares)</u>	<u>Losses per share (NT\$)</u>
Net loss for the period attributable to common shareholders of the Parent company	(\$ 40,340)	66,801	(\$ 0.60)

<u>Basic/Diluted Losses Per Share</u>	<u>Profit after tax</u>	<u>2024 Weighted average number of shares outstanding (thousand shares)</u>	<u>Losses per share (NT\$)</u>
Net loss for the period attributable to common shareholders of the Parent company	(\$ 59,792)	66,801	(\$ 0.90)

(XXVI) Supplementary Cash Flow Information

Partial Cash Payment for Investment Activities:

	<u>2025</u>	<u>2024</u>
Acquisition of real estate, plants, and equipment	\$ 1,626	\$ 11,023
Add: Equipment expenses payable at the beginning of the period	-	179
Less: Prepaid equipment expenses at the beginning of the period	-	( 1,729)
Current period cash payments	\$ 1,626	\$ 9,473

(XXVII) Changes in liabilities arising from financing activities

	<u>2025</u>		
	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 201,476	\$ 16,434	\$ 217,910
Changes in financing cash flows	54,911	( 10,388)	44,523
Additions to lease liabilities in the period	-	2,653	2,653
Disposals of lease liabilities in the period	-	( 301)	( 301)
Effect of changes in exchange rate	( 2,431)	( 92)	( 2,523)
December 31	<u>\$ 253,956</u>	<u>\$ 8,306</u>	<u>\$ 262,262</u>
	<u>2024</u>		
	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 133,636	\$ 23,331	\$ 156,967
Changes in financing cash flows	69,025	( 9,967)	59,058
Additions to lease liabilities in the period	-	4,698	4,698
Disposals of lease liabilities in the period	-	( 1,628)	( 1,628)
Effect of changes in exchange rate	( 1,185)	-	( 1,185)
December 31	<u>\$ 201,476</u>	<u>\$ 16,434</u>	<u>\$ 217,910</u>

## VII. Related Parties Transactions

### (I) Names of related parties and relationship

<u>Related Party Name</u>	<u>Relationship with the Group</u>
EVERFOCUS ELECTRONICS INDIA PRIVATE LIMITED	Subsidiary in liquidation (Note 1)
EVERFOCUS ELECTRONICS (EUROPE) GMBH	Subsidiary in liquidation (Note 1)
EVERHIGHLIGHT TECHNOLOGY CORP.	Associate
Acrosser China	Associated company (Note 2)
Acrosser Technology Co., LTD.	Other related parties
AAEON Technology Inc.	Other related parties
AAEON TECHNOLOGY (SU ZHOU) INC.	Other related parties
Onyx Healthcare Inc.	Other related parties
LYDS TECHNOLOGIES INC.	Other related parties
Spark Technologies Inc. AREC Inc.	Other related parties (Note 3)
JetWay Information Co. Ltd.	Other related parties
AAEON TECHNOLOGY (EUROPE) B.V.	Other related parties
AAEON Electronics Inc.	Other related parties

QQE Technology Co., Ltd.	Other related parties
Atech Technology Co., Ltd.	Other related parties
Outstanding Electronics (Dongguan)manufacturer Co., Ltd.	Other related parties

Note 1: Please refer to Note 4(3)3.

Note 2: On December 25, 2024, Acrosser Technology Co., Ltd. sold 100% equity of its subsidiary - Acrosser China Therefore, since that date, Acrosser China is no longer a related enterprise of the Group.

Note 3: The general manager of Spark Technologies Inc. AREC Inc. ceased to be the general manager of the Corporation on November 13, 2025. Therefore, from that day, they are no longer an other related party of the Group.

(II) Significant transactions between related parties

1. Operating revenue

	<u>2025</u>	<u>2024</u>
Sales of goods		
Associate - Acrosser	\$ 125,085	\$ 11
Other related parties -		
Other	673	6,477
	<u>\$ 125,758</u>	<u>\$ 6,488</u>
Service sales		
Associate - Acrosser	\$ 1,450	\$ 16,033
Affiliates - Other	-	1,224
Other related parties -		
ITE Tech	123	1,788
Other related parties -		
Other	1,322	2,202
	<u>\$ 2,895</u>	<u>\$ 21,247</u>

- (1) The transaction price and payment terms for the sales of goods to related parties by the Company are based on the agreed price and terms between both parties.
- (2) The Group provides procurement services to its associated enterprise, Acrosser, and in 2025 and 2024, the purchase cost of goods purchased from another related party and sold to Acrosser amounted to \$315 and \$26,551, respectively, expressed as net sales revenue.
- (3) The Group purchases raw materials and services from related parties and non-related parties, and sells semi-finished products, finished products, and services to related parties and non-related parties. For the year 2025 and 2024, the cost of raw materials and services purchased amounting to NT\$15,321 and NT\$36,714, respectively, were netted off from sales and service revenue.

2. Purchase of goods

<u>2025</u>	<u>2024</u>
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Purchases of goods			
Other related parties -			
AAEON	\$	2,681	\$ 25,882
Other related parties -			
Other		2,733	2,437
	\$	5,414	\$ 28,319

The payment terms of abovementioned purchases are the same with third parties (suppliers), and the credit terms are 30 days.

3. Accounts receivable

		<u>December 31, 2025</u>		<u>December 31, 2024</u>
Associate - Acrosser	\$	60,585	\$	4,277
Other related parties - Other		90		2,329
	\$	60,675	\$	6,606

4. Other receivables

		<u>December 31, 2025</u>		<u>December 31, 2024</u>
Subsidiary - Other	\$	344	\$	344
Associate - Acrosser		2,291		24,287
Other related parties - Other		1,248		1,577
	\$	3,883	\$	26,208

Represents amounts that are receivable by the Group for offering proxy purchase service. Balances of unsold inventory (presented as other receivables) as of December 31, 2025, and December 31, 2024 were NT\$0 and NT\$339, respectively.

5. Accounts payable

		<u>December 31, 2025</u>		<u>December 31, 2024</u>
Affiliates - Other	\$	2,787	\$	339
Other related parties - Other		491		1,231
	\$	3,278	\$	1,570

6. Other payables

		<u>December 31, 2025</u>		<u>December 31, 2024</u>
Associate - Acrosser	\$	-	\$	1,590
Other related parties - Other		890		1,878
	\$	890	\$	3,468

Represents amounts that are payable by the Group for offering proxy purchase service.

7. Total Receivables from related parties (included in other non-current assets)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary - EverFocus UK	\$ -	\$ 24,944
Less: Allowance for uncollectible accounts	-	( 24,944)
Total	<u>\$ -</u>	<u>\$ -</u>

For the fiscal year 2024, The Corporation received partial payments remitted from the EverFocus UK, and recognized NT\$399 of gains from expected credit loss reversal.

8. Leasing arrangements-lessee

(1) The Group rents office space from other related party-AREC, with a lease contract period of 2 years. Rent is paid at the beginning of each month. The lease was terminated early on December 31, 2025. The actual amount paid by the Corporation in 2025 was\$990, and gains on lease modifications of\$6 were recognized.

(2) Acquisition of right-of-use assets

	<u>2025</u>	<u>2024</u>
Other related party - AREC	\$ -	\$ 2,115

(3) Lease liabilities

A. Ending balance:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related party - AREC	\$ -	\$ 1,276

B. Interest expenses

	<u>2025</u>	<u>2024</u>
Other related party - AREC	\$ 15	\$ 29

9. Guarantee deposits received (listed under Other non-current liabilities)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associate - Acrosser	\$ 193	\$ -
Other related parties - Other	60	-
	<u>\$ 253</u>	<u>\$ -</u>

10. Software licensing fees (recognized as cost of goods sold)

	<u>2025</u>	<u>2024</u>
Other related parties - Other	\$ 3,666	\$ 9,186

11. OPERATING EXPENSES

	<u>2025</u>	<u>2024</u>
Affiliates - Other	\$ 7	\$ 5
Other related parties - Other	7,843	3,650
	<u>\$ 7,850</u>	<u>\$ 3,655</u>

The above operating expenses mainly consist of labor fees and rental expenses, which are resented as administrative expenses.

12. Rental income

	<u>2025</u>	<u>2024</u>
Affiliates - Other	\$ 1,106	-
Other related parties - Other	733	-
	<u>\$ 1,839</u>	<u>-</u>

The property is primarily leased to related parties for office.

(III) Key management compensation

	<u>2025</u>	<u>2024</u>
Salaries and other employee benefits	\$ 3,495	\$ 4,635

VIII. Pledged Assets

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

<u>Pledged assets</u>	<u>Carrying amount</u>		<u>Guarantee purpose</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Restricted time deposit (Listed in current financial assets at amortized cost)	\$ 73,860	\$ 74,926	Performance bonds for tenders, customs declarations and bank loans
Restricted time deposit (Listed in Amortized cost financial assets - current)	52	52	Government grant project guarantee deposit
Land, Building and Construction (Listed in investment property)	206,532	209,062	Bank Loan Guarantee

Stocks of listed companies (accounted as  
Financial Assets at FVTPL)

46,510	-	Bank Loan Guarantee
<u>\$ 326,954</u>	<u>\$</u>	<u>284,040</u>

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

None.

(II) Commitments

- As of December 31, 2025, and December 31, 2024, the Group had issued promissory notes of NT\$467,330 and NT\$471,728, respectively, that were required for the application of comprehensive credit line and the provision of performance bonds according to contracts signed with customers.
- As of December 31, 2025, and December 31, 2024, the Group had commissioned financial institutions to issue guarantee letters as performance guarantees for the execution of government-subsidized projects. The amount of guarantee was NT\$90,750 on all above dates.

X. Losses due to Major Disasters

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital management

The Group has set up capital management objectives to ensure continued operation, maintain the best capital structure for the reduction in cost of capital, and protect shareholders interests. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(II) Financial instruments

- Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial Assets</u>		
Financial Assets at FVTPL		
Financial assets mandatorily measured at FVTPL	\$ 116,149	\$ 104,335
Financial assets at FVTOCI		
Investment in designated equity instruments	117	2,230
Financial assets at amortized cost		
Cash and cash equivalents	60,723	95,786
Financial assets at amortized cost	73,912	74,978
Notes receivable	-	282
Accounts receivable (including related parties)	115,871	68,627

Other receivables (including related parties)	42,060	28,611
Long-term notes and accounts receivable	3,946	8,034
Refundable deposits (Listed as Other non-current assets)	3,558	4,402
	<u>\$ 416,336</u>	<u>\$ 387,285</u>

	<u>December 31, 2025</u>	<u>December 31,</u> <u>2024</u>
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 253,956	\$ 201,476
Accounts payable (including related parties)	93,967	48,740
Other payables (including related parties)	58,665	49,103
Guarantee deposits received (listed under		
Other non-current liabilities)	1,340	1,199
	<u>\$ 407,928</u>	<u>\$ 300,518</u>
Lease liabilities	<u>\$ 8,306</u>	<u>\$ 16,434</u>

2. Financial risk management policies

The Group adopts a comprehensive risk management system for the management to clearly identify, measure and control all risks to achieve effective control and measurement.

The Group's Control and management strategies are as follows:

(1) Interest rate risk:

The Group continuously keep track on the trend of interest rates and set up stop-loss points to control interest rate risks.

(2) Foreign exchange risk:

The Group uses derivative financial instruments such as currency forwards to hedge foreign currency assets or liabilities or highly probable transactions to reduce the risks in cash flows and fair value from fluctuation in foreign exchange rates. In addition, changes in foreign exchange rate are closely monitored, with a stop loss point to mitigate exchange rate risks.

(3) Credit risk:

The Group has a stringent credit evaluation policy and only trades with counterparties of good credit quality, with regular application of credit protection measures to mitigate credit risk.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Currency risk

A. The Group operates internationally and is exposed to exchange rate risk arising from transactions of the Company and subsidiaries that are denominated in various functional currency, primarily with respect to the USD, JPY and CNY. Exchange rate risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

B. The Group's management formulated policies to manage exchange rate risks relative to the functional currency of the Group and its subsidiaries. The finance department is responsible for hedging the overall exchange rate risk.

- C. The Group's businesses involve some non-functional currency operations (The functional currency of the Company and some subsidiaries is New Taiwan Dollars). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	<u>December 31, 2025</u>		
<b>(Foreign currency: functional currency)</b>	<u>Foreign currency</u> <u>(thousand)</u>	<u>Exchange</u> <u>Rate</u>	<u>Carrying</u> <u>amount (NT\$)</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 4,190	31.420	\$ 131,650
JPY:NTD	12,008	0.201	2,414
EUR:NTD	35	36.885	1,291
USD:CNY	499	6.984	15,679
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,047	31.420	\$ 64,317
USD:CNY	153	6.984	4,807

	<u>December 31, 2024</u>		
<b>(Foreign currency: functional currency)</b>	<u>Foreign currency</u> <u>(thousand)</u>	<u>Exchange</u> <u>Rate</u>	<u>Carrying</u> <u>amount (NT\$)</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 6,295	32.785	\$ 206,382
JPY:NTD	13,766	0.210	2,891
CNY:NTD	135	4.472	604
EUR:NTD	15	34.135	512
GBP:NTD	3	41.160	123
USD:CNY	558	7.331	18,294
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 687	32.785	\$ 22,523
CNY:NTD	306	4.472	1,368
USD:CNY	126	7.331	4,131

- D. The total exchange (loss) gain (including realized and unrealized) resulting

from significant currency fluctuations on all monetary items of the Group amounted to \$(9,598) and \$13,558 for the fiscal years 2025 and 2024, respectively.

- E. The analysis of the Group's foreign currency market risk due to material exchange rate fluctuations is as follows:

		<u>2025</u>		
		<u>Sensitivity analysis</u>		
		<u>Magnitude of</u>	<u>Impact on</u>	<u>Impact on other</u>
		<u>change</u>	<u>profit and loss</u>	<u>comprehensive</u>
				<u>income</u>
<b>(Foreign currency: functional currency)</b>				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	1,317	\$ -
JPY:NTD	1%		24	-
EUR:NTD	1%		13	-
USD:CNY	1%		157	-
<b>(Foreign currency: functional currency)</b>				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	643	\$ -
USD:CNY	1%		48	-

		<u>2024</u>		
		<u>Sensitivity analysis</u>		
		<u>Magnitude of</u>	<u>Impact on</u>	<u>Impact on other</u>
		<u>change</u>	<u>profit and loss</u>	<u>comprehensive</u>
				<u>income</u>
<b>(Foreign currency: functional currency)</b>				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	2,064	\$ -
JPY:NTD	1%		29	-
CNY:NTD	1%		6	-
EUR:NTD	1%		5	-
GBP:NTD	1%		1	-
USD:CNY	1%		183	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	225	\$ -

CNY:NTD	1%	14	-
USD:CNY	1%	41	-

Price risk

- A. The Group is exposed to equity instrument price risk because of investments classified as financial assets at fair value through profit or loss and through other comprehensive income. To manage the price risk arising from investments in equity instruments, the Group has diversified its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in equity instruments issued by domestic companies, of which the price of equity instruments will be affected by uncertainty of future value of the investment target. A 1% rise/fall in the price of equity instruments would increase/decrease gain or loss on equity instruments at fair value through profit or loss, and hence net income, by NT\$1,161 and NT\$1,043 for the years ended 2025 and 2024, respectively, assuming that all other factors remain unchanged. For equity investments that are carried at fair value through other comprehensive income, the above changes would increase/decrease gain or loss on investment by NT\$1 and NT\$22, respectively.

Cash flow and fair value interest rate risk

- A. The Group's main interest rate risk arises from short-term borrowings with variable rates which expose the Group to cash flow interest rate risk. The risk is partially offset by cash and cash equivalents held at floating rates. In 2025 and 2024, the Group's borrowings at floating rates were mainly denominated in USD, JPY, and NTD.
- B. A 0.25% increase or decrease in borrowing interest rates, assuming all other factors remain constant, would result in a decrease or increase of \$508 and \$403, respectively, in after-tax net profit for 2025 and 2024. This is mainly due to the variability of interest expense resulting from floating-rate borrowings.

(2) Credit risk

- A. 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 amortized cost.
- B. The Group establishes credit risk management at the group level. According to the internally specified credit policy, each operating entity within the Group must conduct management and credit risk analysis for each new customer before establishing payment terms and delivery conditions. Internal risk control evaluates customer credit quality by considering their financial condition, past experience, and other factors.

Individual risk limits are set by the board of directors based on internal or external ratings, and credit limit usage is regularly monitored.

- C. The Group adopts the assumptions under IFRS 9. The Group determines that the default occurs when the contract payments were past due over 90 days based on the terms.
- D. 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:  
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.
- E. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (1) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (2) The disappearance of an active market for that financial asset because of financial difficulties;
  - (3) Default or delinquency in interest or principal repayments;
- F. The customers' accounts receivables are segmented based on customer type by the Group. A simplified loss rate approach is used for ECL measurement based on the provision matrix.
- G. The Group has written off the recoverable amount of financial assets that could not reasonably be estimated after recourse, but will continue to pursue recourse to preserve its rights. The Group had no charged-off debt with ongoing collection activities as of December 31, 2025, and December 31, 2024.
- H.
  - (1) The expected loss rate for customers in the high-quality group is 0.03%. As of December 31, 2025, and December 31, 2024, the total carrying amount of accounts receivable and notes receivable (including current, non-current, and related parties) was \$68,818 and \$19,002, respectively. Since the expected credit losses are not significant, the allowance for losses is \$0 for all periods.
  - (2) The Group considers the world economic outlook and future prospects when adjusting the loss rate that is set up based on historical and current loss period information, in order to estimate the loss of notes receivables and allowance for doubtful accounts of customers with general credit quality. The provision matrix as of December 31, 2025, and December 31, 2024 is as follows:

	1 ~ 30 days past due	31 ~ 60 days past due	61 ~ 90 days past due	91 ~ 180 days past due	181 ~ 361 days past due	More than 360 days past due	Total
December							

<u>31, 2025</u>							
Expected loss rate	0.92%~1.39%	6.88%~14.65%	18.91%~22.34%	81.97%	100%	100%	100%
Total book value	\$ 51,175	\$ 427	\$ 191	\$ 6	\$ -	\$ 97	\$ 265
Loss allowance	\$ 709	\$ 44	\$ 42	\$ 5	\$ -	\$ 97	\$ 1,162

	Not past due	1 ~ 30 days past due	31 ~ 60 days past due	61 ~ 90	91 ~ 180	181 ~ 361	More than	Total
				days past due	days past due	days past due	360 days past due	
<u>December 31, 2024</u>								
Expected loss rate	0.36%~0.77%	2.45%~13.77%	18.97%~34.38%	31.2%~52.94%	100%	100%	100%	
Total book value	\$ 56,537	\$ 1,031	\$ 413	\$ 841	\$ 135	\$ 60	\$ 208	\$ 59,225
Loss allowance	\$ 438	\$ 26	\$ 88	\$ 329	\$ 135	\$ 60	\$ 208	\$ 1,284

- I. The Group's simplified approach of notes receivable and changes in allowance for doubtful accounts are as follows:

	<u>Notes and accounts receivable (including related parties)</u>	
	<u>2025</u>	<u>2024</u>
January 1	\$ 1,284	\$ 1,100
Provision (Reversal) of impairment loss	( 98)	160
Effect of exchange rate change	( 24)	24
December 31	\$ 1,162	\$ 1,284

The impairment losses (reversal) recognized on accounts receivable arising from customer contracts for the years ended December 31, 2025 and 2024 were (\$98) and \$160, respectively.

- J. For financial assets at amortized cost, the credit rating levels are presented below:

	<u>December 31, 2025</u>		
	<u>Based on duration</u>		
	<u>Based on 12 months</u>	<u>With significant increase in credit risk</u>	<u>Credit-impaired</u>
Financial assets at amortized cost	\$ 73,912	\$ -	\$ -
			<u>Total</u>
	\$ 73,912	\$ -	\$ 73,912

	<u>December 31, 2024</u>			
	<u>Based on duration</u>			
	<u>Based on 12</u>	<u>With</u>		
	<u>months</u>	<u>significant</u>	<u>Credit-impaired</u>	<u>Total</u>
		<u>increase in</u>		
		<u>credit risk</u>		
Financial assets at amortized cost	\$ 74,978	\$ -	\$ -	\$ 74,978

The financial assets at amortized cost are restricted bank deposits, and there is no major material in credit risk assessment.

- (3) Liquidity risk
- A. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's financial department. Group's financial department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
  - B. The Group's unused loan amount as of December 31, 2025, and December 31, 2024 was \$75,494 and \$160,324, respectively.
  - C. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>December 31, 2025</u>	<u>Within 1 year</u>	<u>Within 1-2</u>	<u>Within 2-5</u>
	<u>years</u>	<u>years</u>	<u>years</u>
Short-term borrowings	\$ 255,612	\$ -	\$ -
Accounts payable (including related parties)	93,967	-	-
Other payables (including related parties)	58,665	-	-
Lease liabilities	7,474	834	104

Non-derivative financial liabilities:

<u>December 31, 2024</u>	<u>Within 1 year</u>	<u>Within 1-2</u>	<u>Within 2-5</u>
	<u>years</u>	<u>years</u>	<u>years</u>
Short-term borrowings	\$ 203,271	\$ -	\$ -
Accounts payable (including related parties)	48,740	-	-

Other payables (including related parties)	49,103	-	-
Lease liabilities	9,901	6,544	297

D. The Group’s cash flows are not expected to occur significantly earlier than the maturity date, or to be significantly different from the actual amount.

(III) Fair value information

1. 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: Quotations that can be obtained from an active market (unadjusted) on the measurement date for asset or liability of equivalent nature. 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. The fair value of the Group’s investment in listed stocks is included in Level 1.  
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: Inputs that can not be observed for an asset or liability. This applies to all non-listed stocks invested by the Group.
2. The fair value information of investment properties measured at cost is detailed in Note 6(10). Please refer to the note for details.
3. Financial instruments not measured at fair value  
The cash and cash equivalents, financial assets measured at amortized cost - current, notes receivable, accounts receivable (including related parties), other receivables (including related parties), long-term notes and accounts receivable and amounts due, deposits for guarantee (presented as other non-current assets), overdue receivable (presented as other non-current assets), short-term borrowings, accounts payable (including related parties), other payables (including related parties), guarantee deposits received (listed under Other non-current liabilities), and lease liabilities of the Group are recorded at amounts that reasonably approximate their fair values.
4. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:  
(1) The related information of the nature of the assets and liabilities:

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>ASSETS</b>				
<u>Recurring fair value</u>				
Financial Assets at FVTPL				
Equity securities	\$ 71,389	\$ -	\$ 44,760	\$ 116,149

Financial assets at FVTOCI				
Equity securities	-	-	117	117
	<u>\$ 71,389</u>	<u>\$ -</u>	<u>\$ 44,877</u>	<u>\$ 116,266</u>

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>ASSETS</b>				
<u>Recurring fair value</u>				
Financial Assets at FVTPL				
Equity securities	\$ 72,763	\$ -	\$ 31,572	\$ 104,335
Financial assets at FVTOCI				
Equity securities	-	-	2,230	2,230
	<u>\$ 72,763</u>	<u>\$ -</u>	<u>\$ 33,802</u>	<u>\$ 106,565</u>

- (2) The Group's approaches and assumptions for fair value measurement are as follows:
- A. The Group adopts market quotations as fair value inputs (i.e., Level 1), categorized by instrument characteristics as follows:

	<u>Stocks of TWSE/TPEX listed</u>	<u>Open-end funds</u>
	<u>companies</u>	
Market quotation	Closing price	Net value

- B. Except for the aforementioned financial instruments in an active market, the fair values of other financial instruments are obtained by using valuation techniques, or by reference to the quoted prices of counterparties.
- C. The outputs of valuation models are estimated approximate values, and valuation techniques may not reflect all relevant factors of financial and non-financial instruments held by the Group. Therefore, the estimated values from valuation models are appropriately adjusted based on additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policy and related control procedures, management believes that valuation adjustments are appropriate and necessary to properly present the fair values of financial and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the valuation process are carefully evaluated and appropriately adjusted based on current market conditions.
5. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
6. Changes in Level 3 input during the nine months ended September 30, 2025 and 2024,

are explained below:

	2025		2024	
	Equity instruments		Equity instruments	
January 1	\$	33,802	\$	4,000
Purchase in the current period		-		30,000
Recognized through profit or loss (Note 1)		13,188		1,572
Recognized in Other Comprehensive Income (Note 2)	(	2,113)	(	1,770)
December 31	\$	44,877	\$	33,802

Note 1: Presented as other gains and losses.

Note 2: List unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income.

- There had been no transfer to or from Level 3 during the nine months ended September 30, 2025 and 2024.
- The Company's valuation process for financial instruments classified in the third level of fair value is conducted by the Finance and Accounting department. It involves independent fair value verification of the financial instruments, using data from independent sources to ensure that the valuation results reflect market conditions. The data sources are independent, reliable, consistent with other resources, and representative of executable prices. The department also regularly updates the input values and data required by the valuation models, as well as any necessary fair value adjustments, to ensure the reasonableness of the valuation results.
- The quantifiable information on significant unobservable input values used in the valuation models for items classified in the third level of fair value measurement and the sensitivity analysis of significant unobservable input value changes are explained as follows:

	<u>December 31,</u> <u>2025</u> <u>Fair Value</u>	<u>Valuation</u> <u>Technique</u>	<u>Significant</u> <u>Unobservable</u> <u>Input</u>	<u>Range</u> <u>(Weighted</u> <u>average)</u>	<u>Relationship</u> <u>between</u> <u>inputs and</u> <u>fair value</u>
Non-derivative equity instruments:					
Stocks of non-listed companies	\$ 117	Discounted cash flow method	Note 1	Not applicable	Note 2
Stocks of venture capital companies	44,760	Net asset value method	Not applicable	Not applicable	Not applicable

	<u>December 31,</u> <u>2024</u> <u>Fair Value</u>	<u>Valuation</u> <u>Technique</u>	<u>Significant</u> <u>Unobservable</u> <u>Input</u>	<u>Range</u> <u>(Weighted</u> <u>average)</u>	<u>Relationship</u> <u>between</u> <u>inputs and</u> <u>fair value</u>
Non-derivative equity instruments:					
Stocks of non-listed companies	\$ 2,230	Discounted cash flow method	Note 1	Not applicable	Note 2
Stocks of venture capital companies	31,572	Net asset value method	Not applicable	Not applicable	Not applicable

Note 1: Long-term revenue growth rate, weighted average cost of capital, long-term pretax operating income, lack of market liquidity discount, minority interest discount.

Note 2: The higher the long-term revenue growth rate and long-term pretax operating income, the higher the fair value; the higher the weighted average cost of capital and minority interest discount, the lower the fair value; the higher the lack of market liquidity discount, the lower the fair value.

### XIII. Separately Disclosed Items

#### (I) Information on Significant Transactions

1. Lending funds to others: Please refer to table 1.
2. Provision of endorsements and guarantees to others: Please refer to table 2.
3. Significant end-of-period holding position of marketable securities (excluding investment in subsidiaries, associated companies, and joint ventures): Please refer to Table 3.
4. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please refer to Table 4.
5. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
6. Business relationships and significant intercompany transactions between the parent company and subsidiaries: Please refer to Table 5.

#### (II) Information on Investees Companies

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

#### (III) Information on investments in Mainland China

1. Basic information: Please refer to table VII.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Table 5.

### XIV. Segment Information

#### (I) General information

The management of the Group has identified reporting segments based on the information used by the Board of Directors in making decisions. The Group's Board of Directors operates

the business from a regional perspective, with a focus on Taiwan and the United States as the two major sales regions. The operating results of other regions are consolidated and presented under the “Other segments” category. There have been no significant changes in the composition of the Group, the basis for segment allocation, or the measurement basis of segment information during the current period.

(II) Measurement of segment information

The Group’s segment profit (loss) is measured with the segment revenue and the profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note IV.

(III) Segment Information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	<u>2025</u>					Total
	Taiwan segment	U.S. segment	Other segments	Eliminations		
External revenue	\$ 471,617	\$ 13,881	\$ 20,748	\$ -	\$ -	\$ 506,246
Internal department revenue	16,423	-	48,706	( 65,129)	-	-
Segment revenue	\$ 488,040	\$ 13,881	\$ 69,454	(\$ 65,129)	\$ -	\$ 506,246
Segment profit or loss	(\$ 35,589)	\$ 5,065	\$ 891	(\$ 5,896)	(\$ -)	(\$ 35,529)
Segment profit/loss includes:						
Depreciation and amortization	\$ 18,639	\$ -	\$ 1,095	\$ -	\$ -	\$ 19,734

	<u>2024</u>					Total
	Taiwan segment	U.S. segment	Japan segment	Other segments	Eliminations	
External revenue	\$ 364,989	\$ 18,716	\$ 58,829	\$ 17,746	\$ -	\$ 460,280
Internal department revenue	67,956	2,749	-	51,159	( 121,864)	-
Segment revenue	\$ 432,945	\$ 21,465	\$ 58,829	\$ 68,905	(\$ 121,864)	\$ 460,280
Segment profit or loss	(\$ 59,962)	\$ 3,814	\$ 2,187	\$ 2,886	\$ -	(\$ 51,075)
Segment profit/loss includes:						
Depreciation and amortization	\$ 17,493	\$ -	\$ 437	\$ 635	\$ -	\$ 18,565

Note: Interdepartmental revenue has been eliminated to NT\$0.

(IV) Reconciliation for segment income (loss)

The Group’s reportable segment profit or loss is the same as that of the continuing operations.

Therefore, no reconciliation is required.

(V) Information on products and services

Please refer to Note 6, (18).

(VI) Geographical information

The Group's geographical information for 2025 and 2024 is as follows:

	<u>2025</u>		<u>2024</u>	
	NON-CURRENT		NON-CURRENT	
	Revenue	ASSETS	Revenue	ASSETS
Taiwan	\$ 331,193	\$ 227,480	\$ 191,953	\$ 241,915
Asia	25,262	2,100	91,535	635
The Americas	131,192	-	154,306	-
Europe	16,246	-	22,311	-
Others	2,353	-	175	-
	\$ 506,246	\$ 229,580	\$ 460,280	\$ 242,550

(VII) Major customer information

The following is the Group's major customer information for 2025 and 2024:

	<u>2025</u>	<u>2024</u>
A	\$ 126,535	\$ 16,044
B	109,659	124,144
C	<u>57,923</u>	<u>74,714</u>
	<u>\$ 294,117</u>	<u>\$ 214,902</u>

EverFocus Electronics Corp. and Subsidiaries  
Lending funds to others  
January 1 to December 31, 2025

Table 1 Unit: NT\$ thousand  
(Unless otherwise noted)

Serial No. (Note 1)	Lender	Borrower	Transaction (Note 2)	Whether a related party	Highest balance in the current period (Note 3)	Balance at the end of the period (Note 8)	Actual Amount Used	Interest rate range %	Nature of loan (Note 4)	Amount of business transactions (Note 5)	Reasons for short-term financing (Note 6)	Doubtful debt provisions	Collateral Name	Value	Single borrower lending limit (Note 7)	Aggregate financing limit (Note 7)	Remarks
0	EverFocus Electronics Corp. (U.S.)	EverFocus Electronics Corp. (U.S.)	Other receivables - Related parties	Yes	\$ 54,142\$	-	\$ -	2.35%	Financing	\$ -	Working capital	\$ -	None	\$ -	\$ 49,409\$	98,819	None
0	EverFocus Electronics Corp. (U.S.)	EverFocus Electronics Corp. (U.S.)	Other receivables - Related parties	Yes	38,432	38,432	38,432	2.35%	Financing	-	Working capital	-	None	-	49,409	98,819	None

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

- (1) Fill in 0 for the issuer.
- (2) Investee companies are numbered in sequence in each company type starting from Arabic numeral 1.

Note 2: Items such as related business receivables, related party receivables, amounts owed from shareholders, prepayments, payment in suspense etc. should be listed in this column if they exhibit characteristics of a loan.

Note 3: The maximum balance of lending funds to others in the current year.

Note 4: The nature of the lending funds to other shall be filled in if it is a business transaction or if there is a need for short-term financing.

Note 5: Where the nature of the lending funds to other is a business transaction, the amount of the business transaction shall be filled in. The business transaction amount refers to the amount of business transactions between the lending company and the borrowing object in the most recent year.

Note 6: If the nature of the lending funds to other is necessary for short-term financing, the reason for the loan and the purpose of the loan borrower shall be specified, such as loan repayment, purchase of equipment, business turnover, etc.

Note 7:

- (1) Where loan is granted to businesses that the Company has business dealing with, the sum of loans granted across all borrowers shall not exceed 20% of the Company's net worth, whereas the sum of loans granted to individual borrowers shall not exceed the value of business transactions between the two parties in the last year. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher.
- (2) For lending funds to companies or firms with short-term financing needs, the total amount of such lending shall not exceed 20% of the Company's net value; the amount of individual lending shall not exceed 10% of the Company's net value.

Note 8: If the public company follows Paragraph 1, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and proposes external party loan for approval by the board of directors on a transaction-by-transaction basis, all board-approved loans shall be included as part of the balance announced to public even if no disbursement has been made, so that risk exposure can be disclosed appropriately. When principals are repaid on a later date, risk exposure shall be adjusted to reflect balance after repayment. If the public company's board of directors has authorized the chairman according to Paragraph 2, Article 14 of the Regulations to grant loans in multiple disbursements or revolving drawdowns in one year up to a certain limit, the company will still have to include all board-approved limits as part of the balance announced to public. Even though principals are repaid on a later date, the board-approved limit shall still be reported as outstanding balance, considering that the limit is still available for drawdown.

EverFocus Electronics Corp. and Subsidiaries  
Endorsements/Guarantees to External Parties  
January 1 to December 31, 2025

Table 2

Unit: NT\$ thousand  
(Unless otherwise noted)

Serial No. (Note 1)	Endorser/Guarantor (Note 1)	Company Name (Note 2)	Relation ship (Note 2)	Single company endorsement / guarantee limit (Note 3)	Maximum Amount Endorsed/Guaranteed During the Period (Note 4)	Outstanding Endorsement Guarantee at End of period (Note 5)	Actual Amount Used (Note 6)	Actual Amount Endorsed/Guaranteed by Collateral (Note 6)	Ratio of Accumulated Endorsement/Guarantee to Net Equity in the Most Recent Financial Statements	Endorsement/guarantee limit (Note 3)	Subsidiary's Endorsement/Guarantee/endorsement to the parent company (Note 7)			Remarks
											Parent on Behalf of Subsidiaries (Note 7)	Parent	Guarantee/endorsement to the Mainland area (Note 7)	
0	EverFocus Electronics Corp.	EverFocus Japan Corp.	2	\$ 148,228	\$ 87,255	\$ 50,200	\$ 43,172	\$ 50,200	10.16	\$ 247,047	Y	N	N	
0	EverFocus Electronics Corp.	EverFocus Electronics Corp. (U.S.)	2	148,228	47,130	47,130	25,136	47,130	9.54	247,047	Y	N	N	

Note 1: The description of the number column is as follows:  
(1) Fill in 0 for the issuer.  
(2) Investee companies are numbered in sequence in each company type starting from Arabic numeral 1.

Note 2: There are 6 kinds of relations between the endorsement / guarantor and the endorsed / guaranteed indicated as follows:  
(1) A company with business contacts.  
(2) A company with more than 50% of its voting shares held by the Company.  
(3) The total common stock held by the parent and the subsidiary exceeds 50% of the investee company.  
(4) Parent company that directly holds or indirectly holds through its subsidiaries more than 50% of the total common stock.  
(5) A company with mutual guarantees in accordance with the contract which is in the same industry for the purpose of contracting the project.  
(6) A company that has been endorsed / guaranteed by the contributing shareholders in accordance with their shareholding ratios due to a joint investment relationship.  
(7) Joint guarantee for performance bonds under presale housing sales contracts conducted in accordance with the Consumer Protection Act among industry peers.

Note 3: The Company's endorsement / guarantee limits for individual counterparty and the maximum endorsement / guarantee limits stipulated in the procedures for endorsement / guarantee for others.  
(1) The limit of endorsement and guarantee provided to a single party shall not exceed 20% of the Company's net value, except that for a single overseas affiliate, the limit shall not exceed 30% of the net value. If the endorsement and guarantee is for business purposes, it shall not exceed the total amount of transactions with the Company in the most recent year (whichever is the higher of purchase or sale between the two parties).  
(2) The total amount of external endorsements / guarantees shall not exceed 50% of the Corporation's net value.

Note 4: The maximum balance of Endorsements for others in the current year.

Note 5: The Company shall assume the obligation of endorsement or guarantee when the endorsement or guarantee contract or note lines are approved by the bank at the end of the period. Any other related endorsement or guarantee should be included in the endorsement or guarantee balance.

Note 6: The actual amount of the Company's disbursement within the range of using the balance of the endorsements / guarantees shall be entered.

Note 7: For the parent company providing endorsement guarantees to its subsidiary, for the subsidiary providing endorsement guarantees to the parent company, and for endorsers from mainland China, please indicate "Y" in the respective columns.

EverFocus Electronics Corp. and Subsidiaries  
Significant End-of-Period Holding Position of Marketable Securities (Excluding Investment in Subsidiaries, Associated Companies, and Joint Ventures)  
December 31, 2025

Table 3

Unit: NT\$ thousand  
(Unless otherwise noted)

Holding Company Name	Type and Name of Marketable Securities		Relationship with the Holding Company	Financial Statement Account	Number of shares	End of period		Fair Value	Remarks
	Category	Name (Note 1)				Book value (Note 2)	Shareholding percentage		
EverFocus Electronics Corp.	Shares	Taiwan Semiconductor Manufacturing Company Limited.	-	Current financial assets measured at fair value through profit or loss	17,000\$	26,350	-	\$26,350	Note 3
"	"	Oneness Biotech Co., Ltd.	-	"	62,998	3,503	0.01%	3,503	None
"	"	Top Union Electronics Corp.	-	"	377,881	10,958	0.25%	10,958	"
"	"	Castles Technology Co., Ltd.	-	"	128,100	8,570	0.12%	8,570	"
"	"	Allied Supreme Corp.	-	"	8,000	1,848	0.01%	1,848	"
"	"	Advantech Co., Ltd.	-	"	70,000	20,160	0.01%	20,160	Note 4
						<u>\$ 71,389</u>		<u>\$ 71,389</u>	
EverFocus Electronics Corp.	Shares	Dunpin Two Innovation Investment Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	3,000,000\$	44,760	7.59%	<u>\$ 44,760</u>	None
EverFocus Electronics Corp.	Shares	Spark Technologies Inc. AREC Inc.	-	Non-current financial assets at fair value through Other comprehensive income or loss	400,000\$	117	2.64%	<u>\$ 117</u>	None

Note 1: The term "securities" in this table refers to the stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial instruments."

Note 2: For those measured at fair value, the column for the carrying amount should be the balance of the carrying amount after fair value adjustment and net of accumulated impairment. For those who are not measured at fair value, the column for the carrying amount should be the carrying amount of the initial acquisition cost or amortized cost less accumulated impairment.

Note 3: As of December 31, 2025, the Corporation had pledged 17,000 shares of marketable securities (with a carrying amount of \$26,350) as collateral.

Note 4: As of December 31, 2025, the Corporation had pledged 70,000 shares of marketable securities (with a carrying amount of \$20,160) as collateral.

EverFocus Electronics Corp. and Subsidiaries  
 Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital:  
 January 1 to December 31, 2025

Table 4

Unit: NT\$ thousand  
 (Unless otherwise noted)

<u>Buyer/Seller</u>	<u>Counterparty Name</u>	<u>Relationship</u>	<u>Purchase or Sale</u>	<u>Transaction Details</u>			<u>Payment Terms and Reason for Abnormal Transaction</u>		<u>Accounts/Notes Receivable or Payable</u>			<u>Remarks</u>
				<u>Amount</u>	<u>% to Total Purchases or Sales (%)</u>	<u>Credit Period</u>	<u>Unit Price</u>	<u>Credit Period</u>	<u>Balance</u>	<u>% to Total Notes/Accounts Receivable or Payable (%)</u>		
EverFocus Electronics Corp.	EVERHIGHLIGHT TECHNOLOGY CORP.	Associate	(Sale) \$	125,085	26	Note	\$ -	-	\$ 60,585	46	Note	

The transaction price and payment terms for the sales of goods to related parties by the Company are based on the agreed price and terms between both parties.

EverFocus Electronics Corp. and Subsidiaries  
Business Relationships and Significant Intercompany Transactions between the Parent Company and Subsidiaries  
January 1 to December 31, 2025

Table 5

Unit: NT\$ thousand  
(Unless otherwise noted)

Serial No. (Note 1)	Company Name	Counterparty	Relationship with the transacting party (Note 2)	Financial Statement Account	Transaction Details		As a percentage of consolidated revenues or total assets (Note 3) (Note 3)
					Amount	Payment Terms	
0	EverFocus Electronics Corp.	EverFocus Electronics Corp. (U.S.)	1	Accounts receivable	\$ 5,592	180 days after month-end	0.60%
"	"	"	"	Other receivables - Related parties	38,432	Lending of funds	4.09%
"	"	"	"	Other payables - Related parties	6,120	60 days after month-end	0.65%
"	"	"	"	Sales	7,314	180 days after month-end	1.44%
"	"	EverFocus Electronics (Shenzhen) Co., Ltd.	"	Professional service expense	16,534	60 days after month-end	3.27%
"	"	"	"	Accounts receivable	4,827	180 days after month-end	0.51%
"	"	"	"	Accounts payable	10,123	60 days after month-end	1.08%
"	"	"	"	Sales	6,071	180 days after month-end	1.20%
"	"	"	"	Purchase of goods	48,824	60 days after month-end	9.64%
"	"	"	"	Professional service expense	1,294	"	0.26%
"	"	EverFocus Japan Corp.	"	Accounts receivable	2,301	180 days after month-end	0.24%
"	"	"	"	Sales	3,038	"	0.60%

Note 1: The business information between the parent company and the subsidiaries shall be indicated in the number column, and the number shall be filled in as follows:

- (1) Parent company is "0".
- (2) The subsidiaries are numbered in order starting from "1".

Note 2: Related party transactions are distinguished into one of three categories, as shown below. Only the category is indicated (no duplicate disclosure is made on two counterparties of the same transaction; for example, in a parent-to-subsidiary transaction, no disclosure is made on the subsidiary's end if disclosure has already been made on the parent company's end; in a subsidiary-to-subsidiary transaction, no disclosure is made on one subsidiary's end if disclosure has already been made on the other subsidiary):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: For the calculation of the ratio of the transaction amount to the total consolidated revenue or total assets, if it belongs to the account of assets and liabilities, it shall be calculated in the way that the ending balance accounts for the total consolidated assets; if it belongs to the account of income, it shall be calculated in the way that the accumulated amount in the period accounts for the total consolidated revenue.

Note 4: Individual transactions less than \$1,000 will not be disclosed; in addition, the asset income is used as the disclosure method, and its relative transactions will not be disclosed.

EverFocus Electronics Corp. and Subsidiaries  
Names, Locations and Information on Investees (Excluding Mainland Investees)  
January 1 to December 31, 2025

Table 6

Unit: NT\$ thousand  
(Unless otherwise noted)

<u>Name of Investor</u>	<u>Investee Company Name</u>	<u>Location</u>	<u>Main Businesses and Products</u>	<u>Original Investment Amount</u>		<u>End-of-period holding position</u>			<u>Net Profit or Loss of the Investee</u>		<u>Investment Income (Loss)</u>	<u>Remarks</u>
				<u>End of current period</u>	<u>End of previous year</u>	<u>Number of shares</u>	<u>Percentage (%)</u>	<u>Carrying Amount</u>				
EverFocus Electronics Corp.	EverFocus Electronics Corp. (U.S.)	U.S.A.	Selling products and providing customer service for the Company	\$ 93,941	\$ 93,941	8,934,000	100%	(\$ 64,218)	\$ 5,066	\$ 5,066	Subsidiary of the Company	
"	EverFocus Japan Corp.	Japan	Selling products and providing customer service for the Company	35,697	35,697	200	100%	( 43,372)	( 2,608)	( 2,608)	Subsidiary of the Company	
"	EVERFOCUS ELECTRONICS INDIA PRIVATE LIMITED	UK	Selling products and providing customer service for the Company	44,719	44,719	-	-	-	-	-	Subsidiary of the Company (Note)	
"	EVERHIGHLIGHT TECHNOLOGY CORP.	Taiwan	Distribution of domestic and overseas computer products, peripherals, and accessories and IT-related products, and leasing service	18,000	18,000	1,800,000	15.25%	20,709	56,820	7,282	Investee accounted by the Corporation using the equity method.	

Note: EverFocus UK has completed the dissolution and liquidation process in October 2025.

EverFocus Electronics Corp. and Subsidiaries  
Information on Mainland Investments - Basic Information  
January 1 to December 31, 2025

Table 7

Unit: NT\$ thousand  
(Unless otherwise noted)

<u>Investee</u> <u>Company Name</u>	<u>Main Businesses</u> <u>and Products</u>	<u>Paid-in Capital</u> <u>(Note 2)</u>	<u>Method of</u> <u>Investment</u>	<u>Opening</u> <u>cumulative balance</u> <u>of investment</u> <u>capital invested</u> <u>from Taiwan (Note</u> <u>3)</u>	<u>Remitted or repatriated amount of</u> <u>investment for the period</u>		<u>Closing</u> <u>cumulative</u> <u>balance of</u> <u>investment capital</u> <u>invested from</u> <u>Taiwan (Note 3)</u> <u>(Note 3)</u>	<u>Net Profit</u> <u>or Loss of</u> <u>the Investee</u>	<u>Percentage of</u> <u>Ownership in</u> <u>Direct or</u> <u>Indirect</u> <u>Investment</u>	<u>Investment</u> <u>Income (Loss)</u> <u>(Note 4)</u>	<u>Closing</u> <u>amount of</u> <u>investment</u> <u>carrying</u> <u>amount of</u> <u>investment</u>	<u>Investment</u> <u>gains</u> <u>recovered in</u> <u>the current</u> <u>period</u>	<u>Remarks</u>
					<u>Outward Remittance</u>	<u>Recovered</u>							
EverFocus Electronics (Shenzhen) Co., Ltd.	Develop, manufacture and sell commercial surveillance equipment	\$ 64,748	Note 1	\$ 64,748	\$ -	\$ -	\$ 64,748	\$ 3,440	100%	\$ 4,040	\$ 14,193	\$ -	

Note 1: Invested in Mainland China by other remittances.

Note 2: That Company's paid-in capital was RMB15,119 thousand in original currency.

Note 3: The accumulated amount of remittance from Taiwan to Mainland China in original currency at the beginning and end of the period were both US\$2,050 thousand.

Note 4: The investment gains or losses recognized in the current period were evaluated and disclosed in accordance with the financial statements audited by the parent company's accountants in Taiwan.

Approved limit on Mainland investments

<u>Company Name</u>	<u>Accumulated Outward Remittance for</u> <u>Investments from Taiwan to Mainland</u> <u>China at the end of the period</u> <u>(Note 1)</u>	<u>Investment Amounts Authorized</u> <u>by Investment Commission,</u> <u>MOEA</u> <u>(Note 2)</u>	<u>Upper Limit on the Amount of Investment</u> <u>Stipulated by the Investment Commission,</u> <u>M.O.E.A</u>
	EverFocus Electronics Corp.\$	64,748\$	64,748\$

Note 1: The accumulated amount of remittance from Taiwan to Mainland China in original currency was US\$2,050 thousand at the end of the period.

Note 2: The amount of investment approved by the Investment Commission of the Ministry of Economic Affairs is US\$2,050 thousand.