

EverFocus Electronics Corp. and Subsidiaries
Consolidated Financial Statements with
Independent Auditor's Report
For the Three Months Ended March 31, 2026 and
2025
(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
Consolidated Financial Statements with Independent Auditor’s Review Report for the
First Quarters of 2026 and 2025
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Independent Auditor's Review Report

(2026) Financial Audit Report No.26000396

The Board of Directors and Shareholders of EVERFOCUS ELECTRONICS CORP.

Foreword

We have reviewed the accompanying consolidated balance sheets of EverFocus Electronics Corp. and its subsidiaries (the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. It is the responsibility of the management to prepare and ensure fair presentation of consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the version of IAS 34 - "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. Our responsibility as auditor is to form a conclusion based on our review.

Scope

Except for the issues discussed in the "Basis of reservation" paragraph, we, the auditors, have performed the review in accordance with Standards on Review Engagements No. 2410 - "Financial Statement Review." The procedures executed in our review of consolidated financial statements include inquiry (mainly with employees responsible for financial and accounting affairs), analysis, and other review-related processes. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are therefore unable to provide an audit opinion.

Basis of Reservation

As stated in Note VI(VII) to the consolidated financial statements, the financial statements for the corresponding periods of the investments accounted for using the equity method included in the consolidated financial statements for the first quarters of 2026 and 2025 were not reviewed by CPAs. The balances of such investments accounted for using the equity method as of March 31, 2026 and 2025 were NT\$25,363 thousand and NT\$12,531 thousand, respectively, accounting for 2.54% and 1.52% of total consolidated

assets, respectively. For the periods from January 1 to March 31, 2026 and 2025, the shares of profit or loss and other comprehensive income of associates accounted for using the equity method recognized were NT\$4,654 thousand and NT\$(1,157) thousand, respectively, accounting for 21.44% and 2.51% of total consolidated comprehensive income, respectively.

Reservation

Based on our review, except for the possible effects of adjustments that might have been determined to be necessary had the financial statements of the investments accounted for using the equity method described in the Basis for Qualified Conclusion paragraph been reviewed by CPAs, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission, such that they fail to present fairly the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and consolidated cash flows for the three months ended March 31, 2026 and 2025.

PricewaterhouseCoopers Taiwan

Wei-Li Hsieh

CPA

Shu-Chiung Chang

Financial Supervisory Commission

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

Former Financial Supervisory Commission,
Executive Yuan

Approval reference: Jin-Guan-Zheng-Shen-Zi
No.0990042602


May 11, 2026


 EverFocus Electronics Corp. and Subsidiaries
 Consolidated Balance Sheet
 March 31, 2026, December 31, 2025, and March 31, 2025

Unit: NT\$ thousand

	Assets	Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	VI (I)	\$ 76,148	8	\$ 60,723	7	\$ 69,715	9
1110	Current financial assets at fair value through profit or loss	VI (II) and VIII	-	-	71,389	8	69,828	9
1136	Current financial assets at amortized cost	VI (III) and VIII	166,261	17	73,912	8	74,713	9
1150	Notes receivable, net	VI (IV)	202	-	-	-	620	-
1170	Accounts receivable, net	VI (IV)	67,647	7	55,196	6	60,906	7
1180	Accounts receivables - Related parties, net	VI (IV) and VII	643	-	60,675	6	486	-
1200	Other receivables	VI (V)	52,930	5	38,177	4	3,535	-
1210	Other receivables - Related parties	VII	4,157	-	3,883	-	8,299	1
130X	Inventories	VI (VII)	137,282	14	150,603	16	127,959	16
1479	Other current assets - Other		<u>21,360</u>	<u>2</u>	<u>18,150</u>	<u>2</u>	<u>17,786</u>	<u>2</u>
11XX	Total current assets		<u>526,630</u>	<u>53</u>	<u>532,708</u>	<u>57</u>	<u>433,847</u>	<u>53</u>
Non-current assets								
1510	Non-current financial assets measured at fair value through profit or loss	VI (II)	57,523	6	44,760	5	22,260	3
1517	Non-current financial assets at fair value through Other comprehensive income or loss	VI (VI)	117	-	117	-	2,230	-
1550	Investments accounted for using the equity method	VI (VIII)	25,363	3	20,709	2	12,531	2
1600	Property, plant and equipment	VI (IX)	14,407	1	14,927	1	16,508	2
1755	Right-of-use assets	VI (X) and VII	6,932	1	8,121	1	16,329	2
1760	Investment property, net	VI (XI) and VIII	205,899	21	206,532	22	208,429	25
1780	Intangible assets		13,009	1	676	-	996	-
1840	Deferred income tax assets	VI (XXV)	63,998	6	63,955	7	69,740	8
1930	Long-term notes and accounts receivable	VI (IV)	2,813	-	3,946	-	7,005	1
1990	Other non-current assets - Other	VI (II) (XII) and VII	<u>82,040</u>	<u>8</u>	<u>43,224</u>	<u>5</u>	<u>34,263</u>	<u>4</u>
15XX	Total non-current assets		<u>472,101</u>	<u>47</u>	<u>406,967</u>	<u>43</u>	<u>390,291</u>	<u>47</u>
1XXX	Total assets		<u>\$ 998,731</u>	<u>100</u>	<u>\$ 939,675</u>	<u>100</u>	<u>\$ 824,138</u>	<u>100</u>

(Continued next page)


 EverFocus Electronics Corp. and Subsidiaries
 Consolidated Balance Sheet
 March 31, 2026, December 31, 2025, and March 31, 2025

Unit: NT\$ thousand

Liabilities and equity	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	VI (XIII) and VIII	\$ 282,762	28	\$ 253,956	27	\$ 204,234	25
2130	Contract liabilities - Current	VI (XIX)	33,977	3	19,072	2	3,100	-
2170	Accounts payable		91,860	9	90,689	10	58,529	7
2180	Accounts payable - Related parties	VII	1,388	-	3,278	-	696	-
2200	Other payables	VI (XIV)	52,310	5	57,775	6	42,409	5
2220	Other payables - Related parties	VII	615	-	890	-	3,980	1
2250	Provisions - Current		1,448	-	1,429	-	1,258	-
2280	Lease liabilities - Current	VII	5,931	1	7,375	1	10,426	1
2399	Other current liabilities - Other		5,663	1	4,246	-	3,319	1
21XX	Total current liabilities		<u>475,954</u>	<u>47</u>	<u>438,710</u>	<u>46</u>	<u>327,951</u>	<u>40</u>
Non-current liabilities								
2550	Provisions - Non-current		-	-	-	-	132	-
2570	Deferred income tax liabilities	VI (XXV)	4,600	1	4,600	1	5,115	-
2580	Lease liabilities - Non-current	VII	1,153	-	931	-	6,130	1
2670	Other non-current liabilities - Other	VII	1,219	-	1,340	-	962	-
25XX	Total non-current liabilities		<u>6,972</u>	<u>1</u>	<u>6,871</u>	<u>1</u>	<u>12,339</u>	<u>1</u>
2XXX	Total liabilities		<u>482,926</u>	<u>48</u>	<u>445,581</u>	<u>47</u>	<u>340,290</u>	<u>41</u>
Equity								
Equity attributable to owners of the Company								
Share capital								
3110	Ordinary share	VI (XVI)	668,010	67	668,010	71	668,010	81
Capital surplus								
3200	Capital surplus	VI (XVII)	55,312	5	55,312	6	55,312	7
Deficit to be offset								
3350	Deficit to be offset	VI (XVIII)	(232,086)	(23)	(254,403)	(27)	(258,612)	(31)
Other equity items								
3400	Other equity items		24,569	3	25,175	3	19,138	2
31XX	Total equity attributable to owners of the Company		<u>515,805</u>	<u>52</u>	<u>494,094</u>	<u>53</u>	<u>483,848</u>	<u>59</u>
3XXX	Total equity		<u>515,805</u>	<u>52</u>	<u>494,094</u>	<u>53</u>	<u>483,848</u>	<u>59</u>
Significant contingent liabilities and unrecognized commitments								
3X2X	Total liabilities and equity	IX	<u>\$ 998,731</u>	<u>100</u>	<u>\$ 939,675</u>	<u>100</u>	<u>\$ 824,138</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
For the three months ended March 31, 2026 and 2025

Unit: NT\$ thousand
(Except for earnings (losses) per share in NT\$)

	Item	Notes	January 1 to March 31, 2026		January 1 to March 31, 2025	
			Amount	%	Amount	%
4000	Operating income	VI (XIX) and VII	\$ 179,881	100	\$ 85,699	100
5000	Operating cost	VI (VII) (XXIII) (XXIV) and VII	(150,330)	(84)	(70,262)	(82)
5900	Operating gross profit		29,551	16	15,437	18
	Operating expense	VI (XXIII) (XXIV) and VII				
6100	Selling expense		(13,046)	(7)	(8,697)	(10)
6200	General and administrative expenses		(11,732)	(7)	(14,823)	(18)
6300	Research and development expense		(18,542)	(10)	(17,335)	(20)
6450	Expected credit impairment losses	XII (II)	(3,427)	(2)	(233)	-
6000	Total operating expenses		(46,747)	(26)	(41,088)	(48)
6900	Operating loss		(17,196)	(10)	(25,651)	(30)
	Non-operating income and expenses					
7100	Interest income	VI (III)	857	-	915	1
7010	Other income	VI (XX) and VII	16,882	9	2,520	3
7020	Other gains and losses	VI (XXI)	18,900	11	(18,116)	(21)
7050	Finance costs	VI (X) (XIII) (XXII) and VII	(1,722)	(1)	(1,468)	(2)
7060	Share of profits and losses from associates and joint ventures accounted for using the equity method	VI (VIII)	4,654	3	(1,157)	(1)
7000	Total non-operating income and expenses		39,571	22	(17,306)	(20)
7900	Profit (Loss) before income tax		22,375	12	(42,957)	(50)
7950	Income tax expense	VI (XXV)	(58)	-	(62)	-
8200	Net profit (loss) for the period		\$ 22,317	12	\$ 43,019	(50)
	Other comprehensive income (loss)					
	Items that will not be reclassified subsequently to profit or loss					
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(\$ 606)	-	(\$ 3,167)	(4)
8360	Total components of other comprehensive income that may be reclassified to profit or loss		(606)	-	(3,167)	(4)
8300	Net other comprehensive income		(\$ 606)	-	(\$ 3,167)	(4)
8500	Total comprehensive income (loss) for the period		\$ 21,711	12	\$ 46,186	(54)
	Net profit (loss) attributable to:					
8610	Owners of the Company		\$ 22,317	12	(\$ 43,019)	(50)
	Total comprehensive income attributed to:					
8710	Owners of the Company		\$ 21,711	12	(\$ 46,186)	(54)
	Basic earnings (losses) per share					
9750	Basic earnings (losses) per share	VI (XXVI)	\$ 0.33		(\$ 0.64)	
	Diluted earnings (losses) per share					
9850	Diluted earnings (losses) per share	VI (XXVI)	\$ 0.33		(\$ 0.64)	

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
For the three months ended March 31, 2026 and 2025



Unit: NT\$ thousand

	Equity attributable to owners of the Company						Total
	Capital surplus			Other equity items			
Notes	Ordinary share	Capital surplus - Premium on share issuance	Capital surplus - Others	Deficit to be offset	Foreign operations financial Exchange on translation of financial statements Difference	through other comprehensive income Measured at fair value through Unrealized valuation profit or loss on financial assets Valuation profit or loss	
<u>January 1 to March 31, 2025</u>							
Balance at January 1, 2025	\$ 668,010	\$ 55,051	\$ 261	(\$ 215,593)	\$ 24,075	(\$ 1,770)	\$ 530,034
Net loss for the period	-	-	-	(43,019)	-	-	(43,019)
Other comprehensive income (loss) for the period	-	-	-	-	(3,167)	-	(3,167)
Total comprehensive income (loss) for the period	-	-	-	(43,019)	(3,167)	-	(46,186)
Balance at March 31, 2025	<u>\$ 668,010</u>	<u>\$ 55,051</u>	<u>\$ 261</u>	<u>(\$ 258,612)</u>	<u>\$ 20,908</u>	<u>(\$ 1,770)</u>	<u>\$ 483,848</u>
<u>January 1 to March 31, 2026</u>							
Balance at January 1, 2026	\$ 668,010	\$ 55,051	\$ 261	(\$ 254,403)	\$ 29,058	(\$ 3,883)	\$ 494,094
Net profit (loss) for the period	-	-	-	22,317	-	-	22,317
Other comprehensive income (loss) for the period	-	-	-	-	(606)	-	(606)
Total comprehensive income (loss) for the period	-	-	-	22,317	(606)	-	21,711
Balance at March 31, 2026	<u>\$ 668,010</u>	<u>\$ 55,051</u>	<u>\$ 261</u>	<u>(\$ 232,086)</u>	<u>\$ 28,452</u>	<u>(\$ 3,883)</u>	<u>\$ 515,805</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
For the three months ended March 31, 2026 and 2025

Unit: NT\$ thousand

	Notes	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Cash flows from operating activities</u>			
Profit (Loss) before income tax		\$ 22,375	(\$ 42,957)
Adjustments			
Income, expenses, and losses:			
Depreciation expense	VI (IX) (X) (XI) (XXIII)	3,974	4,276
Amortization expense	VI (XXIII)	1,066	813
Expected credit impairment losses	XII (II)	3,427	233
Gain or loss on financial assets or liabilities at fair value through profit or loss	VI (II) (XXI)	(17,919)	12,247
Loss on impairment of non-financial assets	VI (XXI)	-	6,288
Finance costs	VI (X) (XIII) (XXII)	1,722	(1,468)
Interest income		(857)	(915)
Dividend income	VI (XX)	(13,223)	-
Share of profits (losses) from associates and joint ventures accounted for using the equity method	VI (VIII)	(4,654)	1,157
Unrealized gain on financial assets measured at amortized cost		(1,193)	(749)
Changes in operating assets and liabilities			
Net changes in operating assets			
Financial assets at fair value through profit or loss		76,545	-
Notes receivable		(202)	(338)
Accounts receivable		(14,672)	2,007
Accounts receivable - Related parties		60,032	6,120
Other receivables		(1,530)	(1,200)
Other receivables - Related parties		(274)	17,909
Inventories		13,506	(24,589)
Other current assets		(3,143)	(9,752)
Other non-current assets		(351)	(201)
Changes in operating liabilities			
Contract liabilities		14,874	15
Accounts payable		1,095	11,289
Accounts payable - Related parties		(1,890)	(874)
Other payables		(5,779)	(3,493)
Other payables - Related parties		(275)	512
Provisions		3	(1,279)
Other current liabilities		1,417	394
Cash flows from (used in) operations		134,074	(24,555)
Income tax paid		(58)	(62)
Interest received		857	915
Dividends received		-	68
Interest paid		(1,722)	1,468
Net cash flows from (used in) operating activities		133,151	(22,166)

(Continued next page)


EverFocus Electronics Corp. and Subsidiaries
Consolidated Statements of Cash Flows
For the three months ended March 31, 2026 and 2025

Unit: NT\$ thousand

	Notes	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 91,156)	(\$ 452)
Disposal of financial assets measured at amortized cost		-	1,466
Acquisition of property, plant and equipment	VI (IX)	(476)	(243)
Acquisition of intangible assets		(2,000)	(1,736)
Increase in prepaid investment (Listed as Other non-current assets)	VI (XII)	(50,000)	-
Decrease in refundable deposits		136	322
Net cash flows used in investing activities		(143,496)	(643)
<u>Cash flows from financing activities</u>			
Increase (Decrease) in short-term borrowings	VI (XXVII)	28,090	(119)
Payment of lease liabilities	VI (XXVII)	(2,368)	(2,616)
Decrease in guarantee deposits received		(121)	(237)
Net cash flows from (used in) financing activities		25,601	(2,972)
Effect of exchange rate changes		169	(290)
Increase (Decrease) in cash and cash equivalents for the period		15,425	(26,071)
Cash and cash equivalents at beginning of period		60,723	95,786
Cash and cash equivalents at end of period		\$ 76,148	\$ 69,715

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
For the Three Months Ended March 31, 2026 and 2025



Unit: NT\$ thousand
(Unless otherwise noted)

I. Company History

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. Date and Procedures for the Authorization of Financial Reports

These consolidated financial reports were approved by the Board of Directors on May 11, 2026.

III. Application of New, Amended and Revised 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 2026 are as follows:

<u>New, revised or amended 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 Accounting Standards— Volume 11	January 1, 2026

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 9 and IFRS 7 "Classification and Measurement of Financial Instruments"

Update the irrevocable election designated as equity instruments measured at fair value through other comprehensive income (FVOCI) to disclose their fair value by each category, without the need to disclose fair value information by each item. In addition, the amount of fair value gains or losses recognized in other comprehensive income during the reporting period should be disclosed, showing separately the amount of fair value gains or losses related to investments disposed of during the reporting period and the amount related to investments still held at the end of the reporting period; as well as the accumulated gains or losses transferred to equity during the reporting period from investments disposed of during the reporting period.

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

None.

(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 to a Hyperinflationary Currency"	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, all other significant accounting policies are unchanged from Note IV of the 2025 consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Statement of compliance

1. The consolidated financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the version of IAS 34 - "Interim Financial Reporting" approved, announced, and effected by FSC.
2. These consolidated financial statements should be read in conjunction with the 2025 consolidated financial statements.

(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. Preparation of financial report that complies with the version of International Financial Reporting Standards, International Accounting Standards and interpretations approved, announced, and effected by the FSC (collectively referred to as "IFRSs" below) involves some use of critical accounting estimates, and the management is required to exercise some judgment when applying the Group's accounting policies. Please refer to Note V for highly complex and significant assumptions and estimates made in relation to the consolidated financial report.

(III) Basis of consolidation

1. Basis of preparation for consolidated financial statements

Basis of preparation for this consolidated financial report is identical to the 2025 consolidated financial report.

2. Subsidiaries included in the consolidated financial report:

<u>Name of investment company</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Percentage of ownership</u>			<u>Description</u>
			<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	
The Company	EverFocus Electronics Corp. (EverFocus U.S.)	Selling products and providing customer service for the Company	100%	100%	100%	
The Company	EverFocus Electronics (Shenzhen) Co., Ltd. (EverFocus Shenzhen)	Develop, manufacture and sell commercial surveillance equipment	100%	100%	100%	
The Company	EverFocus Japan Corp. (EverFocus Japan)	Selling products and providing customer service for the Company	100%	100%	100%	

3. Subsidiaries not included in the consolidated financial report:

<u>Name</u>	<u>Name</u>	<u>Nature of business</u>	<u>Percentage of ownership</u>			<u>Description</u>
			<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	
The Company	Everhighlight Technology Corp. (Everhighlight)	Manufacture and sale of optical electronic devices	-	-	100%	Note 1
The Company	EverFocus Electronics 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. Methods for aligning subsidiaries' accounting periods: None.
5. Significant limitations: None.
6. Subsidiaries that have non-controlling interests that are material to the Group: None.

(IV) Employee benefits

Pensions

Pension costs for the interim period are calculated using the pension cost rate determined actuarially as of the end of the previous financial year, based on the period from the beginning of the year to the end of the period. In case of significant market changes and major reductions, settlements, or other major one-time events after the end date, adjustments should be made, and relevant information should be disclosed based on the abovementioned policy.

(V) Income tax

Income taxes for the interim period are calculated by applying estimated average effective tax rate for the year to pre-tax profit/loss for the interim period. Relevant information is disclosed based on the abovementioned policy.

V. Major Sources of Critical Accounting Judgments, Estimates, and Assumption Uncertainties

There were no significant changes in the current period; please refer to Note V of the 2025 consolidated financial report.

VI. Explanation of Significant Accounts

(I) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand and working fund	\$ 356	\$ 460	\$ 467
Checking accounts and demand deposits	<u>75,792</u>	<u>60,263</u>	<u>69,248</u>
	<u>\$ 76,148</u>	<u>\$ 60,723</u>	<u>\$ 69,715</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to diversify 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 fair value through profit or loss

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Stocks of listed companies	<u>\$ -</u>	<u>\$ 71,389</u>	<u>\$ 69,828</u>
Non-current items:			
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Stocks of non-listed companies	<u>\$ 57,523</u>	<u>\$ 44,760</u>	<u>\$ 22,260</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>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value		
Equity instruments	<u>\$ 17,919</u>	<u>(\$ 12,247)</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.
3. In February 2026, the Group subscribed to the equity of Domipin Innovation No. 5 Xinglin Co., Ltd., paying an investment amount of NT\$50,000. As of March 31, 2026, the company had not yet completed its registration, and the amount is temporarily recorded as prepaid investment (presented as "Other non-current assets"). The company completed its establishment registration on April 22, 2026, and will subsequently be re-classified as non-current financial assets measured at fair value through profit or loss in accordance with regulations.

(III) Financial assets at amortized cost

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Restricted time deposits	\$ 166,209	\$ 73,860	\$ 74,661
Restricted bank deposits	<u>52</u>	<u>52</u>	<u>52</u>
	<u>\$ 166,261</u>	<u>\$ 73,912</u>	<u>\$ 74,713</u>

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

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Interest income	<u>\$ 780</u>	<u>\$ 689</u>

2. In the absence of collaterals and other credit enhancements, the maximum credit exposure that best represented the Group's financial assets carried at amortized cost as of March 31, 2026, December 31, 2025, and March 31, 2025 amounted to NT\$166,261, NT\$73,912, and NT\$74,713, respectively.
3. For information on the pledge of financial assets measured at amortized costs, please refer to Note VIII.
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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Notes receivable	<u>\$ 202</u>	<u>\$ -</u>	<u>\$ 620</u>

Accounts receivable	\$	67,967	\$	52,161	\$	58,351
Accounts receivable - Related parties		643		60,675		486
Installment receivables		4,361		4,287		4,229
Less: Unrealized interest income	(76)	(90)	(134)
Less: Loss allowance	(4,605)	(1,162)	(1,540)
	\$	<u>68,290</u>	\$	<u>115,871</u>	\$	<u>61,392</u>
Long-term installment receivables	\$	2,831	\$	3,977	\$	7,095
Less: Unrealized interest income - Long-term installment receivables	(18)	(31)	(90)
	\$	<u>2,813</u>	\$	<u>3,946</u>	\$	<u>7,005</u>

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Not overdue	\$ 60,407	\$ 118,128	\$ 66,395
Within 30 days	10,123	2,292	700
31-60 days	5,010	191	1,047
61-90 days	-	6	415
91-180 days	-	-	1,583
181-360 days	-	97	234
More than 360 days	<u>370</u>	<u>265</u>	<u>183</u>
	<u>\$ 75,910</u>	<u>\$ 120,979</u>	<u>\$ 70,557</u>

The above aging analysis was based on past due days.

2. The Group does not hold any collateral over the accounts and notes receivables.
 3. Accounts receivable and notes receivable as of March 31, 2026, December 31, 2025, and March 31, 2025 were arising from customer contracts. As of January 1, 2025, the accounts receivable balance, unrealized interest income and allowance for losses on customer contracts were NT\$78,227, NT\$267, and NT\$1,284, respectively.
 4. In the absence of collaterals and other credit enhancements, maximum credit risk exposure that best represented the Group's notes receivables as of March 31, 2026, December 31, 2025, and March 31, 2025 totaled NT\$202, NT\$0, and NT\$620, respectively; maximum credit exposure that best represented the Group's accounts receivable (including current and non-current portions) as of March 31, 2026, December 31, 2025, and March 31, 2025 totaled NT\$71,103, NT\$119,817, and NT\$68,397, respectively.
 5. Please refer to Note 12(2) for information on the credit risk of notes and accounts receivable.
- (V) Other receivables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Dividends receivable	\$ 13,223	\$ -	\$ -
Government subsidy receivable (Note)	33,500	33,500	-
Other receivables	<u>6,207</u>	<u>4,677</u>	<u>3,535</u>
	<u>\$ 52,930</u>	<u>\$ 38,177</u>	<u>\$ 3,535</u>

Note: Primarily, it is the subsidy from the Ministry of Transportation's project plan. As of March 31, 2026, the receivable subsidy amounted to NT\$33,500, currently under processing by

government agencies.

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

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
Equity instruments			
Stocks of companies not listed on TWSE, TPEX, and Emerging Board	\$ 117	\$ 117	\$ 2,230

1. The Group has elected to classify the aforementioned stocks, which are strategic investments, as financial assets measured at fair value through other comprehensive income.
2. None of the Group's financial assets at fair value through other comprehensive income was placed as collateral.

(VII) Inventories

	<u>March 31, 2026</u>		
	<u>Costs</u>	<u>Allowance for decline in inventory value</u>	<u>Carrying amount</u>
Raw materials	\$ 85,840	(\$ 36,235)	\$ 49,605
Semi-finished goods	40,374	(9,098)	31,276
Work in progress	38,479	-	38,479
Finished goods	27,573	(11,727)	15,846
Merchandise Inventory	<u>3,572</u>	<u>(1,496)</u>	<u>2,076</u>
	<u>\$ 195,838</u>	<u>(\$ 58,556)</u>	<u>\$ 137,282</u>
	<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 progress	63,989	-	63,989
Finished goods	29,908	(11,597)	18,311
Merchandise Inventory	<u>2,990</u>	<u>(1,448)</u>	<u>1,542</u>
	<u>\$ 207,083</u>	<u>(\$ 56,480)</u>	<u>\$ 150,603</u>
	<u>March 31, 2025</u>		
	<u>Costs</u>	<u>Allowance for decline in inventory value</u>	<u>Carrying amount</u>
Raw materials	\$ 98,889	(\$ 45,973)	\$ 52,916
Semi-finished goods	30,525	(11,470)	19,055
Work in progress	30,761	-	30,761
Finished goods	39,106	(14,673)	24,433
Merchandise Inventory	<u>3,278</u>	<u>(2,484)</u>	<u>794</u>
	<u>\$ 202,559</u>	<u>(\$ 74,600)</u>	<u>\$ 127,959</u>

The cost of inventories recognized as expense for the year:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Cost of goods sold	\$ 148,335	\$ 61,766
Inventory devaluation losses	<u>1,995</u>	<u>8,496</u>
	<u>\$ 150,330</u>	<u>\$ 70,262</u>

(VIII) Investments accounted for using the equity method

	<u>2026</u>	<u>2025</u>
January 1	\$ 20,709	\$ 13,688
Share of profit (loss) of investments accounted for using equity method	<u>4,654</u>	<u>(1,157)</u>
March 31	<u>\$ 25,363</u>	<u>\$ 12,531</u>

	<u>March 31, 2026</u>	
<u>Names of associates</u>	<u>Holding %</u>	<u>Amount presented</u>
Acrosser Technology Co., Ltd. (Acrosser Technology)	15.25%	<u>\$ 25,363</u>

	<u>December 31, 2025</u>	
<u>Names of associates</u>	<u>Holding %</u>	<u>Amount presented</u>
Acrosser Technology Co., Ltd. (Acrosser Technology)	15.25%	<u>\$ 20,709</u>

	<u>March 31, 2025</u>	
<u>Names of associates</u>	<u>Holding %</u>	<u>Amount presented</u>
Acrosser Technology Co., Ltd. (Acrosser Technology)	15.25%	<u>\$ 12,531</u>

1. 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. The Group has not provided any investments accounted for using the equity method as collateral.

(IX) Property, plant and equipment

	2026				
	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leasehold Improvements</u>	<u>Other equipment</u>	<u>Total</u>
January 1					
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>
January 1	\$ 4,323	\$ 267	\$ 7,087	\$ 3,250	\$ 14,927
Increase	-	476	-	-	476
Depreciation expense	(264)	(16)	(463)	(263)	(1,006)
Net exchange difference	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>10</u>
March 31	<u>\$ 4,064</u>	<u>\$ 727</u>	<u>\$ 6,624</u>	<u>\$ 2,992</u>	<u>\$ 14,407</u>
March 31					
Costs	\$ 32,839	\$ 1,957	\$ 12,752	\$ 24,636	\$ 72,184
Accumulated depreciation	(28,775)	(1,230)	(6,128)	(21,644)	(57,777)
	<u>\$ 4,064</u>	<u>\$ 727</u>	<u>\$ 6,624</u>	<u>\$ 2,992</u>	<u>\$ 14,407</u>
	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
Increase	95	-	148	-	243
Depreciation expense	(205)	(16)	(476)	(333)	(1,030)
Net exchange difference	<u>4</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>11</u>
March 31	<u>\$ 3,601</u>	<u>\$ 314</u>	<u>\$ 8,503</u>	<u>\$ 4,090</u>	<u>\$ 16,508</u>
March 31					
Costs	\$ 31,450	\$ 1,480	\$ 12,752	\$ 24,597	\$ 70,279
Accumulated depreciation	(27,849)	(1,166)	(4,249)	(20,507)	(53,771)
	<u>\$ 3,601</u>	<u>\$ 314</u>	<u>\$ 8,503</u>	<u>\$ 4,090</u>	<u>\$ 16,508</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.

(X) 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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 6,932	\$ 8,121	\$ 15,998
Transportation equipment	-	-	331
	<u>\$ 6,932</u>	<u>\$ 8,121</u>	<u>\$ 16,329</u>

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Buildings	\$ 2,335	\$ 2,503
Transportation equipment	-	110
	<u>\$ 2,335</u>	<u>\$ 2,613</u>

4. Amounts of right-of-use assets added during the three months ended March 31, 2026 and 2025, were NT\$1,127 and NT\$2,653, respectively.
5. Information on profit or loss in relation to lease contracts is as follows:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 51	\$ 88
Expense on short-term lease contracts	735	730

6. Amounts of cash outflow incurred on leases totaled NT\$3,154 and NT\$3,434 for the three months ended March 31, 2026 and 2025, respectively.

(XI) Investment property

	<u>2026</u>		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
January 1			
Costs	\$ 119,615	\$ 151,776	\$ 271,391
Accumulated depreciation	-	(64,859)	(64,859)
	<u>\$ 119,615</u>	<u>\$ 86,917</u>	<u>\$ 206,532</u>
January 1	\$ 119,615	\$ 86,917	\$ 206,532

Depreciation expense		<u>-</u>	<u>(633)</u>	<u>(633)</u>
March 31		<u>\$ 119,615</u>	<u>\$ 86,284</u>	<u>\$ 205,899</u>
March 31				
Costs	\$	119,615	\$ 152,069	\$ 271,684
Accumulated depreciation		<u>-</u>	<u>(65,785)</u>	<u>(65,785)</u>
		<u>\$ 119,615</u>	<u>\$ 86,284</u>	<u>\$ 205,899</u>

	<u>2025</u>		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
January 1			
Costs	\$ 119,615	\$ 151,715	\$ 271,330
Accumulated depreciation	<u>-</u>	<u>(62,268)</u>	<u>(62,268)</u>
	<u>\$ 119,615</u>	<u>\$ 89,447</u>	<u>\$ 209,062</u>
January 1	\$ 119,615	\$ 89,447	\$ 209,062
Depreciation expense	<u>-</u>	<u>(633)</u>	<u>(633)</u>
March 31	<u>\$ 119,615</u>	<u>\$ 88,814</u>	<u>\$ 208,429</u>
March 31			
Costs	\$ 119,615	\$ 151,940	\$ 271,555
Accumulated depreciation	<u>-</u>	<u>(63,126)</u>	<u>(63,126)</u>
	<u>\$ 119,615</u>	<u>\$ 88,814</u>	<u>\$ 208,429</u>

- Rental income from the investment property and direct operating expenses arising from investment property are shown below:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Rental income from investment property	<u>\$ 1,652</u>	<u>\$ 1,514</u>
Direct operating expenses arising from investment property that generated rental income	<u>\$ 633</u>	<u>\$ 633</u>

- The investment properties held by the Group include the Xizhi Office Building and the Shenkeng factory and office building, with fair value of NT\$535,258 as of March 31, 2026, December 31, 2025, and NT\$570,920 as of March 31, 2025. These values were determined based on independent appraisals conducted on January 9, 2026, June 29, 2023, and December 31, 2022, respectively, using both the comparative approach and the income approach. 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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Gross margin	2.84%~3.14%	2.84%~3.14%	2.94%
Income capitalization rate	0.78%~1.79%	0.78%~1.79%	0.61%~1.85%

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

(XII) Other non-current assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
prepaid investment	\$ 50,000	\$ -	\$ -
Net defined benefit assets	28,486	28,388	26,183
Guarantee deposits paid	3,422	3,558	4,080
Other assets	<u>132</u>	<u>11,278</u>	<u>4,000</u>
	<u>\$ 82,040</u>	<u>\$ 43,224</u>	<u>\$ 34,263</u>

(XIII) Short-term borrowings

<u>Nature of borrowings</u>	<u>March 31, 2026</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Secured loans	\$ 43,129	1.80%~2.78%	Bank time deposits
Secured loans	191,648	2.34%~2.60%	Land, building and construction (listed in investment property)
Secured loans	<u>47,985</u>	6.81%	Land, building and construction (listed in investment property)
	<u>\$ 282,762</u>		

<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
Secured loans	160,648	2.34%~2.60%	Land, building and construction (listed in investment property)
Secured loans	25,000	2.29%	Stocks of listed companies (accounted as financial assets at fair value through profit or loss)
Secured loans	<u>25,136</u>	6.93%~7.20%	Land, building and construction (listed in investment property)
	<u>\$ 253,956</u>		

<u>Nature of borrowings</u>	<u>March 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			

Secured loans	\$	47,234	1.66%~2.34%	Bank time deposits
Secured loans		140,400	2.44%~2.55%	Land, building and construction (listed in investment property)
Secured loans		<u>16,600</u>	7.32%	Land, building and construction (listed in investment property)
	\$	<u>204,234</u>		

1. NT\$1,654 and NT\$1,364 of interest expense were recognized in profit or loss for the three months ended March 31, 2026 and 2025, respectively.
2. Please refer to Note 8 for the information on short-term loans pledge.

(XIV) Other payables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Salaries and bonuses payable	\$ 14,061	\$ 18,014	\$ 12,897
Payable for labor services	906	779	1,086
Labor insurance payable	955	984	979
National health insurance payable	816	853	820
Pensions payable	1,027	1,044	930
Payable for overdue penalty	7,895	7,895	-
Others	<u>26,650</u>	<u>28,206</u>	<u>25,697</u>
	<u>\$ 52,310</u>	<u>\$ 57,775</u>	<u>\$ 42,409</u>

(XV) 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 2026 and 2025, the Company was approved by the Labor Affairs Department, New Taipei City Government to suspend the contribution to the labor retirement reserve for 2026 and 2025, respectively.

- (2) The pension costs recognized under the above policies were NT\$(98) for January 1 to March 31, 2026 and 2025.
- (3) Expected contributions to the defined benefit pension plan of the Company for 2026 is

NT\$0.

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 U.S. and EverFocus Japan make pension contributions in accordance with local laws and regulations.
- (4) Total pension costs recognized under the above policies amounted to NT\$1,327 and NT\$1,279 for the three months ended March 31, 2026 and 2025, respectively.

(XVI) Share capital

1. As of March 31, 2026, 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 Company's ordinary shares (shares in thousands) outstanding are as follows:

	<u>2026</u>	<u>2025</u>
January 1 (i.e. March 31)	<u>66,801</u>	<u>66,801</u>

(XVII) 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.

(XVIII) Deficit to be offset

1. According to Article of Incorporation, if the Company has earnings surplus as evidenced by the year-end account closure, 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 proposal for offsetting losses for 2024 was approved by the shareholders' meeting on June 20, 2025, 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. During the meeting held on March 11, 2026, the board of directors resolved that the Company made operating losses and thus had no earning available for distribution. This proposal is still pending for resolution in a shareholders' meeting.
5. As of March 31, 2026 and 2025, the Company had no earnings available for appropriation.

(XIX) Operating income

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Revenue from Contracts with Customers	<u>\$ 179,881</u>	<u>\$ 85,699</u>

1. Breakdown 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>January 1 to March 31, 2026</u>	<u>Sales revenue</u>	<u>Services revenue</u>	<u>Total</u>
Revenue from contracts	<u>\$ 177,357</u>	<u>\$ 2,524</u>	<u>\$ 179,881</u>
Time of income recognition			
Income recognized at a point in time	\$ 177,357	\$ -	\$ 177,357
Revenue recognized over time	<u>-</u>	<u>2,524</u>	<u>2,524</u>
	<u>\$ 177,357</u>	<u>\$ 2,524</u>	<u>\$ 179,881</u>
<u>January 1 to March 31, 2025</u>	<u>Sales revenue</u>	<u>Services revenue</u>	<u>Total</u>
Revenue from contracts	<u>\$ 84,459</u>	<u>\$ 1,240</u>	<u>\$ 85,699</u>
Time of income recognition			
Income recognized at a point in time	\$ 84,459	\$ -	\$ 84,459
Revenue recognized over time	<u>-</u>	<u>1,240</u>	<u>1,240</u>
	<u>\$ 84,459</u>	<u>\$ 1,240</u>	<u>\$ 85,699</u>

2. Contract liabilities

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	<u>January 1, 2025</u>
Contract liabilities				
Sales contracts	<u>\$ 33,977</u>	<u>\$ 19,072</u>	<u>\$ 3,100</u>	<u>\$ 3,080</u>

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

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Revenue recognized during the period from contract liabilities at the beginning of the period		
Sales contracts	<u>\$ 13,853</u>	<u>\$ 640</u>

(XX) Other income

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Rental income	\$ 2,091	\$ 1,805
Dividend income	13,223	-
Other income - others	<u>1,568</u>	<u>715</u>
	<u>\$ 16,882</u>	<u>\$ 2,520</u>

(XXI) Other gains and losses

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Gain (Loss) on financial assets or liabilities at fair value through profit or loss	\$ 17,919	(\$ 12,247)
Loss on impairment of non-financial assets (Note)	-	(6,288)
Gain on foreign exchange	<u>981</u>	<u>419</u>
	<u>\$ 18,900</u>	<u>(\$ 18,116)</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 of NT\$6,288 for the three months ended March 31, 2025.

(XXII) Finance costs

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Interests on bank borrowings	\$ 1,654	\$ 1,364
Interests on lease liabilities	51	88

Other interest expenses	17	16
	<u>\$ 1,722</u>	<u>\$ 1,468</u>

(XXIII) Costs and expenses by nature

	<u>January 1 to March 31, 2026</u>			<u>January 1 to March 31, 2025</u>		
	<u>Included in operating cost</u>	<u>Included in operating expense</u>	<u>Total</u>	<u>Included in operating cost</u>	<u>Included in operating expense</u>	<u>Total</u>
Employee benefit expenses \$	8,304	\$ 25,882	\$ 34,186	\$ 8,206	\$ 24,633	\$ 32,839
Depreciation expense	1,421	2,553	3,974	1,426	2,850	4,276
Amortization expense	330	736	1,066	9	804	813

(XXIV) Employee benefit expenses

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Wages and salaries	\$ 28,466	\$ 27,218
Labor and health insurance premiums	3,082	2,953
Pension costs	1,229	1,181
Other personnel expenses	1,409	1,487
	<u>\$ 34,186</u>	<u>\$ 32,839</u>

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 had accumulated losses for the period from January 1 to March 31, 2026, and 2025, and therefore did not estimate the compensation for employees and directors.
3. Information on remuneration of employees, directors and supervisors approved by the board of directors is disclosed on the MOPS.

(XXV) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Current income tax:		
Underestimation of income tax expenses in previous years	\$ 58	\$ 62
Total current income tax	<u>58</u>	<u>62</u>
Income tax expense (benefit)	<u>\$ 58</u>	<u>\$ 62</u>

- (2) The Company's income tax returns through 2024 have been assessed and approved by the Tax Authority.
3. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Deferred income tax assets:			
- Temporary differences:			
Excess bad debts	\$ 1,763	\$ 1,731	\$ 6,684
Allowance for inventory devaluation loss	10,727	10,722	12,633
Others	2,726	2,720	1,641
Tax losses	<u>48,782</u>	<u>48,782</u>	<u>48,782</u>
	<u>63,998</u>	<u>63,955</u>	<u>69,740</u>

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Deferred income tax liabilities:			
Unrealized gain on foreign exchange	(292)	(292)	(1,188)
Re-measurement of defined benefit plans	(4,308)	(4,308)	(3,927)
	(4,600)	(4,600)	(5,115)
	<u>\$ 59,398</u>	<u>\$ 59,355</u>	<u>\$ 64,625</u>

(XXVI) Earnings (Losses) per share

	<u>Amount after tax</u>	<u>January 1 to March 31, 2026 Weighted average number of shares outstanding (thousand shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic/Diluted earnings per share</u>			
Net profit for the period attributable to common shareholders of the parent company	\$ 22,317	66,801	\$ 0.33

	<u>Amount after tax</u>	<u>January 1 to March 31, 2025 Weighted average number of shares outstanding (thousand shares)</u>	<u>Losses per share (NT\$)</u>
<u>Basic/Diluted losses per share</u>			
Net loss for the period attributable to common shareholders of the Parent company	(\$ 43,019)	66,801	(\$ 0.64)

(XXVII) Changes in liabilities arising from financing activities

	<u>2026</u>		
	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 253,956	\$ 8,306	\$ 262,262
Changes in financing cash flows	28,090	(2,368)	25,722
Additions to lease liabilities in the period	-	1,127	1,127
Effect of exchange rate changes	716	19	735
March 31	<u>\$ 282,762</u>	<u>\$ 7,084</u>	<u>\$ 289,846</u>

	<u>2025</u>		
	<u>Short-term</u> <u>borrowings</u>	<u>Lease liabilities</u>	Total liabilities from financing activities
January 1	\$ 201,476	\$ 16,434	\$ 217,910
Changes in financing cash flows	(119)	(2,616)	(2,735)
Additions to lease liabilities in the period	-	2,653	2,653
Effect of exchange rate changes	<u>2,877</u>	<u>85</u>	<u>2,962</u>
March 31	<u>\$ 204,234</u>	<u>\$ 16,556</u>	<u>\$ 220,790</u>

VII. Related party transactions

(I) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
EVERFOCUS ELECTRONICS LIMITED.	Subsidiary in liquidation (Note 1)
Everhighlight Technology Corp.	Subsidiary in liquidation (Note 1)
Acrosser Technology Co., Ltd.	Associated company
AAEON Technology Inc.	Other related parties
AAEON Technology (SuZhou) Inc.	Other related parties
ONYX HEALTHCARE INC.	Other related parties
LYDS TECHNOLOGIES INC.	Other related parties
SPARK TECHNOLOGIES INC.	Other related parties
AREC Inc.	Other related parties (Note 2)
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 IV(III)3.

Note 2: 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 and balances with related parties

1. Operating income

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Sales of goods		
Associate - Acrosser	\$ 77,326	\$ -

Other related parties - Other	<u>567</u>	<u>6</u>
	<u>\$ 77,893</u>	<u>\$ 6</u>
Service sales		
Associate - Acrosser	\$ -	\$ 300
Other related parties - Other	<u>-</u>	<u>173</u>
	<u>\$ -</u>	<u>\$ 473</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 for the three months ended March 31, 2026, and March 31, 2025, the purchase cost of goods purchased from another related party and sold to Acrosser amounted to NT\$0 and NT\$315, 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 three months ended March 31, 2026 and 2025, the cost of raw materials and services purchased amounted to NT\$0 and NT\$3,335, respectively, and was netted off from sales and service revenue.

2. Purchases

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Purchases of goods		
Names of associates	\$ 55	\$ -
Other related parties - Other	<u>957</u>	<u>1,309</u>
	<u>\$ 1,012</u>	<u>\$ 1,309</u>

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

3. Accounts receivable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Associate - Acrosser	\$ -	\$ 60,585	\$ 314
Other related parties - Other	<u>643</u>	<u>90</u>	<u>172</u>
	<u>\$ 643</u>	<u>\$ 60,675</u>	<u>\$ 486</u>

4. Other receivables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Subsidiary - Other	\$ 344	\$ 344	\$ 344
Associate - Acrosser	2,490	2,291	5,272
Other related party - Acrosser	1,323	1,248	1,542
Other related parties - Other	<u>-</u>	<u>-</u>	<u>1,141</u>
	<u>\$ 4,157</u>	<u>\$ 3,883</u>	<u>\$ 8,299</u>

Represents amounts that are receivable by the Group for offering proxy purchase service. Balances of unsold inventory (presented as other receivables) as of March 31, 2026, December 31, 2025, and March 31, 2025 were NT\$0, NT\$0, and NT\$1,307, respectively.

5. Accounts payable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Names of associates	\$ 1,050	\$ 2,787	\$ -
Other related parties - Other	<u>338</u>	<u>491</u>	<u>696</u>
	<u>\$ 1,388</u>	<u>\$ 3,278</u>	<u>\$ 696</u>

6. Other payables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Names of associates	\$ -	\$ -	\$ 1,463
Other related parties - Other	<u>615</u>	<u>890</u>	<u>2,517</u>
	<u>\$ 615</u>	<u>\$ 890</u>	<u>\$ 3,980</u>

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

7. Overdue receivables from related parties (presented as other non-current assets)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Subsidiary - EverFocus UK	\$ -	\$ -	\$ 24,944
Less: Allowance for uncollectible accounts	<u>-</u>	<u>-</u>	<u>(24,944)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 Company for the Three Months Ended March 31, 2025 was NT\$270.
- (2) The Group rents office space from other related party-AREC, with a lease contract period of 2 years. Rent is paid on the 15th of the following month.
- (3) Acquisition of right-of-use assets

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Other related party - AREC	<u>\$ 1,127</u>	<u>\$ -</u>

(4) Lease liabilities

A. Ending balance:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other related party - AREC	\$ -	\$ -	\$ 1,012
Other related party - AREC	<u>1,036</u>	<u>-</u>	<u>-</u>

<u>\$</u>	<u>1,036</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>1,012</u>
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B. Interest expenses

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Other related party - AREC	\$ -	\$ 6
Other related party - AREC	<u>6</u>	<u>-</u>
	<u>\$ 6</u>	<u>\$ 6</u>

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Associate - Acrosser	\$ 193	\$ 193	\$ -
Other related parties - Other	<u>60</u>	<u>60</u>	<u>-</u>
	<u>\$ 253</u>	<u>\$ 253</u>	<u>\$ -</u>

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

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Other related parties - Other	<u>\$ -</u>	<u>\$ 1,177</u>

11. Operating expense

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Other related parties - Other	<u>\$ 994</u>	<u>\$ 885</u>

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

12. Other income

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Associate - Other	\$ 936	\$ -
Other related parties - Other	<u>303</u>	<u>-</u>
	<u>\$ 1,239</u>	<u>\$ -</u>

The property is primarily leased to related parties for office space and manpower support fees.

(III) Key management compensation

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Salaries and other short-term employee benefits	<u>\$ 614</u>	<u>\$ 909</u>

VIII. Pledged Assets

The Group had placed the following assets as collaterals:

<u>Pledged assets</u>	<u>Book value</u>			<u>Guarantee purpose</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	
Restricted time deposits (Listed in Current financial assets at amortized cost)	\$ 166,209	\$ 73,860	\$ 74,661	Performance bonds for tenders, customs declarations, bank loan guarantee, and Government grant project guarantee deposit
Restricted bank deposits (Listed in Current financial assets at amortized cost)	52	52	52	Government grant project guarantee deposit
Land, building and construction (Listed in investment property)	205,899	206,532	208,429	Bank loan guarantee
Stocks of listed companies (Recorded as financial assets at fair value through profit or loss)	-	46,510	-	Bank loan guarantee
	<u>\$ 372,160</u>	<u>\$ 326,954</u>	<u>\$ 283,142</u>	

IX. Significant contingent liabilities and unrecognized commitments

(I) Contingencies

None.

(II) Commitments

- As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group had issued promissory notes of NT\$558,885, NT\$467,330, and NT\$475,500, 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 March 31, 2026, December 31, 2025, and March 31, 2025, 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. Significant Disaster Loss

None.

XI. Significant Events after the Reporting Period

None.

XII. Others

(I) Capital risk management

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 57,523	\$ 116,149	\$ 92,088

Financial assets measured at fair value through other comprehensive income

Investment in designated equity instruments	117	117	2,230
Financial assets at amortized cost			
Cash and cash equivalents	76,148	60,723	69,715
Financial assets at amortized cost			
Notes receivable	166,261	73,912	74,713
Accounts receivable (including related parties)	202	-	620
Other receivables (including related parties)	68,290	115,871	61,392
Long-term notes and accounts receivable	57,087	42,060	11,834
Refundable deposits (Listed as Other non-current assets)	2,813	3,946	7,005
	<u>3,422</u>	<u>3,558</u>	<u>4,080</u>
	<u>\$ 431,863</u>	<u>\$ 416,336</u>	<u>\$ 323,677</u>

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

1. Financial instruments by category

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Financial liabilities			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 282,762	\$ 253,956	\$ 204,234
Accounts payable (Including related parties)	93,248	93,967	59,225
Other receivables (Including related parties)	52,925	58,665	46,389
Guarantee deposits received (listed under Other non-current liabilities)	1,219	1,340	962
	<u>\$ 430,154</u>	<u>\$ 407,928</u>	<u>\$ 310,810</u>
Lease liabilities	<u>\$ 7,084</u>	<u>\$ 8,306</u>	<u>\$ 16,556</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 keeps track on the trend of interest rates and sets 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. Debt protection measures are taken as deemed appropriate to mitigate credit risk.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange 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, while certain subsidiaries use USD and CNY as functional currencies). 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>March 31, 2026</u>		
(Foreign currency: Functional currency)				<u>Foreign currency</u> (thousand)	<u>Exchange rate</u>	Carrying amount (NT\$)
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	4,945		31.990	\$	158,191
JPY:NTD		19,453		0.201		3,910
EUR:NTD		170		36.685		6,236
USD:CNY		692		6.911		22,137
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$	1,965		31.990	\$	62,860
USD:CNY		179		6.911		5,726
				<u>December 31, 2025</u>		
(Foreign currency: Functional currency)				<u>Foreign currency</u> (thousand)	<u>Exchange rate</u>	Carrying amount (NT\$)
<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>March 31, 2025</u>		
	<u>Foreign currency</u> <u>(thousand)</u>	<u>Exchange rate</u>	<u>Carrying amount</u> <u>(NT\$)</u>
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 4,948	33.200	\$ 164,274
JPY:NTD	17,616	0.223	3,928
CNY:NTD	73	4.572	334
EUR:NTD	147	35.940	5,283
GBP:NTD	9	43.050	387
USD:CNY	386	7.262	12,816
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 655	33.200	\$ 21,746
CNY:NTD	250	4.572	1,143
USD:CNY	103	7.262	3,420

D. Total gain on exchange (realized and unrealized) recognized by the Group for monetary items susceptible to significant exchange rate fluctuation in the three months ended March 31, 2026 and 2025, amounted to NT\$981 and NT\$419, respectively.

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

	<u>January 1 to March 31, 2026</u>		
	<u>Sensitivity analysis</u>		
	<u>Magnitude of</u> <u>change</u>	<u>Impact on profit</u> <u>and loss</u>	<u>Impact on other</u> <u>comprehensive</u> <u>income</u>
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 1,582	\$ -
JPY:NTD	1%	39	-
EUR:NTD	1%	62	-
USD:CNY	1%	221	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 629	\$ -
USD:CNY	1%	57	-

January 1 to March 31, 2025

Sensitivity analysis

(Foreign currency: functional currency)	<u>Magnitude of change</u>	<u>Impact on profit and loss</u>	<u>Impact on other comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 1,643	\$ -
JPY:NTD	1%	39	-
CNY:NTD	1%	3	-
EUR:NTD	1%	53	-
GBP:NTD	1%	4	-
USD:CNY	1%	128	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 217	\$ -
CNY:NTD	1%	11	-
USD:CNY	1%	34	-

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\$575 and NT\$921 for the three months ended March 31, 2026 and 2025, 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. For the three months ended March 31, 2026 and 2025, the Group's borrowings at floating rate were denominated in USD, JPY and NTD.
- B. A 0.25% rise/fall in the borrowing interest rate would reduce/increase net income by NT\$141 and NT\$102 for the three months ended March 31, 2026, and March 31, 2025, assuming that all other factors remain unchanged. These changes are mainly attributed to changes in interest expense on loans borrowed at the floating rate.

(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. 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 March 31, 2026, December 31, 2025, and March 31, 2025.
- H.
 - (1) For customers in the high-quality group, the expected loss rate is 0.03%. As of March 31, 2026, December 31, 2025, and March 31, 2025, the total carrying amounts of accounts receivable and notes receivable (including current, non-current, and related parties) were NT\$7,943, NT\$68,818, and NT\$13,557, respectively. Since the expected credit losses are not significant, the allowance for losses is \$0 for all periods.
 - (2) The Group takes into account multiple considerations including future prospects of the global economy, historical and current information etc. to determine loss given default, which is used for estimating loss allowance on notes and accounts receivable from customers under normal credit conditions. Provision matrix as of March 31, 2026, December 31, 2025, and March 31, 2025, is as follows:

	<u>Not overdue</u>	<u>Overdue 1-30 days</u>	<u>Overdue 31-60 days</u>	<u>Overdue 61-90 days</u>	<u>Overdue 91-180 days</u>	<u>Overdue 181-361 days</u>	<u>Overdue more than 360 days</u>	<u>Total</u>
<u>March 31, 2026</u>								
Expected loss rate	0.92%~1.16%	6.88%~14.65%	18.91%~22.34%	81.97%	100%	100%	100%	
Total book value	\$ 52,464	\$ 10,123	\$ 5,010	\$ -	\$ -	\$ -	\$ 370	\$ 67,967
Loss allowance	\$ 611	\$ 1,470	\$ 2,154	\$ -	\$ -	\$ -	\$ 370	\$ 4,605

	<u>Not overdue</u>	<u>Overdue 1-30 days</u>	<u>Overdue 31-60 days</u>	<u>Overdue 61-90 days</u>	<u>Overdue 91-180 days</u>	<u>Overdue 181-361 days</u>	<u>Overdue more than 360 days</u>	<u>Total</u>
<u>December 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	\$ 52,161
Loss allowance	\$ 709	\$ 44	\$ 42	\$ 5	\$ -	\$ 97	\$ 265	\$ 1,162

	<u>Not overdue</u>	<u>Overdue 1-30 days</u>	<u>Overdue 31-60 days</u>	<u>Overdue 61-90 days</u>	<u>Overdue 91-180 days</u>	<u>Overdue 181-361 days</u>	<u>Overdue more than 360 days</u>	<u>Total</u>
<u>March 31, 2025</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	\$ 54,542	\$ 355	\$ 1,047	\$ 23	\$ 677	\$ 173	\$ 183	\$ 57,000
Loss allowance	\$ 259	\$ 32	\$ 198	\$ 18	\$ 677	\$ 173	\$ 183	\$ 1,540

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>2026</u>	<u>2025</u>
January 1	\$ 1,162	\$ 1,284
Provision of impairment loss	3,427	233
Effect of exchange rate changes	16	23
March 31	\$ 4,605	\$ 1,540

For the three months ended March 31, 2026 and 2025, the impairment losses recognized on accounts receivable arising from customer contracts were NT\$3,427 and NT\$233, respectively.

J. Credit risk ratings for debt instrument investments measured at amortized cost are as follows:

	<u>March 31, 2026</u>		
	<u>Based on duration</u>		
	<u>Based on 12 months</u>	<u>With significant increase in credit risk</u>	<u>Credit-impaired</u>
			<u>Total</u>
Financial assets at amortized cost	\$ 166,261	\$ -	\$ 166,261

	<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>	<u>Total</u>
Financial assets at amortized cost	<u>\$ 73,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,912</u>

	<u>March 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>	<u>Total</u>
Financial assets at amortized cost	<u>\$ 74,713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,713</u>

The financial assets at amortized cost are restricted bank deposits, and there is no major abnormality 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 limit as of March 31, 2026, December 31, 2025, and March 31, 2025 was NT\$137,388, NT\$75,494, and NT\$157,316, 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:

March 31, 2026	<u>Within a year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	
Short-term borrowings	\$ 284,198	\$ -	\$ -	-
Accounts payable (Including related parties)	93,248	-	-	-
Other receivables (Including related parties)	52,925	-	-	-
Lease liabilities	6,008	879	-	291

Non-derivative financial liabilities:

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

Non-derivative financial liabilities:

March 31, 2025		<u>Within a year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>		
Short-term borrowings	\$	205,351	\$	-	\$	-
Accounts payable (Including related parties)		59,225		-		-
Other receivables (Including related parties)		46,389		-		-
Lease liabilities		10,704		5,657		536

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 VI(XI).

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, Refundable deposits (Listed 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 (classified as 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:

March 31, 2026	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				

Recurring fair value

Financial assets at fair value through profit or loss

Equity securities	\$	-	\$	-	\$	57,523	\$	57,523
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Financial assets measured at fair value through other comprehensive income

Equity securities		<u>-</u>		<u>-</u>		<u>117</u>		<u>117</u>
	\$	<u>-</u>	\$	<u>-</u>	\$	<u>57,640</u>	\$	<u>57,640</u>

December 31, 2025

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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Assets

Recurring fair value

Financial assets at fair value through profit or loss

Equity securities	\$	71,389	\$	-	\$	44,760	\$	116,149
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Financial assets measured at fair value through other comprehensive income

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

March 31, 2025

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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Assets

Recurring fair value

Financial assets at fair value through profit or loss

Equity securities	\$	69,828	\$	-	\$	22,260	\$	92,088
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Financial assets measured at fair value through other comprehensive income

Equity securities		<u>-</u>		<u>-</u>		<u>2,230</u>		<u>2,230</u>
	\$	<u>69,828</u>	\$	<u>-</u>	\$	<u>24,490</u>	\$	<u>94,318</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:

Stocks of TWSE/TPEX listed companies

Market quotation

Closing price

- 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. There had been no transfer between Level 1 and Level 2 input during the three months ended March 31, 2026 and 2025.
 6. Changes in Level 3 inputs during the three months ended March 31, 2026 and 2025 are explained below:

	<u>2026</u>	<u>2025</u>
	<u>Equity instruments</u>	<u>Equity instruments</u>
January 1	\$ 44,877	\$ 33,802
Recognized through profit or loss (Note)	<u>12,763</u>	<u>(9,312)</u>
March 31	<u>\$ 57,640</u>	<u>\$ 24,490</u>

Note: Presented as other gains and losses.

7. There had been no transfer to or from Level 3 during the three months ended March 31, 2026, and 2025.
8. The Group'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.
9. 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>Fair value as of</u> <u>March 31, 2026</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Range</u> <u>(Weighted</u> <u>average)</u>	<u>Relationship</u> <u>between 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	57,523	Net asset value method	Not applicable	Not applicable	Not applicable
	<u>December 31, 2025</u>	<u>Valuation</u>	<u>Significant unobservable</u>	<u>Range</u>	<u>Relationship</u>
	<u>Fair value</u>	<u>technique</u>	<u>inputs</u>	<u>(Weighted average)</u>	<u>between inputs and 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>Fair value as of</u>	<u>Valuation</u>	<u>Significant unobservable</u>	<u>Range</u>	<u>Relationship</u>
	<u>March 31, 2025</u>	<u>technique</u>	<u>inputs</u>	<u>(Weighted average)</u>	<u>between inputs and 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	22,260	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. Supplementary Disclosures

(I) Significant transactions information

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. Purchases or sales of goods from or to relate parties reaching NT\$100 million or 20% of the Company's paid-in capital or more: None.
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 4.

(II) Information on investees

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

(III) Information on investments in Mainland China

1. Basic information: Please refer to Table 6.
- Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Table 4.

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>January 1 to March 31, 2026</u>				
	<u>Taiwan segment</u>	<u>U.S. segment</u>	<u>Other segments</u>	<u>Eliminations</u>	<u>Total</u>
External revenue	\$ 171,368	\$ 2,649	\$ 5,864	\$ -	\$ 179,881
Internal department revenue	<u>4,727</u>	<u>-</u>	<u>13,430</u>	<u>(18,157)</u>	<u>-</u>
Segment revenue	<u>\$ 176,095</u>	<u>\$ 2,649</u>	<u>\$ 19,294</u>	<u>(\$ 18,157)</u>	<u>\$ 179,881</u>
Segment profit or loss	<u>\$ 22,318</u>	<u>\$ 640</u>	<u>(\$ 656)</u>	<u>\$ 73</u>	<u>\$ 22,375</u>
Segment profit/loss includes:					
Depreciation and amortization	<u>\$ 4,758</u>	<u>\$ -</u>	<u>\$ 282</u>	<u>\$ -</u>	<u>\$ 5,040</u>

	<u>January 1 to March 31, 2025</u>				
	<u>Taiwan segment</u>	<u>U.S. segment</u>	<u>Other segments</u>	<u>Eliminations</u>	<u>Total</u>
External revenue	\$ 78,118	\$ 3,663	\$ 3,918	\$ -	\$ 85,699
Internal department revenue	<u>3,481</u>	<u>-</u>	<u>13,279</u>	<u>(16,760)</u>	<u>-</u>
Segment revenue	<u>\$ 81,599</u>	<u>\$ 3,663</u>	<u>\$ 17,197</u>	<u>(\$ 16,760)</u>	<u>\$ 85,699</u>
Segment profit or loss	<u>(\$ 43,511)</u>	<u>\$ 1,308</u>	<u>(\$ 754)</u>	<u>\$ -</u>	<u>(\$ 42,957)</u>
Segment profit/loss includes:					
Depreciation and amortization	<u>\$ 4,813</u>	<u>\$ -</u>	<u>\$ 276</u>	<u>\$ -</u>	<u>\$ 5,089</u>

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.

EverFocus Electronics Corp. and Subsidiaries

Loans to external parties

January 1 to March 31, 2026

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)	Ending balance (Note 8)	Actual amount drawn	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		Single borrower lending limit (Note 7)	Aggregate financing limit (Note 7)	Remarks
													Name	Value			
0	EverFocus Electronics Corp.	EverFocus Electronics Corp. (U.S.)	Other receivables - Related parties	Yes	\$ 39,129	\$ 16,736	\$ 16,736	2.35%	Financing	\$ -	Working capital	\$ -	None	\$ -	\$ 51,581	\$ 103,161	None

Note 1: Explanation to the serial number column:

- (1) 0 denotes issuer.
- (2) Investees are numbered in sequential order starting from 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: Highest balance of loans to external parties in the year.

Note 4: For nature of loan, specify either as business transaction or short-term financing.

Note 5: Where the nature of loan is specified as business transaction, the amount of business transaction refers to the sum of transactions between the lender and the borrower in the most recent year.

Note 6: Where the nature of fund lending is deemed necessary for short-term financing, the Company shall provide a detailed explanation of the rationale behind the lending and specify the purpose for which the borrower will utilize the funds, including but not limited to repayment of existing loans, purchase of equipment, or operational turnover.

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) Where loan is granted for short-term liquidity, 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 10% of the Company's net worth.

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 March 31, 2026

Table 2

Unit: NTS thousand (Unless otherwise noted)

Serial No. (Note 1)	Name of endorser/guarantor	The endorsed/guaranteed Company name	Relationship (Note 2)	Single company endorsement / guarantee limit (Note 3)	Highest balance of guarantees and endorsements during the period (Note 4)	Closing balance of endorsements/guarantees (Note 5)	Actual amount utilized (Note 6)	Amount of endorsements/ guarantees secured by property	Cumulative amount of endorsement/guarantee as a percentage of net worth stated in the latest financial statements	Endorsement/ guarantee limit (Note 3)	Parent company's guarantee/endorsement to subsidiary (Note 7)	Subsidiary's Guarantee/ guarantee/endorsement to parent company		Remarks
												parent (Note 7)	Mainland area (Note 7)	
0	EverFocus Electronics Corp.	EverFocus Japan Corp.	2	\$ 154,742	\$ 50,850	\$ 50,150	\$ 43,129	\$ 50,150	9.72	\$ 257,903	Y	N	N	
0	EverFocus Electronics Corp.	EverFocus Electronics Corp. (U.S.)	2	154,742	47,985	47,985	47,985	47,985	9.30	257,903	Y	N	N	

Note 1: Explanation to the serial number column:

- (1) 0 denotes issuer.
- (2) Investees are numbered in sequential order starting from 1.

Note 2: Relationship with the endorsed/guaranteed party is classified into the 7 categories below and presented in serial numbers:

- (1) Business that the Company has business dealing with.
- (2) Subsidiary in which the Company directly holds more than 50% common shares.
- (3) Investee in which the parent company and subsidiaries collectively hold more than 50% common shares.
- (4) Parent company that holds more than 50% of common shares in the Company, either directly or indirectly through subsidiaries.
- (5) Peer in a construction contract that the Company is in need to provide cross guarantees for.
- (6) Investee of a joint investment arrangement for which the Company and other shareholders have issued endorsements/guarantees proportionate to ownership interest.
- (7) Joint guarantee for performance bonds under presale housing sales contracts conducted in accordance with the Consumer Protection Act among industry peers.

Note 3: Single-party and overall endorsement/guarantee limits as mentioned in the Company's external party endorsement/guarantee procedures:

- (1) Endorsements/guarantees to a single enterprise shall not exceed 20% of the Company's net worth, except for overseas associated companies where single-party endorsements/guarantees are capped at 30% of net worth. For endorsements/guarantees that are granted for business relationship, the sum of which shall not exceed the total value of transactions (purchase or sale, whichever the higher) conducted with the Company in the most recent year.
- (2) The sum of endorsements/guarantees to external parties shall not exceed 50% of the Company's net worth.

Note 4: Represents the highest balance of endorsements/guarantees made to external parties during the year.

Note 5: The Company is deemed to have borne endorsement/guarantee liability if it has been granted a limit from bank to sign endorsement/guarantee contracts or notes at the end of the period. Other arrangements that resemble endorsement/guarantee shall also be added to the balance of endorsements/guarantees.

Note 6: Represents the actual amount utilized by the guaranteed/endorsed within the endorsement/guarantee limit.

Note 7: Specify "Y" only for: endorsement/guarantee from a TWSE/TPEX listed parent to a subsidiary, endorsement/guarantee from a subsidiary to a TWSE/TPEX listed parent, or endorsement/guarantee to the Mainland area.

EverFocus Electronics Corp. and Subsidiaries

Significant End-of-Period Holding Position of Marketable Securities (Excluding Investment in Subsidiaries, Associated Companies, and Joint Ventures)

March 31, 2026

Table 3

Unit: NT\$ thousand (Unless otherwise noted)

<u>Holding company</u>	<u>Type and name of marketable security</u>		<u>Relationship with the securities issuer</u>	<u>Presentation account</u>	<u>No. of shares</u>	<u>End of period</u>			<u>Remarks</u>
	<u>Category</u>	<u>Name (Note 1)</u>				<u>Book value (Note 2)</u>	<u>Shareholding percentage</u>	<u>Fair value</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	<u>\$ 57,523</u>	7.59%	<u>\$ 57,523</u>	None
EverFocus Electronics Corp.	Shares	AREC Inc.	-	Non-current financial assets at fair value through Other comprehensive income or loss	400,000	<u>\$ 117</u>	2.64%	<u>\$ 117</u>	None

Note 1: Securities mentioned in the table shall refer to shares, bonds, beneficiary certificates, and any securities derived from the above, as specified in IFRS 9 "Financial Instruments."

Note 2: For items that are measured at fair value, the amount of fair value after adjustment and net of cumulative impairment is shown in the book value column; for items that are not measured at fair value, the amount of original acquisition cost or cost after amortization net of cumulative impairment is shown in the book value column.

EverFocus Electronics Corp. and Subsidiaries
Business Relationships and Significant Intercompany Transactions between the Parent Company and Subsidiaries
January 1 to March 31, 2026

Table 4

Unit: NT\$ thousand (Unless otherwise noted)

<u>Serial No. (Note 1)</u>	<u>Name of transacting party</u>	<u>Counterparty</u>	<u>Relationship with the transacting party (Note 2)</u>	<u>Account</u>	<u>Transactions details</u>		
					<u>Amount</u>	<u>Transaction terms</u>	<u>As a percentage of consolidated revenues or total assets (Note 3)</u>
0	EverFocus Electronics Corp.	EverFocus Electronics Corp. (U.S.)	1	Accounts receivable	\$ 3,327	180 days after month-end	0.33%
"	"	"	"	Other receivables - Related parties	16,736	Lending of funds	1.68%
"	"	"	"	Other payables - Related parties	4,081	60 days after month-end	0.41%
"	"	"	"	Sales	1,551	180 days after month-end	0.86%
"	"	"	"	Professional service expense	4,142	60 days after month-end	2.30%
"	"	EverFocus Electronics (Shenzhen) Co., Ltd.	"	Accounts receivable	4,924	180 days after month-end	0.49%
"	"	"	"	Accounts payable	12,816	60 days after month-end	1.28%
"	"	"	"	Sales	1,462	180 days after month-end	0.81%
"	"	"	"	Purchases	13,500	60 days after month-end	7.50%
"	"	EverFocus Japan Corp.	"	Accounts receivable	3,792	180 days after month-end	0.38%
"	"	"	"	Sales	1,714	"	0.95%

Note 1: Business dealings between the parent company and subsidiaries are indicated in the serial number column. The numbering rule is explained below:

- (1) 0 for parent company.
- (2) Each subsidiary is numbered in sequential 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 to subsidiary.
- (2) Subsidiary to parent.
- (3) Subsidiary to subsidiary.

Note 3: Calculation for business dealings as a percentage of total consolidated revenues or total assets is explained as follows: for balance sheet items, percentage of period-end balance is calculated relative to consolidated total assets; for profit and loss items, percentage of interim cumulative amount is calculated relative to consolidated total revenues.

Note 4: Individual transactions that amount to less than \$1,000 are not disclosed; only the asset or revenue side is disclosed, and no further disclosure is needed on the opposing side of the same transaction.

EverFocus Electronics Corp. and Subsidiaries

Names, Locations and Information on Investees (Excluding Mainland Investees)

January 1 to March 31, 2026

Table 5

Unit: NT\$ thousand (Unless otherwise noted)

<u>Name of investment company</u>	<u>Name of investee</u>	<u>Location</u>	<u>Primary business activities</u>	<u>Amount of initial investment</u>		<u>End-of-period holding position</u>			<u>Current profit or loss of investee</u>	<u>Investment gains/losses recognized in the current period</u>	<u>Remarks</u>
				<u>End of current period</u>	<u>End of previous year</u>	<u>No. of shares</u>	<u>Percentage (%)</u>	<u>Carrying amount</u>			
EverFocus Electronics Corp.	EverFocus Electronics Corp. (U.S.)	USA	Selling products and providing customer service for the Company	\$ 93,941	\$ 93,941	8,934,000	100%	(\$64,824)	\$ 640	\$ 640	Subsidiary of the Company
"	EverFocus Japan Corp.	Japan	Selling products and providing customer service for the Company	35,697	35,697	200	100%	(43,619)	(90)	(90)	Subsidiary of the Company
"	Acrosser Technology Co., Ltd.	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%	25,363	29,192	4,654	Investee accounted by the Corporation using the equity method.

EverFocus Electronics Corp. and Subsidiaries
Information on Mainland Investments - Basic Information
January 1 to March 31, 2026

Table 6

Unit: NTS thousand (Unless otherwise noted)

Name of Mainland investee	Primary business activities	Paid-in capital (Note 2)	Method of investment	Opening cumulative balance of investment capital invested from Taiwan (Note 3)	Investment capital contributed or recovered during the current period		Closing cumulative balance of investment capital invested from Taiwan (Note 3)	Current profit or loss of investee (\$ 624)	The Company's direct or indirect holding percentage 100%	Investment gains/losses recognized in the current period (Note 4) (\$ 324)	Closing carrying amount of investment 14,465	Investment gains recovered in the current period \$ -	Remarks
					Invested	Recovered							
EverFocus Electronics (Shenzhen) Co., Ltd.	Develop, manufacture and sell commercial surveillance equipment	\$ 64,748	Note 1 (1)	\$ 64,748	\$ -	\$ -	\$ 64,748						

Note 1: Method of investment is categorized into the following three types and presented in serial numbers:

- (1) Direct investment in the Mainland Area
- (2) Reinvest in the Mainland through a third area company (please specify the investment company in that third area)
- (3) Other methods

Note 2: The investee has paid-in capital of RMB 15,119 thousand, denominated in the original currency.

Note 3: For EverFocus Electronics (Shenzhen) Co., Ltd., the opening and closing cumulative balances of investment capital from Taiwan were both US\$2,050 thousand, denominated in the original currency.

Note 4: Investment gains/losses recognized in the current period have been evaluated and disclosed based on auditor-reviewed financial statements of the Taiwanese parent company.

2. Approved limit on Mainland investments

Company name	Closing cumulative balance of investment capital transferred from Taiwan into the Mainland (Note 1)	Investment limit authorized by the Investment Commission, Limits authorized by the Investment Commission, Ministry of Economic Affairs, Ministry of Economic Affairs, for investing into Mainland China	
		(Note 2)	(Note 2)
EverFocus Electronics Corp.	\$ 64,748	\$ 64,748	\$ 309,483

Note 1: Closing cumulative balance of investment capital transferred from Taiwan into the Mainland was US\$2,050 thousand, denominated in the original currency.

Note 2: The Investment Commission, Ministry of Economic Affairs, has approved an investment limit of US\$2,050 thousand, denominated in the original currency.