

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT THEREON
DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

In connection with the Consolidated Financial Statements of Affiliated Enterprises of ADVANTECH CO., LTD. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2025 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of ADVANTECH CO., LTD. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, ADVANTECH CO., LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
ADVANTECH CO., LTD.
By

K.C. Liu , Chairman
February 26, 2026

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated balance sheets of ADVANTECH CO., LTD. and its subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2025 consolidated financial statements is stated as follows:

Recognition of sales revenue from the Intelligent Systems, Intelligent Service, and Advantech Service Plus and Others Business Group

Description

Refer to Note 4(32) for the related accounting policies on sales revenue and Note 6(20) for the details of revenues.

Due to global economic fluctuations in 2025, there was a significant fluctuation in the Group's revenue from the Intelligent Systems, Intelligent Service, and Advantech Service Plus and Others Business Group. Therefore, we considered the recognition of sales revenue from the Intelligent Systems, Intelligent Service, and Advantech Service Plus and Others Business Group as the key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding of and assessed the internal controls in relation to sales revenue, and validated its operating effectiveness.
2. Obtained the details of sales revenue from the Intelligent Systems, Intelligent Service, and Advantech Service Plus and Others Business Group for the entire year, and selected samples of sales revenue transactions and related documents to confirm the appropriateness of revenue recognition.
3. Inspected significant abnormal sales returns and allowances after the balance sheet date.
4. Performed accounts receivable confirmation procedure to significant customers.

Other matter

We have audited and expressed an unmodified opinion on the parent company only financial statements of ADVANTECH CO., LTD. as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Liang, Hua-Ling

Tsai, pei-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 11,317,279	15	\$ 13,617,045	19
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	7,152,333	9	5,911,086	8
1136	Financial assets at amortised cost - current	6(4) and 8	724,303	1	928,283	1
1150	Notes receivable	6(5)	1,627,595	2	1,490,856	2
1170	Accounts receivable	6(5)	8,879,419	12	8,609,876	12
1180	Accounts receivable - related parties	7	28,411	-	22,891	-
1200	Other receivables		77,490	-	79,730	-
1210	Other receivables - related parties	7	1,575	-	-	-
130X	Inventories	6(6)	11,834,524	16	10,553,719	15
1470	Other current assets	7	852,598	1	986,323	2
11XX	Total current assets		<u>42,495,527</u>	<u>56</u>	<u>42,199,809</u>	<u>59</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	3,389,977	4	3,209,571	5
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	2,765,005	4	2,787,271	4
1535	Financial assets at amortised cost - non-current	6(4)	1,627,011	2	-	-
1550	Investments accounted for under equity method	6(7)	5,112,577	7	4,993,361	7
1600	Property, plant and equipment	6(8)	14,451,830	19	12,244,071	17
1755	Right-of-use assets	6(9)	1,968,958	3	2,101,328	3
1780	Intangible assets	6(10) and 7	2,734,536	4	2,813,741	4
1840	Deferred income tax assets	6(25)	1,038,996	1	982,963	1
1915	Prepayments for business facilities		45,841	-	69,799	-
1990	Other non-current assets		87,266	-	340,036	-
15XX	Total non-current assets		<u>33,221,997</u>	<u>44</u>	<u>29,542,141</u>	<u>41</u>
1XXX	Total assets		<u>\$ 75,717,524</u>	<u>100</u>	<u>\$ 71,741,950</u>	<u>100</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2120	Financial liabilities at fair value through profit or loss - current	6(2)	\$ 13,323	-	\$ 7,902	-
2130	Contract liabilities - current	6(20)	1,335,883	2	1,453,150	2
2170	Notes and accounts payable	7	7,680,782	10	6,911,147	10
2200	Other payables	6(11) and 7	5,018,328	7	4,562,278	6
2230	Current income tax liabilities		1,545,832	2	1,722,626	2
2250	Provision for liabilities - current		187,185	-	182,097	-
2280	Lease liabilities - current	6(9)	290,922	-	301,163	1
2320	Long-term liabilities, current portion	6(12)	77,029	-	116,041	-
2399	Other current liabilities		368,059	1	313,070	1
21XX	Total current liabilities		<u>16,517,343</u>	<u>22</u>	<u>15,569,474</u>	<u>22</u>
Non-current liabilities						
2540	Long-term borrowings	6(12)	150,327	-	156,356	-
2570	Deferred income tax liabilities	6(25)	1,972,382	2	2,046,497	3
2580	Lease liabilities - non-current	6(9)	1,476,031	2	1,578,759	2
2600	Other non-current liabilities	6(13)(20)	552,176	1	594,002	1
25XX	Total non-current liabilities		<u>4,150,916</u>	<u>5</u>	<u>4,375,614</u>	<u>6</u>
2XXX	Total liabilities		<u>20,668,259</u>	<u>27</u>	<u>19,945,088</u>	<u>28</u>
Equity attributable to shareholders of the parent						
Share capital 6(15)						
3110	Common shares		8,651,898	12	8,634,322	12
3140	Advance receipts for share capital		6,405	-	1,572	-
Capital surplus 6(16)						
3200	Capital surplus		12,057,154	16	11,156,003	16
Retained earnings 6(17)						
3310	Legal reserve		11,628,185	15	10,723,047	15
3350	Unappropriated retained earnings		21,534,775	29	19,402,613	27
Other equity 6(18)						
3400	Other equity		1,069,064	1	1,510,795	2
31XX	Equity attributable to shareholders of the parent		<u>54,947,481</u>	<u>73</u>	<u>51,428,352</u>	<u>72</u>
36XX	Non-controlling interest	6(19)	101,784	-	368,510	-
3XXX	Total equity		<u>55,049,265</u>	<u>73</u>	<u>51,796,862</u>	<u>72</u>
Significant contingent liabilities and unrecognised contract commitments 9						
Significant events after the balance sheet date 11						
3X2X	Total liabilities and equity		<u>\$ 75,717,524</u>	<u>100</u>	<u>\$ 71,741,950</u>	<u>100</u>

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	For the years ended December 31,				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20) and 7	\$ 70,882,362	100	\$ 59,786,293	100
5000	Operating costs	6(6)(24) and 7	(42,684,758)	(60)	(35,410,406)	(59)
5950	Gross profit		<u>28,197,604</u>	<u>40</u>	<u>24,375,887</u>	<u>41</u>
	Operating expenses	6(24) and 7				
6100	Selling expenses		(6,756,604)	(10)	(6,205,989)	(11)
6200	General and administrative expenses		(4,078,820)	(6)	(3,659,884)	(6)
6300	Research and development expenses		(5,815,869)	(8)	(5,415,982)	(9)
6450	Expected credit impairment gain (loss)		<u>20,663</u>	-	(<u>44,263</u>)	-
6000	Total operating expenses		(<u>16,630,630</u>)	(<u>24</u>)	(<u>15,326,118</u>)	(<u>26</u>)
6900	Operating profit		<u>11,566,974</u>	<u>16</u>	<u>9,049,769</u>	<u>15</u>
	Non-operating income and expenses					
7100	Interest income	6(4)	340,969	-	388,161	-
7010	Other income	6(21) and 7	379,953	1	585,223	1
7020	Other gains and losses	6(2)(22)	128,342	-	646,476	1
7050	Finance costs	6(9)(12)(23)	(88,796)	-	(94,357)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	<u>362,170</u>	<u>1</u>	<u>399,256</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>1,122,638</u>	<u>2</u>	<u>1,924,759</u>	<u>3</u>
7900	Profit before income tax		<u>12,689,612</u>	<u>18</u>	<u>10,974,528</u>	<u>18</u>
7950	Income tax expense	6(25)	(<u>2,189,096</u>)	(<u>3</u>)	(<u>2,086,310</u>)	(<u>3</u>)
8200	Profit for the year		<u>\$ 10,500,516</u>	<u>15</u>	<u>\$ 8,888,218</u>	<u>15</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	For the years ended December 31,				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Gains on remeasurements of defined benefit plans	6(13)	\$ 352	-	\$ 14,761	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)	(73,736)	-	44,745	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss	6(7)(18)	(11,745)	-	(22,017)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(487)	-	(5,522)	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(85,616)	-	31,967	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(18)	(360,987)	(1)	784,963	1
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss	6(7)(18)	(34,374)	-	50,786	-
8399	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(25)	75,654	-	(170,002)	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(319,707)	(1)	665,747	1
8300	Total other comprehensive (loss) income for the year		<u>(\$ 405,323)</u>	<u>(1)</u>	<u>\$ 697,714</u>	<u>1</u>
8500	Total comprehensive income for the year		<u>\$ 10,095,193</u>	<u>14</u>	<u>\$ 9,585,932</u>	<u>16</u>
Profit (loss) attributable to:						
8610	Shareholders of the parent		\$ 10,592,508	15	\$ 9,005,037	15
8620	Non-controlling interest		(91,992)	-	(116,819)	-
			<u>\$ 10,500,516</u>	<u>15</u>	<u>\$ 8,888,218</u>	<u>15</u>
Total comprehensive income (loss) attributable to:						
8710	Shareholders of the parent		\$ 10,204,275	14	\$ 9,718,846	16
8720	Non-controlling interest		(109,082)	-	(132,914)	-
			<u>\$ 10,095,193</u>	<u>14</u>	<u>\$ 9,585,932</u>	<u>16</u>
Basic earnings per share (in dollars)						
9750	Profit for the year	6(26)	<u>\$ 12.25</u>		<u>\$ 10.45</u>	
Diluted earnings per share (in dollars)						
9850	Profit for the year	6(26)	<u>\$ 12.14</u>		<u>\$ 10.38</u>	

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Capital			Retained Earnings			Other Equity Interest				
		Common shares	Advance receipts for share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee benefits compensation	Total	Non-controlling interest	Total equity
For the year ended December 31, 2024												
Balance at January 1, 2024		\$ 8,577,795	\$ 6,699	\$ 9,753,806	\$ 9,630,127	\$ 19,599,420	(\$ 827,011)	\$ 1,720,685	(\$ 369)	\$ 48,461,152	\$ 348,426	\$ 48,809,578
Consolidated profit (loss) for the year		-	-	-	-	9,005,037	-	-	-	9,005,037	(116,819)	8,888,218
Other comprehensive income (loss) for the year	6(18)(19)	-	-	-	-	9,583	681,842	22,384	-	713,809	(16,095)	697,714
Total comprehensive income (loss) for the year		-	-	-	-	9,014,620	681,842	22,384	-	9,718,846	(132,914)	9,585,932
Appropriations of 2023 earnings	6(17)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	1,092,920	(1,092,920)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(8,155,269)	-	-	(8,155,269)	-	-	(8,155,269)
Cash dividends distributed by subsidiaries	6(19)	-	-	-	-	-	-	-	-	(3,110)	(3,110)	-
Recognition of employee stock options	6(14)(15)	56,527	(5,127)	721,640	-	-	-	-	-	773,040	-	773,040
Compensation costs recognised for employee stock options	6(14)	-	-	510,318	-	-	-	-	-	-	-	510,318
Changes in associates and joint ventures accounted for under equity method	6(18)	-	-	157,967	-	(24,586)	-	-	369	133,750	-	133,750
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(19)(27)	-	-	-	-	(25,730)	-	-	-	(25,730)	329,096	303,366
Changes in non-controlling interest	6(19)	-	-	-	-	-	-	-	-	-	(291,689)	(291,689)
Changes in ownership interests in subsidiaries	6(19)(27)	-	-	12,272	-	(27)	-	-	-	12,245	118,701	130,946
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)	-	-	-	-	86,308	-	(86,308)	-	-	-	-
Disposal of investments in equity instruments measured at fair value through other comprehensive income owned by associates	6(18)	-	-	-	-	797	-	(797)	-	-	-	-
Balance at December 31, 2024		\$ 8,634,322	\$ 1,572	\$ 11,156,003	\$ 10,723,047	\$ 19,402,613	(\$ 145,169)	\$ 1,655,964	\$ -	\$ 51,428,352	\$ 368,510	\$ 51,796,862
For the year ended December 31, 2025												
Balance at January 1, 2025		\$ 8,634,322	\$ 1,572	\$ 11,156,003	\$ 10,723,047	\$ 19,402,613	(\$ 145,169)	\$ 1,655,964	\$ -	\$ 51,428,352	\$ 368,510	\$ 51,796,862
Consolidated profit (loss) for the year		-	-	-	-	10,592,508	-	-	-	10,592,508	(91,992)	10,500,516
Other comprehensive income (loss) for the year	6(18)(19)	-	-	-	-	(135)	(302,617)	(85,481)	-	(388,233)	(17,090)	(405,323)
Total comprehensive income (loss) for the year		-	-	-	-	10,592,373	(302,617)	(85,481)	-	10,204,275	(109,082)	10,095,193
Appropriations of 2024 earnings	6(17)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	905,138	(905,138)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(7,254,151)	-	-	(7,254,151)	-	-	(7,254,151)
Cash dividends distributed by subsidiaries	6(19)	-	-	-	-	-	-	-	-	(4,440)	(4,440)	-
Execution of employee stock options	6(14)(15)	17,576	4,833	353,867	-	-	-	-	-	376,276	-	376,276
Compensation costs recognised for employee stock options	6(14)	-	-	419,599	-	-	-	-	-	419,599	-	419,599
Changes in associates and joint ventures accounted for under equity method	6(18)	-	-	151,097	-	(11,765)	-	-	(17,197)	122,135	-	122,135
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(19)(27)	-	-	(31,556)	-	(325,593)	-	-	-	(357,149)	(210,537)	(567,686)
Changes in non-controlling interest	6(19)(27)	-	-	-	-	-	-	-	-	-	50,283	50,283
Changes in ownership interests in subsidiaries	6(19)	-	-	8,144	-	-	-	-	-	8,144	7,050	15,194
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)	-	-	-	-	7,913	-	(7,913)	-	-	-	-
Disposal of investments in equity instruments measured at fair value through other comprehensive income owned by associates	6(18)	-	-	-	-	28,523	-	(28,523)	-	-	-	-
Balance at December 31, 2025		\$ 8,651,898	\$ 6,405	\$ 12,057,154	\$ 11,628,185	\$ 21,534,775	(\$ 447,786)	\$ 1,534,047	(\$ 17,197)	\$ 54,947,481	\$ 101,784	\$ 55,049,265

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		\$ 12,689,612	\$ 10,974,528
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(24)	991,905	934,026
Amortisation	6(10)(24)	217,756	159,762
Expected credit impairment (gain) loss	12(2)	(20,663)	44,263
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(22)	101,556	175,964
Finance costs	6(23)	88,796	94,357
Interest income		(340,969)	(388,161)
Dividend income	6(21)	(239,804)	(401,965)
Compensation costs of employee stock options	6(14)(24)	433,437	513,394
Share of profit of associates accounted for under equity method	6(7)	(362,170)	(399,256)
Loss (gain) on disposal of property, plant and equipment	6(22)	1,763	(50,404)
Loss on disposal of intangible assets		72	-
Gain on disposal of non-current assets held for sale	6(22)	-	(353,632)
Gain on disposal of investment	6(22)	(305,113)	(162,856)
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(1,027,635)	3,026,281
Notes receivable		(136,722)	(302,180)
Accounts receivable		(252,897)	(412,249)
Accounts receivable - related parties		(5,520)	(6,157)
Other receivables (including related parties)		154,775	142,581
Inventories		(1,280,805)	(374,467)
Other current assets		163,983	56,285
Changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		5,421	7,267
Contract liabilities - current		(143,872)	279,097
Notes and accounts payable		769,635	498,960
Other payables		317,122	212,012
Provision for liabilities - current		22,368	(29,087)
Other current liabilities		54,989	(327,350)
Other non-current liabilities		57,575	34,078
Cash inflow generated from operations		11,954,595	13,945,091
Dividends received		239,804	401,965
Interest received		189,660	238,030
Interest paid		(86,474)	(86,508)
Income taxes paid		(2,394,891)	(3,987,727)
Net cash flows provided by operating activities		9,902,694	10,510,851

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost - current		(\$ 731,598)	(\$ 1,406,756)
Proceeds from disposal of financial assets at amortised cost - current		908,881	2,131,898
Acquisition of financial assets at amortised cost - non-current		(1,588,740)	-
Acquisition of financial assets at fair value through profit or loss		(533,846)	(724,681)
Proceeds from disposal of financial assets at fair value through profit or loss		32,458	2,532
Cash returned from capital reduction of financial assets at fair value through profit or loss		84,880	-
Acquisition of financial assets at fair value through other comprehensive income		(114,867)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		7,913	203,781
Cash returned from capital reduction of financial assets at fair value through other comprehensive income		26,553	25,829
Acquisition of investments accounted for under equity method	6(7)	(127,110)	(40,000)
Proceeds from disposal of investment accounted for under equity method		488,943	161,992
Net cash flow from acquisition of subsidiaries	6(28)	-	(83,192)
Dividends received from associates		283,302	308,687
Disposal of non-current assets held for sale		-	591,973
Acquisition of property, plant and equipment		(2,823,514)	(1,475,070)
Proceeds from disposal of property, plant and equipment		5,891	91,201
Increase in refundable deposits		(7,649)	(5,260)
Acquisition of intangible assets	6(10)	(176,676)	(132,291)
Proceeds from disposal of intangible assets	6(10)	-	29
Increase in prepayments for business facilities		(13,052)	(30,299)
Decrease in other non-current assets		57,710	4,554
Changes due to loss of control of subsidiaries		-	(94,770)
Net cash flows used in investing activities		(4,220,521)	(469,843)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	6(29)	62,200	37,000
Repayments of long-term borrowings	6(29)	(123,018)	(146,002)
Decrease in short-term borrowings	6(29)	-	(1,611)
Increase (decrease) in guarantee deposits received		7,403	(453)
Payments of lease liabilities	6(9)(29)	(342,178)	(306,495)
Payments of cash dividends	6(17)	(7,254,151)	(8,155,269)
Employee stock options exercised		376,276	773,040
Dividends paid to non-controlling interests	6(19)	(4,440)	(3,110)
Change in non-controlling interests	6(27)	(567,686)	10,713
Net cash flows used in financing activities		(7,845,594)	(7,792,187)
Effect of exchange rate changes		(136,345)	356,644
Net (decrease) increase in cash and cash equivalents		(2,299,766)	2,605,465
Cash and cash equivalents at beginning of year		13,617,045	11,011,580
Cash and cash equivalents at end of year		\$ 11,317,279	\$ 13,617,045

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

1. HISTORY AND ORGANIZATION

- (1) Advantech Co., Ltd. (the “Company”) was incorporated in September 1981, and its operational headquarters is located in the Neihu Science Park of Taipei, Taiwan. The Company is primarily engaged in the research and development, design, manufacturing and marketing of embedded computing boards, industrial automation products, applied computers and industrial computers.
- (2) The Company’s shares have been listed and traded on the Taiwan Stock Exchange since December 1999.
- (3) The Company is a global leader in the IoT intelligent system and embedded platform industry, and takes the ‘smart driver of sustainable earth’ as its corporate brand vision. In accordance with the customers’ needs, the Company is divided into three major business groups: the Industrial IoT Group, the Embedded IoT Group and the Service IoT Group. To meet the broad trends of the Internet of Things, Big Data, and artificial intelligence, the Company proposes IoT software and hardware solutions plan centered on the industrial IoT cloud platform to assist partners and customers connect the industrial chain.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on February 26, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. The quantitative impact will be disclosed when the assessment is complete.

Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

The amendments require an entity to:

- A. Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), nonrecourse features and contractually-linked instruments.
- B. Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- C. Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

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

- (a) the practical ability to withdraw, stop or cancel the payment instruction;
- (b) the practical ability to access the cash used for settlement; and
- (c) significant settlement risk.

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

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

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

- (a) Financial assets and liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (“IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- (c) Profit or loss and each component of other comprehensive income are attributed to the shareholders of the parent and to the non-controlling interests. Total comprehensive income is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
The Company	Advantech Automation Corporation B.V. (AAC NL) (Formerly Advantech Automation Corporation Limited (AAC MT))	Overseas investment in manufacturing and services industries	100.00	100.00	Note 9
	Advantech Technology Co., Ltd. (ATC)	Overseas investment in manufacturing and services industries	100.00	100.00	
	Advanix Corporation (Advanix)	Manufacturing, marketing and trade of industrial use computers	100.00	100.00	

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
The Company	Advantech Corporate Investment (ACI)	Investment in marketable securities	100.00	100.00	
	Advantech Europe Holding B.V. (AEUH)	Overseas investment in manufacturing and services industries	100.00	100.00	
	Advantech Co., Singapore Pte, Ltd. (ASG)	Marketing and trade of industrial use computers	100.00	100.00	
	Advantech Australia Pty Ltd. (AAU)	Marketing and trade of industrial use computers	100.00	100.00	
	Advantech Japan Co., Ltd. (AJP)	Marketing and trade of industrial use computers	100.00	100.00	
	Advantech Co., Malaysia Sdn. Bhd (AMY)	Marketing and trade of industrial use computers	100.00	100.00	
	Advantech KR Co., Ltd. (AKR)	Marketing and trade of industrial use computers	100.00	100.00	
	Advantech Brasil Ltd. (ABR)	Marketing and trade of industrial use computers	100.00	100.00	
	Advantech Industrial Computing India Private Limited (AIN)	Marketing and trade of industrial use computers	99.99	99.99	
	LNC Technology Co., Ltd. (LNC)	Manufacturing and trade of controllers	40.55	40.55	Notes 2
	Advantech Electronics, S.A.P.I DE C. V. (AMX)	Marketing and trade of industrial use computers	96.90	97.50	Notes 4
	Advantech Intelligent Services Co., Ltd. (AiCS)	Design, research and development and sales of intelligent services	100.00	100.00	
	Advantech Corporation (Thailand) Co., Ltd. (ATH)	Manufacturing of computer products	49.51	51.00	Notes 15

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
The Company	PT. Advantech International (AID)	Marketing and trade of industrial use computers	1.00	1.00	
	Advantech Vietnam Technology Company Limited (AVN)	Marketing and trade of industrial use computers	60.00	60.00	
	Advantech Turkey Teknoloji A.S. (ATR)	Wholesale of computers and peripheral devices	100.00	100.00	Notes 3
	ADVANTECH IOT ISRAEL LTD. (AIL)	Trading of industrial network communications systems	100.00	100.00	
	Huan Yan Water Solution Co., Ltd.	Service plan for combination of related technologies of water treatment and Applications of Internet of Things	90.00	90.00	
	Advantech Technology FZCO (ADB) [Formerly Advantech Technology DMCC (ADB)]	Trading of industrial network communication systems	100.00	100.00	Notes 14
	Advantech Automation Corp. (HK) Limited [ACC (HK)]	Oversea investment in manufacturing and services industries	100.00	100.00	
	Advantech Corporate Investment Ltd. (ACI KY)	General investment	100.00	100.00	
	Cermate Technologies Inc. (Cermate Taiwan)	Manufacturing of electronic components, computers, and peripheral devices	45.00	45.00	
	AUERS TECHNOLOGIES S.A. (Aures)	Retail electronic and computer products marketing and sales	100.00	36.32	Notes 12

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Advantech Corporate Investment (ACI)	Cermate Technologies Inc. (Cermate Taiwan)	Manufacturing of electronic components, computers, and peripheral devices	55.00	55.00	
	Yan Xu Green Electricity Co., Ltd. (Yan Xu Green Electricity)	Green energy power plant development	82.50	82.50	
	Expotech Co., Ltd. (Expotech)	Computer system integration service	58.87	59.23	Notes 11
Advantech Technology Co., Ltd. (ATC)	HK Advantech Technology Co., Ltd. [ATC (HK)]	Overseas investment in manufacturing and services industries	100.00	100.00	
HK Advantech Technology Co., Ltd. [ATC (HK)]	Advantech Technology (China) Company Ltd. (AKMC)	Manufacturing and trade of interface cards and PC cases, plastic cases and accessories	100.00	100.00	
Advantech Automation Corporation B.V. (AAC NL) (Formerly Advantech Automation Corporation Limited (AAC MT))	Advantech Corp. (ANA)	Marketing, trade and assembly of industrial use computers	100.00	100.00	
Advantech Corp. (ANA)	Advantech Technology Limited (AIE)	Trading of industrial network communication systems	100.00	100.00	
	BitFlow, Inc. (ABO)	High-speed image capture core technology in the advanced fields of image and AI machine vision technology	100.00	100.00	

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Advantech Automation Corp. (HK) Limited [AAC (HK)]	Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Marketing and trade of industrial use computers	100.00	100.00	
	Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN)	Overseas investment	82.00	82.00	
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Xi'an Advantech Software Ltd. (AXA)	Development and manufacturing of software products	100.00	100.00	
	Shanghai Advantech Intelligent Service Co., Ltd. (ACI CN)	Overseas investment	18.00	18.00	
Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN)	Advantech Service-IoT (Shanghai) Co., Ltd. [SIoT (China)]	Technology development, consulting and services in the field of intelligent technology	-	100.00	Notes 16
	Adveco Technology Co., Ltd. (Adveco)	Technology development, consulting, services, product design, production and project implementation in the field of smart buildings	30.00	30.00	Notes 5 and 10
	Adveco Management Consulting Co., Ltd. (Adveco Management)	Enterprise management consulting, information consulting, planning, service	60.00	60.00	Notes 6

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN)	Shanghai Fuhua Huichuang Intelligent Information Technology Co., Ltd. (Fuhua Huichuang)	Development and sales of information security devices, intelligent systems and cloud technologies	50.00	-	Notes 13
Adveco Management Consulting Co., Ltd. (Adveco Management)	Adveco Management Consulting No.1 (Limited partnership) (Adveco Management No.1)	Enterprise management consulting, information consulting, planning, service	99.90	99.90	Notes 7 and 10
	Adveco Management Consulting No. 2 (Limited partnership) (Adveco Management No. 2)	Enterprise management consulting, information consulting, planning, service	99.90	99.90	Notes 8 and 10
Adveco Management Consulting No. 1 (Limited partnership) (Adveco Management No. 1)	Adveco Technology Co., Ltd. (Adveco)	Technology development, consulting, services, product design, production and project implementation in the field of smart buildings	20.00	20.00	Notes 5 and 10
Adveco Management Consulting No. 2 (Limited partnership) (Adveco Management No. 2)	Adveco Technology Co., Ltd. (Adveco)	Technology development, consulting, services, product design, production and project implementation in the field of smart buildings	20.00	20.00	Notes 5 and 10
Advantech Europe Holding B.V. (AEUH)	Advantech Europe B.V. (AEU)	Marketing and trade of industrial use computers	100.00	100.00	

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Advantech Europe Holding B.V. (AEUH)	Advantech Poland Sp z o.o. (APL)	Marketing and trade of industrial use computers	100.00	100.00	
Advantech Co., Singapore Pte, Ltd. (ASG)	Advantech Corporation (Thailand) Co., Ltd. (ATH)	Manufacturing of computer products	50.49	49.00	Notes 15
	PT. Advantech International (AID)	Marketing and trade of industrial use computers	99.00	99.00	
	Advantech Electronics, S.A.P.I. DE C.V. (AMX)	Marketing and trade of industrial use computers	0.10	0.10	Notes 4
Cermate Technologies Inc. (Cermate Taiwan)	LandMark Co., Ltd. (LandMark)	General investment	100.00	100.00	
LandMark Co., Ltd. (LandMark)	Shenzhen Cermate Technologies Inc. (Cermate Shenzhen)	Production of LCD touch screen, USB data cables, and industrial use computers	90.00	90.00	
	Cermate software Inc. (CSI)	Software development	100.00	100.00	
LNC Technology Co., Ltd. (LNC)	Better Auto Holdings Limited (Better Auto)	Holding company	100.00	100.00	Notes 2
	LNCMac Technology Corp. (LNCMac)	System integration and application, system furniture intelligent design, manufacturing and sales	56.09	56.09	Notes 2
	BEST PLC LTD. (BEST PLC)	Holding company	100.00	100.00	Notes 2
Better Auto Holdings Limited (Better Auto)	Famous Now Limited (Famous Now)	Holding company	100.00	100.00	Notes 2

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
BEST PLC LTD. (BEST PLC)	BEST SERVO LTD. (BEST SERVO)	Holding company	100.00	100.00	Notes 2
Famous Now Limited (Famous Now)	LNC Dong Guan Co., Ltd. (LNC Dong Guan)	Manufacturing and trade of controllers	100.00	100.00	Notes 2
LNCMac Technology Corp. (LNCMac)	BEST MACHINE LTD. (BEST MACHINE)	Holding company	100.00	100.00	Notes 2
	BEST AUTOMATION LTD. (BEST AUTOMATION)	Holding company	100.00	100.00	Notes 2
BEST MACHINE LTD. (BEST MACHINE)	LNCMac DONG GUAN Technology Co Ltd. (LNCMac DONG GUAN)	System intergration	100.00	100.00	Notes 2
Advantech Technology Limited (AIE)	Advantech Czech, s.r.o. (ACZ)	Manufacturing of automation control	100.00	100.00	
Advantech Industrial Computer India Private Limited (AIN)	Advantech Raiser India Private Limited (ARI)	Marketing and trade of industrial use computers	55.00	55.00	
LNCMac DONG GUAN Technology Co., Ltd. (LNCMac DONG GUAN)	LNCMac Furniture Co., Ltd. (LNCMac Furniture)	System furniture intelligent design, manufacturing and sales	100.00	100.00	Notes 2
AURES TECHNOLOGI ES S.A. (Aures)	AURES Technologies Ltd. (Aures UK)	Retail electronic and computer products marketing and sales	100.00	100.00	Notes 12
	AURES TECHNOLOGIES GmbH (Aures DE)	Retail electronic and computer products marketing and sales	90.00	90.00	Notes 12
	A.G.H. US HOLDING COMPANY, INC. (Aures AGH)	Holding company	100.00	100.00	Notes 12

Name of investor	Name of subsidiary	Business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
AURES TECHNOLOGIES S.A. (Aures)	J2 SYSTEMS TECHNOLOGY Limited (Aures J2SYSTEMS)	Holding company	100.00	100.00	Notes 12
A.G.H. US HOLDING COMPANY, INC. (Aures AGH)	Retail Technology Group Inc. (Aures RTG)	Maintenance , installation and technical support for retail services	100.00	100.00	Notes 12
J2 SYSTEMS TECHNOLOGY Limited (Aures J2SYSTEMS)	Aures Technologies Inc. (Aures US)	Retail electronic and computer products marketing and sales	100.00	100.00	Notes 12
	AURES Technologies Pty Ltd. (Aures AU)	Retail electronic and computer products marketing and sales	100.00	100.00	Notes 12

Note 1: The Group collectively holds more than 50% of the voting shares or has control over the above subsidiaries.

Note 2: In the first quarter of 2024, LNC did not participate in the capital increase proportionally to its equity interest in LNCMac, which resulted to a decrease in ownership to 57.49%. In the second quarter of 2024, it acquired equity interest in LNCMac from non-controlling interest, which resulted to an increase in ownership from 57.49% to 58.44%. In the third quarter of 2024, it did not participate in the capital increase proportionally to its equity interest in LNCMac, which resulted to a decrease in ownership from 58.44% to 56.09%. In the second quarter of 2024, the Group lost control over LNC and its subsidiaries, but still has significant influence over them. Accordingly, the investments in LNC and its subsidiaries were reclassified to investments accounted for under equity method from the second quarter of 2024.

Note 3: In the fourth quarter of 2024, the Group acquired equity interest in ATR from other shareholders, which resulted to an increase in ownership from 80.10% to 100%.

Note 4: In the first quarter of 2024, the Group sold 2.4% equity interest in AMX, which resulted to a decrease in ownership from 100% to 97.6%, and in the first quarter of 2025, the Group sold 0.6% equity interest in AMX, which resulted to a decrease in ownership from 97.6% to 97%.

Note 5: In the first quarter of 2024, the Group established Advenco, and in the second and fourth quarter of 2024, the Group did not participate in the capital increase proportionally to its

equity interest in Adveco, which resulted to a decrease in ownership from 54.88% to 53.98%.

- Note 6: In the first quarter of 2024, the Group established Adveco Management, and the Group held 60% equity interest in Adveco Management.
- Note 7: During 2024, the Group established Adveco Management No. 1, and the Group held 59.94% equity interest in Adveco Management No. 1.
- Note 8: During 2024, the Group established Adveco Management No. 2, and the Group held 59.94% equity interest in Adveco Management No. 2.
- Note 9: In the fourth quarter of 2025, AAC (MT) relocated to Netherlands and changed its company name to Advantech Automation Corporation B.V. (AAC NL).
- Note 10: The purpose of establishing Adveco Management No.1 and Adveco Management No. 2 is to serve as equity platforms for future rewards for Adveco's management and employees.
- Note 11: In the second quarter of 2024, the Group acquired 21.51% equity interest in Expetech from external shareholders for a cash consideration of \$40,000, which resulted to an increase in ownership from 43.01% to 64.52%. The subsidiary was consolidated starting from the date the Group obtained control of the subsidiary, and the related information on the business combination is provided in Note 6(28). In the third quarter of 2024 and the fourth quarter of 2025, Expetech converted employee stock options into common shares, which resulted to a decrease in ownership from 64.52% to 58.87%.
- Note 12: On October 1, 2024, the Group acquired 1,430,381 shares at a price of 6.31 Euros per share from Aures' major shareholder. The ownership is approximately 36.32%. Consequently, the Group became the single largest shareholder and acquired substantial control over Aures. The subsidiary was consolidated starting from the date the Group obtained control of the subsidiary, and the related information on the business combination is provided in Note 6(28). In the first quarter of 2025, there was a continued acquisition of 2,210,774 shares, resulting in an increase in the ownership percentage to 92.39%. The Company has completed the tender offer of Aures Technologies S.A. (Aures). As approved by Autorite des marches financiers, the squeeze-out and delisting procedure were implemented on April 14, 2025.
- Note 13: In the first quarter of 2025, the Group established and held a 50% equity interest in Fuhua Huichuang. Under the investment agreement, the Group holds 68.18% of the voting rights in Fuhua Huichuang, thus exercising control and incorporating into the consolidated financial statements.
- Note 14: In the second quarter of 2025, Advantech Technology DMCC (ADB) changed its company name to Advantech Technology FZCO (ADB).
- Note 15: In the third quarter of 2025, ATH made a cash capital increase, which was fully subscribed by ASG and resulted to an increase in ownership from 49% to 50.49%.

Note 16: SIoT (China) was dissolved and liquidated in the third quarter of 2025.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.

- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

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

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting .
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor) - operating leases

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

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for under equity method - associates

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

- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

I. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings

Main buildings	20 ~ 60 years
Electronic equipment	5 years
Engineering systems	5 years
Machinery and equipment	2 ~ 10 years
Office equipment	1 ~ 8 years
Other equipment	1 ~ 10 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease

term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date;
 - (c) Any initial direct costs incurred by the lessee; and
 - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(18) Intangible assets

A. Goodwill

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

B. Customer relationship and trademarks

Customer relationship and trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and customer relationship have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 1 to 3 years and 2 to 15 years, respectively.

- C. Intangible assets, except for goodwill, customer relationship and trademarks are mainly software and technology licencing, etc. and are amortised on a straight-line basis as follows:

Technology licenses	5 ~ 8 years
Others	1 ~ 5 years

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by

which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

- B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(20) Borrowings

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

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(24) Offsetting financial assets and liabilities

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

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(26) Provisions for liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

currency and term of the employment benefit obligations.

- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(28) Employee share-based payment

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

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns

with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current income tax assets against current income tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred income tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(31) Dividends

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

(32) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells embedded computing boards, industrial automation products, applied computers and industrial computers. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. The Group does not recognise revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.
- (b) The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognised as a provision.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Revenue from rendering services

Revenue from rendering services comes from developing products and extended warranty services, etc. Such revenue is recognised when services are provided.

(33) Government grants

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

(34) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised

amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

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

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

Critical accounting estimates and assumptions

Evaluation of inventories

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

As of December 31, 2025, the carrying amount of inventories was \$11,834,524.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 721	\$ 537
Checking accounts and demand deposits	9,037,904	9,958,905
Cash equivalents (time deposits with original maturities less than three months)	<u>2,278,654</u>	<u>3,657,603</u>
	<u>\$ 11,317,279</u>	<u>\$ 13,617,045</u>

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

B. The Group had no cash and cash equivalents pledged to others.

(2) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - current</u>		
Mandatorily measured at fair value through profit or loss		
Derivative instruments (not under hedge accounting)		
Forward foreign exchange contracts	\$ 455	\$ 746
Non-derivative financial assets		
Listed, OTC and emerging stocks	165,155	158,727
Beneficiary certificates	6,830,132	5,651,332
Ordinary corporate bonds	<u>156,591</u>	<u>100,281</u>
	<u>\$ 7,152,333</u>	<u>\$ 5,911,086</u>
<u>Financial assets - non-current</u>		
Mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
Listed, OTC and emerging stocks	\$ 973,701	\$ 417,703
Unlisted and non-OTC stocks	64,033	73,573
Beneficiary certificates	1,959,434	2,164,804
Ordinary corporate bonds	<u>392,809</u>	<u>553,491</u>
	<u>\$ 3,389,977</u>	<u>\$ 3,209,571</u>
<u>Financial liabilities - current</u>		
Mandatorily measured at fair value through profit or loss		
Derivative instruments (not under hedge accounting)		
Forward foreign exchange contracts	\$ 13,323	\$ 7,902

- A. Amounts recognised in profit or (loss) in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	For the years ended December 31,	
	2025	2024
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Non-derivative instruments	(\$ 62,000)	(\$ 107,485)
Derivative instruments	(39,556)	(68,479)
	<u>(\$ 101,556)</u>	<u>(\$ 175,964)</u>

- B. At the balance sheet date, outstanding forward foreign exchange contracts not accounted for under hedge accounting are as follows:

Derivative financial assets:

<u>December 31, 2025</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward	EUR/NTD	2026.02	EUR 1,500/NTD 55,588
foreign exchange	JPY/NTD	2026.01~2026.02	JPY 60,000/NTD 12,115
	KRW/USD	2026.01	KRW 715,750/USD 500
<u>December 31, 2024</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward	EUR/NTD	2025.01	EUR 2,000/NTD 68,802
foreign exchange	CNY/NTD	2025.01	CNY 5,000/NTD 22,475
	JPY/NTD	2025.01~2025.02	JPY 40,000/NTD 8,539

Derivative financial liabilities:

<u>December 31, 2025</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward	EUR/NTD	2026.01~2026.02	EUR 7,500/NTD 270,777
foreign exchange	USD/NTD	2026.01~2026.02	USD 8,500/NTD 263,268
	CNY/NTD	2026.01~2026.02	CNY 28,000/NTD 122,586
	JPY/NTD	2026.01	JPY 30,000/NTD 6,019
	KRW/USD	2026.01	KRW 731,100/USD 500
<u>December 31, 2024</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward	EUR/NTD	2025.01~2025.02	EUR 4,000/NTD 135,964
foreign exchange	USD/NTD	2025.01~2025.02	USD 13,500/NTD 435,572
	CNY/NTD	2025.01	CNY 25,000/NTD 111,670

- C. The Group entered into forward foreign exchange contracts to manage exposure to exchange rate fluctuations of foreign-currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for under hedge accounting.
- D. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.
- E. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Listed and OTC stocks	\$ 2,667,487	\$ 2,620,028
Unlisted and non-OTC stocks	97,518	167,243
	<u>\$ 2,765,005</u>	<u>\$ 2,787,271</u>

- A. These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at fair value through other comprehensive income as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 73,736)	\$ 44,745
Cumulative gains reclassified to retained earnings due to derecognition	\$ 7,913	\$ 86,308
Dividend income recognised in profit or loss held at end of year	\$ 193,871	\$ 375,821

- C. The Group had no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Restricted demand deposits	\$ 1,483	\$ -
Time deposits	722,820	928,283
	<u>\$ 724,303</u>	<u>\$ 928,283</u>
Non-current items:		
Ordinary corporate bonds	\$ 1,627,011	\$ -

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

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest income	\$ 60,836	\$ 21,336

- B. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$2,351,314 and \$928,283, respectively.
- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that probability of counterparty default is remote.

(5) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 1,628,325	\$ 1,491,603
Less: Allowance for uncollectible accounts	(730)	(747)
	<u>\$ 1,627,595</u>	<u>\$ 1,490,856</u>
Accounts receivable	\$ 9,201,603	\$ 8,981,743
Less: Allowance for uncollectible accounts	(322,184)	(371,867)
	<u>\$ 8,879,419</u>	<u>\$ 8,609,876</u>

- A. The ageing analysis of notes and accounts receivable is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 9,736,303	\$ 9,193,017
Less than 90 days past due	971,860	1,139,008
Between 91 to 180 days past due	60,662	22,832
Over 181 days past due	61,103	118,489
	<u>\$ 10,829,928</u>	<u>\$ 10,473,346</u>

The above aging analysis was based on past due date.

- B. As of December 31, 2025 and 2024, and January 1, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$10,829,928, \$10,473,346, and \$9,408,369, respectively.
- C. The Group does not hold collateral as security for accounts receivable.
- D. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$1,627,595 and \$1,490,856, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$8,879,419 and \$8,609,876, respectively.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,201,443	(\$ 585,412)	\$ 4,616,031
Work in progress	818,311	(4,791)	813,520
Finished goods	5,363,226	(334,231)	5,028,995
Inventory in transit	1,375,978	-	1,375,978
	<u>\$ 12,758,958</u>	<u>(\$ 924,434)</u>	<u>\$ 11,834,524</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 4,837,837	(\$ 641,531)	\$ 4,196,306
Work in progress	811,072	(6,972)	804,100
Finished goods	4,766,590	(464,178)	4,302,412
Inventory in transit	1,250,901	-	1,250,901
	<u>\$ 11,666,400</u>	<u>(\$ 1,112,681)</u>	<u>\$ 10,553,719</u>

The cost of inventories recognised as operating cost for the year:

	For the years ended December 31,	
	2025	2024
Cost of goods sold	\$ 42,273,969	\$ 34,864,550
Gain from price recovery	(115,192)	(85,659)
Others	525,981	631,515
	<u>\$ 42,684,758</u>	<u>\$ 35,410,406</u>

The Group reversed a previous inventory write-down because some inventories which were previously provided with allowance for valuation loss were subsequently sold during the years ended December 31, 2025 and 2024.

(7) Investments accounted for under equity method

A. Information on the investments in associates is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Associates that are not individually material</u>		
<u>Listed, OTC and emerging companies</u>		
Axiomtek Co., Ltd. (Axiomtek)	\$ 1,353,184	\$ 1,281,900
Winmate Inc. (Winmate)	710,212	697,986
AzureWave Technologies, Inc. (AzureWave)	771,984	813,355
Nippon RAD Inc. (Nippon RAD)	257,859	256,296
Mildex Optical Inc. (Mildex)	140,835	153,543
Hwacom Systems Inc. (Hwacom)	405,796	442,563
LNC Technology Co., Ltd. (LNC)	196,137	233,713
International Integrated Systems, Inc. (IISI)	318,623	267,450
VSO Electronics Co., Ltd. (VSO)	219,087	219,688
<u>Unlisted and non-OTC companies</u>		
CDIB Innovation Accelerator Co., Ltd. (CDIB)	212,500	245,537
Feng Sang Enterprise Co., Ltd. (Feng Sang)	129,238	126,970
ADTEK Electronics Co., Ltd. (ADTEK)	147,623	-
Others	249,499	254,360
	<u>\$ 5,112,577</u>	<u>\$ 4,993,361</u>

The changes in the Group's shareholding ratio or having significant influence due to capital increase of its investments in 2025 and 2024 are as follows:

- (a) In 2024 and 2025, VSO converted employee stock options into common shares, and the Group did not subscribe to the capital increase in proportion to its shareholding percentage. Additionally, VSO repurchased treasury shares in the second quarter of 2025, and the Group disposed of part of its equity interest in VSO for a cash consideration of \$20,199 in the fourth quarter of 2025, which resulted to a decrease in its equity interest to 10.92%. However, the Group continues to hold significant influence over VSO as the Group remains as one of its directors.
- (b) During 2024, Hwacom converted the corporate bonds into common shares, which resulted to a decrease in its equity interest to 17.42%. In the first quarter of 2025, Hwacom issued employee restricted shares, which resulted to a decrease in its equity interest to 17.30%. Additionally, in the fourth quarter of 2025, the Group disposed of part of its equity interest in Hwacom for a cash consideration of \$183,661, which resulted to a decrease in its equity interest to 14.40%. However, the Group continues to hold significant influence over Hwacom as the Group remains as one of its directors.

- (c) In the second quarter of 2024, the Group lost control over Group LNC, but still has significant influence over them. Accordingly, the investments in Group LNC were reclassified to investments accounted for under equity method, and the investments in Group LNC accounted for under equity method were no longer classified as associates of the Group from the second quarter of 2024. In the fourth quarter of 2024, LNC made a cash capital increase. As the Group did not subscribe to the capital increase in proportion to its shareholding percentage, its equity interest decreased to 40.55%.
- (d) The Group disposed part of its equity in Information Technology Total Services Co., Ltd. (ITTS) during the first quarter of 2024 to the second quarter of 2024, which resulted to a decrease in its equity interest to 14.01%. As the Group no longer remains as one of ITTS's directors and has lost significant influence over ITTS, the investment in ITTS accounted for under equity method was reclassified to financial assets at fair value through profit or loss - current in the second quarter of 2024.
- (e) During 2024 and 2025, AzureWave repurchased employee restricted shares for capital reduction through cancellation and issued employee restricted shares. In addition, the Group disposed of part of its equity interest in AzureWave from 2024 to 2025, which resulted to a decrease in its equity interest to 16.46%. However, the Group continues to hold significant influence over AzureWave as the Group remains as one of its directors.
- (f) During 2024 and 2025, Axiomtek converted employee stock options into common shares, and converted the corporate bonds into common shares, which resulted to a decrease in its equity interest to 25.96%.
- (g) In the first quarter of 2024 and the third quarter of 2025, Winmate converted employee stock options into common shares, and converted the corporate bonds into common shares. Additionally, in the third quarter and the fourth quarter of 2025, the Group disposed of part of its equity interest in Winmate, which resulted to a decrease in its equity interest to 14.58%. However, the Group continues to hold significant influence over Winmate as the Group remains as one of its directors.
- (h) In the second quarter of 2024, AIMobile Co., Ltd. (AIMobile) made a capital reduction to offset against the deficit and a capital increase. As the Group did not subscribe to the capital increase in proportion to its shareholding percentage, its equity interest decreased from 27.00% to 9.81%. As the Group lost significant influence over AIMobile, the investment in AIMobile accounted for under equity method was reclassified to financial assets at fair value through other comprehensive income - non-current.
- (i) In the second quarter of 2024, the Group acquired 21.51% equity interest in Expetech from external shareholders for a cash consideration of \$40,000, which resulted to an increase in its equity interest from 43.01% to 64.52%. The subsidiary was consolidated starting from the date the Group obtained control of the subsidiary, and the related information on the business combination is provided in Note 6(28).

- (j) In the third quarter of 2024, as the Group no longer remains as DotZero Co., Ltd.'s (DotZero's) directors and lost significant influence over DotZero, the investment in DotZero accounted for under equity method was reclassified to financial assets at fair value through other comprehensive income - non-current.
- (k) In the third quarter of 2024 and the fourth quarter of 2025, the Group disposed of part of its equity interest in IISI, which resulted to a decrease in its equity interest to 17.11%. However, the Group continues to hold significant influence over IISI as the Group remains as one of its directors.
- (l) During 2024 and 2025, the Group disposed of part of its equity interest in Mildex, which resulted to a decrease in its equity interest to 12.12%. However, the Group continues to hold significant influence over Mildex as the Group remains as one of its directors.
- (m) In the third quarter of 2024, the Group acquired equity interest in Smasoft Technology Co., Ltd. (Smasoft) for a cash consideration of \$40,000, which resulted to an increase in ownership from 25.63% to 40.03%.
- (n) In the second quarter of 2025, the Group acquired 28.23% equity interest in ADTEK from external shareholders for a cash consideration of \$127,110. As the Group did not subscribe to the capital increase in proportion to its shareholding percentage, its equity interest decreased to 21%.
- (o) In the third quarter of 2025, the Group disposed all of its equity interest in Impelex Data Transfer Co., Ltd. (Impelex) for a cash consideration of \$1,405.
- B. The summary of financial information of shares attributable to the Group on the associates that are not individually material to the Group is as follows:

	For the years ended December 31,	
	2025	2024
Profit for the year from continuing operations	\$ 362,170	\$ 399,256
Other comprehensive (loss) income after tax	(46,119)	29,259
Total comprehensive income	<u>\$ 316,051</u>	<u>\$ 428,515</u>

- C. The fair value of the Group's associates which have quoted market price is as follows:

	December 31, 2025	December 31, 2024
Fair value of associates	<u>\$ 8,482,908</u>	<u>\$ 9,291,743</u>

- D. The Group is the single largest shareholder of Axiomtek, Winmate, Hwacom, VSO, Feng Sang and Smasoft. Considering that the other shareholders hold more shares than the Group and the degree of other shareholders involvement in prior shareholders' meeting and record of voting rights for major proposals, and the Group has no substantial ability to direct the relevant operating and financial activities, the Group has no control, but only has significant influence over the companies.

E. The Group is the single largest shareholder of LNC. Considering that the other shareholders of the company collectively hold more shares than the Group and that the Group has only one of its directors, and the Group has no substantial ability to direct the relevant operating and financial activities, the Group has no control, but only has significant influence over the companies.

(8) Property, plant and equipment

	Freehold land	Buildings	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment pending acceptance	Total
Balance at January 1, 2025							
Cost	\$ 2,906,435	\$ 9,802,191	\$ 2,313,881	\$ 869,308	\$ 2,396,875	\$ 1,442,823	\$ 19,731,513
Accumulated depreciation and impairment	-	(3,495,401)	(1,551,758)	(720,088)	(1,720,195)	-	(7,487,442)
	<u>\$ 2,906,435</u>	<u>\$ 6,306,790</u>	<u>\$ 762,123</u>	<u>\$ 149,220</u>	<u>\$ 676,680</u>	<u>\$ 1,442,823</u>	<u>\$ 12,244,071</u>
Balance at January 1, 2025	\$ 2,906,435	\$ 6,306,790	\$ 762,123	\$ 149,220	\$ 676,680	\$ 1,442,823	\$ 12,244,071
Additions	-	26,052	138,584	53,865	180,203	2,459,007	2,857,711
The allocation of the acquisition price adjustment (Note 1)	-	-	1,027	-	15,931	201	17,159
Disposals	-	(482)	(1,830)	(1,837)	(3,505)	-	(7,654)
Depreciation	-	(246,514)	(144,001)	(58,520)	(212,622)	-	(661,657)
Reclassifications	-	117	24,859	1,600	6,249	4,185	37,010
Net exchange differences	(12,650)	(10,069)	(3,046)	633	5,106	(14,784)	(34,810)
Balance at December 31, 2025	<u>\$ 2,893,785</u>	<u>\$ 6,075,894</u>	<u>\$ 777,716</u>	<u>\$ 144,961</u>	<u>\$ 668,042</u>	<u>\$ 3,891,432</u>	<u>\$ 14,451,830</u>
Balance at December 31, 2025							
Cost	\$ 2,893,785	\$ 9,774,722	\$ 2,437,076	\$ 897,234	\$ 2,654,115	\$ 3,891,432	\$ 22,548,364
Accumulated depreciation and impairment	-	(3,698,828)	(1,659,360)	(752,273)	(1,986,073)	-	(8,096,534)
	<u>\$ 2,893,785</u>	<u>\$ 6,075,894</u>	<u>\$ 777,716</u>	<u>\$ 144,961</u>	<u>\$ 668,042</u>	<u>\$ 3,891,432</u>	<u>\$ 14,451,830</u>
	Freehold land	Buildings	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment pending acceptance	Total
Balance at January 1, 2024							
Cost	\$ 2,921,224	\$ 9,569,679	\$ 2,397,115	\$ 871,739	\$ 2,228,038	\$ 321,304	\$ 18,309,099
Accumulated depreciation and impairment	-	(3,226,524)	(1,476,693)	(690,682)	(1,589,155)	-	(6,983,054)
	<u>\$ 2,921,224</u>	<u>\$ 6,343,155</u>	<u>\$ 920,422</u>	<u>\$ 181,057</u>	<u>\$ 638,883</u>	<u>\$ 321,304</u>	<u>\$ 11,326,045</u>
Balance at January 1, 2024	\$ 2,921,224	\$ 6,343,155	\$ 920,422	\$ 181,057	\$ 638,883	\$ 321,304	\$ 11,326,045
Additions	-	167,957	28,308	41,111	190,921	1,094,052	1,522,349
Acquired from business combinations (Note 1)	-	-	1,900	974	41,290	942	45,106
Disposals	(13,047)	(5,649)	(16,045)	(1,435)	(4,621)	-	(40,797)
Depreciation	-	(244,548)	(155,678)	(71,997)	(212,848)	-	(685,071)
Changes due to loss of control of subsidiaries (Note 2)	-	-	(35,065)	(4,546)	(20,516)	-	(60,127)
Reclassifications	-	-	3,433	(6)	28,618	8,603	40,648
Net exchange differences	(1,742)	45,875	14,848	4,062	14,953	17,922	95,918
Balance at December 31, 2024	<u>\$ 2,906,435</u>	<u>\$ 6,306,790</u>	<u>\$ 762,123</u>	<u>\$ 149,220</u>	<u>\$ 676,680</u>	<u>\$ 1,442,823</u>	<u>\$ 12,244,071</u>
Balance at December 31, 2024							
Cost	\$ 2,906,435	\$ 9,802,191	\$ 2,313,881	\$ 869,308	\$ 2,396,875	\$ 1,442,823	\$ 19,731,513
Accumulated depreciation and impairment	-	(3,495,401)	(1,551,758)	(720,088)	(1,720,195)	-	(7,487,442)
	<u>\$ 2,906,435</u>	<u>\$ 6,306,790</u>	<u>\$ 762,123</u>	<u>\$ 149,220</u>	<u>\$ 676,680</u>	<u>\$ 1,442,823</u>	<u>\$ 12,244,071</u>

Note 1: Refer to Note 6(28) for details.

Note 2: Refer to Note 4(3) for details.

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	For the years ended December 31,	
	2025	2024
Amount capitalised	\$ 2,378	\$ 270
Interest rate for capitalisation	2.69%	2.69%

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Lease agreements - lessee

A. The Group's lease subjects include buildings, transportation equipment, machinery and equipment, office equipment and land use rights. Rental contracts are typically made for periods of 1 to 15 years, except for the land use rights which cover periods of 38 to 77 years. The lease contract is negotiated individually and contains various terms and conditions. Except for the leased assets which cannot be used as security for borrowing purposes, there are no other restrictions on the lease.

B. Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amount		
Land	\$ 1,391,742	\$ 1,448,897
Buildings	459,660	513,709
Machinery and equipment	4	2,061
Office equipment	36,204	22,520
Transportation equipment	81,335	114,141
Other equipment	13	-
	<u>\$ 1,968,958</u>	<u>\$ 2,101,328</u>

	For the years ended December 31,	
	2025	2024
Depreciation expenses		
Land	\$ 8,404	\$ 8,638
Buildings	247,540	189,858
Machinery and equipment	346	1,260
Office equipment	15,501	7,471
Transportation equipment	58,365	40,997
Other equipment	92	731
	<u>\$ 330,248</u>	<u>\$ 248,955</u>

C. The additions to right-of-use assets for the years ended December 31, 2025 and 2024 were \$253,098 and \$285,953, respectively.

D. Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount		
Current	\$ 290,922	\$ 301,163
Non-current	1,476,031	1,578,759
	<u>\$ 1,766,953</u>	<u>\$ 1,879,922</u>

E. Other lease information

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Expense on lease interest	\$ 79,929	\$ 84,198
Expense on short-term lease contracts	\$ 4,607	\$ 614
Expense on leases of low-value assets	\$ 1,433	\$ 388
Total cash outflow for leases	<u>\$ 348,218</u>	<u>\$ 307,497</u>

F. During 2023, ANA acquired the land use right with a lease term of 77 years starting from the date of construction. Under the contract, ANA is entitled to execute the land purchase option in 2034.

(10) Intangible assets

	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Technology licenses</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2025						
Cost	\$ 538,028	\$ 652,852	\$ 444,506	\$ 2,992,769	\$ 759,273	\$ 5,387,428
Accumulated amortisation and impairment	(462,917)	(428,044)	(444,506)	(679,626)	(558,594)	(2,573,687)
	<u>\$ 75,111</u>	<u>\$ 224,808</u>	<u>\$ -</u>	<u>\$ 2,313,143</u>	<u>\$ 200,679</u>	<u>\$ 2,813,741</u>
Balance at January 1, 2025	\$ 75,111	\$ 224,808	\$ -	\$ 2,313,143	\$ 200,679	\$ 2,813,741
Additions-acquired separately	-	-	-	-	176,676	176,676
The allocation of the acquisition price adjustment (Note 1)	-	(3,608)	-	(7,865)	-	(11,473)
Disposals	-	-	-	-	(72)	(72)
Amortisation	-	(59,953)	-	-	(157,803)	(217,756)
Net exchange differences	6,072	(10,853)	-	(25,661)	3,862	(26,580)
Balance at December 31, 2025	<u>\$ 81,183</u>	<u>\$ 150,394</u>	<u>\$ -</u>	<u>\$ 2,279,617</u>	<u>\$ 223,342</u>	<u>\$ 2,734,536</u>
Balance at December 31, 2025						
Cost	\$ 525,856	\$ 438,458	\$ 327,159	\$ 2,931,291	\$ 916,271	\$ 5,139,035
Accumulated amortisation and impairment	(444,673)	(288,064)	(327,159)	(651,674)	(692,929)	(2,404,499)
	<u>\$ 81,183</u>	<u>\$ 150,394</u>	<u>\$ -</u>	<u>\$ 2,279,617</u>	<u>\$ 223,342</u>	<u>\$ 2,734,536</u>

	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Technology licenses</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2024						
Cost	\$ 508,306	\$ 572,904	\$ 422,615	\$ 2,954,215	\$ 693,325	\$ 5,151,365
Accumulated amortisation and impairment	(430,281)	(379,239)	(422,615)	(665,939)	(502,877)	(2,400,951)
	<u>\$ 78,025</u>	<u>\$ 193,665</u>	<u>\$ -</u>	<u>\$ 2,288,276</u>	<u>\$ 190,448</u>	<u>\$ 2,750,414</u>
Balance at January 1, 2024	\$ 78,025	\$ 193,665	\$ -	\$ 2,288,276	\$ 190,448	\$ 2,750,414
Additions-acquired separately	-	-	-	-	132,291	132,291
Additions-acquired through business combinations (Note 1)	-	54,776	-	168,185	22,774	245,735
Changes in liquidation of subsidiaries	-	-	-	(7,933)	-	(7,933)
Disposals	-	-	-	-	(29)	(29)
Amortisation	(3,417)	(35,903)	-	-	(120,442)	(159,762)
Reclassifications	-	-	-	-	280	280
Changes due to loss of control of subsidiaries (Note 2)	-	-	-	(227,127)	(11,284)	(238,411)
Net exchange differences	503	12,270	-	91,742	(13,359)	91,156
Balance at December 31, 2024	<u>\$ 75,111</u>	<u>\$ 224,808</u>	<u>\$ -</u>	<u>\$ 2,313,143</u>	<u>\$ 200,679</u>	<u>\$ 2,813,741</u>
Balance at December 31, 2024						
Cost	\$ 538,028	\$ 652,852	\$ 444,506	\$ 2,992,769	\$ 759,273	\$ 5,387,428
Accumulated amortisation and impairment	(462,917)	(428,044)	(444,506)	(679,626)	(558,594)	(2,573,687)
	<u>\$ 75,111</u>	<u>\$ 224,808</u>	<u>\$ -</u>	<u>\$ 2,313,143</u>	<u>\$ 200,679</u>	<u>\$ 2,813,741</u>

Note 1: Refer to Note 6(28) for details.

Note 2: Refer to Note 4(3) for details.

A. The details of goodwill are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
B+B Smartworkx Inc.	\$ 1,406,924	\$ 1,467,579
Aures	144,210	141,012
Advantech Service -IoT GmbH	180,969	167,433
AEU	147,296	136,268
Others	400,218	400,851
	<u>\$ 2,279,617</u>	<u>\$ 2,313,143</u>

B. Goodwill impairment assessment

- (a) The impairment assessment of goodwill relies on the subjective judgment of the management, including identifying the cash-generating unit and determining its recoverable amount.
- (b) The Group assesses the recoverable amounts of goodwill for impairment at the end of the financial reporting period, and the recoverable amount is assessed based on the value-in-use.
- (c) The value-in-use calculations use cash flow projections based on financial budgets approved by the management. Management determined the budgeted gross margin and growth rate based on past performance and the expectations of market development. The market valuation used is consistent with the similar industries. The discount rates used reflect specific

risks relating to the relevant operating segments and the time value of currency in real market.

(11) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Wages and salaries and bonuses payable	\$ 3,051,894	\$ 3,357,351
Employee benefits payable	316,172	243,766
Construction payable	329,275	20,360
Others	1,320,987	940,801
	<u>\$ 5,018,328</u>	<u>\$ 4,562,278</u>

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from September 24, 2024 to April 24, 2027. The loan can be used in installments and interest is payable monthly; principal is payable in full upon maturity	2.69%	-	\$ 99,200
Euro unsecured borrowings	Euros 700 thousand; borrowing period is from March 10, 2020 to March 10, 2027, interest is payable monthly	0.52%	-	4,681
Euro secured borrowings	Euros 4 million; borrowing period is from August 4, 2021 to May 4, 2026, interest is payable monthly	0.75%	Note	19,508
Euro secured borrowings	Euros 2.5 million; borrowing period is from August 25, 2021 to May 25, 2026, interest is payable monthly	0.70%	Note	11,672
Euro secured borrowings	Euros 4 million; borrowing period is from June 10, 2021 to June 10, 2026, interest is payable monthly	0.28%	Note	18,540
Euro secured borrowings	Euros 2.5 million; borrowing period is from December 12, 2023 to December 12, 2028, interest is payable monthly	4.20%	Note	73,755
Less: Current portion				(77,029)
				<u>\$ 150,327</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from September 24, 2024 to March 24, 2027, interest is payable monthly; principal is payable in full upon maturity	2.69%	-	\$ 37,000
Euro unsecured borrowings	Euros 700 thousand; borrowing period is from March 10, 2020 to March 10, 2027, interest is payable monthly	0.52%	-	7,776
Euro secured borrowings	Euros 4 million; borrowing period is from August 4, 2021 to May 4, 2026, interest is payable monthly	0.75%	Note	53,943
Euro secured borrowings	Euros 2.5 million; borrowing period is from August 25, 2021 to May 25, 2026, interest is payable monthly	0.70%	Note	32,285
Euro secured borrowings	Euros 4 million; borrowing period is from June 10, 2021 to June 10, 2026, interest is payable monthly	0.28%	Note	51,388
Euro secured borrowings	Euros 2.5 million; borrowing period is from December 12, 2023 to December 12, 2028, interest is payable monthly	4.20%	Note	90,005
Less: Current portion				(116,041)
				<u>\$ 156,356</u>

Note: These borrowings are provided by the French government as loan guarantees for business pandemic relief.

The interest expense recognised in profit and loss amounted to \$7,626 and \$5,551 for the years ended December 31, 2025 and 2024, respectively.

(13) Pension

A. Defined benefit pension plans

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are

based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

The subsidiaries, AJP, AIN, ARI and Aures, calculate pension benefits on the basis of the length of service and the hourly wages at the time of resignation or retirement date when employees under the defined benefit plans meet the requirements such as reaching the pension age, loss of capability to work, etc. in accordance with the local regulations.

(b) The amounts recognised in the balance sheets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 484,573	\$ 476,332
Fair value of plan assets	(261,084)	(243,828)
Net defined benefit liability (classified as other non-current liabilities)	<u>\$ 223,489</u>	<u>\$ 232,504</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2025			
Balance at January 1	\$ 476,332	(\$ 243,828)	\$ 232,504
Current service cost	4,388	-	4,388
Interest expense (income)	7,467	(3,785)	3,682
	<u>488,187</u>	<u>(247,613)</u>	<u>240,574</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(17,269)	(17,269)
Change in demographic assumptions	(265)	-	(265)
Change in financial assumptions	(966)	-	(966)
Experience adjustments	18,148	-	18,148
	<u>16,917</u>	<u>(17,269)</u>	<u>(352)</u>
Pension payment	(18,507)	12,305	(6,202)
Pension fund contribution	-	(8,619)	(8,619)
Net exchange differences	(2,024)	112	(1,912)
	<u>(20,531)</u>	<u>3,798</u>	<u>(16,733)</u>
Balance at December 31	<u>\$ 484,573</u>	<u>(\$ 261,084)</u>	<u>\$ 223,489</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2024			
Balance at January 1	\$ 459,822	(\$ 221,700)	\$ 238,122
Current service cost	4,148	-	4,148
Interest expense (income)	5,854	(2,977)	2,877
	<u>469,824</u>	<u>(224,677)</u>	<u>245,147</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(19,428)	(19,428)
Change in demographic assumptions	7	-	7
Change in financial assumptions	(1,108)	-	(1,108)
Experience adjustments	5,768	-	5,768
	<u>4,667</u>	<u>(19,428)</u>	<u>(14,761)</u>
Pension payment	(15,053)	9,309	(5,744)
Pension fund contribution	-	(9,003)	(9,003)
Acquired from business combinations (Note 1)	19,450	-	19,450
Net exchange differences	(2,556)	(29)	(2,585)
	<u>1,841</u>	<u>277</u>	<u>2,118</u>
Balance at December 31	\$ 476,332	(\$ 243,828)	\$ 232,504

Note 1: Refer to Note 6(28) for details.

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

(e) The principal actuarial assumptions used are as follows:

	For the years ended December 31,	
	2025	2024
Discount rate	1.375%~7.23%	1.23%~7.06%
Future salary increases rate	2.50%~10.00%	2.50%~10.00%

Future mortality rate was estimated based on actuarial advice in accordance with published statistics and experiences from 6th Taiwan Standard Ordinary Experience Mortality Table, Abridged Life Tables for Japan (2024) and Indian Assured Lives Mortality.

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

	Discount rate		Future salary increases rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2025				
Effect on present value of defined benefit obligation	(\$ 10,471)	\$ 10,863	\$ 8,322	(\$ 8,110)
December 31, 2024				
Effect on present value of defined benefit obligation	(\$ 10,582)	\$ 10,991	\$ 8,521	(\$ 8,276)

The sensitivity analysis above was determined based on the change of one assumption while the other conditions remain unchanged. In practice, the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheets are the same.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2026 amount to \$17,341.

(g) As of December 31, 2025, the weighted average duration of the retirement plans is 8.2 ~ 25.02 years.

B. Defined contribution pension plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) Overseas subsidiaries contribute pension in accordance with local government regulations, and recognise pension expenses at the time of contribution.
- (c) The pension costs under the defined contribution pension plans of the Group were \$669,047 and \$607,469 for the years ended December 31, 2025 and 2024, respectively.

(14) Share-based payment

A. Employee stock options granted by the Company

- (a) Qualified employees of the Company were granted 8,000,000 options in 2023, 7,500 options in 2020. Each option entitles the holder to subscribe for one, one thousand and one thousand ordinary shares of the Company, respectively. The holders of these shares include employees who meet certain criteria set by the Company from both domestic and overseas subsidiaries in which the Company directly or indirectly invests over 50%. Options issued in 2023 and 2020 are all valid for six years. All options are exercisable at certain percentages after the second anniversary year from the grant date. The exercise price of options granted in 2023 and 2020 were \$200 (in dollars) per share. For any subsequent changes in the Company's common shares, the exercise price and the number of options will be adjusted accordingly.
- (b) Information on employee stock options is as follows:

	For the years ended December 31,			
	2025		2024	
	Unit of options (in thousand shares)	Weighted- average exercise price (in dollars)	Unit of options (in thousand shares)	Weighted- average exercise price (in dollars)
Options outstanding at the beginning of the year	13,013	\$ 186.48	18,704	\$ 176.71
Options exercised	(2,241)	167.92	(5,140)	150.40
Options forfeited	-	-	(551)	144.40
Options outstanding at the end of the year	<u>10,772</u>	181.30	<u>13,013</u>	186.48
Options exercisable at the end of the year	<u>5,972</u>	174.32	<u>5,013</u>	164.90

- (c) The weighted-average stock price of share options at exercise dates for the years ended December 31, 2025 and 2024 were \$271 ~ \$425 (in dollars) and \$298 ~ \$432 (in dollars), respectively.

- (d) Information on outstanding options at the balance sheet date is as follows:

	December 31, 2025		December 31, 2024	
	Exercise price (in dollars)	Weighted-average remaining contractual life (in years)	Exercise price (in dollars)	Weighted-average remaining contractual life (in years)
Issuance in 2023	\$ 190.00	3.71	\$ 194.80	4.71
Issuance in 2020	160.80	0.58	164.90	1.58

- (e) The fair value of share options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	<u>Issuance in 2023</u>	<u>Issuance in 2020</u>
Grant-date stock price (in dollars)	\$ 342.5	\$ 309
Exercise price (in dollars)	\$ 200	\$ 200
Expected price volatility	26.82~28.77%	23.28~26.55%
Expected option life (in years)	4 ~ 5.5	4 ~ 5.5
Expected dividends yield	0%	0%
Risk-free interest rate	1.12~1.15%	0.31~0.35%
Fair value per unit (in dollars)	\$ 162.92~168.77	\$ 121.61~133.07

Expected price volatility was based on the annualized standard deviation of historical return on the stocks over the expected option life period.

- (f) Compensation cost recognised by the Company for the years ended December 31, 2025 and 2024 were \$419,599 and \$510,318, respectively.

B. Employee stock options granted by the subsidiary - Expetech

- (a) Qualified employees of Expetech, a subsidiary of the Company, were granted 1,500 options in 2024. Each option entitles the holder to subscribe for one thousand common shares of Expetech. The options were granted to employees of Expetech, who meet specific conditions. These options are valid for three years. Employees can exercise options according to the following dates and price from the grant year:

<u>Individual Subscription Unit (in thousand shares)</u>	<u>Exercise price per unit (in dollars)</u>	<u>Exercise Dates</u>	<u>Percentage of exercisable options</u>
1-1,000	\$ 10	From the grant date	100%
1,001-1,500	20	After the first anniversary year from the grant date	50%
1,001-1,500	20	After the second anniversary year from the grant date	50%

(b) Information on employee stock options is as follows:

	For the years ended December 31,			
	2025		2024	
	Unit of options (in thousand shares)	Weighted- average exercise price (in dollars)	Unit of options (in thousand shares)	Weighted- average exercise price (in dollars)
Options outstanding at the beginning of the year	580	\$ 18.62	-	\$ -
Options granted	-	-	1,500	13.33
Options exercised	(63)	13.60	(830)	10.00
Options forfeited	-	-	(90)	10.00
Options outstanding at the end of the year	<u>517</u>	19.25	<u>580</u>	18.62
Options exercisable at the end of the year	<u>267</u>	18.54	<u>80</u>	10.00

(c) Information on outstanding options at the balance sheet date is as follows:

	December 31, 2025		December 31, 2024	
	Exercise price (in dollars)	Weighted-average remaining contractual life (in years)	Exercise price (in dollars)	Weighted-average remaining contractual life (in years)
Issuance in 2024	\$ 10~20	1.08	\$ 10~20	2.08

(d) The fair value of share options granted on grant date is measured using the Black-Scholes option pricing model. Relevant information is as follows:

	Issuance in 2024
Grant-date stock price (in dollars)	\$ 12.59
Exercise price (in dollars)	\$ 10~20
Expected price volatility	27.61~28.21%
Expected option life (in years)	1.5 ~ 2.5
Expected dividends yield	0%
Risk-free interest rate	1.08~1.12%
Fair value per unit (in dollars)	\$ 0.4~3.26

Expected price volatility was based on the annualized standard deviation of historical return on the stocks over the expected option life period.

(e) Compensation cost recognised by the subsidiary, Expetech, for the years ended December 31, 2025 and 2024, were \$188 and \$3,076, respectively.

C. Employee stock options granted by the subsidiary - Adveco

(a) Qualified employees of Adveco, a subsidiary of the Company, were granted a specific number of employee stock options (or incentive stock options) in 2025, namely plan A option and plan B option, by dividing every CNY \$1 of registered capital into 10 employee stock options.

Unless agreed by the Company's board of directors, the grant period of incentive stock options shall not exceed 10 years, starting from the grant date specified in the grant notice issued by the Company to the incentive recipients.

(b) Plan A option

(i) Information on employee stock options is as follows:

	<u>For the year ended December 31, 2025</u>	
	<u>Number of options (in thousand units)</u>	<u>Weighted- average exercise price (CNY) (in dollars)</u>
Options outstanding at the beginning of the year	-	\$ -
Options granted	3,083	-
Options forfeited	(115)	-
Options outstanding at the end of the year	<u>2,968</u>	-
Options exercisable at the end of the year	<u>-</u>	-

(ii) Information on outstanding options at the balance sheet date is as follows:

	<u>December 31, 2025</u>	
	<u>Exercise price (CNY) (in dollars)</u>	<u>Weighted- average remaining contractual life (in years)</u>
Issuance in 2025	\$ -	9.04

(iii) The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	<u>Issuance in 2025</u>
Grant-date stock price (CNY) (in dollars)	\$ 2.75
Exercise price (CNY) (in dollars)	\$ -
Expected price volatility	27.81%
Expected option life (in years)	7
Expected dividends yield	0%
Risk-free interest rate	1.55%
Fair value per unit (CNY) (in dollars)	\$ 2.75

Expected price volatility was based on the annualized standard deviation of historical return on the stocks over the expected option life period.

(c) Plan B option

(i) Information on employee stock options is as follows:

	For the year ended December 31, 2025	
	Number of options (in thousand units)	Weighted- average exercise price (CNY) (in dollars)
Options outstanding at the beginning of the year	-	\$ -
Options granted	1,450	-
Options outstanding at the end of the year	1,450	-
Options exercisable at the end of the year	-	-

(ii) Information on outstanding options at the balance sheet date is as follows:

	December 31, 2025	
	Exercise price (CNY) (in dollars)	Weighted- average remaining contractual life (in years)
Issuance in 2025	\$ -	9.13

(iii) The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	Issuance in 2025	
Grant-date stock price (CNY) (in dollars)	\$	2.72
Exercise price (CNY) (in dollars)	\$	-
Expected price volatility		26.55%
Expected option life (in years)		2.89
Expected dividends yield		0%
Risk-free interest rate		1.42%
Fair value per unit (CNY) (in dollars)	\$	2.72

Expected price volatility was based on the annualized standard deviation of historical return on the stocks over the expected option life period.

(d) Compensation cost recognised by the subsidiary, Adreco, for the year ended December 31, 2025 was \$13,650.

(15) Share capital

As of December 31, 2025, the Company's authorised capital was \$10,000,000, consisting of 1,000,000 thousand shares of ordinary stock (including 50,000 thousand shares reserved for employee stock options and corporate bonds with warrant), and the paid-in capital was \$8,658,303

with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The change in the number of the Company's common shares outstanding at the beginning and end of the year are as follows (in thousand shares):

	2025	2024
At January 1	863,589	858,449
Employee share options exercised	2,241	5,140
At December 31	<u>865,830</u>	<u>863,589</u>

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>May be used to offset a deficit,</u>		
<u>distributed as cash dividends, or</u>		
<u>transferred to share capital (Note)</u>		
Premium on issuance of ordinary shares	\$ 2,692,238	\$ 2,692,238
Premium on conversion of bonds	1,636,499	1,636,499
Premium on issuance of ordinary shares for employee share options	5,808,969	5,226,482
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	31,556
Changes in equity of associates accounted for under equity method	674	674
Employees' share compensation	78,614	78,614
<u>May be used to offset a deficit only</u>		
Changes in ownership interests in subsidiaries	32,082	23,938
Changes in equity of associates accounted for under equity method	380,132	229,035
Employee share options forfeited	96,258	96,258
<u>Not to be used for any purpose</u>		
Employee share options	1,331,688	1,140,709
	<u>\$ 12,057,154</u>	<u>\$ 11,156,003</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital. However, the amount that can be transferred to share capital is limited to a certain percentage of paid-in capital every year.

(17) Retained earnings

- A. Under the earnings distribution policy of the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside or reversed from the legal reserve. Where such legal reserve amount has reached the company's paid-in capital, it may no longer be appropriated. The remainder, if any, shall be distributed as dividends to be proposed by the Board of Directors. The distribution of cash dividends shall be resolved by the Board of Directors while stock dividends shall be resolved by the shareholders during their meeting.
- B. The Company's dividend policy which takes into consideration the Company's future funding requirements and long-term financial planning as well as the interest of shareholders is to distribute at least 30% of the available profits as dividends to shareholders annually. The distribution of cash dividends shall not be less than 20% of the total dividends distributed. The Company operates in an industry related to computers, and its business related to network servers is new but with significant potential for growth. Thus, in formulating its dividends policy, the Company takes into account the overall business and industry conditions and trends, its objective of enhancing the shareholders' long-term interests, and the sustainability of the Company's growth. The policy also requires that share dividends shall be less than 75% of total dividends to retain internally generated cash within the Company to finance future capital expenditures and working capital requirements.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.
- E. The appropriations of 2024 and 2023 earnings had been approved by the shareholders on May 29, 2025 and May 30, 2024, respectively.

	For the years ended December 31,	
	2024	2023
Legal reserve	\$ 905,138	\$ 1,092,920
Cash dividends	\$ 7,254,151	\$ 8,155,269
Cash dividends per share (in dollars)	\$ 8.4	\$ 9.5

F. The appropriations of 2025 earnings and cash payment from capital surplus had been proposed by the Board of Directors on February 26, 2026. Details are summarized as follows:

	For the year ended December 31, 2025
Legal reserve	\$ 1,029,145
Cash dividends	\$ 7,965,638
Cash dividends per share (in dollars)	\$ 9.2
Cash payment from capital surplus	\$ 1,731,660
Cash payment per share (in dollars)	\$ 2

As of February 26, 2026, the appropriations of 2025 earnings stated above have not yet been resolved by the shareholders.

(18) Other equity items

A. Exchange differences on translation of the financial statements of foreign operations

	For the years ended December 31,	
	2025	2024
Balance at January 1	(\$ 145,169)	(\$ 827,011)
Recognised for the year		
Exchange differences on translation of the financial statements of foreign operations	(275,118)	641,213
Share of (loss) profit of associates accounted for under equity method	(27,499)	40,629
Other comprehensive (loss) income recognised for the year	(302,617)	681,842
Balance at December 31	(\$ 447,786)	(\$ 145,169)

B. Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income

	For the years ended December 31,	
	2025	2024
Balance at January 1	\$ 1,655,964	\$ 1,720,685
Recognised for the year		
Unrealised gain or loss		
Equity instrument	(73,736)	44,745
Share of loss of associates accounted for under equity method	(11,745)	(22,361)
Total	(85,481)	22,384
Transfer of valuation adjustments to retained earnings		
Equity instrument	(7,913)	(86,308)
Share of loss of associates accounted for under equity method	(28,523)	(797)
Balance at December 31	\$ 1,534,047	\$ 1,655,964

C. Unearned employee benefits compensation

	For the years ended December 31,	
	2025	2024
Balance at January 1	\$ -	(\$ 369)
Share of (loss) profit of associates accounted for under equity method	(17,197)	369
Balance at December 31	(\$ 17,197)	\$ -

(19) Non-controlling interest

	For the years ended December 31,	
	2025	2024
Balance at January 1	\$ 368,510	\$ 348,426
Loss for the year	(91,992)	(116,819)
Increase in non-controlling interest arising from the establishment of subsidiaries	27,438	8,098
Exchange differences on translation of the financial statements of foreign operations	(17,090)	(16,095)
Increase in non-controlling interests arising from decrease in investment in subsidiaries	7,730	121,403
Increase in non-controlling interests arising from business combinations	-	334,402
The allocation of the acquisition price adjustment	22,845	-
Decrease in non-controlling interests arising from increase in investment in subsidiaries	(211,217)	(8,008)
Cash dividends distributed by subsidiaries	(4,440)	(3,110)
Changes due to loss of control of subsidiaries	-	(297,683)
Capital reduction from subsidiaries	-	(2,104)
Balance at December 31	<u>\$ 101,784</u>	<u>\$ 368,510</u>

(20) Operating revenue

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers	<u>\$ 70,882,362</u>	<u>\$ 59,786,293</u>

A. Disaggregation of revenue from contracts with customers

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

For the year ended December 31, 2025

	Intelligent Systems (iSystem)	Embedded Design-In (Embedded)	IoT Automation (iAutomation)	Intelligent Service (iService)	Advantech Service Plus and Others (AS+ and Others)	Total
Department revenue	<u>\$ 24,018,689</u>	<u>\$ 25,565,867</u>	<u>\$ 5,140,440</u>	<u>\$ 7,450,490</u>	<u>\$ 8,706,876</u>	<u>\$ 70,882,362</u>

For the year ended December 31, 2024

	Intelligent Systems (iSystem)	Embedded Design-In (Embedded)	IoT Automation (iAutomation)	Intelligent Service (iService)	Advantech Service Plus and Others (AS+ and Others)	Total
Department revenue	<u>\$ 18,715,893</u>	<u>\$ 23,946,966</u>	<u>\$ 4,746,370</u>	<u>\$ 5,536,378</u>	<u>\$ 6,840,686</u>	<u>\$ 59,786,293</u>

B. Contract liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Current	\$ 1,335,883	\$ 1,453,150	\$ 1,088,750
Non-current (classified as other non-current liabilities)	296,734	316,639	278,394
	<u>\$ 1,632,617</u>	<u>\$ 1,769,789</u>	<u>\$ 1,367,144</u>

(21) Other income

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income	\$ 3,099	\$ 8,530
Dividend income	239,804	401,965
Government grants	41,781	61,187
Others	95,269	113,541
	<u>\$ 379,953</u>	<u>\$ 585,223</u>

(22) Other gains and losses

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
(Losses) gains on disposal of property, plant and equipment	(\$ 1,763)	\$ 50,404
Gains on disposal of non-current assets held for sale	-	353,632
Gains on disposals of investments	305,113	162,856
Currency exchange (losses) gains	(36,204)	283,899
Losses on financial assets / liabilities at fair value through profit or loss	(101,556)	(175,964)
Other losses	(37,248)	(28,351)
	<u>\$ 128,342</u>	<u>\$ 646,476</u>

(23) Finance costs

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Bank loan interest	\$ 7,626	\$ 7,165
Interest expense on lease liabilities	79,929	84,198
Others	1,241	2,994
	<u>\$ 88,796</u>	<u>\$ 94,357</u>

(24) Expenses by nature

A. Depreciation and amortisation expenses

	For the years ended December 31,	
	2025	2024
Depreciation categorised by function		
Operating costs	\$ 275,378	\$ 258,624
Operating expenses	716,527	675,402
	<u>\$ 991,905</u>	<u>\$ 934,026</u>
Amortisation of intangible assets categorised by function		
Operating costs	\$ 2,260	\$ 2,171
Operating expenses	215,496	157,591
	<u>\$ 217,756</u>	<u>\$ 159,762</u>

B. Employee benefit expense

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$ 13,517,037	\$ 12,369,042
Post-employment benefits		
Defined contribution plan	669,047	607,469
Defined benefit plan	8,070	7,025
	<u>677,117</u>	<u>614,494</u>
Share-based payment		
Equity-settled	433,437	513,394
Other employee benefits	1,149,102	973,910
Total employee benefit expense	<u>\$ 15,776,693</u>	<u>\$ 14,470,840</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 3,394,474	\$ 3,071,068
Operating expenses	12,382,219	11,399,772
	<u>\$ 15,776,693</u>	<u>\$ 14,470,840</u>

- (a) In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation at the rate of no less than 5%, of which rank-and-file employees' compensation shall constitute at least 15%, and directors' remuneration at the rate of no higher than 1%, of net profit before income tax. For the years ended December 31, 2025 and 2024, employees' compensation and directors' remuneration were accrued based on probable amounts according to past experience. The aforementioned amounts were estimated based on profit before tax and recognised in salary expense.

	For the years ended December 31,	
	2025	2024
Employees' compensation	\$ 710,000	\$ 620,000
Directors' remuneration	\$ 24,350	\$ 22,850

(b) Employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors on February 27, 2025 were in agreement with those amounts recognised in the 2024 financial statements.

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

(25) Income taxes

A. Income tax expense:

(a) Components of income tax expense were as follows:

	For the years ended December 31,	
	2025	2024
Current income tax:		
Current tax on profits for the year	\$ 2,361,670	\$ 2,169,278
Difference between prior years' income tax estimation and assessed results	(161,593)	(135,135)
Tax on undistributed earnings	44,000	84,051
Total current tax	2,244,077	2,118,194
Deferred income tax:		
Origination and reversal of temporary differences	(54,981)	(31,884)
Income tax expense	\$ 2,189,096	\$ 2,086,310

(b) Income tax recognised in other comprehensive income (loss)

	For the years ended December 31,	
	2025	2024
Translation of foreign operations	(\$ 75,654)	\$ 170,002
Remeasurement of defined benefit obligations	487	5,522
	(\$ 75,167)	\$ 175,524

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2025	2024
Income tax calculated based on profit before tax and statutory tax rate	\$ 3,052,693	\$ 2,606,464
Tax exempt income by tax regulation	(322,268)	(215,692)
Tax on undistributed earnings	44,000	84,051
Investment tax credits in the current year	(406,287)	(393,079)
Temporary differences not recognised as deferred tax assets	3,459	2,150
Difference between prior year's income tax estimation and assessed results	(161,593)	(135,135)
Taxable loss not recognised as deferred tax assets	153,218	234,273
Taxable temporary differences associated with investment in foreign subsidiaries not recognised as deferred tax liabilities	(193,027)	(115,445)
Others	18,901	18,723
Income tax expense	<u>\$ 2,189,096</u>	<u>\$ 2,086,310</u>

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

	2025			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
<u>Deferred income tax assets</u>				
Temporary differences				
Unrealised profit from sales	\$ 203,557	\$ 11,963	\$ -	\$ 215,520
Unrealised decline in value of inventories	155,258	(14,611)	-	140,647
Exchange differences on translation statements of foreign of the financial operations	36,751	-	75,654	112,405
Loss carryforwards	193,796	25,072	-	218,868
Defined benefit pension plans	25,967	3,515	-	29,482
Unrealised provisions for warranty	30,903	1,790	-	32,693
Remeasurement of defined benefit obligations	21,960	1,504	(487)	22,977
Allowance for uncollectible accounts in excess of allowable limit	6,374	(2,273)	-	4,101
Bonus payable	43,892	16,494	-	60,386
Research and development expense	67,013	(67,013)	-	-
Others	197,492	4,425	-	201,917
	<u>\$ 982,963</u>	<u>(\$ 19,134)</u>	<u>\$ 75,167</u>	<u>\$ 1,038,996</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Investment income from foreign investees accounted of under equity method	\$ 1,996,186	(\$ 113,233)	\$ -	\$ 1,882,953
Defined benefit pension plans	5,243	1,195	-	6,438
Remeasurement of defined benefit obligations	3,990	-	-	3,990
Exchange differences on translation of the financial statements of foreign operations	647	-	-	647
Unrealised exchange gains	16,236	39,196	-	55,432
Property, plant and equipment depreciation difference between tax and financial report	1,868	7,898	-	9,766
Financial assets at fair value through profit or loss	11,490	544	-	12,034
Others	10,837	(9,715)	-	1,122
	<u>\$ 2,046,497</u>	<u>(\$ 74,115)</u>	<u>\$ -</u>	<u>\$ 1,972,382</u>

	2024					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Changes due to loss of control of subsidiaries	Business combination	December 31
<u>Deferred income tax assets</u>						
Temporary differences						
Unrealised profit from sales	\$ 181,374	\$ 22,183	\$ -	\$ -	\$ -	\$ 203,557
Unrealised decline in value of inventories	138,038	1,554	-	(3,355)	19,021	155,258
Exchange differences on translation of the financial statements of foreign operations	207,868	(1,115)	(170,002)	-	-	36,751
Loss carryforwards	16,790	17,658	-	(16,790)	176,138	193,796
Defined benefit pension plans	27,833	(1,866)	-	-	-	25,967
Unrealised provisions for warranty	36,651	(5,413)	-	(335)	-	30,903
Remeasurement of defined benefit obligations	24,703	2,779	(5,522)	-	-	21,960
Allowance for uncollectible accounts in excess of allowable limit	5,919	455	-	-	-	6,374
Bonus payable	48,889	(9,135)	-	-	4,138	43,892
Research and development expense	44,430	22,583	-	-	-	67,013
Others	98,295	96,184	-	(52)	3,065	197,492
	<u>\$ 830,790</u>	<u>\$ 145,867</u>	<u>(\$ 175,524)</u>	<u>(\$ 20,532)</u>	<u>\$ 202,362</u>	<u>\$ 982,963</u>
<u>Deferred income tax liabilities</u>						
Temporary differences						
Investment income from foreign investees accounted for under equity method	\$ 1,896,832	\$ 99,354	\$ -	\$ -	\$ -	\$ 1,996,186
Defined benefit pension plans	4,365	878	-	-	-	5,243
Remeasurement of defined benefit obligations	3,990	-	-	-	-	3,990
Exchange differences on translation of the financial statements of foreign operations	3,628	647	-	(3,628)	-	647
Unrealised exchange gains	6,752	9,484	-	-	-	16,236
Property, plant and equipment depreciation difference between tax and financial report	1,083	785	-	-	-	1,868
Financial assets at fair value through profit or loss	9,495	1,995	-	-	-	11,490
Others	9,997	840	-	-	-	10,837
	<u>\$ 1,936,142</u>	<u>\$ 113,983</u>	<u>\$ -</u>	<u>(\$ 3,628)</u>	<u>\$ -</u>	<u>\$ 2,046,497</u>

D. Unused tax losses and amounts of unrecognised deferred tax assets in the consolidated balance sheets:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expiry in 2027	\$ 74,202	\$ 74,164
Expiry in 2028	897,667	894,302
Expiry in 2029	1,033,946	942,142
Expiry in 2030	635,925	-
Expiry in 2031 to 2034	<u>2,774</u>	<u>2,774</u>
	<u>\$ 2,644,514</u>	<u>\$ 1,913,382</u>

E. The Group did not recognise taxable temporary differences associated with investments in subsidiaries as deferred income tax liabilities. As of December 31, 2025 and 2024, the amounts of temporary differences unrecognised as deferred income tax liabilities were \$5,427,912 and \$4,462,779, respectively.

F. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

G. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

H. The current income tax expense related to Pillar Two income taxes recognised by the Group for the years ended December 31, 2025 and 2024 were both \$0. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD). The Pillar Two legislation was enacted in European Union, England, Japan, Vietnam, Canada and Korea, which came into effect from 2024. Additionally, it will come into effect in Hong Kong, Singapore, Thailand, and Malaysia starting from 2025. The Group has no related current tax exposure as of December 31, 2025 and will continue assessing its exposure to the Pillar Two legislation for when it comes into effect.

(26) Earnings per share

Unit: expressed in dollars per share

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Basic earnings per share	<u>\$ 12.25</u>	<u>\$ 10.45</u>
Diluted earnings per share	<u>\$ 12.14</u>	<u>\$ 10.38</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

	For the years ended December 31,	
	2025	2024
Earnings used in the computation of basic earnings per share	\$ 10,592,508	\$ 9,005,037
Earnings used in the computation of diluted earnings per share	\$ 10,592,508	\$ 9,005,037

Unit: expressed in thousand shares

	For the years ended December 31,	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	864,466	861,485
Assumed conversion of all dilutive potential ordinary shares		
Employee share options	4,451	4,273
Employees' compensation	3,644	2,100
Weighted average number of ordinary shares used in the computation of diluted earnings per share	872,561	867,858

(27) Transactions with non-controlling interest

A. Acquisition of additional interests in subsidiaries:

- (a) In the first and second quarter of 2025, the Group acquired equity interest in Aures from other shareholders, which resulted to an increase in ownership from 36.32% to 100%.
- (b) In the fourth quarter of 2024, the Group acquired equity interest in ATR from other shareholders, which resulted to an increase in ownership from 80.10% to 100%.

	For the year ended December 31, 2025	
	Aures	
Consideration paid	(\$	568,069)
Proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests		211,217
Difference between consideration and carrying amount of subsidiaries disposed	(\$	356,852)

	For the year ended December 31, 2025	
	Aures	
<u>Line items adjusted for equity transactions</u>		
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	(\$	31,556)
Unappropriated retained earnings	(325,296)
	(\$	356,852)
	For the year ended December 31, 2024	
	ATR	
Consideration paid	(\$	32,515)
Proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests		8,008
Difference between consideration and carrying amount of subsidiaries disposed	(\$	24,507)
<u>Line items adjusted for equity transactions</u>		
Unappropriated retained earnings	(\$	24,507)

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

In the first quarter of 2024, the Group disposed 2.40% equity interest in AMX, resulting to a decrease in its equity interest from 100% to 97.60%. In the first quarter of 2025, the Group disposed 0.60% equity interest in AMX, resulting to a decrease in its equity interest from 97.60% to 97%.

	For the years ended December 31,	
	2025	2024
Consideration received	\$ 383	\$ 1,478
Proportionate share of the carrying amount of the net assets of the subsidiary transferred into non-controlling interests	(680)	(2,701)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	(\$ 297)	(\$ 1,223)
<u>Line items adjusted for equity transactions</u>		
Unappropriated retained earnings	(\$ 297)	(\$ 1,223)

C. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary:

From the first quarter of 2024, LNC did not participate in the capital increase proportionally to its interest continually, resulting to a decrease in LNC's equity investment in LNCMac Technology Corp. to 57.49%.

	For the year ended December 31, 2024	
	LNCMac	
Cash	\$	41,750
Proportionate share of the carrying amount of the net assets of the subsidiary transferred into non-controlling interests	(32,656)
Capital surplus - changes in ownership interest in subsidiaries	\$	9,094

(28) Business combinations

- A. On April 11, 2024, the Group acquired 21.51% equity interest in Expetech from external shareholders for a cash consideration of \$40,000, which resulted to an increase in ownership from 43.01% to 64.52%. The subsidiary was consolidated starting from the date the Group obtained control of the subsidiary.
- B. The following table summarises the consideration paid for Expetech and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	<u>April 11, 2024</u>
Purchase consideration	
Cash paid	\$ 40,000
Fair value of equity interest in Expetech held before the business combination	35,898
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>29,617</u>
	<u>105,515</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	42,130
Financial assets at fair value through profit or loss - current	13,383
Accounts receivable	2,901
Inventories	1,600
Other current assets	25,988
Financial assets at fair value through other comprehensive income - non-current	20,000
Property, plant and equipment	1,949
Intangible assets	6,375
Deferred income tax assets	1,602
Other non-current assets	1,741
Notes and accounts payable	(9,727)
Other payables	(7,608)
Other current liabilities	(10,100)
Other non-current liabilities	<u>(6,769)</u>
Total identifiable net assets	83,465
Goodwill	<u>\$ 22,050</u>

- C. On October 1, 2024, the Group acquired 36.32% equity interest in Aures for a cash consideration of \$320,775 and obtained control over Aures. The allocation of the acquisition price of Aures was completed in the third quarter of 2025, and the total identifiable net assets was adjusted and increased by \$30,710 based on the adjustment terms in the allocation of the acquisition price agreement.

The following table summarises the consideration paid for Aures and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	<u>October 1, 2024</u>
Purchase consideration	
Cash paid	\$ 320,775
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>327,630</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	235,453
Accounts receivable	383,581
Inventories	556,595
Other current assets	178,647
Property, plant and equipment	60,316
Right-of-use assets	146,955
Intangible assets	67,567
Deferred income tax assets	200,760
Other non-current assets - other	11,691
Long-term liabilities, current portion	(116,369)
Convertible bonds payable	(112,718)
Notes and accounts payable	(447,115)
Lease liabilities - current	(58,026)
Other current liabilities	(298,131)
Long-term borrowings	(155,587)
Lease liabilities - non-current	(89,736)
Other non-current liabilities	(53,748)
Total identifiable net assets	<u>510,135</u>
Goodwill	<u>\$ 138,270</u>

(29) Changes in liabilities from financing activities

	<u>2025</u>		
	Long-term borrowings (including current portion)	Lease liabilities	Total
At January 1	\$ 272,397	\$ 1,879,922	\$ 2,152,319
Changes in cash flow from financing activities	(60,818)	(342,178)	(402,996)
Increase	-	235,939	235,939
Other changes in non-cash flow	-	79,929	79,929
Net exchange differences	15,777	(86,659)	(70,882)
At December 31	<u>\$ 227,356</u>	<u>\$ 1,766,953</u>	<u>\$ 1,994,309</u>

	2024			
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Total
At January 1	\$ 237,730	\$ 118,500	\$ 1,717,296	\$ 2,073,526
Changes in cash flow from financing activities	(1,611)	(109,002)	(306,495)	(417,108)
Increase	-	-	285,953	285,953
Other changes in non-cash flow	-	-	84,198	84,198
Net exchange differences	1,500	(9,057)	85,775	78,218
Changes due to loss of control of subsidiaries	(237,619)	-	(134,567)	(372,186)
Business combination	-	271,956	147,762	419,718
At December 31	<u>\$ -</u>	<u>\$ 272,397</u>	<u>\$ 1,879,922</u>	<u>\$ 2,152,319</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company has no ultimate parent company and ultimate controlling party.

(2) Names of related parties and relationship

Transactions, balances, revenue and expenses between the Company and its subsidiaries (which are the Company's related parties) have been eliminated on consolidation and are not disclosed in this footnote. Details of transactions between the Group and other related parties are disclosed below.

Names of related parties	Relationship with the Group
Axiomtek Co., Ltd.	Associate
AIMobile Co., Ltd.	Associate (Note 1)
Deneng Scientific Research Co., Ltd.	Associate
Winmate Inc.	Associate
AzureWave Technologies, Inc.	Associate
Nippon RAD Inc.	Associate
DotZero Co., Ltd.	Associate (Note 4)
Mildex Optical Inc.	Associate
Information Technology Total Services Co., Ltd.	Associate (Note 1)
Hwacom Systems Inc.	Associate
Smasoft Technology Co., Ltd.	Associate
Impelex Data Transfer Co., Ltd.	Associate (Note 6)
VSO Electronics Co., Ltd.	Associate
VSO Electronics (Jian) Co., Ltd.	Associate
VSO Electronics (Suzhou) Co., Ltd.	Associate
International Integrated System, Inc.	Associate
Freedom System Inc.	Associate
Expotech Co., Ltd.	Associate (Note 2)

Names of related parties	Relationship with the Group
Feng Sang Enterprise Co., Ltd.	Associate
Eil Co., Ltd.	Associate (Note 3)
Suzhou AIIST Intelligent Technology Co., Ltd.	Associate
LNC Technology Co., Ltd.	Associate (Note 3)
PAYTRONEX CO., LTD.	Associate
ENCORE MED SDN BHD	Associate
ADTEK Electronics Co., Ltd.	Associate (Note 5)
Foshan Technology Co., Ltd.	Associate
Diandian Smart Retail Co., Ltd.	Associate
K&M Investment Co., Ltd.	Other related party
AIDC Investment Corp.	Other related party
Advantech Foundation	Other related party
Tran-Fei Development Co., Ltd.	Other related party
OYALIN Co., Ltd.	Other related party (Note 3)
Oya System Furniture Design Ltd.	Other related party (Note 3)
Open Information Security Inc.	Other related party

Note 1: In the second quarter of 2024, the Group lost significant influence over the associate.

Accordingly, the entity was not considered as related party since the second quarter of 2024.

Note 2: In the second quarter of 2024, the Group obtained control over the associate. Accordingly, the entity was not considered as related party since the second quarter of 2024.

Note 3: In the second quarter of 2024, the Group lost control over LNC and its subsidiaries but still has significant influence over them. Accordingly, the entities have been included in the Group's associates starting from the second quarter of 2024, and the investments accounted for under equity method and other related parties of LNC and its subsidiaries were not anymore considered related parties of the Group.

Note 4: In the third quarter of 2024, the Group lost significant influence over the associate.

Accordingly, the entity was not considered as related party since the third quarter of 2024.

Note 5: In the second quarter of 2025, the Group obtained significant influence over the associate.

Accordingly, the entities have been included in the Group's associates starting from the second quarter of 2025.

Note 6: In the third quarter of 2025, the Group lost significant influence over the associate.

Accordingly, the entity was not considered as related party since the third quarter of 2025.

(3) Significant related party transactions

A. Operating revenue

	For the years ended December 31,	
	2025	2024
Associates	\$ 122,839	\$ 100,040
Other related parties	1,097	8,646
	<u>\$ 123,936</u>	<u>\$ 108,686</u>

The terms of sales to associates and other related parties are mainly processed and collected according to the general sales prices and conditions, and partial transactions are based on mutual agreement.

B. Purchases and other operating costs

	For the years ended December 31,	
	2025	2024
Purchases of goods:		
Associates	\$ 244,103	\$ 205,849
Purchases of services:		
Associates	4,458	541
Other related parties	58	-
	<u>\$ 248,619</u>	<u>\$ 206,390</u>

The terms of purchases from associates are based on product type, market competition conditions and other transaction conditions, and are payable according to the general purchase price and conditions or based on mutual agreement.

C. Receivables due from related parties (excluding loans to related parties)

	December 31, 2025	December 31, 2024
Accounts receivable - related parties		
Associates	<u>\$ 28,411</u>	<u>\$ 22,891</u>
Other receivables - related parties		
Other related parties	<u>\$ 1,575</u>	<u>\$ -</u>

The outstanding receivables due to related parties mainly pertain to sales transactions and are unsecured and no allowance for uncollectible accounts was recognised. Other receivables due to related parties mainly pertain to service revenue.

D. Payables to related parties (excluding loans from related parties)

	December 31, 2025	December 31, 2024
Notes and accounts payable - related parties		
Associates	<u>\$ 54,793</u>	<u>\$ 52,011</u>
Other payables - related parties		
Associates	<u>\$ 940</u>	<u>\$ 3,772</u>

The outstanding payables due to related parties pertain to purchase transactions and are unsecured. Other payables due to related parties mainly pertain to sample charges and service fees.

E. Other current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepayments to related parties		
Associates	\$ -	\$ 5,823

Prepayments to related parties mainly pertain to prepaid software usage fee and deposit.

F. Property transactions

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Acquisition of intangible assets		
Associates	\$ 525	\$ 1,575

G. Other related party transactions

(a) Operating expenses

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Selling expenses		
Associates	\$ 72	\$ 1,124
General and administrative expenses		
Associates	\$ 12,491	\$ 44,187
Other related parties	20	-
	<u>\$ 12,511</u>	<u>\$ 44,187</u>
Research and development expenses		
Associates	\$ 5,741	\$ 4,080

Main expense transactions between the Group and related parties include research and development expenses, cloud storage access fee and information security consulting fee, etc. Except for charges based on agreed remuneration and payment terms under the contracts, the other payment terms were based on mutual agreement when normal payment terms with related parties were not stipulated.

(b) Other income

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income		
Other related parties	\$ 60	\$ 1,203

	For the years ended December 31,	
	2025	2024
Other income		
Associates	\$ 60	\$ 84
Other related parties	9,054	10,429
	<u>\$ 9,114</u>	<u>\$ 10,513</u>

Lease contracts between the Group and its associates were based on market rental prices and had normal payment terms. Revenue contracts for technical services between the Group and its associates were based on market prices and had payment terms as stipulated in the contracts. For other transactions with related parties, since normal payment terms with related parties were not stipulated, the payment terms were based on mutual agreement.

(c) Dividend income

	For the years ended December 31,	
	2025	2024
Associates (classified as a deduction of investment accounted for under equity method)	\$ 283,302	\$ 308,687

(d) Disposal of equity interest to related parties

On February 21, 2025, the Group sold its 0.6% equity interest in AMX to the management of AMX for a cash consideration of \$383. On February 23, 2024, the Group sold its 2.4% equity interest in AMX to the management of AMX for a cash consideration of \$1,478.

(4) Key management compensation

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$ 57,283	\$ 51,313
Post-employment benefits	569	533
Share-based payments	24,068	31,417
	<u>\$ 81,920</u>	<u>\$ 83,263</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Pledged deposits (classified as financial assets at amortised cost - current)	\$ 10,113	\$ 11,892	Lease mortgage
Demand deposits (classified as financial assets at amortised cost - current)	1,483	-	Credit card Guarantee
Financial assets at fair value through profit or loss - current	-	542,517	Public Tender Offer Guarantee
	<u>\$ 11,596</u>	<u>\$ 554,409</u>	(Aures)

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. The Board of Directors during its meeting on October 30, 2023 adopted a resolution to purchase the land located at the Hwa Ya Technology Park from AIDC Investment Corp. (related party) for the purpose of plant construction. The land purchase agreement was signed on November 27, 2023, for a total price of \$1,873,080. The Company has already paid the first installment of \$200,000 on December 12, 2023, with the remaining amount expected to be made within thirty days after the transfer of ownership of the land to the Company. As of December 31, 2025, the consideration under the contract amounted to \$1,673,080, for which no payment has been made yet.
- B. As of December 31, 2025, the Group has signed a contract for the construction of Hwa Ya Technology Park Phase II amounting to \$2,471,590, for which no payment has been made yet.
- C. As of December 31 2025, the Group has signed a contract for the construction of ANA factory and buildings amounting to USD 15,046 thousand, for which no payment has been made yet.
- D. As of December 31 2025, the Group has signed a contract for the construction of a solar power system project of Yan Xu Green Electricity Co., Ltd. amounting to \$441,835, for which no payment has been made yet.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. Refer to Note 6(17) 6.
- B. On February 26, 2026, the Board of Directors of the Company adopted a resolution to issue employee restricted shares. The total number of units to be issued shall not exceed 4,000 units, each unit may subscribe for 1,000 shares, for a total of 4,000 thousand shares. The issue price per share

is \$0. The issuance is limited to permanent full-time employees of the Company, as well as its domestic and overseas controlled subsidiaries.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or borrow debt to balance the overall capital structure. The Group monitors capital structure based on the calculation of net debt (borrowings offset by cash and cash equivalents) divided by total equity (comprising issued capital, reserves, retained earnings, other equity, and non-controlling interests).

During 2025, the Group's strategy was to maintain the ratio within reasonable range, which was unchanged from 2024.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at		
fair value through profit or loss	\$ 10,542,310	\$ 9,120,657
Financial assets at amortised cost (Note 1)	24,368,844	24,826,793
Financial assets at fair value through		
other comprehensive income		
Equity instruments	2,765,005	2,787,271
<u>Financial liabilities</u>		
Financial liabilities at fair value		
through profit or loss		
Financial liabilities held for trading	\$ 13,323	\$ 7,902
Financial liabilities at amortised		
cost (Note 2)	12,990,396	11,802,349
Lease liabilities	1,766,953	1,879,922

Note 1: The balances included cash and cash equivalents, financial assets at amortised cost (current and non-current), notes receivable, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties and refundable deposits, etc.

Note 2: The balances included notes and accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received, etc.

B. Financial risk management policies

(a) The Group's major financial instruments included equity investments, accounts receivable, notes and accounts payable, borrowings and lease liabilities. The Group's Corporate Treasury

provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

- (b) The Group aims to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the Board of Directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.
- (c) The Corporate Treasury reports quarterly to the Board of Directors on the Group's current derivative instrument management.

C. Significant financial risks and degrees of financial risks

(a) Market risk

The Group is primarily exposed to financial risks due to changes in foreign currency exchange rates (refer to exchange rate risk section) and interest rates (refer to interest rate risk section) arising from its operating activities.

The Group entered into forward foreign exchange contracts to manage its foreign exchange risk.

There had been no change to the Group's financial instruments exposure to market risks and the manner in which these risks were managed and measured.

Exchange rate risk

- i. The Group undertook operating activities and investments in foreign operations denominated in foreign currencies, which exposed the Group to foreign currency risk. The Group manages the risk that fluctuations in foreign currency could have on foreign-currency denominated assets and future cash flow by entering into forward foreign exchange contracts, which allow the Group to mitigate but not fully eliminate the effect.
- ii. The maturities of the Group's forward foreign exchange contracts were less than six months. These forward foreign exchange contracts did not meet the criteria for hedge accounting and were recognised in financial assets or liabilities at fair value through profit or loss. Refer to Note 6(2).
- iii. The group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

				December 31, 2025		
				Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	196,681		31.430	\$	6,181,675
CNY:NTD		1,258,256		4.496		5,657,117
EUR:NTD		46,641		36.900		1,721,035
USD:CNY		95,831		6.9907		3,011,983
USD:EUR		32,042		0.8518		1,007,080
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD		147,323		31.430		4,630,377
CNY:NTD		646,375		4.496		2,906,102
USD:CNY		33,530		6.9907		1,053,840
USD:EUR		15,320		0.8518		481,523
				December 31, 2024		
				Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	192,411		32.785	\$	6,308,181
CNY:NTD		1,194,247		4.478		5,347,840
EUR:NTD		55,384		34.140		1,890,801
USD:CNY		92,468		7.3213		3,031,575
USD:EUR		35,223		0.9603		1,154,780
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD		116,537		32.785		3,820,672
CNY:NTD		456,943		4.478		2,046,189
USD:CNY		32,940		7.3213		1,079,928
USD:EUR		15,630		0.9603		512,433

For the years ended December 31, 2025 and 2024, realised and unrealised net foreign exchange (losses) gains were (\$36,204) and \$283,899, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

- v. The Group is mainly exposed to the exchange rate fluctuation of USD, EUR and CNY.
vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

		For the year ended December 31, 2025		
		Sensitivity Analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	61,817	\$ -
CNY:NTD	1%		56,571	-
EUR:NTD	1%		17,210	-
USD:CNY	1%		30,120	-
USD:EUR	1%		10,071	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		46,304	-
CNY:NTD	1%		29,061	-
USD:CNY	1%		10,538	-
USD:EUR	1%		4,815	-
		For the year ended December 31, 2024		
		Sensitivity Analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	63,082	\$ -
CNY:NTD	1%		53,478	-
EUR:NTD	1%		18,908	-
USD:CNY	1%		30,316	-
USD:EUR	1%		11,548	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		38,207	-
CNY:NTD	1%		20,462	-
USD:CNY	1%		10,799	-
USD:EUR	1%		5,124	-

Interest rate risk

- i. The Group is exposed to interest rate risk because entities in the Group maintain both floating and fixed interest rates of bank deposits and borrowings. The Group does not operate hedging instruments for interest rates. The Group's management monitors the market interest rates regularly. If it is needed, the management might perform necessary procedures for significant interest rate risks to control the risks from fluctuations in market interest rates.
- ii. The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the balance sheet date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
- Financial assets	\$ 4,629,968	\$ 4,585,886
- Financial liabilities	1,895,109	2,115,319
Cash flow interest rate risk		
- Financial assets	9,037,904	9,958,905
- Financial liabilities	99,200	37,000

- iii. The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the balance sheet date was outstanding for the whole year. A 50-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.
- iv. If interest rates had been 50 basis points higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have increased by \$44,694 and \$49,610, respectively. Had interest rates been 50 basis points lower, the effects on the Group's pre-tax profit would have been of the same amounts but negative. The source of the negative effects would have been mainly the floating interest rates on bank deposits and borrowings.

Price risk

- i. The Group is exposed to equity price risk through its investments in listed and OTC equity securities. The Group manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments trading in Taiwan.
- ii. If equity prices had been 1% higher, pre-tax profit for the years ended December 31, 2025 and 2024 would have increased by \$12,029 and \$6,500, respectively, as a result of the changes in fair value of financial assets at fair value through profit or loss, and the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased by \$27,650 and \$ 27,873, respectively, as a result of the changes in fair

value of financial assets at fair value through other comprehensive income. Had equity prices been 1% lower for the same year, the pre-tax profit and other comprehensive income would have decreased by the same respective amounts.

- iii. The Group's sensitivity to equity prices increased or decreased because of volatility of stock price.

(b) Credit risk

- i. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the balance sheet date, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation provided by the Group could arise from the carrying amount of the respective recognised financial assets, as stated in the balance sheets.
- ii. Accounts receivable consisted of a large number of customers, spread across diverse industries and geographical areas and, thus, no concentration of credit risk was observed. According to the Group's credit policy, each entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risks limits are set based on internal or external ratings. The utilization of credit limits is regularly monitored.
- iii. The average credit period of the sales of goods was 30-90 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.
- iv. The Group measures the loss allowance for accounts receivable at an amount that equals to lifetime expected credit losses. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, expected economic growth rate and industry trends at the same time. As there were various loss patterns for different customer geographical segments, the Group adopts respective approaches to prepare the provision matrix for loss allowance based on past due status of the Group's different geographical customer base, and sets out the expected credit loss rate for accounts receivable that are overdue and based on geographical economic conditions.

- v. If there is evidence to prove that counterparties have a material financial difficulty and the recoverable amount cannot be estimated reliably, for example, the default occurs when counterparties are processing the liquidation or the debt has been past due over 1 year, the Group will provide impairment loss in full. However, the Group will continue executing the recourse procedures to secure their rights, the recovered amount arising from the recourse procedures will be recognised in profit or loss.
- vi. The Group refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of notes and accounts receivable from general credit conditions customers. The provision matrix as of December 31, 2025 and 2024 is as follows:

	Not past due	1~ 90 days past due	91~ 180 days past due	181~ 360 days past due	Over 360 days past due	Total
<u>December 31, 2025</u>						
Expected credit loss rate	0%~5%	0%~100%	15%~100%	60%~100%	100%	
Total book value	\$ 9,736,303	\$ 971,860	\$ 60,662	\$ 3,943	\$ 56,430	\$10,829,198
Loss allowance (lifetime expected credit losses)	(237)	(232,268)	(30,053)	(3,196)	(56,430)	(322,184)
Amortised cost	<u>\$ 9,736,066</u>	<u>\$ 739,592</u>	<u>\$ 30,609</u>	<u>\$ 747</u>	<u>\$ -</u>	<u>\$10,507,014</u>
		1~ 90 days past due	91~ 180 days past due	181~ 360 days past due	Over 360 days past due	Total
<u>December 31, 2024</u>						
Expected credit loss rate	0%~10%	0%~95%	15%~100%	65%~100%	100%	
Total book value	\$ 9,193,017	\$ 1,139,008	\$ 22,832	\$ 10,682	\$ 107,060	\$10,472,599
Loss allowance (lifetime expected credit losses)	(237,451)	(9,576)	(8,660)	(9,120)	(107,060)	(371,867)
Amortised cost	<u>\$ 8,955,566</u>	<u>\$ 1,129,432</u>	<u>\$ 14,172</u>	<u>\$ 1,562</u>	<u>\$ -</u>	<u>\$10,100,732</u>

- vii. The Group individually assesses the customers that have low credit rating and default. As of December 31, 2025 and 2024, the carrying amount of notes and accounts receivable amounted to \$730 and \$747, respectively, the expected credit loss rate is 100%, and the Group has provided loss allowance amounting to \$730 and \$747, respectively.

viii. The movements of the loss allowance of notes and accounts receivable are as follows:

	2025	2024
Balance at January 1	\$ 372,614	\$ 153,826
(Reversal of) provision for impairment loss	(20,663)	44,263
Amounts written off (Note 1)	(33,037)	(27,103)
Changes due to loss of control of subsidiaries (Note 2)	-	(36,581)
Effect of business combination	-	235,431
Net exchange differences	4,000	2,778
Balance at December 31	<u>\$ 322,914</u>	<u>\$ 372,614</u>

Note 1: The Group wrote off accounts receivable and related loss allowance for the years ended December 31, 2025 and 2024 amounting to \$33,037 and \$27,103, respectively, as the customers' accounts receivable have aged more than 2 years and the legal attest letters were served without receivables collected.

Note 2: Refer to Note 4(3) for details.

ix. For investments in debt instruments at amortised cost and fair value through profit or loss, the credit rating levels are presented below:

	December 31, 2025			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	<u>\$ 1,627,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,627,011</u>
Financial assets at fair value through profit or loss	<u>\$ 549,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,400</u>
	December 31, 2024			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at fair value through profit or loss	<u>\$ 653,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 653,772</u>

The financial assets at amortised cost held by the Group are ordinary corporate bonds issued by domestic and overseas public company. The financial assets at fair value through profit or loss held by the Group are convertible corporate bonds issued by listed and OTC companies and ordinary corporate bonds issued by public company. The credit risk rating has no significant abnormal situation.

(c) Liquidity risk

- i. The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.
- ii. The Group relies on bank borrowings as one of the significant source of liquidity. As of December 31, 2025 and 2024, the Group's undrawn bank borrowing facilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank overdraft facilities		
- Amount used (Note)	\$ 111,479	\$ 51,805
- Amount unused	6,740,558	6,968,376
	<u>\$ 6,852,037</u>	<u>\$ 7,020,181</u>
Secured bank overdraft facilities		
- Amount used (Note)	<u>\$ 123,475</u>	<u>\$ 227,621</u>

Note: As of December 31, 2025 and 2024, the amounts used or drawn by the Group from the unsecured bank overdraft facilities were recorded as borrowings amounting to \$227,357 and \$272,397, respectively, and lease and salary guarantees amounting to \$7,597 and \$7,029, respectively.

- iii. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves of bank borrowing facilities and continuously monitoring forecast and actual cash flows.

- iv. Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on agreed repayment dates.

For non-derivative financial liabilities subject to floating interest rates, the undiscounted amounts were derived from the interest rate curve at the balance sheet date.

<u>December 31, 2025</u>	<u>On demand or less than 1 month</u>	<u>1-3 months</u>	<u>Over 3 months to 1 year</u>	<u>Over 1 year</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities				
	\$ 8,826,234	\$ 3,106,445	\$ 766,431	\$ -
Lease liability	29,448	57,237	220,067	1,899,412
Floating rate instruments	222	445	2,001	102,475
Fixed rate instruments	283	32,143	48,004	60,401
	<u>\$ 8,856,187</u>	<u>\$ 3,196,270</u>	<u>\$ 1,036,503</u>	<u>\$ 2,062,288</u>

<u>December 31, 2024</u>	<u>On demand or less than 1 month</u>	<u>1-3 months</u>	<u>Over 3 months to 1 year</u>	<u>Over 1 year</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities				
	\$ 7,861,835	\$ 2,544,842	\$ 1,066,748	\$ -
Lease liability	26,815	58,245	235,931	2,007,345
Floating rate instruments	83	166	746	38,222
Fixed rate instruments	7,777	17,153	95,671	130,743
	<u>\$ 7,896,510</u>	<u>\$ 2,620,406</u>	<u>\$ 1,399,096</u>	<u>\$ 2,176,310</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the balance sheet date.

v. Liquidity tables for derivative financial liabilities

The following tables detail the Group's liquidity analysis for its derivative financial instruments. The tables were based on the undiscounted contractual gross cash inflows and outflows on derivative instruments that require gross settlement.

<u>December 31, 2025</u>	<u>On demand or less than 1 month</u>	<u>1-3 months</u>	<u>Over 3 months to 1 year</u>	<u>Total</u>
<u>Gross settled</u>				
Forward foreign exchange contracts				
- Inflows	\$ 438,629	\$ 323,154	\$ -	\$ 761,783
- Outflows	(449,616)	(325,035)	-	(774,651)
	<u>(\$ 10,987)</u>	<u>(\$ 1,881)</u>	<u>\$ -</u>	<u>(\$ 12,868)</u>

<u>December 31, 2024</u>	On demand or less than 1 month	1-3 months	Over 3 months to 1 year	Total
<u>Gross settled</u>				
Forward foreign exchange contracts				
- Inflows	\$ 416,958	\$ 366,064	\$ -	\$ 783,022
- Outflows	(420,600)	(369,578)	-	(790,178)
	<u>(\$ 3,642)</u>	<u>(\$ 3,514)</u>	<u>\$ -</u>	<u>(\$ 7,156)</u>

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

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices).

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets at amortised cost (current and non-current), refundable deposits, notes and accounts payable (including related parties), other payables (including related parties), other current liabilities, guarantee deposits received, lease liabilities and long-term borrowings (including current portion) are approximate to their fair values.

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

(a) The related information about the nature of the assets and liabilities is as follows:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets - recurring fair value measurements				
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 455	\$ -	\$ 455
Listed, OTC and emerging stocks	599,818	-	539,038	1,138,856
Unlisted and non-OTC stocks	-	-	64,033	64,033
Ordinary corporate bonds	549,400	-	-	549,400
Fund beneficiary certificates	6,830,132	-	1,959,434	8,789,566
	<u>7,979,350</u>	<u>455</u>	<u>2,562,505</u>	<u>10,542,310</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Listed and OTC stocks	\$ 2,596,743	\$ 70,744	\$ -	\$ 2,667,487
Unlisted and non-OTC stocks	-	-	97,518	97,518
	<u>2,596,743</u>	<u>70,744</u>	<u>97,518</u>	<u>2,765,005</u>
	<u>\$10,576,093</u>	<u>\$ 71,199</u>	<u>\$ 2,660,023</u>	<u>\$ 13,307,315</u>
Liabilities - recurring fair value measurements				
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 13,323	\$ -	\$ 13,323
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets - recurring fair value measurements				
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 746	\$ -	\$ 746
Listed, OTC and emerging stocks	345,013	-	231,417	576,430
Unlisted and non-OTC stocks	-	-	73,573	73,573
Ordinary corporate bonds	653,772	-	-	653,772
Fund beneficiary certificates	5,651,332	-	2,164,804	7,816,136
	<u>6,650,117</u>	<u>746</u>	<u>2,469,794</u>	<u>9,120,657</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Listed and OTC stocks	\$ 2,620,028	\$ -	\$ -	\$ 2,620,028
Unlisted and non-OTC stocks	-	-	167,243	167,243
	<u>2,620,028</u>	<u>-</u>	<u>167,243</u>	<u>2,787,271</u>
	<u>\$ 9,270,145</u>	<u>\$ 746</u>	<u>\$ 2,637,037</u>	<u>\$ 11,907,928</u>
Liabilities - recurring fair value measurements				
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 7,902	\$ -	\$ 7,902

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed and OTC stocks</u>	<u>Emerging stocks</u>	<u>Open-end fund</u>	<u>Corporate bonds</u>
Market quoted price	Closing price	Last traded price	Net asset value	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.
- iii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. There were no transfers between Levels 1 and 2 for the years ended December 31, 2025 and 2024.

E. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

For the year ended December 31, 2025

<u>Financial assets</u>	<u>Financial assets at fair value through profit or loss</u>	<u>Financial assets at fair value through other comprehensive income</u>	<u>Total</u>
Balance at January 1	\$ 2,469,794	\$ 167,243	\$ 2,637,037
Purchases	357,555	-	357,555
Transfers out from level 3	(23,607)	-	(23,607)
Cash returned from capital reduction	(84,880)	(26,553)	(111,433)
Recognised in profit or loss	(268,242)	-	(268,242)
Recognised in other comprehensive income	-	(42,583)	(42,583)
Net exchange differences	111,885	(589)	111,296
Balance at December 31	<u>\$ 2,562,505</u>	<u>\$ 97,518</u>	<u>\$ 2,660,023</u>

For the year ended December 31, 2024

<u>Financial assets</u>	<u>Financial assets at fair value through profit or loss</u>	<u>Financial assets at fair value through other comprehensive income</u>	<u>Total</u>
Balance at January 1	\$ 2,353,231	\$ 485,513	\$ 2,838,744
Purchases	303,140	-	303,140
Acquired from business combinations	-	20,000	20,000
Recognised in profit or loss	(39,081)	-	(39,081)
Recognised in other comprehensive income	-	(338,270)	(338,270)
Others	(147,496)	-	(147,496)
Balance at December 31	<u>\$ 2,469,794</u>	<u>\$ 167,243</u>	<u>\$ 2,637,037</u>

F. Valuation techniques and inputs applied for Level 2 fair value measurement

Derivatives held by the Group were forward foreign exchange contracts, whose fair values were calculated using discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

G. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted and non-OTC stocks	\$ <u>161,551</u>	Net asset value	Not applicable	Not applicable	Not applicable
Private placement shares (listed companies)	\$ <u>539,038</u>	Market price method	Discount for lack of marketability	Not applicable	The higher the discount for lack of marketability, the lower the fair value
Beneficiary certificates	\$ <u>1,959,434</u>	Net asset value	Not applicable	Not applicable	Not applicable
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Emerging stocks	\$ <u>23,607</u>	Market comparable companies	Price-to-book ratio	2.11~3.97	The higher the value multiple, the higher the fair value
Unlisted and non-OTC stocks	\$ <u>240,816</u>	Net asset value	Not applicable	Not applicable	Not applicable
Private placement shares (listed companies)	\$ <u>207,810</u>	Market price method	Discount for lack of marketability	Not applicable	The higher the discount for lack of marketability, the lower the fair value
Beneficiary certificates	\$ <u>2,164,804</u>	Net asset value	Not applicable	Not applicable	Not applicable

(4) Others

Description of overall operating conditions

The Group's consolidated operating revenue reached NT\$70.882 billion for the year ended December 31, 2025, an increase of 19% over the same period last year. The gross profit was NT\$28.198 billion (gross profit margin was 39.8%), the consolidated net profit after tax was NT\$10.593 billion (an increase of 18% YoY), and the basic earnings per share was \$12.25 (in dollars) for the year ended December 31, 2025.

The Group's consolidated operating revenue reached NT\$17.921 billion for the three-month period ended December 31, 2025, an increase of 10% over the same period last year. The gross profit was NT\$7.129 billion (gross profit margin was 39.8%), the consolidated net profit after tax was NT\$3.103 billion (net profit margin was 17.3%), and the basic earnings per share was \$3.58 (in

dollars) for the three-month period ended December 31, 2025.

Regarding the operating results of the Group for the year ended December 31, 2025, in US dollar, the Group achieved an overall revenue of US\$2,274 million, an increase of 22% YoY. In terms of a geographic overview, North America, Europe, China, Taiwan, and Emerging markets each delivered double-digit YoY growth, while the North Asia market remained flat compared to the same period last year. In terms of business units, all units achieved double-digit YoY growth, demonstrating solid overall operating momentum.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 4.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 5.
- F. Significant inter-company transactions during the reporting period: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 8.
- B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas:

Any of the significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealised gains or losses: Refer to tables 4, 5 and 6.

14. SEGMENT INFORMATION

(1) General information

Information is reported to the chief operating decision maker for the assessment of segment performance, business analysis, and the resource deployment judgment. Reportable segments are as follows:

- A. Intelligent Systems (iSystem): The business is strategically focused on advancing the Industrial IoT, with a strong emphasis on delivering comprehensive solutions across key domains such as cloud-based IoT (Cloud IoT), cloud platforms and servers, imaging and video solutions, and enterprise networking systems. By aligning product development with industry trends to drive digital transformation and improve operational efficiency across sectors.
- B. Embedded Design-In (Embedded): Embedded Design-In business provides embedded boards, systems, peripherals, and software, along with networking platforms, data acquisition, and control solutions integrated with intelligent applications. Customized co-design and services available upon customer.
- C. IoT Automation (iAutomation): IoT Automation specializes in intelligent communication and industrial automation solutions, enhancing connectivity and operational efficiency across various industries. By integrating edge computing and cloud technologies, we enable device connectivity, remote monitoring, predictive maintenance, and energy management, driving digital transformation.
- D. Intelligent Service (iService): The Intelligent Service focuses on smart logistics solution, medical and healthcare, and intelligent retail, delivering integrated edge computing and AI solutions. By combining hardware, software, and service integration, it drives digital transformation and operational efficiency across key smart city industries.
- E. Advantech Service Plus and Others (AS+ and Others): Global repair, technical support and warranty services, etc.

(2) Measurement of segment information

The chief operating decision maker considers each service as separate operating segment. But for financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors:

- A. These operating segments have similar long-term gross profit margins; and

B. The nature of the products and production processes are similar.

The following is an analysis about reportable segment provided to the chief operating decision maker.

For the year ended December 31, 2025

	Intelligent Systems (iSystem)	Embedded Design-In (Embedded)	IoT Automation (iAutomation)	Intelligent Service (iService)	Advantech Service Plus and Others (AS+ and Others)	Total
Revenue						
Revenue from external customers	\$ 24,018,689	\$ 25,565,867	\$ 5,140,440	\$ 7,450,490	\$ 8,706,876	\$ 70,882,362
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	<u>\$ 24,018,689</u>	<u>\$ 25,565,867</u>	<u>\$ 5,140,440</u>	<u>\$ 7,450,490</u>	<u>\$ 8,706,876</u>	70,882,362
Eliminations	\$ -	\$ -	\$ -	\$ -	\$ -	-
Consolidated revenue	-	-	-	-	-	70,882,362
Segment income	<u>\$ 5,550,116</u>	<u>\$ 5,115,212</u>	<u>\$ 1,980,751</u>	<u>\$ 650,906</u>	<u>\$ 616,145</u>	13,913,130
Interest and other income						720,922
Other unamortised expenses						(2,346,156)
Other gains and losses						128,342
Finance costs						(88,796)
Share of profit of associates accounted for under equity method						362,170
Profit from continuing operations before tax						<u>\$ 12,689,612</u>

For the year ended December 31, 2024

	Intelligent Systems (iSystem)	Embedded Design-In (Embedded)	IoT Automation (iAutomation)	Intelligent Service (iService)	Advantech Service Plus and Others (AS+ and Others)	Total
Revenue						
Revenue from external customers	\$ 18,715,893	\$ 23,946,966	\$ 4,746,370	\$ 5,536,378	\$ 6,840,686	\$ 59,786,293
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	<u>\$ 18,715,893</u>	<u>\$ 23,946,966</u>	<u>\$ 4,746,370</u>	<u>\$ 5,536,378</u>	<u>\$ 6,840,686</u>	59,786,293
Eliminations	\$ -	\$ -	\$ -	\$ -	\$ -	-
Consolidated revenue	-	-	-	-	-	<u>59,786,293</u>
Segment income	<u>\$ 4,356,117</u>	<u>\$ 4,727,286</u>	<u>\$ 1,765,929</u>	<u>\$ 465,273</u>	<u>\$ 611,855</u>	11,926,460
Interest and other income						973,384
Other unamortised expenses						(2,876,691)
Other gains and losses						646,476
Finance costs						(94,357)
Share of profit of associates accounted for under equity method						399,256
Profit from continuing operations before tax						<u>\$ 10,974,528</u>

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' remuneration, share of profits of associates accounted for under equity method, gain or loss recognised on the disposal of associates, rental income, interest income, gain or loss on disposal of property, plant and equipment, gains or losses on disposal of investments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(3) Revenue from major products and services

The following is an analysis of the Group's major products and services:

	For the years ended December 31,	
	2025	2024
Embedded boards and chassis	\$ 26,228,036	\$ 24,481,581
Industrial computer and industrial control	36,614,402	29,136,515
After-sales service and others	8,039,924	6,168,197
	<u>\$ 70,882,362</u>	<u>\$ 59,786,293</u>

(4) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Revenue from external customers		Non-current assets	
	For the years ended December 31,			
	2025	2024	December 31, 2025	December 31, 2024
Taiwan	\$ 4,788,478	\$ 3,858,601	\$ 9,790,403	\$ 9,269,229
Asia	24,214,751	22,130,131	2,912,418	3,201,009
USA	22,617,208	19,003,633	5,584,437	4,128,948
Europe	13,964,113	10,576,173	996,713	965,024
Others	5,297,812	4,217,755	4,460	4,765
	<u>\$ 70,882,362</u>	<u>\$ 59,786,293</u>	<u>\$ 19,288,431</u>	<u>\$ 17,568,975</u>

(5) Major customer information

No single customer contributed 10% or more to the Group's revenue for the years ended December 31, 2025 and 2024.

ADVANTECH CO., LTD. AND SUBSIDIARIES

Loans to others

For the year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the period (Note D)	Ending Balance (Note D)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note E)	Ceiling on total loans granted
													Item	Value		
0	ADVANTECH CO., LTD.	Aures RTG	Other receivable - related parties	Yes	\$ 99,615	\$ -	\$ -	3%~4%	Short-term financing	\$ -	Operating need	\$ -	None	\$ -	\$ 5,494,748 (Note B)	\$ 10,989,496 (Note B)
0	ADVANTECH CO., LTD.	Aures RTG	Other receivable - related parties	Yes	220,010	220,010	188,580	3%~4%	Short-term financing	-	Operating need	-	None	-	5,494,748 (Note B)	10,989,496 (Note B)
0	ADVANTECH CO., LTD.	Aures	Other receivable - related parties	Yes	157,150	157,150	94,290	3%~4%	Short-term financing	-	Operating need	-	None	-	5,494,748 (Note B)	10,989,496 (Note B)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	49,808	-	-	7.00%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	87,733	-	-	2.07%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	9,962	-	-	3.35%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	9,962	-	-	4.03%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	3,321	-	-	4.03%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	6,641	-	-	4.19%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	4,981	-	-	4.46%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	13,282	-	-	4.52%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
1	Aures AGH	Aures RTG	Other receivable - related parties	Yes	11,622	-	-	4.10%	Short-term financing	-	Operating need	-	None	-	203,461 (Note C)	203,461 (Note C)
2	Aures	Aures AGH	Other receivable - related parties	Yes	149,423	-	-	7.00%	Short-term financing	-	Operating need	-	None	-	174,659 (Note C)	174,659 (Note C)
2	Aures	Aures AGH	Other receivable - related parties	Yes	48,147	-	-	1.86%	Short-term financing	-	Operating need	-	None	-	174,659 (Note C)	174,659 (Note C)
2	Aures	Aures AGH	Other receivable - related parties	Yes	87,733	-	-	2.07%	Short-term financing	-	Operating need	-	None	-	174,659 (Note C)	174,659 (Note C)
2	Aures	Aures AGH	Other receivable - related parties	Yes	4,649	-	-	1.46%	Short-term financing	-	Operating need	-	None	-	174,659 (Note C)	174,659 (Note C)
2	Aures	Aures AGH	Other receivable - related parties	Yes	13,282	-	-	1.92%	Short-term financing	-	Operating need	-	None	-	174,659 (Note C)	174,659 (Note C)
2	Aures	Aures AGH	Other receivable - related parties	Yes	4,909	-	-	4.34%	Short-term financing	-	Operating need	-	None	-	174,659 (Note C)	174,659 (Note C)
2	Aures	Aures AGH	Other receivable - related parties	Yes	9,962	-	-	3.35%	Short-term financing	-	Operating need	-	None	-	174,659 (Note C)	174,659 (Note C)
2	Aures	Aures AGH	Other receivable - related parties	Yes	9,962	-	-	4.03%	Short-term financing	-	Operating need	-	None	-	174,659 (Note C)	174,659 (Note C)

No.	Creditor	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the period (Note D)	Ending Balance (Note D)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note E)	Ceiling on total loans granted
													Item	Value		
2	Aures	Aures AGH	Other receivable - related parties	Yes	\$ 3,321	\$ -	\$ -	4.03%	Short-term financing	\$ -	Operating need	\$ -	None	\$ -	\$ 174,659	\$ 174,659
2	Aures	Aures AGH	Other receivable - related parties	Yes	6,641	-	-	4.19%	Short-term financing	-	Operating need	-	None	-	174,659	174,659
														(Note C)	(Note C)	
2	Aures	Aures AGH	Other receivable - related parties	Yes	4,981	-	-	4.46%	Short-term financing	-	Operating need	-	None	-	174,659	174,659
														(Note C)	(Note C)	
2	Aures	Aures AGH	Other receivable - related parties	Yes	13,282	-	-	4.52%	Short-term financing	-	Operating need	-	None	-	174,659	174,659
														(Note C)	(Note C)	
2	Aures	Aures AGH	Other receivable - related parties	Yes	11,622	-	-	4.10%	Short-term financing	-	Operating need	-	None	-	174,659	174,659
														(Note C)	(Note C)	
3	ACI CN	ACN	Other receivable - related parties	Yes	314,720	314,720	314,720	3.00%	Short-term financing	-	Operating need	-	None	-	744,660	744,660
														(Note C)	(Note C)	

Note A: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note B: The financing limit for each borrower and for the aggregate financing were 10% and 20%, respectively of ADVANTECH CO., LTD.'s net worth based on the latest audited or reviewed report.

Note C: The financing limit for each borrower and for the aggregate financing were both 40% of creditor's net worth based on the latest audited or reviewed report.

Note D: The maximum balance for the period and ending balance are approved by the board of directors of creditors.

Note E: The total amount of loans lent by Aures to Aures AGH and by Aures AGH to Aures RTG exceeded their respective limits on loans granted to a single party.

The conversion of the related loan amounts into equity in the borrowing entities had been approved by the board of directors on February 27, 2025.

The conversions of Aures AGH and Aures RTG were both completed on October 31, 2025.

ADVANTECH CO., LTD. AND SUBSIDIARIES
 Provision of endorsements and guarantees to others
 For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD
 (Except as otherwise indicated)

No.	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/guarantees provided for a single party (Note A)	Maximum outstanding endorsement/guarantee amount as of December 31, 2025	Outstanding endorsement/guarantee amount at December 31, 2025	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided (Note B)	Provision of endorsements/guarantees by parent company to subsidiary	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China
		Company Name	Relationship with the endorser/guarantor										
0	ADVANTECH CO., LTD.	Yan Xu Green Electricity Co., Ltd.	Subsidiary	\$ 5,494,748	\$ 526,680	\$ 526,680	\$ 99,200	\$ -	0.96	\$ 16,484,244	Y	N	N

Note A: The limit on endorsements or guarantees provided on behalf of the respective party is 10% of the Company's net worth.

Note B: The maximum collateral or guarantee amount allowable is 30% of the Company's net worth.

Note C: The net equity is from the latest audited or reviewed report.

ADVANTECH CO., LTD. AND SUBSIDIARIES

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

December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Holding Company Name	Marketable securities		Relationship with the securities issuer	General ledger account	As of December 31, 2025				Footnote
	Type	Name			Number of shares	Book value	Ownership (%)	Fair value	
ADVANTECH CO., LTD.	Stock	ASUSTek Computer Inc.	None	Financial assets at fair value through other comprehensive income or loss - non-current	3,639,461	\$ 1,994,425	0.49	\$ 1,994,425	Note A
ADVANTECH CO., LTD.	Stock	Allied Circuit Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - non-current	1,294,153	217,417	2.32	217,417	Note A
ADVANTECH CO., LTD.	Bond	CRP NVDA 3.2 091626	None	Financial assets at fair value through profit or loss - current	-	156,591	-	156,591	Note A
ADVANTECH CO., LTD.	Bond	TSMC 1st Unsecured Corporate Bond in 2024 - Tranche B	None	Financial assets at fair value through profit or loss - non-current	1,000,000	100,440	-	100,440	Note A
ADVANTECH CO., LTD.	Bond	Unsecured Corporate Bonds of Taiwan Life – Tranche A	None	Financial assets at amortised cost - non-current	-	280,000	-	282,746	Note A
ADVANTECH CO., LTD.	Bond	Fubon Life Insurance Co., Ltd. Unsecured Corporate Bonds A	None	Financial assets at amortised cost - non-current	-	101,000	-	101,011	Note A
ADVANTECH CO., LTD.	Beneficiary certificates	FSITC Taiwan Money Market	None	Financial assets at fair value through profit or loss - current	125,278,317	2,030,611	-	2,030,611	Note B
ADVANTECH CO., LTD.	Beneficiary certificates	Fubon Chi-Hsiang Money Market Fund	None	Financial assets at fair value through profit or loss - current	63,451,185	1,051,976	-	1,051,976	Note B
ADVANTECH CO., LTD.	Beneficiary certificates	Fubon Money Market Fund	None	Financial assets at fair value through profit or loss - current	47,124,099	740,258	-	740,258	Note B
ADVANTECH CO., LTD.	Beneficiary certificates	CTBC Hua Win Money Market Fund	None	Financial assets at fair value through profit or loss - current	77,403,251	901,670	-	901,670	Note B
ADVANTECH CO., LTD.	Beneficiary certificates	Taishin 1699 Money Market	None	Financial assets at fair value through profit or loss - current	25,659,601	368,713	-	368,713	Note B
ACI	Stock	Apacer Technology Inc.	None	Financial assets at fair value through profit or loss - non-current	6,041,000	539,038	4.69	539,038	Note C
ACI	Stock	Medimaging Integrated Solution Inc.	None	Financial assets at fair value through profit or loss - non-current	1,634,482	153,968	4.27	153,968	Note A
ACI	Stock	Allied Circuit Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - non-current	2,291,077	384,901	4.11	384,901	Note A
ACI	Stock	ITTS	None	Financial assets at fair value through profit or loss - current	3,391,273	165,155	12.41	165,155	Note A
ACI	Beneficiary certificates	Taishin 1699 Money Market	None	Financial assets at fair value through profit or loss - current	9,335,104	134,140	-	134,140	Note B
ACI	Beneficiary certificates	FSITC Taiwan Money Market	None	Financial assets at fair value through profit or loss - current	86,114,892	1,395,819	-	1,395,819	Note B
Advanix Corporation	Beneficiary certificates	Jih Sun Money Market	None	Financial assets at fair value through profit or loss - current	9,716,468	152,633	-	152,633	Note B
ACI KY	Beneficiary certificates	Momenta DIF III L.P.	None	Financial assets at fair value through profit or loss - non-current	-	806,465	-	806,465	Note B
ACI KY	Beneficiary certificates	Esquarre IoT Landing Fund L.P.	None	Financial assets at fair value through profit or loss - non-current	-	236,639	-	236,639	Note B
ACI KY	Bond	META 4.95% 05/15/33	None	Financial assets at amortised cost - non-current	-	160,214	-	163,031	Note A
ACI KY	Bond	Johnson & Johnson 4.85% 03/01/32	None	Financial assets at amortised cost - non-current	-	159,507	-	165,713	Note A
ACI KY	Bond	UnitedHealth Group Inc. 5% 24/34	None	Financial assets at amortised cost - non-current	-	129,353	-	129,181	Note A
ACI CN	Beneficiary certificates	Tianying Heyan (Hengqin) Investment Management Partnership (Limited Partnership)	None	Financial assets at fair value through profit or loss - non-current	-	362,028	-	362,028	Note B
ACI CN	Beneficiary certificates	Tianying Hehua (Ningbo) Venture Investment Partnership (Limited Partnership)	None	Financial assets at fair value through profit or loss - non-current	-	469,440	-	469,440	Note B
ANA	Bond	TSMC Global Ltd.4.625% S/A 07/22/32	None	Financial assets at amortised cost - non-current	-	175,114	-	176,236	Note A

Note A: Market value was based on the closing price on December 31, 2025.

Note B: Market value was based on the net asset values of the open-ended funds on December 31, 2025.

Note C: The fair values are estimated from the closing price on December 31, 2025.

Note D: Securities with an ending book value of less than NTS100 million are not disclosed.

ADVANTECH CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction Details			Differences in transaction terms compared to third party			Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship	Sales/(purchases)	Amount	Percentage of total sales/(purchases)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
ADVANTECH CO., LTD.	ANA	Subsidiary	Sales	\$ 15,844,698	31.84%	60 days after month-end	Contract price	No significant difference	\$ 3,033,624	24.11%
ADVANTECH CO., LTD.	ACN	Subsidiary	Sales	9,086,956	18.26%	180 days after month-end	Contract price	No significant difference	4,587,904	36.46%
ADVANTECH CO., LTD.	AEU	Subsidiary	Sales	8,113,425	16.30%	60 days after month-end	Contract price	No significant difference	1,960,971	15.59%
ADVANTECH CO., LTD.	AKR	Subsidiary	Sales	1,904,432	3.83%	30 days after month-end	Contract price	No significant difference	351,719	2.80%
ADVANTECH CO., LTD.	AJP	Subsidiary	Sales	2,245,784	4.51%	30 days after month-end	Contract price	No significant difference	133,390	1.06%
ADVANTECH CO., LTD.	Advanixs Corporation	Subsidiary	Sales	354,815	0.71%	30 days after month-end	Contract price	No significant difference	39,353	0.31%
ADVANTECH CO., LTD.	ASG	Subsidiary	Sales	418,298	0.84%	45 days after month-end	Contract price	No significant difference	64,442	0.51%
ADVANTECH CO., LTD.	AAU	Subsidiary	Sales	319,289	0.64%	45 days after month-end	Contract price	No significant difference	43,030	0.34%
ADVANTECH CO., LTD.	AMY	Subsidiary	Sales	225,501	0.45%	45 days after month-end	Contract price	No significant difference	43,928	0.35%
ADVANTECH CO., LTD.	AMX	Subsidiary	Sales	191,435	0.38%	30 days after month-end	Contract price	No significant difference	42,542	0.34%
ADVANTECH CO., LTD.	AIN	Subsidiary	Sales	234,199	0.47%	45 days after month-end	Contract price	No significant difference	29,338	0.23%
ADVANTECH CO., LTD.	ABR	Subsidiary	Sales	135,537	0.27%	30 days from the invoice date	Contract price	No significant difference	33,656	0.27%
ADVANTECH CO., LTD.	ATH	Subsidiary	Sales	183,020	0.37%	45 days after month-end	Contract price	No significant difference	35,300	0.28%
ADVANTECH CO., LTD.	AVN	Subsidiary	Sales	133,295	0.27%	45 days after month-end	Contract price	No significant difference	27,824	0.22%
ADVANTECH CO., LTD.	ATR	Subsidiary	Sales	169,944	0.34%	45 days after month-end	Contract price	No significant difference	17,001	0.14%
AKMC	ADVANTECH CO., LTD.	Parent company	Sales	14,081,492	91.01%	90 days after month-end	Contract price	No significant difference	4,633,723	96.95%
AKMC	ACN	Fellow subsidiary	Sales	1,262,818	8.16%	60 days after month-end	Contract price	No significant difference	130,162	2.95%
ANA	ADVANTECH CO., LTD.	Parent company	Sales	270,558	1.24%	30 days from the invoice date	Contract price	No significant difference	65,695	2.26%
ACZ	AEU	Fellow subsidiary	Sales	280,984	75.50%	60 days from the invoice date	Contract price	No significant difference	47,844	78.11%
ACN	Fuhua Huichuang	Fellow subsidiary	Sales	150,319	1.05%	90 days from the invoice date	Contract price	No significant difference	95,134	7.10%
Aures	Aures US	Subsidiary	Sales	116,649	4.35%	60 days after month-end	Contract price	No significant difference	123,987	45.14%
Aures	Aures DE	Subsidiary	Sales	289,736	10.81%	60 days after month-end	Contract price	No significant difference	23,645	8.61%
Aures	Aures UK	Subsidiary	Sales	158,831	5.93%	60 days after month-end	Contract price	No significant difference	11,177	4.07%

Note: All intercompany transactions have been eliminated during consolidation.

ADVANTECH CO., LTD. AND SUBSIDIARIES

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

December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Company Name	Counterparty	Relationship	Ending balance	Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Action taken		
ADVANTECH CO., LTD.	ACN	Subsidiary	\$ 4,587,904	1.98	\$ -	-	\$ 1,258,880	\$ -
ADVANTECH CO., LTD.	ANA	Subsidiary	3,049,862	5.29	28,975	Monthly reconciliation and collection	1,189,751	-
ADVANTECH CO., LTD.	AEU	Subsidiary	1,968,770	4.58	591,586	Monthly reconciliation and collection	1,100,142	-
ADVANTECH CO., LTD.	AKR	Subsidiary	352,752	5.63	192,764	Monthly reconciliation and collection	183,852	-
ADVANTECH CO., LTD.	AJP	Subsidiary	135,269	9.95	45,460	Monthly reconciliation and collection	99,494	-
ADVANTECH CO., LTD.	AKMC	Subsidiary	638,072	Note A	6	Monthly reconciliation and collection	405,796	-
ADVANTECH CO., LTD.	Aures RTG	Sub-subsubsidiary	188,580	Note B	188,580	Monthly reconciliation and collection	-	-
AKMC	ADVANTECH CO., LTD.	Parent company	4,634,241	3.54	608,814	Monthly reconciliation and collection	1,568,579	-
AKMC	ACN	Fellow subsidiary	130,682	7.98	-	-	130,682	-
ACI CN	ACN	Fellow subsidiary	314,720	Note B	-	-	1,059	-
Aures	Aures US	Sub-subsubsidiary	123,987	0.84	99,069	Monthly reconciliation and collection	10,784	-

Note A: The Company's sales revenue on materials delivered to subcontractors - AKMC have been eliminated during consolidation.

Note B: The receivables are recorded as other receivables; therefore, the turnover rate is not applicable. The nature of certain other receivables pertains to loans to others. Refer to table 1.

ADVANTECH CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the year ended December 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note A)	Company Name	Counterparty	Relationship (Note B)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note C)
0	ADVANTECH CO., LTD.	AAU	1	Sales revenue	\$ 319,289	Usual trade terms	0%
0	ADVANTECH CO., LTD.	ABR	1	Sales revenue	135,537	Usual trade terms	0%
0	ADVANTECH CO., LTD.	ACN	1	Receivables from related parties	4,587,904	180 days after month-end	6%
0	ADVANTECH CO., LTD.	ACN	1	Sales revenue	9,086,956	Usual trade terms	13%
0	ADVANTECH CO., LTD.	AEU	1	Receivables from related parties	1,960,971	60 days after month-end	3%
0	ADVANTECH CO., LTD.	AEU	1	Sales revenue	8,113,425	Usual trade terms	11%
0	ADVANTECH CO., LTD.	AIN	1	Sales revenue	234,199	Usual trade terms	0%
0	ADVANTECH CO., LTD.	AJP	1	Receivables from related parties	133,390	30 days after month-end	0%
0	ADVANTECH CO., LTD.	AJP	1	Sales revenue	2,245,784	Usual trade terms	3%
0	ADVANTECH CO., LTD.	AKMC	1	Receivables from related parties	638,072	90 days after month-end	1%
0	ADVANTECH CO., LTD.	AKR	1	Receivables from related parties	351,719	30 days after month-end	0%
0	ADVANTECH CO., LTD.	AKR	1	Sales revenue	1,904,432	Usual trade terms	3%
0	ADVANTECH CO., LTD.	AMX	1	Sales revenue	191,435	Usual trade terms	0%
0	ADVANTECH CO., LTD.	AMY	1	Sales revenue	225,501	Usual trade terms	0%
0	ADVANTECH CO., LTD.	ANA	1	Receivables from related parties	3,033,624	60 days after month-end	4%
0	ADVANTECH CO., LTD.	ANA	1	Sales revenue	15,844,698	Usual trade terms	22%
0	ADVANTECH CO., LTD.	ASG	1	Sales revenue	418,298	Usual trade terms	1%
0	ADVANTECH CO., LTD.	ATH	1	Sales revenue	183,020	Usual trade terms	0%
0	ADVANTECH CO., LTD.	ATR	1	Sales revenue	169,944	Usual trade terms	0%
0	ADVANTECH CO., LTD.	AVN	1	Sales revenue	133,295	Usual trade terms	0%
0	ADVANTECH CO., LTD.	Advanixs Corporation	1	Sales revenue	354,815	Usual trade terms	1%
0	ADVANTECH CO., LTD.	Aures RTG	1	Other receivables from related parties	188,580	Note E	0%
1	AKMC	ADVANTECH CO., LTD.	2	Receivables from related parties	4,633,723	90 days after month-end	6%
1	AKMC	ADVANTECH CO., LTD.	2	Sales revenue	14,081,492	Usual trade terms	20%
1	AKMC	ACN	3	Receivables from related parties	130,162	60 days after month-end	0%
1	AKMC	ACN	3	Sales revenue	1,262,818	Usual trade terms	2%
2	ANA	ADVANTECH CO., LTD.	2	Sales revenue	270,558	Usual trade terms	0%
3	ACN	Fuhua Huichuang	3	Sales revenue	150,319	Usual trade terms	0%
4	ACI CN	ACN	3	Other receivables from related parties	314,720	Note E	0%
5	ACZ	AEU	3	Sales revenue	280,984	Usual trade terms	0%
6	Aures	Aures DE	1	Sales revenue	289,736	Usual trade terms	0%
6	Aures	Aures UK	1	Sales revenue	158,831	Usual trade terms	0%
6	Aures	Aures US	1	Sales revenue	116,649	Usual trade terms	0%

No. (Note A)	Company Name	Counterparty	Relationship (Note B)	Transaction			Percentage of consolidated total operating revenues or total assets (Note C)
				General ledger account	Amount	Transaction terms	
6	Aures	Aures US	1	Receivables from related parties	\$ 123,987	60 days after month-end	0%

Note A: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

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

Note B: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

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

Note C: For assets and liabilities, amounts are shown as a percentage to consolidated total assets as of December 31, 2025, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2025.

Note D: All intercompany transactions have been eliminated during consolidation.

Note E: Mainly pertain to accrued financing charges.

ADVANTECH CO., LTD. AND SUBSIDIARIES
Information on investees (excluding information on investments in Mainland china)

For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as of December 31, 2025			Net profit (loss) of the	Investment income (loss)	Footnote
				Balance as at	Balance as at	Number of shares	Ownership (%)	Carrying value	investee for the	recognised by the Company for	
				December 31, 2025	January 1, 2025				year ended	the year ended	
ADVANTECH CO., LTD.	AAC NL	Netherlands	Overseas investment in manufacturing and services industries	\$ 247,275	\$ 247,275	11,126,887	100.00	\$ 9,275,834	\$ 965,218	\$ 954,708	Subsidiary
ADVANTECH CO., LTD.	ATC	British Virgin Islands	Overseas investment in manufacturing and services industries	998,788	998,788	33,850,000	100.00	6,274,445	392,210	389,706	Subsidiary
ADVANTECH CO., LTD.	Advanixs Corporation	Taiwan	Manufacturing, marketing and trade of industrial use computers	100,000	100,000	10,000,000	100.00	240,070	41,023	41,023	Subsidiary
ADVANTECH CO., LTD.	ACI	Taiwan	Investment in marketable securities	4,300,000	3,300,000	447,000,000	100.00	6,010,030	852,542	851,744	Subsidiary (Note D)
ADVANTECH CO., LTD.	Axiontek	Taiwan	Manufacturing, marketing and trade of industrial use computers	511,372	511,372	28,080,142	25.96	1,353,184	501,246	130,346	Investments accounted for under equity method
ADVANTECH CO., LTD.	LNC	Taiwan	Manufacturing and trade of controllers	188,826	188,826	13,380,000	40.55	196,137	(69,366)	(26,376)	Investments accounted for under equity method
ADVANTECH CO., LTD.	AMX	Mexico	Marketing and trade of industrial use computers	91,478	91,861	16,150,003	96.90	108,970	4,536	4,003	Subsidiary
ADVANTECH CO., LTD.	AEUH	Netherlands	Overseas investment in manufacturing and services industries	1,655,383	1,655,383	25,961,250	100.00	661,522	(436,879)	(439,679)	Subsidiary
ADVANTECH CO., LTD.	ASG	Singapore	Marketing and trade of industrial use computers	27,134	27,134	1,450,000	100.00	331,236	73,079	72,092	Subsidiary
ADVANTECH CO., LTD.	ATH	Thailand	Manufacturing of computer products	47,701	47,701	510,000	49.51	70,532	36,298	18,514	Subsidiary
ADVANTECH CO., LTD.	AAU	Australia	Marketing and trade of industrial use computers	40,600	40,600	500,204	100.00	45,068	9,715	9,455	Subsidiary
ADVANTECH CO., LTD.	AJP	Japan	Marketing and trade of industrial use computers	651,685	651,685	1,200	100.00	1,391,849	198,990	192,356	Subsidiary
ADVANTECH CO., LTD.	AMY	Malaysia	Marketing and trade of industrial use computers	35,140	35,140	2,000,000	100.00	159,311	25,589	25,593	Subsidiary
ADVANTECH CO., LTD.	AKR	Korea	Marketing and trade of industrial use computers	156,668	156,668	600,000	100.00	566,340	23,102	22,022	Subsidiary
ADVANTECH CO., LTD.	ABR	Brazil	Marketing and trade of industrial use computers	89,846	89,846	15,920,821	100.00	115,662	10,958	10,925	Subsidiary
ADVANTECH CO., LTD.	AiCS	Taiwan	Design, research and develop and sale of intelligent services	81,837	81,837	1,000,000	100.00	85,851	30	30	Subsidiary
ADVANTECH CO., LTD.	AIN	India	Marketing and trade of industrial use computers	39,747	39,747	4,999,999	99.99	31,106	6,072	6,097	Subsidiary
ADVANTECH CO., LTD.	Wimnate	Taiwan	Embedded System Modules	527,670	540,000	11,726,000	14.58	710,212	600,668	89,667	Investments accounted for under equity method
ADVANTECH CO., LTD.	AVN	Vietnam	Marketing and trade of industrial use computers	76,092	76,092	81,000	60.00	48,018	8,706	2,268	Subsidiary
ADVANTECH CO., LTD.	Nippon RAD	Japan	Integration of IoT intelligent system	251,915	251,915	850,000	16.08	213,713	73,922	12,302	Investments accounted for under equity method
ADVANTECH CO., LTD.	ATR	Turkey	Wholesale of computers and peripheral devices	138,123	138,123	462,535	100.00	28,655	7,248	7,017	Subsidiary
ADVANTECH CO., LTD.	AIL	Israel	Trading of industrial network communications systems	8,653	8,653	100	100.00	10,793	(1,727)	(1,725)	Subsidiary
ADVANTECH CO., LTD.	Huan Yan Water Solution Co., Ltd.	Taiwan	Service plan for combination of related technologies of water treatment and Applications of Internet of Things	8,063	8,063	270,000	90.00	1,920	(354)	(318)	Subsidiary
ADVANTECH CO., LTD.	ADB	United Arab Emirates	Trading of industrial network communications systems	3,312	3,312	50	100.00	4,831	483	483	Subsidiary
ADVANTECH CO., LTD.	AID	Indonesia	Marketing and trade of industrial use computers	48	48	30	1.00	-	2,686	-	Subsidiary
ADVANTECH CO., LTD.	AAC (HK)	Hong Kong	Overseas investment in manufacturing and services industries	1,471,031	1,471,031	15,230,001	100.00	257,095	(270,246)	(270,688)	Subsidiary
ADVANTECH CO., LTD.	ACI KY	Cayman Islands	General investment	3,147,958	2,156,908	160,000,000	100.00	2,590,676	(494,384)	(494,384)	Subsidiary (Note E)
ADVANTECH CO., LTD.	Cermate (Taiwan)	Taiwan	Manufacturing of electronic components, computers, and peripheral devices	157,275	157,275	1,327,500	45.00	42,597	13,972	6,104	Subsidiary
ADVANTECH CO., LTD.	Aures	France	Retail electronic and computer products marketing and sales	1,003,210	320,775	4,738,256	100.00	601,030	(57,326)	(36,886)	Subsidiary
ACI	Cermate (Taiwan)	Taiwan	Manufacturing of electronic components, computers, and peripheral devices	32,725	32,725	1,622,500	55.00	85,030	13,972	-	Subsidiary
ACI	Deneng	Taiwan	Installment and sale of electronic components and software	18,095	18,095	658,000	39.69	12,364	(126)	-	Investments accounted for under equity method
ACI	CDIB	Taiwan	Investment in marketable securities	150,000	150,000	23,663,143	17.86	212,500	(185,005)	-	Investments accounted for under equity method
ACI	AzureWave	Taiwan	Wireless communication and digital image module manufacturing and trading	433,813	481,179	25,498,000	16.46	771,984	614,428	-	Investments accounted for under equity method
ACI	Nippon RAD	Japan	Integration of IoT intelligent system	49,733	49,733	154,310	2.92	44,146	73,922	-	Investments accounted for under equity method
ACI	Mildex	Taiwan	Electronic component manufacturing	172,693	176,168	9,605,313	12.12	140,835	22,040	-	Investments accounted for under equity method
ACI	Smasoft	Taiwan	Manufacturing and trade of electronic and mechanical devices	73,270	73,270	1,088,271	40.03	22,650	(8,799)	-	Investments accounted for under equity method
ACI	Impelex	Taiwan	Manufacturing and trade of electronic and mechanical devices	-	10,000	-	-	-	(2,796)	-	Investments accounted for under equity method
ACI	VSO	Taiwan	Manufacturing and trade of electronic and mechanical devices	112,363	116,400	4,759,793	10.92	219,087	186,620	-	Investments accounted for under equity method

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as of December 31, 2025			Net profit (loss) of the investee for the year ended	Investment income (loss) recognised by the Company for the year ended	Footnote	
				Balance as at December 31, 2025	Balance as at January 1, 2025	Number of shares	Ownership (%)	Carrying value	December 31, 2025	December 31, 2025 (Note C)		
ACI	Hwacom	Taiwan	Computer system integration service	\$ 276,932	\$ 357,119	20,449,000	14.40	\$ 405,796	(\$ 27,106)	\$	-	Investments accounted for under equity method
ACI	Feng Sang	Taiwan	Computer system integration service	109,219	109,219	6,088,750	36.24	129,238	19,240		-	Investments accounted for under equity method
ACI	iSAP	Taiwan	Information software service	10,000	10,000	696,667	34.83	-	-		-	Investments accounted for under equity method
ACI	IISI	Taiwan	Computer system integration service	234,671	236,524	13,804,205	17.11	318,623	99,702		-	Investments accounted for under equity method
ACI	Freedom Systems	Taiwan	Electronic information service	37,500	37,500	2,353,600	20.00	45,793	15,166		-	Investments accounted for under equity method
ACI	Yan Xu Green Electricity Co., Ltd.	Taiwan	Green energy power plant development	83,325	83,325	8,332,500	82.50	80,674	(153)		-	Subsidiary
ACI	Expotech	Taiwan	Computer system integration service	80,000	80,000	6,000,000	58.87	46,891	(38,361)		-	Subsidiary
ACI	ADTEK	Taiwan	Manufacturing and trade of electronic and mechanical devices	127,110	-	2,001,729	21.00	147,623	19,699		-	Investments accounted for under equity method
ACI	EncoreMed	Malaysia	Wise Information Technology of med cloud service	54,274	54,274	66,700	30.03	54,829	(2,126)		-	Investments accounted for under equity method
ATC	ATC(HK)	Hong Kong	Overseas investment in manufacturing and services industries	1,212,730	1,212,730	57,890,679	100.00	6,315,803	392,351		-	Subsidiary
AAC NL	ANA	USA	Marketing, trade and assembly of industrial use computers	504,179	504,179	10,952,616	100.00	9,648,407	965,133		-	Subsidiary
AEUH	AEU	Netherlands	Marketing and trade of industrial use computers	868,222	868,222	32,315,215	100.00	1,079,266	(446,326)		-	Subsidiary
AEUH	APL	Poland	Marketing and trade of industrial use computers	14,176	14,176	7,030	100.00	60,718	1,251		-	Subsidiary
ASG	ATH	Thailand	Manufacturing of computers products	10,375	7,537	520,000	50.49	80,244	36,298		-	Subsidiary (Note F)
ASG	AID	Indonesia	Marketing and trade of industrial use computers	4,749	4,749	2,970	99.00	19,835	2,686		-	Subsidiary
ASG	AMX	Mexico	Marketing and trade of industrial use computers	98	98	16,667	0.10	(313)	4,536		-	Subsidiary
Cermate (Taiwan)	LandMark	Samoa	General investment	28,200	28,200	972,284	100.00	111,965	19,453		-	Subsidiary
LandMark	Cermate Software Inc.	Canada	Software development	229	229	-	100.00	3,508	171		-	Subsidiary
ANA	AIE	Ireland	Trading of industrial network communications systems	1,212,462	1,212,462	500,000	100.00	373,141	38,208		-	Subsidiary
ANA	ABO	USA	High-end image acquisition and AI machine vision technology, and core technologies in high speed image acquisition	108,360	108,360	210,000	100.00	63,769	(8,932)		-	Subsidiary
AIE	ACZ	Czech Republic	Manufacturing of automation control	-	-	-	100.00	350,136	37,422		-	Subsidiary
AIN	ARI	India	Marketing and trade of industrial use computers	4,651	4,651	1,237,500	55.00	1,848	11,759		-	Subsidiary
Aures	Aures UK	UK	Retail electronic and computer products marketing and sales	9,965	9,965	5,000	100.00	104,659	(13,139)		-	Subsidiary
Aures	Aures DE	Germany	Retail electronic and computer products marketing and sales	768	768	22,500	90.00	101,708	17,059		-	Subsidiary
Aures	Aures AGH	USA	Holding Company	84,306	84,306	1,000	100.00	508,651	(6,961)		-	Subsidiary
Aures	Aures J2SYSTEMS	UK	Holding Company	259,704	259,704	42,229	100.00	3,361	-		-	Subsidiary
Aures AGH	Aures RTG	USA	Maintenance, installation and technical support for Retail services	291,783	291,783	500	100.00	83,167	(15,335)		-	Subsidiary
Aures J2SYSTEMS	Aures US	USA	Retail electronic and computer products marketing and sales	328	328	10,000	100.00	(53,583)	3,852		-	Subsidiary
Aures J2SYSTEMS	Aures AU	Australia	Retail electronic and computer products marketing and sales	-	-	10	100.00	109,720	6,788		-	Subsidiary

Note A: All intercompany gains and losses from investments have been eliminated during consolidation.

Note B: Refer to Table 8 for investments in Mainland China.

Note C: The investment gains and losses recognised in the current period only disclose the part recognised by Advantech Co., Ltd., and the rest are exempted according to regulations.

Note D: In the first quarter of 2025, ACI conducted a cash capital increase through the issuance of new shares.

Note E: In the first quarter of 2025, ACI KY conducted a cash capital increase through the issuance of new shares.

Note F: In the third quarter of 2025, ATH conducted a cash capital increase through the issuance of new shares.

ADVANTECH CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
For the year ended December 31, 2025

Table 8

Expressed in thousands of NTD and foreign currencies
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated Outflow of	Investment Flows		Accumulated Outflow of	Net profit (loss) of the investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect) (%)	Investment net profit (loss)	Carrying Value as of December 31, 2025	Accumulated Inward
				Investment from Taiwan as of January 1, 2025	Outflow	Inflow	Investment from Taiwan as of December 31, 2025					Remittance of Earnings as of December 31, 2025
Advantech Technology (China) Company Ltd. (AKMC) (Note D)	Manufacturing and trade of interface cards and PC cases, plastic cases and accessories	\$ 1,783,653 USD 56,750	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	\$ 1,172,339 USD 37,300	\$ -	\$ -	\$ 1,172,339 USD 37,300	\$ 392,351	100.00	\$ 394,890	\$ 6,318,342	\$ -
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Marketing and trade of industrial use computers	132,949 USD 4,230	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	167,585 USD 5,332	-	-	167,585 USD 5,332	(228,612)	100.00	(228,143)	(729,179)	3,242,005 USD 103,150
Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN) (Note G)	Manufacturing, marketing and trade of industrial use computers	299,515 CNY 66,618	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	251,440 USD 8,000	-	-	251,440 USD 8,000	(42,336)	100.00	(42,358)	1,861,625	-
Xi'an Advantech Software Ltd. (AXA)	Development and manufacturing of software products	31,430 USD 1,000	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	Note C	-	-	Note C	273	100.00	273	31,361	-
Shenzhen Cermate Technologies Inc. (Cermate Shenzhen)	Production of LCD touch screen, USB data cables, and industrial use computers	8,992 CNY 2,000	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	9,680 USD 308	-	-	9,680 USD 308	20,999	90.00	19,116	108,288	82,911 CNY 18,441
Cermate Technologies (Shanghai) Inc. (Cermate Shanghai)	Networking electronic equipment for industrial use	17,978 USD 572	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	Note L	-	16,878 USD 537	Note L	-	Note L	-	-	52,441 CNY 11,664
Advantech Service-IoT (Shanghai) Co., Ltd. [SIoT (China)]	Technology development, consulting and services in the field of intelligent technology	67,440 CNY 15,000	Other	Note E and Note M	-	-	Note E and Note M	(2,851)	Note M	(2,851)	-	-
Foshan Technology Co., Ltd. (Foshan Technology)	Operation and maintenance for intelligent general equipment, and consulting service for comprehensive energy issues	35,968 CNY 8,000	Other	Note F	-	-	Note F	(5,310)	21.88	(1,162)	10,230	-
Suzhou AIIIST Intelligent Technology Co., Ltd. (AAIY)	Smart operating room total solution	44,460 CNY 9,889	Other	Note F	-	-	Note F	4,349	20.00	870	103,633	-
Adveco Technology Co., Ltd. (Adveco)	Technology development, consulting, services, product design, production and project implementation in the field of smart buildings	18,434 CNY 4,100	Other	Note F	-	-	Note F	(113,863)	53.98	(61,438)	(5,269)	-
Adveco Management Consulting Co., Ltd. (Adveco Management)	Enterprise management consulting, information consulting, planning, service	8,992 CNY 2,000	Other	Note F	-	-	Note F	(1)	60.00	(1)	5,391	-
Adveco Management Consulting No.1 (Limited partnership) (Adveco Management No.1)	Enterprise management consulting, information consulting, planning, service	4,496 CNY 1,000	Other	Note K	-	-	Note K	-	59.94	-	2,691	-
Adveco Management Consulting No.2 (Limited partnership) (Adveco Management No.2)	Enterprise management consulting, information consulting, planning, service	4,496 CNY 1,000	Other	Note K	-	-	Note K	-	59.94	-	2,691	-
Shanghai Fuhua Huichuang Intelligent Information Technology Co., Ltd (Fuhua Huichuang)	Development and sales of information security devices, intelligent systems and cloud technologies	53,952 CNY 12,000	Other	Note F	-	-	Note F	(10,145)	50.00	(5,072)	21,707	-
Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA									
\$ 1,625,654 (USD 51,723 thousand) (Note H)	\$ 2,369,539 (USD 75,391 thousand)		\$ 32,968,489 (Note I)									

Note A: All intercompany gains and losses from investment have been eliminated during consolidation.

Note B: The significant events, prices, payment terms and unrealized gains or losses generated on trading between the Company and its investees in Mainland China are described in Table 6.

Note C: Remittance by ACN.

Note D: For AKMC, there was a capital increase of US\$6,450 thousand out of earnings.

Note E: Remittance by AAC NL and ACI CN.

Note F: Remittance by ACI CN.

Note G: In the first quarter of 2022, ACN acquired 18% equity interest in ACI CN for a cash consideration of CNY\$50,000 thousand.

Note H: Included is the outflow of US\$200 thousand on the investment in Yan Hua (Guang Zhou Bao Shui Qu) Co., Ltd. located in a free trade zone in Guang Zhou. When this investee was liquidated in September 2005, the outward investment remittance ceased upon the approval of the Ministry of Economic

Affairs (MOEA). For each future capital return, the Company will apply to the MOEA for the approval of the return as well as reduce the accumulated investment amount by the return amount.

Note I: The maximum allowable limit on investment was 60% of the consolidated net asset value of the Company.

Note J: The exchange rates as of December 31, 2025 were USD\$1=NT\$31.430, and CNY\$1=NT\$4.496.

Note K: Remittance by Adveco Management.

Note L: In the third quarter of 2024, Cermate Shanghai was dissolved and liquidated.

Note M: In the third quarter of 2025, SIoT (China) was dissolved and liquidated.