

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
THEREON
MARCH 31, 2026 AND 2025
(Stock code: 2395)

For the convenience of readers and for information purpose only, the independent auditors' review 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' review report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of Advantech Co., Ltd.

Introduction

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

Scope of review

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

Basis for qualified conclusion

As explained in Notes 4(3) and 6(7), the financial statements of insignificant consolidated subsidiaries and certain investments accounted for under equity method were not reviewed by independent auditors. Those statements reflect total assets amounting to NT\$16,452,147 thousand and NT\$16,542,520 thousand (including the balance of investments accounted for under equity method), constituting 20% and 22% of consolidated total assets as at March 31, 2026 and 2025, respectively, total liabilities

amounting to NT\$2,149,660 thousand and NT\$2,089,403 thousand, constituting 6% and 8% of consolidated total liabilities as at March 31, 2026 and 2025, respectively, and total comprehensive income amounting to NT\$113,672 thousand and NT\$300,715 thousand, constituting 3% and 10% of consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified conclusion

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

Tsai, Pei-Hua

Liang, Hua-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

April 30, 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 review 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' review 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
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2026		December 31, 2025		March 31, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 10,001,958	12	\$ 11,317,279	15	\$ 15,271,340	21
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	7,820,142	9	7,152,333	9	5,326,846	7
1136	Financial assets at amortised cost - current	6(4) and 8	2,693,828	3	724,303	1	692,016	1
1150	Notes receivable, net	6(5)	1,864,515	2	1,627,595	2	1,548,864	2
1170	Accounts receivable, net	6(5)	10,392,199	13	8,879,419	12	9,129,090	12
1180	Accounts receivable - related parties, net	7	22,703	-	28,411	-	11,054	-
1200	Other receivables		110,311	-	77,490	-	65,355	-
1210	Other receivables - related parties	7	144,873	-	1,575	-	192,361	-
130X	Inventories	6(6)	15,389,341	19	11,834,524	16	10,838,164	15
1470	Other current assets		860,503	1	852,598	1	818,909	1
11XX	Total current assets		49,300,373	59	42,495,527	56	43,893,999	59
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2)	3,474,804	4	3,389,977	4	3,584,669	5
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	3,097,158	4	2,765,005	4	2,806,994	4
1535	Financial assets at amortised cost - non-current	6(4)	1,767,212	2	1,627,011	2	-	-
1550	Investments accounted for under equity method	6(7)	5,063,623	6	5,112,577	7	4,960,098	7
1600	Property, plant and equipment	6(8)	14,945,419	18	14,451,830	19	12,893,481	17
1755	Right-of-use assets	6(9)	2,192,486	3	1,968,958	3	2,187,260	3
1780	Intangible assets	6(10)	2,819,949	3	2,734,536	4	2,780,072	4
1840	Deferred income tax assets		965,616	1	1,038,996	1	867,201	1
1915	Prepayments for business facilities		40,953	-	45,841	-	67,903	-
1990	Other non-current assets		101,544	-	87,266	-	341,599	-
15XX	Total non-current assets		34,468,764	41	33,221,997	44	30,489,277	41
1XXX	Total assets		\$ 83,769,137	100	\$ 75,717,524	100	\$ 74,383,276	100

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

Liabilities and Equity		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2120	Financial liabilities at fair value through profit or loss - current	6(2)	\$ 4,490	-	\$ 13,323	-	\$ 16,782	-
2130	Contract liabilities - current	6(20)	1,849,028	2	1,335,883	2	1,233,574	2
2170	Notes and accounts payable	7	11,302,309	14	7,680,782	10	7,397,873	10
2200	Other payables	6(11) and 7	13,594,030	16	5,018,328	7	10,744,553	14
2230	Current income tax liabilities		1,965,334	2	1,545,832	2	1,879,755	3
2250	Provision for liabilities - current		190,675	-	187,185	-	212,823	-
2280	Lease liabilities - current	6(9)	385,271	1	290,922	-	343,645	-
2320	Long-term liabilities, current portion	6(12)	156,568	-	77,029	-	118,013	-
2399	Other current liabilities		363,331	1	368,059	1	386,859	1
21XX	Total current liabilities		29,811,036	36	16,517,343	22	22,333,877	30
Non-current liabilities								
2540	Long-term borrowings	6(12)	43,915	-	150,327	-	185,295	-
2570	Deferred income tax liabilities		2,024,778	2	1,972,382	2	2,048,875	3
2580	Lease liabilities - non-current	6(9)	1,604,238	2	1,476,031	2	1,623,496	2
2600	Other non-current liabilities	6(20)	560,162	1	552,176	1	692,910	1
25XX	Total non-current liabilities		4,233,093	5	4,150,916	5	4,550,576	6
2XXX	Total liabilities		34,044,129	41	20,668,259	27	26,884,453	36
Equity attributable to shareholders of the parent								
	Share capital	6(15)						
3110	Common shares		8,658,303	10	8,651,898	12	8,635,894	12
3140	Advance receipts for share capital		24,242	-	6,405	-	5,777	-
	Capital surplus	6(16)						
3200	Capital surplus		10,744,973	13	12,057,154	16	11,402,424	15
	Retained earnings	6(17)						
3310	Legal reserve		11,628,185	14	11,628,185	15	10,723,047	15
3350	Unappropriated retained earnings		16,917,862	20	21,534,775	29	14,582,398	20
	Other equity	6(18)						
3400	Other equity		1,639,867	2	1,069,064	1	1,952,147	2
31XX	Equity attributable to shareholders of the parent		49,613,432	59	54,947,481	73	47,301,687	64
36XX	Non-controlling interest	6(19)	111,576	-	101,784	-	197,136	-
3XXX	Total equity		49,725,008	59	55,049,265	73	47,498,823	64
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$ 83,769,137	100	\$ 75,717,524	100	\$ 74,383,276	100

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	For the three-month periods ended March 31,			
		2026		2025	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20) and 7	\$ 20,385,264	100	\$ 17,351,246	100
5000 Operating costs	6(6)(24) and 7	(12,405,441)	(61)	(10,323,326)	(59)
5950 Gross profit		<u>7,979,823</u>	<u>39</u>	<u>7,027,920</u>	<u>41</u>
Operating expenses	6(24) and 7				
6100 Selling expenses		(1,741,382)	(9)	(1,682,155)	(10)
6200 General and administrative expenses		(997,847)	(5)	(1,017,086)	(6)
6300 Research and development expenses		(1,513,895)	(7)	(1,409,560)	(8)
6450 Expected credit impairment gain		<u>1,787</u>	<u>-</u>	<u>5,137</u>	<u>-</u>
6000 Total operating expenses		(4,251,337)	(21)	(4,103,664)	(24)
6900 Operating profit		<u>3,728,486</u>	<u>18</u>	<u>2,924,256</u>	<u>17</u>
Non-operating income and expenses					
7100 Interest income	6(4)	71,915	-	81,680	-
7010 Other income	6(21) and 7	30,732	-	21,418	-
7020 Other gains and losses	6(2)(22)	138,479	1	165,662	1
7050 Finance costs	6(9)(12)(23)	(21,990)	-	(25,385)	-
7060 Share of profit of associates and joint ventures accounted for under equity method	6(7)	<u>120,665</u>	<u>1</u>	<u>72,264</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>339,801</u>	<u>2</u>	<u>315,639</u>	<u>1</u>
7900 Profit before income tax		4,068,287	20	3,239,895	18
7950 Income tax expense	6(25)	(750,007)	(4)	(548,576)	(3)
8200 Profit for the period		<u>\$ 3,318,280</u>	<u>16</u>	<u>\$ 2,691,319</u>	<u>15</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			For the three-month periods ended March 31,			
			2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income (net)						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)	\$ 260,054	1	(\$ 6,139)	-
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss	6(7)(18)	(9,313)	-	6,596	-
8310	Other comprehensive income that will not be reclassified to profit or loss		250,741	1	457	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(18)	419,253	2	541,840	3
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)	(1,936)	-	25,444	-
8399	Income tax related to components of other comprehensive loss that will be reclassified to profit or loss	6(25)	(83,258)	-	(111,245)	-
8360	Other comprehensive income that will be reclassified to profit or loss		334,059	2	456,039	3
8300	Total other comprehensive income for the period		<u>\$ 584,800</u>	<u>3</u>	<u>\$ 456,496</u>	<u>3</u>
8500	Total comprehensive income for the period		<u>\$ 3,903,080</u>	<u>19</u>	<u>\$ 3,147,815</u>	<u>18</u>
Profit (loss) attributable to:						
8610	Shareholders of the parent		\$ 3,334,165	16	\$ 2,734,000	15
8620	Non-controlling interest		(15,885)	-	(42,681)	-
			<u>\$ 3,318,280</u>	<u>16</u>	<u>\$ 2,691,319</u>	<u>15</u>
Total comprehensive income (loss) attributable to:						
8710	Shareholders of the parent		\$ 3,917,938	19	\$ 3,179,444	18
8720	Non-controlling interest		(14,858)	-	(31,629)	-
			<u>\$ 3,903,080</u>	<u>19</u>	<u>\$ 3,147,815</u>	<u>18</u>
Basic earnings per share (in dollars)						
9750	Profit for the period	6(26)	<u>\$ 3.85</u>		<u>\$ 3.17</u>	
Diluted earnings per share (in dollars)						
9850	Profit for the period	6(26)	\$ 3.83		\$ 3.14	

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 THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent											
Capital			Retained Earnings			Other Equity Interest					
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee benefits compensation			
Notes	Common stock	Advance receipts for share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations			Total	Non-controlling interest	Total equity
	\$ 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
6(18)(19)	-	-	-	-	2,734,000	-	-	-	2,734,000	(42,681)	2,691,319
	-	-	-	-	-	444,987	457	-	445,444	11,052	456,496
6(17)	-	-	-	-	2,734,000	444,987	457	-	3,179,444	(31,629)	3,147,815
	-	-	-	-	(7,254,151)	-	-	-	(7,254,151)	-	(7,254,151)
6(14)(15)	1,572	4,205	89,486	-	-	-	-	-	95,263	-	95,263
6(14)	-	-	127,342	-	-	-	-	-	127,342	-	127,342
6(18)	-	-	61,149	-	-	-	-	(4,092)	57,057	-	57,057
6(19)(27)	-	-	(31,556)	-	(300,064)	-	-	-	(331,620)	(167,183)	(498,803)
6(19)	-	-	-	-	-	-	-	-	-	27,438	27,438
	\$ 8,635,894	\$ 5,777	\$ 11,402,424	\$ 10,723,047	\$ 14,582,398	\$ 299,818	\$ 1,656,421	(\$ 4,092)	\$ 47,301,687	\$ 197,136	\$ 47,498,823
	\$ 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
6(18)(19)	-	-	-	-	3,334,165	-	-	-	3,334,165	(15,885)	3,318,280
	-	-	-	-	-	333,032	250,741	-	583,773	1,027	584,800
6(17)	-	-	-	-	3,334,165	333,032	250,741	-	3,917,938	(14,858)	3,903,080
	-	-	-	-	(7,965,638)	-	-	-	(7,965,638)	-	(7,965,638)
	-	-	(1,731,660)	-	-	-	-	-	(1,731,660)	-	(1,731,660)
6(14)(15)	6,405	17,837	373,147	-	-	-	-	-	397,389	-	397,389
6(14)	-	-	52,193	-	-	-	-	-	52,193	-	52,193
6(18)	-	-	(16,192)	-	(4,563)	-	-	6,153	(14,602)	-	(14,602)
6(19)	-	-	10,331	-	-	-	-	-	10,331	24,650	34,981
6(3)(18)	-	-	-	-	19,123	-	(19,123)	-	-	-	-
	\$ 8,658,303	\$ 24,242	\$ 10,744,973	\$ 11,628,185	\$ 16,917,862	(\$ 114,754)	\$ 1,765,665	(\$ 11,044)	\$ 49,613,432	\$ 111,576	\$ 49,725,008

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		For the three-month periods ended March 31,	
	Notes	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		\$ 4,068,287	\$ 3,239,895
Adjustments items			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(24)	259,480	247,887
Amortisation	6(10)(24)	49,950	46,246
Expected credit impairment gain	12(2)	(1,787)	(5,137)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(2)(22)	(33,425)	71,381
Finance costs	6(23)	21,990	25,385
Interest income		(71,915)	(81,680)
Dividend income	6(21)	(1,318)	(1,116)
Compensation costs of employee stock options	6(14)(24)	56,082	127,342
Share of profit of associates accounted for under equity method	6(7)	(120,665)	(72,264)
Loss (gain) on disposal of property, plant and equipment	6(22)	2,138	(661)
Gain on disposal of investments	6(22)	(6,794)	(5,055)
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		(668,567)	582,562
Notes receivable		(236,897)	(58,022)
Accounts receivable		(1,510,585)	(516,890)
Accounts receivable - related parties		5,708	11,837
Other receivables (including related parties)		(118,111)	56,093
Inventories		(3,554,817)	(284,445)
Other current assets		(20,262)	27,473
Changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		(8,833)	8,880
Contract liabilities - current		513,145	(106,839)
Notes and accounts payable		3,621,527	486,726
Other payables		(1,034,928)	(1,074,724)
Provision for liabilities - current		3,490	30,726
Other current liabilities		(4,728)	73,789
Other non-current liabilities		(4,582)	(53,860)
Cash inflow generated from operations		1,203,583	2,775,529
Dividends received		1,318	1,116
Interest received		41,864	38,543
Interest paid		(22,146)	(22,537)
Income taxes paid		(111,341)	(328,312)
Net cash flows provided by operating activities		1,113,278	2,464,339

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ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	For the three-month periods ended March 31, 2026	2025
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost - current		(\$ 2,289,907)	(\$ 44,596)
Proceeds from disposal of financial assets at amortised cost - current		331,296	297,570
Acquisition of financial assets at amortised cost - non-current		(117,629)	-
Acquisition of financial assets at fair value through profit or loss		(34,409)	(397,118)
Proceeds from disposal of financial assets at fair value through profit or loss		33,514	-
Acquisition of financial assets at fair value through other comprehensive income		(100,020)	(24,723)
Proceeds from disposal of financial assets at fair value through other comprehensive income		24,825	-
Proceeds from disposal of investment accounted for under equity method		13,082	11,855
Acquisition of property, plant and equipment		(595,379)	(666,163)
Proceeds from disposal of property, plant and equipment		101	1,760
Increase in refundable deposits		(14,646)	(7,684)
Acquisition of intangible assets	6(10)	(108,139)	(11,519)
Increase in prepayments for business facilities		(33,375)	(11,894)
Decrease in other non-current assets		368	6,121
Net cash flows used in investing activities		(2,890,318)	(846,391)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from long-term borrowings	6(28)	5,200	49,600
Repayments of long-term borrowings	6(28)	(31,414)	(18,689)
Increase in guarantee deposits received		4,110	-
Payment of lease liabilities	6(9)(28)	(84,379)	(85,362)
Employee stock options exercised		397,389	95,263
Change in non-controlling interests	6(27)	-	(498,803)
Net cash flows provided by (used in) financing activities		290,906	(457,991)
Effect of exchange rate changes		170,813	494,338
Net (decrease) increase in cash and cash equivalents		(1,315,321)	1,654,295
Cash and cash equivalents at beginning of period		11,317,279	13,617,045
Cash and cash equivalents at end of period		\$ 10,001,958	\$ 15,271,340

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 THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

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 April 30, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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.

Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

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. The application of this revision has no impact on the classification of the Group's investment targets. Both before and after the revision, financial assets measured at amortised cost amounted to \$1,767,212.

B. 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. Related disclosures are provided in Note 6(3).

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

None.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board

New Standards, Interpretations and Amendments	Effective date 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 adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(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 (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is consistent with the basis used in the 2025 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
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	100.00	Note 5
	Advantech Technology Co., Ltd. (ATC)	Overseas investment in manufacturing and services industries	100.00	100.00	100.00	
	Advanixs Corporation (Advanixs)	Manufacturing, marketing and trade of industrial use computers	100.00	100.00	100.00	Note 2
	Advantech Corporate Investment (ACI)	Investment in marketable securities	100.00	100.00	100.00	
	Advantech Europe Holding B.V. (AEUH)	Overseas investment in manufacturing and services industries	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Advantech Co., Singapore Pte, Ltd. (ASG)	Marketing and trade of industrial use computers	100.00	100.00	100.00	Note 2
	Advantech Australia Pty Ltd. (AAU)	Marketing and trade of industrial use computers	100.00	100.00	100.00	Note 2
	Advantech Japan Co., Ltd. (AJP)	Marketing and trade of industrial use computers	100.00	100.00	100.00	Note 2
	Advantech Co., Malaysia Sdn. Bhd (AMY)	Marketing and trade of industrial use computers	100.00	100.00	100.00	Note 2
	Advantech KR Co., Ltd. (AKR)	Marketing and trade of industrial use computers	100.00	100.00	100.00	Note 2
	Advantech Brasil Ltd. (ABR)	Marketing and trade of industrial use computers	100.00	100.00	100.00	Note 2
	Advantech Industrial Computing India Private Limited (AIN)	Marketing and trade of industrial use computers	99.99	99.99	99.99	Note 2
	Advantech Electronics, S.A.P.I DE C. V. (AMX)	Marketing and trade of industrial use computers	96.90	96.90	96.90	Notes 2 and 3
	Advantech Intelligent Services Co., Ltd. (AiCS)	Design, research and development and sales of intelligent services	100.00	100.00	100.00	Note 2
	Advantech Corporation (Thailand) Co., Ltd. (ATH)	Manufacturing of computer products	49.51	49.51	51.00	Notes 2 and 11
	PT. Advantech International (AID)	Marketing and trade of industrial use computers	1.00	1.00	1.00	Note 2
	Advantech Vietnam Technology Company Limited (AVN)	Marketing and trade of industrial use computers	60.00	60.00	60.00	Note 2

Name of investor	Name of subsidiary	Business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Advantech Turkey Teknoloji A.S. (ATR)	Wholesale of computers and peripheral devices	100.00	100.00	100.00	Note 2
	ADVANTECH IOT ISRAEL LTD. (AIL)	Trading of industrial network communications systems	100.00	100.00	100.00	Note 2
	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	90.00	Note 2
	Advantech Technology FZCO (ADB) [Formerly Advantech Technology DMCC (ADB)]	Trading of industrial network communication systems	100.00	100.00	100.00	Note 2 and 10
	Advantech Automation Corp. (HK) Limited [ACC (HK)]	Oversea investment in manufacturing and services industries	100.00	100.00	100.00	
	Advantech Corporate Investment Ltd. (ACI KY)	General investment	100.00	100.00	100.00	Note 2
	Cermate Technologies Inc. (Cermate Taiwan)	Manufacturing of electronic components, computers, and peripheral devices	45.00	45.00	45.00	Note 2
	AUERS TECHNOLOGIES S.A. (Aures)	Retail electronic and computer products marketing and sales	100.00	100.00	92.39	Notes 2 and 8
Advantech Corporate Investment (ACI)	Cermate Technologies Inc. (Cermate Taiwan)	Manufacturing of electronic components, computers, and peripheral devices	55.00	55.00	55.00	Note 2

Name of investor	Name of subsidiary	Business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Advantech Corporate Investment (ACI)	Yan Xu Green Electricity Co., Ltd. (Yan Xu Green Electricity)	Green energy power plant development	82.50	82.50	82.50	Note 2
	Expotech Co., Ltd. (Expotech)	Computer system integration service	58.87	58.87	59.23	Notes 2 and 7
Advantech Technology Co., Ltd. (ATC)	HK Advantech Technology Co., Ltd. [ATC (HK)]	Overseas investment in manufacturing and services industries	100.00	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	100.00	
Advantech Automation Corporation B.V. (AAC NL) (Formerly Advantech Automation Corporation Limited (AAC MT))	Advantech Corporation (ANA)	Marketing, trade and assembly of industrial use computers	100.00	100.00	100.00	
Advantech Corporation (ANA)	Advantech Technology Limited (AIE)	Trading of industrial network communication systems	100.00	100.00	100.00	Note 2
	BitFlow, Inc. (ABO)	High-speed image capture core technology in the advanced fields of image and AI machine vision technology	100.00	100.00	100.00	Note 2
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	100.00	

Name of investor	Name of subsidiary	Business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Advantech Automation Corp. (HK) Limited [AAC (HK)]	Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN)	Overseas investment	82.00	82.00	82.00	Note 2
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	100.00	Note 2
	Shanghai Advantech Intelligent Service Co., Ltd. (ACI CN)	Overseas investment	18.00	18.00	18.00	Note 2
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 2 and 12
	Adveco Technology Co., Ltd. (Adveco)	Technology development, consulting, services, product design, production and project implementation in the field of smart buildings	32.40	30.00	30.00	Notes 2, 4 and 6
	Adveco Management Consulting Co., Ltd. (Adveco Management)	Enterprise management consulting, information consulting, planning, service	60.00	60.00	60.00	Note 2
	Shanghai Fuhua Huichuang Intelligent Information Technology Co., Ltd. (Fuhua Huichuang)	Development and sales of information security devices, intelligent systems and cloud technologies	50.00	50.00	50.00	Notes 2 and 9

Name of investor	Name of subsidiary	Business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
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	99.90	Notes 2 and 6
	Adveco Management Consulting No. 2 (Limited partnership) (Adveco Management No. 2)	Enterprise management consulting, information consulting, planning, service	99.90	99.90	99.90	Notes 2 and 6
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	17.28	20.00	20.00	Notes 2 and 4
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	17.28	20.00	20.00	Notes 2 and 4
Advantech Europe Holding B.V. (AEUH)	Advantech Europe B.V. (AEU)	Marketing and trade of industrial use computers	100.00	100.00	100.00	
	Advantech Poland Sp z o.o. (APL)	Marketing and trade of industrial use computers	100.00	100.00	100.00	Note 2
Advantech Co., Singapore Pte, Ltd. (ASG)	Advantech Corporation (Thailand) Co., Ltd. (ATH)	Manufacturing of computer products	50.49	50.49	49.00	Note 2 and 11

Name of investor	Name of subsidiary	Business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Advantech Co., Singapore Pte, Ltd. (ASG)	PT. Advantech International (AID)	Marketing and trade of industrial use computers	99.00	99.00	99.00	Note 2
	Advantech Electronics, S.A.P.I. DE C.V. (AMX)	Marketing and trade of industrial use computers	0.10	0.10	0.10	Notes 2 and 3
	Advantech Industrial Computing India Private Limited (AIN)	Marketing and trade of industrial use computers	0.01	0.01	0.01	Note 2
Cermate Technologies Inc. (Cermate Taiwan)	LandMark Co., Ltd. (LandMark)	General investment	100.00	100.00	100.00	Note 2
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	90.00	Note 2
	Cermate software Inc. (CSI)	Software development	100.00	100.00	100.00	Note 2
Advantech Technology Limited (AIE)	Advantech CZech, s.r.o. (ACZ)	Manufacturing of automation control	100.00	100.00	100.00	Note 2
Advantech Industrial Computer India Private Limited (AIN)	Advantech Raiser India Private Limited (ARI)	Marketing and trade of industrial use computers	55.00	55.00	55.00	Note 2
AURES TECHNOLOGIES S.A. (Aures)	AURES Technologies Ltd. (Aures UK)	Retail electronic and computer products marketing and sales	100.00	100.00	100.00	Notes 2 and 8
	AURES TECHNOLOGIES GmbH (Aures DE)	Retail electronic and computer products marketing and sales	90.00	90.00	90.00	Notes 2 and 8
	A.G.H. US HOLDING COMPANY, INC. (Aures AGH)	Holding company	100.00	100.00	100.00	Notes 2 and 8

Name of investor	Name of subsidiary	Business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
AURES TECHNOLOGIES S.A. (Aures)	J2 SYSTEMS TECHNOLOGY Limited (Aures J2SYSTEMS)	Holding company	100.00	100.00	100.00	Notes 2 and 8
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	100.00	Notes 2 and 8
J2 SYSTEMS TECHNOLOGY Limited (Aures J2SYSTEMS)	Aures Technologies Inc. (Aures US)	Retail electronic and computer products marketing and sales	100.00	100.00	100.00	Notes 2 and 8
	AURES Technologies Pty Ltd. (Aures AU)	Retail electronic and computer products marketing and sales	100.00	100.00	100.00	Notes 2 and 8

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

Note 2: The financial statements of the entity as of and for the three-month periods ended March 31, 2026 and 2025 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: 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 4: In the first quarter of 2026, the Group did not subscribe in the capital increase proportionally to its equity interest in Adveco, which resulted to a decrease in ownership from 53.98% to 53.11%.

Note 5: 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 6: 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 7: In the fourth quarter of 2025, Expetech converted employee stock options into common shares, which resulted to a decrease in ownership from 59.23% to 58.87%.

Note 8: 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 9: 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 10: In the second quarter of 2025, Advantech Technology DMCC (ADB) changed its company name to Advantech Technology FZCO (ADB).

Note 11: 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 12: 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) Defined benefit plans

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

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period.

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

There have been no significant changes as of March 31, 2026. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and revolving funds	\$ 670	\$ 721	\$ 788
Checking accounts and demand deposits	9,638,324	9,037,904	10,886,135
Cash equivalents (time deposits with original maturities less than three months)	362,964	2,278,654	4,384,417
	<u>\$ 10,001,958</u>	<u>\$ 11,317,279</u>	<u>\$ 15,271,340</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 as collateral.

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</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	\$ 5,157	\$ 455	\$ 7
Non-derivative financial assets			
Listed, OTC and emerging stocks	139,720	165,155	157,134
Beneficiary certificates	7,515,709	6,830,132	5,069,493
Ordinary corporate bonds	159,556	156,591	100,212
	<u>\$ 7,820,142</u>	<u>\$ 7,152,333</u>	<u>\$ 5,326,846</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	\$ 983,820	\$ 973,701	\$ 563,113
Unlisted and non-OTC stocks	67,578	64,033	73,651
Beneficiary certificates	2,029,754	1,959,434	2,383,276
Ordinary corporate bonds	393,652	392,809	564,629
	<u>\$ 3,474,804</u>	<u>\$ 3,389,977</u>	<u>\$ 3,584,669</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	\$ 4,490	\$ 13,323	\$ 16,782

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 three-month periods ended March 31,	
	2026	2025
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Non-derivative instruments	\$ 36,202	(\$ 44,485)
Derivative instruments	(2,777)	(26,896)
	<u>\$ 33,425</u>	<u>(\$ 71,381)</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>March 31, 2026</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward foreign exchange	EUR/NTD	2026.04~2026.05	EUR 9,000/NTD 335,146
	CNY/NTD	2026.05	CNY 6,500/NTD 30,281
	JPY/NTD	2026.04~2026.05	JPY 100,000/NTD 20,296
	USD/NTD	2026.05	USD 500/NTD 16,010
<u>December 31, 2025</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward foreign exchange	EUR/NTD	2026.02	EUR 1,500/NTD 55,588
	JPY/NTD	2026.01~2026.02	JPY 60,000/NTD 12,115
	KRW/USD	2026.01	KRW 715,750/USD 500
<u>March 31, 2025</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward foreign exchange	JPY/NTD	2025.05	JPY 20,000/NTD 4,467

Derivative financial liabilities:

<u>March 31, 2026</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward foreign exchange	USD/NTD	2026.04~2026.05	USD 8,000/NTD 252,939
	CNY/NTD	2026.04~2026.05	CNY 29,500/NTD 135,157
	EUR/NTD	2026.05	EUR 500/NTD 18,284
<u>December 31, 2025</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward foreign exchange	EUR/NTD	2026.01~2026.02	EUR 7,500/NTD 270,777
	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>March 31, 2025</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in thousands)</u>
Sell forward foreign exchange	EUR/NTD	2025.04~2025.05	EUR 6,500/NTD 224,485
	USD/NTD	2025.04~2025.05	USD 11,500/NTD 376,330
	CNY/NTD	2025.04~2025.05	CNY 21,000/NTD 94,500
	JPY/NTD	2025.04~2025.05	JPY 70,000/NTD 15,209

- 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

	March 31, 2026	December 31, 2025	March 31, 2025
Listed and OTC stocks	\$ 2,897,328	\$ 2,667,487	\$ 2,656,503
Unlisted and non-OTC stocks	199,830	97,518	150,491
	<u>\$ 3,097,158</u>	<u>\$ 2,765,005</u>	<u>\$ 2,806,994</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:

	For the three-month periods ended March 31,	
	2026	2025
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income		
Held at end of period	\$ 250,973	(\$ 6,139)
Derecognised during the period	9,081	-
	<u>\$ 260,054</u>	<u>(\$ 6,139)</u>
Cumulative gains (losses) reclassified to retained earnings		
Reclassified due to derecognition	<u>\$ 19,123</u>	<u>\$ -</u>

- 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

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Restricted demand deposits	\$ 1,511	\$ 1,483	\$ -
Time deposits	2,692,317	722,820	692,016
	<u>\$ 2,693,828</u>	<u>\$ 724,303</u>	<u>\$ 692,016</u>
Non-current items:			
Ordinary corporate bonds	<u>\$ 1,767,212</u>	<u>\$ 1,627,011</u>	<u>\$ -</u>

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

	For the three-month periods ended March 31,	
	2026	2025
Interest income	<u>\$ 43,525</u>	<u>\$ 9,709</u>

B. As at March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$4,461,040, \$2,351,314 and \$692,016, 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

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	\$ 1,865,222	\$ 1,628,325	\$ 1,549,625
Less: Allowance for uncollectible accounts	(707)	(730)	(761)
	<u>\$ 1,864,515</u>	<u>\$ 1,627,595</u>	<u>\$ 1,548,864</u>
Accounts receivable	\$ 10,708,491	\$ 9,201,603	\$ 9,498,363
Less: Allowance for uncollectible accounts	(316,292)	(322,184)	(369,273)
	<u>\$ 10,392,199</u>	<u>\$ 8,879,419</u>	<u>\$ 9,129,090</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	\$ 11,704,220	\$ 9,736,303	\$ 9,997,533
Less than 90 days past due	787,173	971,860	862,114
Between 91 to 180 days past due	18,720	60,662	24,200
Over 181 days past due	63,600	61,103	164,141
	<u>\$ 12,573,713</u>	<u>\$ 10,829,928</u>	<u>\$ 11,047,988</u>

The above aging analysis was based on past due date.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025 the balances of receivables (including notes receivable) from contracts with customers amounted to \$12,573,713, \$10,829,928, and \$11,047,988, respectively.

C. The Group does not hold collateral as security for accounts receivable.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$1,864,515, \$1,627,595 and \$1,548,864, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$10,392,199, \$8,879,419 and \$9,129,090, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	March 31, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 7,945,901	(\$ 743,865)	\$ 7,202,036
Work in progress	979,463	(13,077)	966,386
Finished goods	6,765,003	(507,922)	6,257,081
Inventory in transit	963,838	-	963,838
	<u>\$ 16,654,205</u>	<u>(\$ 1,264,864)</u>	<u>\$ 15,389,341</u>
	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>

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,108,769	(\$ 697,344)	\$ 4,411,425
Work in progress	939,090	(10,583)	928,507
Finished goods	4,503,224	(426,533)	4,076,691
Inventory in transit	1,421,541	-	1,421,541
	<u>\$ 11,972,624</u>	<u>(\$ 1,134,460)</u>	<u>\$ 10,838,164</u>

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

	For the three-month periods ended March 31,	
	2026	2025
Cost of goods sold	\$ 12,013,819	\$ 10,226,336
Loss on decline in market value	318,771	46,988
Others	72,851	50,002
	<u>\$ 12,405,441</u>	<u>\$ 10,323,326</u>

(7) Investments accounted for under equity method

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Associates that are not</u> <u>individually material</u> <u>Listed, OTC and emerging</u> <u>companies</u>			
Axiomtek Co., Ltd. (Axiomtek)	\$ 1,296,732	\$ 1,353,184	\$ 1,248,830
Winmate Inc. (Winmate)	667,802	710,212	653,785
AzureWave Technologies, Inc. (AzureWave)	785,871	771,984	827,237
Nippon RAD Inc. (Nippon RAD)	259,499	257,859	266,344
Mildex Optical Inc. (Mildex)	142,184	140,835	155,463
Hwacom Systems Inc. (Hwacom)	426,450	405,796	465,954
LNC Technology Co., Ltd. (LNC)	191,638	196,137	222,494
International Integrated Systems, Inc. (IISI)	328,933	318,623	273,703
VSO Electronics Co., Ltd. (VSO)	227,911	219,087	225,606

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Unlisted and non-OTC companies</u>			
CDIB Innovation Accelerator Co., Ltd. (CDIB)	211,161	212,500	245,457
Feng Sang Enterprise Co., Ltd. (Feng Sang)	133,470	129,238	124,981
ADTEK Electronics Co., Ltd. (ADTEK)	150,084	147,623	-
Others	241,888	249,499	250,244
	<u>\$ 5,063,623</u>	<u>\$ 5,112,577</u>	<u>\$ 4,960,098</u>

The changes in the Group's shareholding ratio or having significant influence due to capital increase of its investments in 2026 and 2025 are as follows:

- (a) In 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) In the first quarter of 2025, Hwacom issued employee restricted shares, which resulted to a decrease in its equity interest to 17.30%. Additionally, during the fourth quarter of 2025 to the first quarter of 2026, the Group disposed of part of its equity interest in Hwacom, which resulted to a decrease in its equity interest to 14.29%. However, the Group continues to hold significant influence over Hwacom as the Group remains as one of its directors.
- (c) During 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 in 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.
- (d) During 2025 to the first quarter of 2026, 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 25.84%.
- (e) In the third quarter of 2025 and the first quarter of 2026, 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 14.57%. However, the Group continues to hold significant influence over Winmate as the Group remains as one of its directors.
- (f) In 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.

- (g) During 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.
 - (h) 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. Additionally, in the second quarter of 2025, ADTEK 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 21%.
 - (i) 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.
 - (j) In the first quarter of 2026, Freedom System Inc. converted employee stock options into common shares, which resulted to a decrease in its equity interest to 19.55%. However, the Group continues to hold significant influence over Winmate as the Group remains as one of its directors.
- 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 three-month periods ended March 31,	
	2026	2025
Profit for the period from continuing operations	\$ 120,665	\$ 72,264
Other comprehensive (loss) income after tax	(11,249)	32,040
Total comprehensive income	<u>\$ 109,416</u>	<u>\$ 104,304</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value of associates	<u>\$ 8,840,176</u>	<u>\$ 8,482,908</u>	<u>\$ 9,127,807</u>

- D. Investments accounted for under equity method were evaluated based on the investees' unreviewed financial statements. As of March 31, 2026 and 2025, the unreviewed investments accounted for under equity method amounted to \$3,766,891 and \$3,711,268, respectively, and the share of comprehensive income amounted to \$64,585 and \$71,939 for the three-month periods ended March 31, 2026 and 2025.
- E. 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.

F. 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, 2026							
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>
Balance at January 1, 2026	\$ 2,893,785	\$ 6,075,894	\$ 777,716	\$ 144,961	\$ 668,042	\$ 3,891,432	\$ 14,451,830
Additions	-	4,181	4,624	14,821	61,930	434,673	520,229
Disposals	-	(521)	(10)	(298)	(1,410)	-	(2,239)
Depreciation charge	-	(64,125)	(39,926)	(13,798)	(51,977)	-	(169,826)
Reclassifications	-	16,559	29,622	29	12,889	(20,904)	38,195
Net exchange differences	(499)	34,117	12,327	2,155	12,089	47,041	107,230
Balance at March 31, 2026	<u>\$ 2,893,286</u>	<u>\$ 6,066,105</u>	<u>\$ 784,353</u>	<u>\$ 147,870</u>	<u>\$ 701,563</u>	<u>\$ 4,352,242</u>	<u>\$ 14,945,419</u>
Balance at March 31, 2026							
Cost	\$ 2,893,286	\$ 9,879,394	\$ 2,489,749	\$ 913,605	\$ 2,728,134	\$ 4,352,242	\$ 23,256,410
Accumulated depreciation and impairment	-	(3,813,289)	(1,705,396)	(765,735)	(2,026,571)	-	(8,310,991)
	<u>\$ 2,893,286</u>	<u>\$ 6,066,105</u>	<u>\$ 784,353</u>	<u>\$ 147,870</u>	<u>\$ 701,563</u>	<u>\$ 4,352,242</u>	<u>\$ 14,945,419</u>
	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	-	4,605	9,113	9,701	11,976	671,277	706,672
Disposals	-	-	(56)	(477)	(566)	-	(1,099)
Depreciation charge	-	(62,068)	(36,045)	(15,782)	(53,362)	-	(167,257)
Reclassifications	-	-	6,184	1,296	6,674	(364)	13,790
Net exchange differences	14,903	42,258	13,542	3,603	9,363	13,635	97,304
Balance at March 31, 2025	<u>\$ 2,921,338</u>	<u>\$ 6,291,585</u>	<u>\$ 754,861</u>	<u>\$ 147,561</u>	<u>\$ 650,765</u>	<u>\$ 2,127,371</u>	<u>\$ 12,893,481</u>
Balance at March 31, 2025							
Cost	\$ 2,921,338	\$ 9,934,105	\$ 2,375,462	\$ 903,804	\$ 2,538,614	\$ 2,127,371	\$ 20,800,694
Accumulated depreciation and impairment	-	(3,642,520)	(1,620,601)	(756,243)	(1,887,849)	-	(7,907,213)
	<u>\$ 2,921,338</u>	<u>\$ 6,291,585</u>	<u>\$ 754,861</u>	<u>\$ 147,561</u>	<u>\$ 650,765</u>	<u>\$ 2,127,371</u>	<u>\$ 12,893,481</u>

- 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 three-month periods ended March 31,	
	2026	2025
Amount capitalised	\$ 671	\$ 478
Range of interest rates for capitalisation	2.69%	2.69%

- B. The Group had no property, plant and equipment pledged to others as collateral.

(9) Lease agreements - lessee

- A. The Group's leases various assets including 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

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Land	\$ 1,417,498	\$ 1,391,742	\$ 1,467,300
Buildings	648,724	459,660	547,989
Machinery and equipment	280	4	263
Office equipment	14,222	36,204	48,306
Transportation equipment	108,764	81,335	123,320
Other equipment	2,998	13	82
	<u>\$ 2,192,486</u>	<u>\$ 1,968,958</u>	<u>\$ 2,187,260</u>

	For the three-month periods ended March 31,	
	2026	2025
Depreciation expenses		
Land	\$ 2,215	\$ 2,188
Buildings	70,791	59,382
Machinery and equipment	92	86
Office equipment	1,702	3,891
Transportation equipment	14,345	15,060
Other equipment	509	23
	<u>\$ 89,654</u>	<u>\$ 80,630</u>

- C. The additions to right-of-use assets for the three-month periods ended March 31, 2026 and 2025 were \$282,133 and \$142,286, respectively.

D. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Current	\$ 385,271	\$ 290,922	\$ 343,645
Non-current	1,604,238	1,476,031	1,623,496
	<u>\$ 1,989,509</u>	<u>\$ 1,766,953</u>	<u>\$ 1,967,141</u>

E. Other lease information

	For the three-month periods ended March 31,	
	2026	2025
Expense on lease interest	\$ 20,621	\$ 20,971
Expense on short-term lease contracts	\$ 158	\$ 1,860
Expense on leases of low-value assets	\$ 344	\$ 463
Total cash outflow for leases	<u>\$ 105,502</u>	<u>\$ 87,685</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

	Trademarks	Customer relationships	Technology licenses	Goodwill	Others	Total
Balance at January 1, 2026						
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>
Balance at January 1, 2026	\$ 81,183	\$ 150,394	\$ -	\$ 2,279,617	\$ 223,342	\$ 2,734,536
Additions-acquired separately	-	128	-	-	108,011	108,139
Amortisation charge	-	(13,543)	-	-	(36,407)	(49,950)
Reclassifications	-	68	-	-	-	68
Net exchange differences	(418)	3,207	-	23,484	883	27,156
Balance at March 31, 2026	<u>\$ 80,765</u>	<u>\$ 140,254</u>	<u>\$ -</u>	<u>\$ 2,303,101</u>	<u>\$ 295,829</u>	<u>\$ 2,819,949</u>
Balance at March 31, 2026						
Cost	\$ 532,527	\$ 445,897	\$ 332,935	\$ 2,957,433	\$ 1,024,363	\$ 5,293,155
Accumulated amortisation and impairment	(451,762)	(305,643)	(332,935)	(654,332)	(728,534)	(2,473,206)
	<u>\$ 80,765</u>	<u>\$ 140,254</u>	<u>\$ -</u>	<u>\$ 2,303,101</u>	<u>\$ 295,829</u>	<u>\$ 2,819,949</u>

	Trademarks	Customer relationships	Technology licenses	Goodwill	Others	Total
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	-	-	-	-	11,519	11,519
Amortisation charge	-	(9,135)	-	-	(37,111)	(46,246)
Net exchange differences	79	18	-	900	61	1,058
Balance at March 31, 2025	<u>\$ 75,190</u>	<u>\$ 215,691</u>	<u>\$ -</u>	<u>\$ 2,314,043</u>	<u>\$ 175,148</u>	<u>\$ 2,780,072</u>
Balance at March 31, 2025						
Cost	\$ 547,245	\$ 664,307	\$ 454,576	\$ 2,985,291	\$ 777,180	\$ 5,428,599
Accumulated amortisation and impairment	(472,055)	(448,616)	(454,576)	(671,248)	(602,032)	(2,648,527)
	<u>\$ 75,190</u>	<u>\$ 215,691</u>	<u>\$ -</u>	<u>\$ 2,314,043</u>	<u>\$ 175,148</u>	<u>\$ 2,780,072</u>

A. The details of goodwill are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
B+B Smartworkx Inc.	\$ 1,432,216	\$ 1,406,924	\$ 1,486,380
Aures	143,467	144,210	148,571
Advantech Service -IoT GmbH	180,037	180,969	176,408
AEU	146,523	147,296	143,592
Others	400,858	400,218	359,092
	<u>\$ 2,303,101</u>	<u>\$ 2,279,617</u>	<u>\$ 2,314,043</u>

B. Goodwill impairment assessment

- The impairment assessment of goodwill relies on the subjective judgment of the management, including identifying the cash-generating unit and determining its recoverable amount.
- 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.
- 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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Wages and salaries and bonuses payable	\$ 2,065,494	\$ 3,051,894	\$ 2,092,220
Employee benefits payable	301,547	316,172	260,932
Dividend payable	7,965,638	-	7,254,151
Cash payable from capital surplus	1,731,660	-	-
Construction payable	190,439	274,718	30,976
Others	1,339,252	1,375,544	1,106,274
	<u>\$ 13,594,030</u>	<u>\$ 5,018,328</u>	<u>\$ 10,744,553</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>March 31, 2026</u>
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from September 24, 2024 to March 24, 2027. The loan can be used in installments and interest is payable monthly; principal is payable in full upon maturity	2.69%	-	\$ 104,400
Euro unsecured borrowings	Euros 700 thousand; borrowing period is from March 10, 2020 to March 10, 2027, interest is payable monthly	0.52%	-	3,729
Euro secured borrowings	Euros 4 million; borrowing period is from August 4, 2021 to May 4, 2026, interest is payable monthly	0.75%	Note	9,713
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	5,811
Euro secured borrowings	Euros 4 million; borrowing period is from June 10, 2021 to June 10, 2026, interest is payable monthly	0.28%	Note	9,226
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	67,604
Less: Current portion				(156,568)
				<u>\$ 43,915</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from September 24, 2024 to March 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	March 31, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from September 24, 2024 to March 24, 2027. The loan can be used in installments and interest is payable monthly; principal is payable in full upon maturity	2.69%	-	\$ 86,600
Euro unsecured borrowings	Euros 700 thousand; borrowing period is from March 10, 2020 to March 10, 2027, interest is payable monthly	0.52%	-	7,288
Euro secured borrowings	Euros 4 million; borrowing period is from August 4, 2021 to May 4, 2026, interest is payable monthly	0.75%	Note	47,410
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	28,373
Euro secured borrowings	Euros 4 million; borrowing period is from June 10, 2021 to June 10, 2026, interest is payable monthly	0.28%	Note	45,137
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	88,500
Less: Current portion				(118,013)
				<u>\$ 185,295</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 \$1,166 and \$4,090 for the three-month periods ended March 31, 2026 and 2025, 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) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$17,341.
- (c) For the aforementioned pension plan, the Group recognized pension costs of \$2,081 and \$1,860 for the three-month periods ended March 31, 2026 and 2025, respectively.

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 recognize pension expenses at the time of contribution.
- (c) The pension costs under the defined contribution pension plans of the Group were \$179,294 and \$169,836 for the three-month periods ended March 31, 2026 and 2025, 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 three-month periods ended March 31,			
	2026		2025	
	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 period	10,772	\$ 181.30	13,013	\$ 186.48
Options exercised	(2,424)	163.92	(578)	164.90
Options outstanding at the end of the period	<u>8,348</u>	186.34	<u>12,435</u>	184.14
Options exercisable at the end of the period	<u>3,548</u>	181.39	<u>4,435</u>	164.90

(c) The weighted-average stock price of share options at exercise dates for the three-month periods ended March 31, 2026 and 2025 were \$274.5 ~ \$376.5 (in dollars) and \$340.5 ~ \$425 (in dollars), respectively.

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

	March 31, 2026		December 31, 2025		March 31, 2025	
	Exercise price (in dollars)	Weighted- average remaining (in years)	Exercise price (in dollars)	Weighted- average remaining (in years)	Exercise price (in dollars)	Weighted- average remaining (in years)
Issuance in 2023	\$ 190.00	3.46	\$ 190.00	3.71	\$ 194.80	4.46
Issuance in 2020	160.80	0.33	160.80	0.58	164.90	1.33

(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:

	Issuance in 2023	Issuance in 2020
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.

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:

Individual Subscription Unit (in thousand shares)	Exercise price per unit (in dollars)	Exercise Dates	Percentage of exercisable options
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 three-month periods ended March 31,			
	2026		2025	
	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 and the end of the period	517	\$ 19.25	580	\$ 18.62
Options exercisable at the end of the period	517	19.25	330	17.58

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

	March 31, 2026		December 31, 2025		March 31, 2025	
	Exercise price (in dollars)	Weighted- average remaining contractual life (in years)	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	0.83	\$ 10~20	1.08	\$ 10~20	1.83

- (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.

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:

	For the three-month periods ended March 31,			
	2026		2025	
	Number of options (in thousand units)	Weighted- average exercise price (CNY) (in dollars)	Number of options (in thousand units)	Weighted- average exercise price (CNY) (in dollars)
Options outstanding at the beginning of the period	2,968	\$ -	-	\$ -
Options granted	-	-	3,083	-
Options outstanding at the end of the period	2,968	-	3,083	-
Options exercisable at the end of the period	-	-	-	-

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

	March 31, 2026		December 31, 2025		March 31, 2025	
	Exercise price (CNY) (in dollars)	Weighted-average remaining contractual life (in years)	Exercise price (CNY) (in dollars)	Weighted-average remaining contractual life (in years)	Exercise price (CNY) (in dollars)	Weighted-average remaining contractual life (in years)
Issuance in 2025	\$ -	8.79	\$ -	9.04	\$ -	9.79

(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)	\$ 2.75
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 three-month periods ended March 31,			
	2026		2025	
	Number of options (in thousand units)	Weighted-average exercise price (CNY) (in dollars)	Number of options (in thousand units)	Weighted-average exercise price (CNY) (in dollars)
Options outstanding at the beginning of the period	1,450	\$ -	-	\$ -
Options granted	-	-	1,450	-
Options outstanding at the end of the period	1,450	-	1,450	-
Options exercisable at the end of the period	-	-	-	-

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

	March 31, 2026		December 31, 2025		March 31, 2025	
	Exercise price (CNY) (in dollars)	Weighted-average remaining contractual life (in years)	Exercise price (CNY) (in dollars)	Weighted-average remaining contractual life (in years)	Exercise price (CNY) (in dollars)	Weighted-average remaining contractual life (in years)
Issuance in 2025	\$ -	8.88	\$ -	9.13	\$ -	9.88

(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 Group for the three-month periods ended March 31, 2026 and 2025 was \$56,082 and \$127,342, respectively.

(15) Share capital

As of March 31, 2026, 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 \$8,682,545 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 period are as follows (in thousand shares):

	2026	2025
At January 1	865,830	863,589
Employee share options exercised	2,424	578
At March 31	868,254	864,167

(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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</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	\$ 960,578	\$ 2,692,238	\$ 2,692,238
Premium on conversion of bonds	1,636,499	1,636,499	1,636,499
Premium on issuance of ordinary shares for employee share options	6,095,242	5,808,969	5,335,742
Changes in equity of associates accounted for under equity method	674	674	674
Employees' share compensation	78,614	78,614	78,614
<u>May be used to offset a deficit only</u>			
Changes in ownership interests in subsidiaries	48,717	38,386	23,938
Changes in equity of associates accounted for under equity method	357,636	373,828	290,184
Employee share options forfeited	96,258	96,258	96,258
<u>Not to be used for any purpose</u>			
Employee share options	1,470,755	1,331,688	1,248,277
	<u>\$ 10,744,973</u>	<u>\$ 12,057,154</u>	<u>\$ 11,402,424</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 earnings for 2025 had been proposed by the Board of Directors and the cash dividend had been approved on February 26, 2026. However, the amount to be set aside from the legal reserve had not been approved by the shareholders meeting as of April 30, 2026. The appropriations of earnings for 2024 had been approved by the shareholders during their meeting on May 29, 2025.

	For the years ended December 31,	
	2025	2024
Legal reserve	\$ 1,029,145	\$ 905,138
Cash dividends	\$ 7,965,638	\$ 7,254,151
Cash dividends per share (in dollars)	\$ 9.2	\$ 8.4
Cash payment from capital surplus	\$ 1,731,660	\$ -
Cash payment per share (in dollars)	\$ 2	\$ -

(18) Other equity items

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

	For the three-month periods ended March 31,	
	2026	2025
Balance at January 1	(\$ 447,786)	(\$ 145,169)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	334,581	424,632
Share of (loss) profit of associates accounted for under equity method	(1,549)	20,355
Other comprehensive income recognized for the period	333,032	444,987
Balance at March 31	(\$ 114,754)	\$ 299,818

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

	For the three-month periods ended March 31,	
	2026	2025
Balance at January 1	\$ 1,534,047	\$ 1,655,964
Recognized for the period		
Unrealised gain or loss		
Equity instrument	260,054 (	6,139)
Share of (loss) profit of associates accounted for under equity method	(9,313)	6,596
Total	250,741	457
Transfer of valuation adjustments to retained earnings		
Equity instrument	(19,123)	-
Balance at March 31	\$ 1,765,665	\$ 1,656,421

C. Unearned employee benefits compensation

	For the three-month periods ended March 31,	
	2026	2025
Balance at January 1	(\$ 17,197)	\$ -
Share of profit (loss) of associates accounted for under equity method	6,153 (	4,092)
Balance at March 31	(\$ 11,044)	(\$ 4,092)

(19) Non-controlling interest

	For the three-month periods ended March 31,	
	2026	2025
Balance at January 1	\$ 101,784	\$ 368,510
Loss for the period	(15,885)	(42,681)
Increase in non-controlling interest arising from the establishment of subsidiaries	-	27,438
Exchange differences on translation of the financial statements of foreign operations	1,027	11,052
Increase in non-controlling interests arising from decrease in investment in subsidiaries	24,650	680
Decrease in non-controlling interests arising from increase in investment in subsidiaries	-	(167,863)
Balance at March 31	\$ 111,576	\$ 197,136

(20) Operating revenue

	For the three-month periods ended March 31,	
	2026	2025
Revenue from contracts with customers	\$ 20,385,264	\$ 17,351,246

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 three-month period ended March 31, 2026

	Intelligent Systems (iSystem)	Embedded Design-In (Embedded)	IoT Automation (iAutomation)	Intelligent Service (iService)	Advantech Service Plus and Others (AS+ and Others)	Total
Department revenue	\$ 7,407,917	\$ 7,029,276	\$ 1,478,275	\$ 1,264,916	\$ 3,204,880	\$ 20,385,264

For the three-month period ended March 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	\$ 6,462,657	\$ 6,340,071	\$ 1,295,559	\$ 1,276,917	\$ 1,976,042	\$ 17,351,246

B. Contract liabilities

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Current	\$ 1,849,028	\$ 1,335,883	\$ 1,233,574	\$ 1,453,150
Non-current (classified as other non-current liabilities)	316,195	296,734	339,734	316,639
	<u>\$ 2,165,223</u>	<u>\$ 1,632,617</u>	<u>\$ 1,573,308</u>	<u>\$ 1,769,789</u>

(21) Other income

	<u>For the three-month periods ended March 31,</u>	
	2026	2025
Rental income	\$ 1,195	\$ 912
Dividend income	1,318	1,116
Government grants	10,431	2,963
Others	17,788	16,427
	<u>\$ 30,732</u>	<u>\$ 21,418</u>

(22) Other gains and losses

	<u>For the three-month periods ended March 31,</u>	
	2026	2025
(Losses) gains on disposal of property, plant and equipment	(\$ 2,138)	\$ 661
Gains on disposals of investments	6,794	5,055
Currency exchange gains	102,686	235,097
Gains (losses) on financial assets / liabilities at fair value through profit or loss	33,425	(71,381)
Other losses	(2,288)	(3,770)
	<u>\$ 138,479</u>	<u>\$ 165,662</u>

(23) Finance costs

	For the three-month periods ended March 31,	
	2026	2025
Bank loan interest	\$ 1,166	\$ 4,090
Interest expense on lease liabilities	20,621	20,971
Others	203	324
	<u>\$ 21,990</u>	<u>\$ 25,385</u>

(24) Expenses by nature

A. Depreciation and amortisation expenses

	For the three-month periods ended March 31,	
	2026	2025
Depreciation categorised by function		
Operating costs	\$ 71,713	\$ 73,742
Operating expenses	187,767	174,145
	<u>\$ 259,480</u>	<u>\$ 247,887</u>
Amortisation of intangible assets categorised by function		
Operating costs	\$ 548	\$ 499
Operating expenses	49,402	45,747
	<u>\$ 49,950</u>	<u>\$ 46,246</u>

B. Employee benefit expense

	For the three-month periods ended March 31,	
	2026	2025
Short-term employee benefits	\$ 3,480,646	\$ 3,326,023
Post-employment benefits		
Defined contribution plan	179,294	169,836
Defined benefit plan	2,081	1,860
	<u>181,375</u>	<u>171,696</u>
Share-based payment		
Equity-settled	56,082	127,342
Other employee benefits	307,371	290,353
Total employee benefit expense	<u>\$ 4,025,474</u>	<u>\$ 3,915,414</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 860,510	\$ 819,099
Operating expenses	3,164,964	3,096,315
	<u>\$ 4,025,474</u>	<u>\$ 3,915,414</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 three-month periods ended March 31, 2026 and 2025, 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 three-month periods ended March 31,	
	2026	2025
Employees' compensation	\$ 260,000	\$ 235,000
Directors' remuneration	\$ 6,366	\$ 6,600

- (b) The appropriations of employees' compensation and remuneration of directors for 2025 and 2024 having been resolved by the Board of Directors on February 26, 2026 and February 27, 2025, respectively, are as follows:

	For the three-month periods ended March 31,	
	2026	2025
Employees' compensation	\$ 710,000	\$ 620,000
Directors' remuneration	\$ 24,350	\$ 22,850

Employees' compensation and directors' remuneration actual allotment amount for 2025 is no difference between the amount recognized in the consolidated financial statements as of 2025.

- (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 three-month periods ended March 31,	
	2026	2025
Current income tax:		
Current tax on profits for the period	\$ 772,207	\$ 664,547
Difference between prior years' income tax estimation and assessed results	(64,718)	(122,866)
Total current tax	707,489	541,681
Deferred income tax:		
Origination and reversal of temporary differences	42,518	6,895
Income tax expense	\$ 750,007	\$ 548,576

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

	For the three-month periods ended March 31,	
	2026	2025
Translation of foreign operations	\$ 83,258	\$ 111,245

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

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

D. The current income tax expense related to Pillar Two income taxes recognised by the Group for the three-month periods ended March 31, 2026 and 2025 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 and Israel starting from 2026. The Group has no related current tax exposure as at March 31, 2026 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

	For the three-month periods ended March 31,	
	2026	2025
Basic earnings per share	\$ 3.85	\$ 3.17
Diluted earnings per share	\$ 3.83	\$ 3.14

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

	For the three-month periods ended March 31,	
	2026	2025
Earnings used in the computation of basic earnings per share	\$ 3,334,165	\$ 2,734,000
Earnings used in the computation of diluted earnings per share	\$ 3,334,165	\$ 2,734,000

	Unit: expressed in thousand shares	
	For the three-month periods ended March 31,	
	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	866,337	863,756
Assumed conversion of all dilutive potential ordinary shares		
Employee share options	3,139	5,040
Employees' compensation	2,189	1,606
Weighted average number of ordinary shares used in the computation of diluted earnings per share	871,665	870,402

(27) Transactions with non-controlling interest

A. Acquisition of additional interests in subsidiaries:

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%.

	For the three-month period ended March 31, 2025	
	Aures	
Consideration paid	(\$	499,186)
Proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests		167,863
Difference between consideration and carrying amount of subsidiaries disposed	(\$	331,323)
<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	(	299,767)
	(\$	331,323)

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

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 three-month period ended March 31, 2025
Consideration received	\$ 383
Proportionate share of the carrying amount of the net assets of the subsidiary transferred into non-controlling interests	(680)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	(\$ 297)
<u>Line items adjusted for equity transactions</u>	
Unappropriated retained earnings	(\$ 297)

(28) Changes in liabilities from financing activities

	2026		
	Long-term borrowings (including current portion)	Lease liabilities	Total
At January 1	\$ 227,356	\$ 1,766,953	\$ 1,994,309
Changes in cash flow from financing activities	(26,214)	(84,379)	(110,593)
Increase	-	282,133	282,133
Net exchange differences	(659)	24,802	24,143
At March 31	<u>\$ 200,483</u>	<u>\$ 1,989,509</u>	<u>\$ 2,189,992</u>

	2025		
	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	30,911	(85,362)	(54,451)
Increase	-	142,286	142,286
Net exchange differences	-	30,295	30,295
At March 31	<u>\$ 303,308</u>	<u>\$ 1,967,141</u>	<u>\$ 2,270,449</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
Deneng Scientific Research Co., Ltd.	Associate
Winmate Inc.	Associate
AzureWave Technologies, Inc.	Associate
Nippon RAD Inc.	Associate
Mildex Optical Inc.	Associate
Hwacom Systems Inc.	Associate
Smasoft Technology Co., Ltd.	Associate
Impelex Data Transfer Co., Ltd.	Associate (Note 2)
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
Feng Sang Enterprise Co., Ltd.	Associate
Suzhou AIIST Intelligent Technology Co., Ltd.	Associate
LNC Technology Co., Ltd.	Associate
PAYTRONEX CO., LTD.	Associate
ENCORE MED SDN BHD	Associate
ADTEK Electronics Co., Ltd.	Associate (Note 1)
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
Open Information Security Inc.	Other related party

Note 1: 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 2: 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 three-month periods ended March 31,	
	2026	2025
Associates	\$ 30,718	\$ 13,366
Other related parties	1,045	-
	<u>\$ 31,763</u>	<u>\$ 13,366</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 three-month periods ended March 31,	
	2026	2025
Purchases of goods:		
Associates	\$ 58,357	\$ 61,271
Purchases of services:		
Associates	-	345
	<u>\$ 58,357</u>	<u>\$ 61,616</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)

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable - related parties			
Associates	<u>\$ 22,703</u>	<u>\$ 28,411</u>	<u>\$ 11,054</u>
Other receivables - related parties			
Associates	\$ 144,043	\$ -	\$ 192,361
Other related parties	830	1,575	-
	<u>\$ 144,873</u>	<u>\$ 1,575</u>	<u>\$ 192,361</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 are dividends receivable and payments on behalf of others.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts payable - related parties			
Associates	<u>\$ 54,516</u>	<u>\$ 54,793</u>	<u>\$ 56,725</u>
Other payables - related parties			
Associates	\$ 706	\$ 940	\$ 2,631
Other related parties	1,171	-	5,185
	<u>\$ 1,877</u>	<u>\$ 940</u>	<u>\$ 7,816</u>

The outstanding payables due to related parties pertain to purchase transactions and are unsecured. Other payables due to related parties mainly pertain to collections on behalf of others, sample charges and service fees.

E. Other related party transactions

(a) Operating expenses

	For the three-month periods ended March 31,	
	2026	2025
General and administrative expenses		
Associates	\$ 387	\$ 8,956
Research and development expenses		
Associates	\$ 487	\$ 1,627

Main expense transactions between the Group and related parties include research and development expenses, 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

	For the three-month periods ended March 31,	
	2026	2025
Rental income		
Other related parties	\$ 15	\$ 15
Other income		
Other related parties	\$ 1,514	\$ 1,856

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 three-month periods ended March 31,	
	2026	2025
Associates (classified as a deduction of investment accounted for under equity method)	\$ 144,043	\$ 192,361

(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.

(4) Key management compensation

	For the three-month periods ended March 31,	
	2026	2025
Short-term employee benefits	\$ 13,583	\$ 12,828
Post-employment benefits	142	133
Share-based payments	2,949	7,349
	<u>\$ 16,674</u>	<u>\$ 20,310</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2026	December 31, 2025	March 31, 2025	
Pledged deposits (classified as financial assets at amortised cost - current)	\$ 5,626	\$ 10,113	\$ 10,550	Lease mortgage
Demand deposits (classified as financial assets at amortised cost - current)	1,511	1,483	-	Credit card Guarantee
Financial assets at fair value through profit or loss - current	-	-	73,379	Public Tender Offer Guarantee (Aures)
	<u>\$ 7,137</u>	<u>\$ 11,596</u>	<u>\$ 83,929</u>	

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 March 31, 2026, the consideration under the contract amounted to \$1,673,080, for which no payment has been made yet.
- B. As of March 31, 2026, the Group has signed a contract for the construction of Hwa Ya Technology Park Phase II amounting to \$2,302,849, for which no payment has been made yet.
- C. As of March 31, 2026, the Group has signed a contract for the construction of ANA factory and buildings amounting to USD 8,509 thousand, for which no payment has been made yet.
- D. As of March 31, 2026, the Group has signed a contract for the construction of a solar power system project of Yan Xu Green Electricity Co., Ltd. amounting to \$437,791, for which no payment has

been made yet.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On April 30, 2026, the Board of Directors of the Company resolved to dispose the office of AJP located in Asakusa, Tokyo, Japan, and authorized the Chairman to handle all subsequent related matters.

12. OTHERS

(1) Capital management

There was no significant change during the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2025.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 11,294,946	\$ 10,542,310	\$ 8,911,515
Financial assets at amortised cost (Note 1)	27,098,006	24,368,844	26,995,876
Financial assets at fair value through other comprehensive income			
Equity instruments	3,097,158	2,765,005	2,806,994
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ 4,490	\$ 13,323	\$ 16,782
Financial liabilities at amortised cost (Note 2)	25,164,862	12,990,396	18,614,998
Lease liabilities	1,989,509	1,766,953	1,967,141

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:

March 31, 2026			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	\$ 201,379	31.995	\$ 6,443,130
CNY:NTD	1,435,434	4.629	6,644,625
EUR:NTD	51,889	36.710	1,904,827
USD:CNY	97,274	6.9119	3,112,285
USD:EUR	34,664	0.8716	1,109,083
Financial liabilities			
Monetary items			
USD:NTD	213,637	31.995	6,835,308
CNY:NTD	689,969	4.629	3,179,979
USD:CNY	48,827	6.9119	1,562,209
USD:EUR	23,600	0.8716	755,069
December 31, 2025			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
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
Financial liabilities			
Monetary items			
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

March 31, 2025			
(Foreign currency: functional currency)	Foreign currency		Book value
	amount		(NTD)
	(in thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 194,754	33.205	\$ 6,466,796
CNY:NTD	1,271,675	4.573	5,815,371
EUR:NTD	46,955	35.970	1,688,988
USD:CNY	92,848	7.2611	3,083,016
USD:EUR	35,113	0.9231	1,165,922
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	113,697	33.205	3,775,305
CNY:NTD	519,189	4.573	2,374,249
USD:CNY	37,815	7.2611	1,255,659
USD:EUR	10,612	0.9231	352,374
EUR:NTD	233	35.9700	8,382

For the three-month periods ended March 31, 2026 and 2025, realised and unrealised net foreign exchange gains were \$102,686 and \$235,097, 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.

- iv. The Group is mainly exposed to the exchange rate fluctuation of USD, EUR and CNY.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the three-month period ended March 31, 2026				
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%	\$	64,431	\$ -
CNY:NTD	1%		66,446	-
EUR:NTD	1%		19,048	-
USD:CNY	1%		31,123	-
USD:EUR	1%		11,091	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		68,353	-
CNY:NTD	1%		31,800	-
USD:CNY	1%		15,622	-
USD:EUR	1%		7,551	-
For the three-month period ended March 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%	\$	64,668	\$ -
CNY:NTD	1%		58,154	-
EUR:NTD	1%		16,890	-
USD:CNY	1%		30,830	-
USD:EUR	1%		11,659	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		37,753	-
CNY:NTD	1%		23,742	-
USD:CNY	1%		12,557	-
USD:EUR	1%		3,524	-
EUR:NTD	1%		84	-

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:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
- Financial assets	\$ 4,822,493	\$ 4,629,968	\$ 5,076,433
- Financial liabilities	2,085,592	1,895,109	2,183,849
Cash flow interest rate risk			
- Financial assets	9,639,835	9,037,904	10,886,135
- Financial liabilities	104,400	99,200	86,000

- 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 three-month periods ended March 31, 2026 and 2025 would have increased by \$11,919 and \$13,499, 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 three-month periods ended March 31, 2026 and 2025 would have increased by \$11,911 and \$7,939, 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 three-month periods ended March 31, 2026 and 2025 would have increased by \$30,972 and \$ 28,070, 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 at March 31, 2026, December 31, 2025 and March 31, 2025 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>March 31, 2026</u>						
Expected credit loss rate	0%~10%	0%~95%	0%~100%	45%~100%	100%	
Total book value	\$11,704,220	\$ 787,173	\$ 18,720	\$ 10,199	\$ 52,694	\$12,573,006
Loss allowance (lifetime expected credit losses)	-	(246,921)	(8,457)	(8,220)	(52,694)	(316,292)
Amortised cost	<u>\$11,704,220</u>	<u>\$ 540,252</u>	<u>\$ 10,263</u>	<u>\$ 1,979</u>	<u>\$ -</u>	<u>\$12,256,714</u>
	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>
	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>March 31, 2025</u>						
Expected credit loss rate	0%~5%	0%~100%	15%~100%	60%~100%	100%	
Total book value	\$ 9,997,533	\$ 862,114	\$ 24,200	\$ 64,331	\$ 99,049	\$11,047,227
Loss allowance (lifetime expected credit losses)	(428)	(205,735)	(9,235)	(54,826)	(99,049)	(369,273)
Amortised cost	<u>\$ 9,997,105</u>	<u>\$ 656,379</u>	<u>\$ 14,965</u>	<u>\$ 9,505</u>	<u>\$ -</u>	<u>\$10,677,954</u>

vii. The Group individually assesses the customers that have low credit rating and default. As at March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amount of notes and accounts receivable amounted to \$707, \$730 and \$761, respectively, the expected credit loss rate is 100%, and the Group has provided loss allowance amounting to \$707, \$730 and \$761, respectively.

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

	2026	2025
Balance at January 1	\$ 322,914	\$ 372,614
Reversal of impairment loss	(1,787)	(5,137)
Amounts written off (Note)	(3,697)	(270)
Net exchange differences	(431)	2,827
Balance at March 31	\$ 316,999	\$ 370,034

Note: The Group wrote off accounts receivable and related loss allowance for the three-month periods ended March 31, 2026 and 2025 amounting to \$3,697 and \$270, respectively, as the customers' accounts receivable have aged more than 2 years and the legal attest letters were served without receivables collected.

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

March 31, 2026				
		Lifetime		
		12 months	Significant increase in credit risk	Impairment of credit
				Total
Financial assets at amortised cost	\$ 1,767,212	\$ -	\$ -	\$ 1,767,212
Financial assets at fair value through profit or loss	\$ 553,208	\$ -	\$ -	\$ 553,208
December 31, 2025				
		Lifetime		
		12 months	Significant increase in credit risk	Impairment of credit
				Total
Financial assets at amortised cost	\$ 1,627,011	\$ -	\$ -	\$ 1,627,011
Financial assets at fair value through profit or loss	\$ 549,400	\$ -	\$ -	\$ 549,400

	March 31, 2025			
	Lifetime			Total
	12 months	Significant increase in credit risk	Impairment of credit	
Financial assets at fair value through profit or loss	\$ 664,841	\$ -	\$ -	\$ 664,841

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 at March 31, 2026, December 31, 2025 and March 31, 2025, the Group's undrawn bank borrowing facilities are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank overdraft facilities			
- Amount used (Note)	\$ 115,687	\$ 111,479	\$ 101,294
- Amount unused	6,822,234	6,740,558	7,019,912
	<u>\$ 6,937,921</u>	<u>\$ 6,852,037</u>	<u>\$ 7,121,206</u>
Secured bank overdraft facilities			
- Amount used (Note)	\$ 92,354	\$ 123,475	\$ 209,420

Note: As at March 31, 2026, December 31, 2025 and March 31, 2025, the amounts used or drawn by the Group from the unsecured bank overdraft facilities were recorded as borrowings amounting to \$200,483, \$227,357 and \$303,308, respectively, and lease and salary guarantees amounting to \$7,558, \$7,597 and \$7,406, 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.

March 31, 2026

	On demand or less than 1 month	1-3 months	Over 3 months to 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 10,652,592	\$ 4,018,199	\$ 10,225,548	\$ -
Lease liability	36,386	71,393	288,980	2,035,277
Floating rate instruments	234	468	106,452	-
Fixed rate instruments	250	32,010	22,906	52,368
	<u>\$ 10,689,462</u>	<u>\$ 4,122,070</u>	<u>\$ 10,643,886</u>	<u>\$ 2,087,645</u>

December 31, 2025

	On demand or less than 1 month	1-3 months	Over 3 months to 1 year	Over 1 year
<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>

March 31, 2025

	On demand or less than 1 month	1-3 months	Over 3 months to 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 7,766,666	\$ 2,162,320	\$ 8,213,440	\$ -
Lease liability	35,919	66,049	244,408	2,140,086
Floating rate instruments	194	388	1,747	89,459
Fixed rate instruments	370	30,242	91,836	109,964
	<u>\$ 7,803,149</u>	<u>\$ 2,258,999</u>	<u>\$ 8,551,431</u>	<u>\$ 2,339,509</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.

March 31, 2026

	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	\$ 433,556	\$ 374,557	\$ -	\$ 808,113
- Outflows	(432,515)	(374,931)	-	(807,446)
	<u>\$ 1,041</u>	<u>(\$ 374)</u>	<u>\$ -</u>	<u>\$ 667</u>

December 31, 2025

	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	\$ 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>

March 31, 2025

	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	\$ 336,272	\$ 378,719	\$ -	\$ 714,991
- Outflows	(346,570)	(385,196)	-	(731,766)
	<u>(\$ 10,298)</u>	<u>(\$ 6,477)</u>	<u>\$ -</u>	<u>(\$ 16,775)</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>March 31, 2026</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	\$ -	\$ 5,157	\$ -	\$ 5,157
Listed, OTC and emerging stocks	540,825	-	582,715	1,123,540
Unlisted and non-OTC stocks	-	-	67,578	67,578
Ordinary corporate bonds	553,208	-	-	553,208
Fund beneficiary certificates	7,515,709	-	2,029,754	9,545,463
	<u>8,609,742</u>	<u>5,157</u>	<u>2,680,047</u>	<u>11,294,946</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Listed and OTC stocks	\$ 2,825,236	\$ 72,092	\$ -	\$ 2,897,328
Unlisted and non-OTC stocks	-	-	199,830	199,830
	<u>2,825,236</u>	<u>72,092</u>	<u>199,830</u>	<u>3,097,158</u>
	<u>\$11,434,978</u>	<u>\$ 77,249</u>	<u>\$ 2,879,877</u>	<u>\$ 14,392,104</u>
Liabilities - recurring fair value measurements				
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 4,490	\$ -	\$ 4,490
<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>March 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	\$ -	\$ 7	\$ -	\$ 7
Listed, OTC and emerging stocks	468,142	-	252,105	720,247
Unlisted and non-OTC stocks	-	-	73,651	73,651
Ordinary corporate bonds	664,841	-	-	664,841
Fund beneficiary certificates	5,069,493	-	2,383,276	7,452,769
	<u>6,202,476</u>	<u>7</u>	<u>2,709,032</u>	<u>8,911,515</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Listed and OTC stocks	\$ 2,656,503	\$ -	\$ -	\$ 2,656,503
Unlisted and non-OTC stocks	-	-	150,491	150,491
	<u>2,656,503</u>	<u>-</u>	<u>150,491</u>	<u>2,806,994</u>
	<u>\$ 8,858,979</u>	<u>\$ 7</u>	<u>\$ 2,859,523</u>	<u>\$ 11,718,509</u>
Liabilities - recurring fair value measurements				
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 16,782	\$ -	\$ 16,782

(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 three-month periods ended March 31, 2026 and 2025.
- E. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2026 and 2025:

For the three-month period ended March 31, 2026

<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	\$ 2,562,505	\$ 97,518	\$ 2,660,023
Purchases	12,556	100,020	112,576
Recognised in profit or loss	104,986	-	104,986
Recognised in other comprehensive income	-	329	329
Net exchange differences	-	1,963	1,963
Balance at March 31	<u>\$ 2,680,047</u>	<u>\$ 199,830</u>	<u>\$ 2,879,877</u>

For the three-month period ended March 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	265,729	-	265,729
Recognised in profit or loss	(26,491)	-	(26,491)
Recognised in other comprehensive loss	-	(16,752)	(16,752)
Balance at March 31	<u>\$ 2,709,032</u>	<u>\$ 150,491</u>	<u>\$ 2,859,523</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:

	<u>Fair value at March 31, 2026</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted and non-OTC stocks	<u>\$ 267,408</u>	Net asset value	Not applicable	Not applicable	Not applicable
Private placement shares (listed companies)	<u>\$ 582,715</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>\$ 2,029,754</u>	Net asset value	Not applicable	Not applicable	Not applicable

	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 March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Emerging stocks	\$ <u>23,212</u>	Market comparable companies	Price-to-book ratio	1.60~2.93	The higher the value multiple, the higher the fair value
Unlisted and non-OTC stocks	\$ <u>224,142</u>	Net asset value	Not applicable	Not applicable	Not applicable
Private placement shares (listed companies)	\$ <u>228,893</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>2,383,276</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\$20.385 billion for the three-month period ended March 31, 2026, an increase of 17% over the same period last year. The gross profit was NT\$7.980 billion (gross profit margin was 39.1%), the operating profit was NT\$3.728 billion (operating profit margin was 18.3%), the consolidated net profit after tax was NT\$3.334 billion (increased 22% YoY), and the basic earnings per share was \$3.85 (in dollars) for the three-month period ended March 31, 2026.

Regarding the operating results of the Group for the three-month period ended March 31, 2026, in US dollar, the Group achieved an overall revenue of US\$644 million, an increase of 22% YoY. On a regional basis, overall operations achieved double-digit year on year growth across all regions.

North America, Europe, China, North Asia, Taiwan, and Emerging Markets increased 13%, 19%, 38%, 15%, 75%, and 24% YoY, respectively. In terms of business units, overall performance remained solid, led by Intelligent Systems Sector (iSystems), IoT Automation Sector (iAutomation), and Embedded Sector, which grew 19%, 19%, and 15% YoY, respectively. Furthermore, Embedded IoT Group (EIoT) and Applied Computing Group (ACG) grew by 23% and 5% YoY. Intelligent Service Sector (iService) resulted in 3% YoY growth, mainly affected by slower project demand in North America healthcare and retail.

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 three-month period ended March 31, 2026

	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	\$ 7,407,917	\$ 7,029,276	\$ 1,478,275	\$ 1,264,916	\$ 3,204,880	\$ 20,385,264
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	<u>\$ 7,407,917</u>	<u>\$ 7,029,276</u>	<u>\$ 1,478,275</u>	<u>\$ 1,264,916</u>	<u>\$ 3,204,880</u>	20,385,264
Eliminations	\$ -	\$ -	\$ -	\$ -	\$ -	-
Consolidated revenue	-	-	-	-	-	20,385,264
Segment income	<u>\$ 1,998,159</u>	<u>\$ 1,718,951</u>	<u>\$ 615,796</u>	<u>\$ 76,791</u>	<u>\$ 480,393</u>	4,890,090
Interest and other income						102,647
Other unamortised expenses						(1,161,604)
Other gains and losses						138,479
Finance costs						(21,990)
Share of profit of associates accounted for under equity method						120,665
Profit from continuing operations before tax						<u>\$ 4,068,287</u>

For the three-month period ended March 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	\$ 6,462,657	\$ 6,340,071	\$ 1,295,559	\$ 1,276,917	\$ 1,976,042	\$ 17,351,246
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	<u>\$ 6,462,657</u>	<u>\$ 6,340,071</u>	<u>\$ 1,295,559</u>	<u>\$ 1,276,917</u>	<u>\$ 1,976,042</u>	<u>17,351,246</u>
Eliminations	\$ -	\$ -	\$ -	\$ -	\$ -	-
Consolidated revenue	-	-	-	-	-	<u>17,351,246</u>
Segment income	<u>\$ 1,471,155</u>	<u>\$ 1,421,913</u>	<u>\$ 496,868</u>	<u>\$ 119,218</u>	<u>\$ 181,665</u>	<u>3,690,819</u>
Interest and other income						103,098
Other unamortised expenses						(766,563)
Other gains and losses						165,662
Finance costs						(25,385)
Share of profit of associates accounted for under equity method						<u>72,264</u>
Profit from continuing operations before tax						<u>\$ 3,239,895</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.

ADVANTECH CO., LTD. AND SUBSIDIARIES

Loans to others

For the three-month period ended March 31, 2026

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	\$ 223,965	\$ 223,965	\$ 191,970	3%~4%	Short-term financing	\$ -	Operating need	\$ -	None	\$ -	\$ 4,961,343 (Note B)	\$ 9,922,686 (Note B)
0	ADVANTECH CO., LTD.	Aures	Other receivable - related parties	Yes	159,975	159,975	95,985	3%~4%	Short-term financing	-	Operating need	-	None	-	4,961,343 (Note B)	9,922,686 (Note B)
1	ACICN	ACN	Other receivable - related parties	Yes	324,030	324,030	324,030	3.00%	Short-term financing	-	Operating need	-	None	-	771,204 (Note C)	771,204 (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.

ADVANTECH CO., LTD. AND SUBSIDIARIES
 Provision of endorsements and guarantees to others
 For the three-month period ended March 31, 2026

Table 2

Expressed in thousands of NTD
 (Except as otherwise indicated)

		Party being endorsed/guaranteed		Limit on	Maximum outstanding endorsement/guarantee amount as of March 31, 2026	Outstanding endorsement/guarantee amount at March 31, 2026	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
No.	Endorser/guarantor	Company Name	Relationship with the endorser/guarantor	endorsements/guarantees provided for a single party (Note A)									
0	ADVANTECH CO., LTD.	Yan Xu Green Electricity Co., Ltd.	Subsidiary	\$ 4,961,343	\$ 526,680	\$ 526,680	\$ 104,400	\$ -	1.06	\$ 14,884,030	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)
March 31, 2026

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 March 31, 2026				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	\$ 1,998,064	0.49	\$ 1,998,064	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	308,655	2.26	308,655	Note A
ADVANTECH CO., LTD.	Bond	CRP NVDA 3.2 091626	None	Financial assets at fair value through profit or loss - current	-	159,556	-	159,556	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	100,246	-	100,246	Note A
ADVANTECH CO., LTD.	Bond	Unsecured Corporate Bonds of Taiwan Life – Tranche A	None	Financial assets at amortised cost - non-current	-	280,000	-	282,683	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	-	101,994	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	1,807,522	-	1,807,522	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	1,205,980	-	1,205,980	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	1,394,993	-	1,394,993	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	904,914	-	904,914	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	520,383	-	520,383	Note B
ACI	Stock	TXC CORPORATION	None	Financial assets at fair value through profit or loss - non-current	1,113,000	103,175	0.32	103,175	Note A
ACI	Stock	Apacer Technology Inc.	None	Financial assets at fair value through profit or loss - non-current	6,041,000	582,715	4.69	582,715	Note D
ACI	Stock	Medimaging Integrated Solution Inc.	None	Financial assets at fair value through profit or loss - non-current	1,702,881	125,673	4.23	125,673	Note A
ACI	Stock	Allied Circuit Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - non-current	2,174,077	518,517	3.90	518,517	Note A
ACI	Stock	Intelligent Cloud Plus Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - non-current	3,334,000	100,020	7.08	100,020	Note C
ACI	Stock	ITTS	None	Financial assets at fair value through profit or loss - current	3,391,273	139,720	12.41	139,720	Note A
ACI	Beneficiary certificates	Taishin 1699 Money Market	None	Financial assets at fair value through profit or loss - current	11,414,971	164,650	-	164,650	Note B
ACI	Beneficiary certificates	FSITC Taiwan Money Market	None	Financial assets at fair value through profit or loss - current	81,617,464	1,327,761	-	1,327,761	Note B
Advanixs Corporation	Beneficiary certificates	Jih Sun Money Market	None	Financial assets at fair value through profit or loss - current	9,716,468	153,210	-	153,210	Note B
ACI KY	Beneficiary certificates	Momenta DIF III L.P.	None	Financial assets at fair value through profit or loss - non-current	-	795,322	-	795,322	Note B
ACI KY	Beneficiary certificates	Esquarre IoT Landing Fund L.P.	None	Financial assets at fair value through profit or loss - non-current	-	238,252	-	238,252	Note B
ACI KY	Bond	META 4.95% 05/15/33	None	Financial assets at amortised cost - non-current	-	163,094	-	160,871	Note A
ACI KY	Bond	Johnson & Johnson 4.85% 03/01/32	None	Financial assets at amortised cost - non-current	-	162,375	-	163,518	Note A
ACI KY	Bond	UnitedHealth Group Inc. 5% 24/34	None	Financial assets at amortised cost - non-current	-	131,679	-	127,916	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	-	373,845	-	373,845	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	-	513,186	-	513,186	Note B
ANA	Bond	QUALCOMM Inc. 5.4% 22/33	None	Financial assets at amortised cost - non-current	-	101,773	-	103,819	Note A
ANA	Bond	TSMC Global Ltd.4.625% S/A 07/22/32	None	Financial assets at amortised cost - non-current	-	178,262	-	176,923	Note A

Note A: Market value was based on the closing price on March 31, 2026.

Note B: Market value was based on the net asset values of the open-ended funds on March 31, 2026.

Note C: The fair values are estimated from the net worth from the latest financial statements.

Note D: The fair values are estimated from the closing price on March 31, 2026.

Note E: 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 three-month period ended March 31, 2026

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	\$ 3,933,387	27.70%	60 days after month-end	Contract price	No significant difference	\$ 2,932,256	20.62%
ADVANTECH CO., LTD.	ACN	Subsidiary	Sales	3,030,561	21.34%	180 days after month-end	Contract price	No significant difference	5,397,273	37.96%
ADVANTECH CO., LTD.	AEU	Subsidiary	Sales	2,195,871	15.46%	60 days after month-end	Contract price	No significant difference	2,164,662	15.22%
ADVANTECH CO., LTD.	AKR	Subsidiary	Sales	655,554	4.62%	30 days after month-end	Contract price	No significant difference	569,324	4.00%
ADVANTECH CO., LTD.	AJP	Subsidiary	Sales	453,793	3.20%	30 days after month-end	Contract price	No significant difference	240,827	1.69%
ADVANTECH CO., LTD.	ASG	Subsidiary	Sales	158,219	1.11%	45 days after month-end	Contract price	No significant difference	112,785	0.79%
AKMC	ADVANTECH CO., LTD.	Parent company	Sales	4,122,287	93.45%	90 days after month-end	Contract price	No significant difference	4,625,938	96.89%
AKMC	ACN	Fellow subsidiary	Sales	268,047	6.08%	60 days after month-end	Contract price	No significant difference	141,622	2.97%
ANA	ADVANTECH CO., LTD.	Parent company	Sales	162,714	2.72%	30 days from the invoice date	Contract price	No significant difference	143,674	4.89%

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
March 31, 2026

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	\$ 5,397,273	2.43	\$ -	-	\$ 671,205	\$ -
ADVANTECH CO., LTD.	ANA	Subsidiary	2,940,652	5.25	37	Monthly reconciliation and collection	-	-
ADVANTECH CO., LTD.	AEU	Subsidiary	2,172,426	4.24	328	Monthly reconciliation and collection	525,298	-
ADVANTECH CO., LTD.	AKR	Subsidiary	572,149	5.67	370,115	Monthly reconciliation and collection	-	-
ADVANTECH CO., LTD.	AJP	Subsidiary	242,446	9.61	8,022	Monthly reconciliation and collection	-	-
ADVANTECH CO., LTD.	ASG	Subsidiary	113,658	7.08	-	-	-	-
ADVANTECH CO., LTD.	AKMC	Subsidiary	937,178	Note A	-	-	-	-
ADVANTECH CO., LTD.	Aures RTG	Sub-subsubsidiary	191,970	Note B	191,970	Monthly reconciliation and collection	-	-
AKMC	ADVANTECH CO., LTD.	Parent company	4,626,471	3.56	-	-	425,343	-
AKMC	ACN	Fellow subsidiary	141,778	7.87	-	-	-	-
ANA	ADVANTECH CO., LTD.	Parent company	143,674	6.22	112,562	Monthly reconciliation and collection	23,069	-
ACN	Fuhua Huichuang	Subsidiary	115,590	2.89	-	-	125,313	-
ACI CN	ACN	Fellow subsidiary	324,030	Note B	-	-	-	-
Aures	Aures US	Sub-subsubsidiary	124,733	0.92	98,559	Monthly reconciliation and collection	6,272	-

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 three-month period ended March 31, 2026

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

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	
0	ADVANTECH CO., LTD.	ACN	1	Receivables from related parties	\$ 5,397,273	180 days after month-end
0	ADVANTECH CO., LTD.	ACN	1	Sales revenue	3,030,561	Usual trade terms
0	ADVANTECH CO., LTD.	AEU	1	Receivables from related parties	2,164,662	60 days after month-end
0	ADVANTECH CO., LTD.	AEU	1	Sales revenue	2,195,871	Usual trade terms
0	ADVANTECH CO., LTD.	AJP	1	Receivables from related parties	240,827	30 days after month-end
0	ADVANTECH CO., LTD.	AJP	1	Sales revenue	453,793	Usual trade terms
0	ADVANTECH CO., LTD.	AKMC	1	Receivables from related parties	937,178	90 days after month-end
0	ADVANTECH CO., LTD.	AKR	1	Receivables from related parties	569,324	30 days after month-end
0	ADVANTECH CO., LTD.	AKR	1	Sales revenue	655,554	Usual trade terms
0	ADVANTECH CO., LTD.	ANA	1	Receivables from related parties	2,932,256	60 days after month-end
0	ADVANTECH CO., LTD.	ANA	1	Sales revenue	3,933,387	Usual trade terms
0	ADVANTECH CO., LTD.	ASG	1	Receivables from related parties	112,785	45 days after month-end
0	ADVANTECH CO., LTD.	ASG	1	Sales revenue	158,219	Usual trade terms
0	ADVANTECH CO., LTD.	Aures RTG	1	Other receivables from related parties	191,970	Note E
1	AKMC	ADVANTECH CO., LTD.	2	Receivables from related parties	4,625,938	90 days after month-end
1	AKMC	ADVANTECH CO., LTD.	2	Sales revenue	4,122,287	Usual trade terms
1	AKMC	ACN	3	Receivables from related parties	141,622	60 days after month-end
1	AKMC	ACN	3	Sales revenue	268,047	Usual trade terms
2	ANA	ADVANTECH CO., LTD.	2	Receivables from related parties	143,674	30 days after invoice date
2	ANA	ADVANTECH CO., LTD.	2	Sales revenue	162,714	Usual trade terms
3	ACN	Fuhua Huichuang	3	Receivables from related parties	115,590	90 days after invoice date
4	ACI CN	ACN	3	Other receivables from related parties	324,030	Note E
5	Aures	Aures US	1	Receivables from related parties	124,733	60 days after month-end

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 March 31, 2026, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the three-month period ended March 31, 2026.

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 three-month period ended March 31, 2026

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as of March 31, 2026			Net profit (loss) of the investee for the three-month period ended March 31, 2026	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2026 (Note C)	Footnote
				Balance as at March 31, 2026	Balance as at January 1, 2026	Number of shares	Ownership (%)	Carrying value			
ADVANTECH CO., LTD.	AAC NL	Netherlands	Overseas investment in manufacturing and services industries	\$ 247,275	\$ 247,275	11,126,887	100.00	\$ 9,875,722	\$ 383,426	\$ 380,027	Subsidiary
ADVANTECH CO., LTD.	ATC	British Virgin Islands	Overseas investment in manufacturing and services industries	998,788	998,788	33,850,000	100.00	6,504,610	63,289	44,954	Subsidiary
ADVANTECH CO., LTD.	Advanixs Corporation	Taiwan	Manufacturing, marketing and trade of industrial use computers	100,000	100,000	10,000,000	100.00	248,711	8,641	8,641	Subsidiary
ADVANTECH CO., LTD.	ACI	Taiwan	Investment in marketable securities	4,300,000	4,300,000	447,000,000	100.00	6,254,976	81,183	81,198	Subsidiary
ADVANTECH CO., LTD.	Axiomtek	Taiwan	Manufacturing, marketing and trade of industrial use computers	511,372	511,372	28,080,142	25.84	1,296,732	244,323	46,436	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	191,638	(12,229)	(4,958)	Investments accounted for under equity method
ADVANTECH CO., LTD.	AMX	Mexico	Marketing and trade of industrial use computers	91,478	91,478	16,150,003	96.90	114,450	2,267	2,181	Subsidiary
ADVANTECH CO., LTD.	AEUH	Netherlands	Overseas investment in manufacturing and services industries	1,655,383	1,655,383	25,961,250	100.00	769,803	39,345	38,768	Subsidiary
ADVANTECH CO., LTD.	ASG	Singapore	Marketing and trade of industrial use computers	27,134	27,134	1,450,000	100.00	357,119	31,957	31,679	Subsidiary
ADVANTECH CO., LTD.	ATH	Thailand	Manufacturing of computer products	47,701	47,701	510,000	49.51	82,296	21,292	10,548	Subsidiary
ADVANTECH CO., LTD.	AAU	Australia	Marketing and trade of industrial use computers	40,600	40,600	500,204	100.00	45,183	(322)	(349)	Subsidiary
ADVANTECH CO., LTD.	AJP	Japan	Marketing and trade of industrial use computers	651,685	651,685	1,200	100.00	1,396,510	11,554	11,201	Subsidiary
ADVANTECH CO., LTD.	AMY	Malaysia	Marketing and trade of industrial use computers	35,140	35,140	2,000,000	100.00	166,784	2,951	2,922	Subsidiary
ADVANTECH CO., LTD.	AKR	Korea	Marketing and trade of industrial use computers	156,668	156,668	600,000	100.00	553,786	12,624	12,490	Subsidiary
ADVANTECH CO., LTD.	ABR	Brazil	Marketing and trade of industrial use computers	89,846	89,846	15,920,821	100.00	101,027	(23,183)	(23,176)	Subsidiary
ADVANTECH CO., LTD.	AiCS	Taiwan	Design, research and develop and sale of intelligent services	81,837	81,837	1,000,000	100.00	85,884	33	33	Subsidiary
ADVANTECH CO., LTD.	AIN	India	Marketing and trade of industrial use computers	39,747	39,747	4,999,999	99.99	22,414	(4,631)	(4,692)	Subsidiary
ADVANTECH CO., LTD.	Winmate	Taiwan	Embedded System Modules	527,670	527,670	11,726,000	14.57	667,802	139,727	15,460	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	44,991	724	439	Subsidiary
ADVANTECH CO., LTD.	Nippon RAD	Japan	Integration of IoT intelligent system	251,915	251,915	850,000	16.08	215,353	28,759	1,646	Investments accounted for under equity method
ADVANTECH CO., LTD.	ATR	Turkey	Wholesale of computers and peripheral devices	157,038	138,123	27,063,050	100.00	50,944	5,066	5,017	Subsidiary (Note D)
ADVANTECH CO., LTD.	AIL	Israel	Trading of industrial network communications systems	8,653	8,653	100	100.00	13,797	2,708	2,709	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	1,926	7	7	Subsidiary
ADVANTECH CO., LTD.	ADB	United Arab Emirates	Trading of industrial network communications systems	3,312	3,312	50	100.00	5,079	145	145	Subsidiary
ADVANTECH CO., LTD.	AID	Indonesia	Marketing and trade of industrial use computers	48	48	30	1.00	-	(388)	-	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	492,955	207,721	206,957	Subsidiary
ADVANTECH CO., LTD.	ACI KY	Cayman Islands	General investment	3,147,958	3,147,958	160,000,000	100.00	2,625,922	(11,197)	(11,197)	Subsidiary
ADVANTECH CO., LTD.	Cermate (Taiwan)	Taiwan	Manufacturing of electronic components, computers, and peripheral devices	157,275	157,275	1,327,500	45.00	50,515	13,013	5,976	Subsidiary
ADVANTECH CO., LTD.	Aures	France	Retail electronic and computer products marketing and sales	1,003,210	1,003,210	4,738,256	100.00	558,459	(50,384)	(52,537)	Subsidiary
ACI	Cermate (Taiwan)	Taiwan	Manufacturing of electronic components, computers, and peripheral devices	32,725	32,725	1,622,500	55.00	94,562	13,013	-	Subsidiary
ACI	Deneng	Taiwan	Installment and sale of electronic components and software	18,095	18,095	658,000	39.69	12,352	(31)	-	Investments accounted for under equity method
ACI	CDIB	Taiwan	Investment in marketable securities	150,000	150,000	23,663,143	17.86	211,161	(7,498)	-	Investments accounted for under equity method
ACI	AzureWave	Taiwan	Wireless communication and digital image module manufacturing and trading	433,813	433,813	25,498,000	16.46	785,871	120,599	-	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	28,759	-	Investments accounted for under equity method
ACI	Mildex	Taiwan	Electronic component manufacturing	172,693	172,693	9,605,313	12.12	142,184	8,246	-	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	19,934	(7,248)	-	Investments accounted for under equity method
ACI	VSO	Taiwan	Manufacturing and trade of electronic and mechanical devices	112,363	112,363	4,759,793	10.92	227,911	61,665	-	Investments accounted for under equity method
ACI	Hwacom	Taiwan	Computer system integration service	275,208	276,932	20,296,000	14.29	426,450	36,291	-	Investments accounted for under equity method

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as of March 31, 2026			Net profit (loss) of the investee for the three-month period ended March 31, 2026	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2026 (Note C)	Footnote
				Balance as at March 31, 2026	Balance as at January 1, 2026	Number of shares	Ownership (%)	Carrying value			
ACI	Feng Sang	Taiwan	Computer system integration service	\$ 109,219	\$ 109,219	6,088,750	36.24	\$ 133,470	\$ 7,608		- 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	234,671	13,804,205	17.11	328,933	7,134		- Investments accounted for under equity method
ACI	Freedom Systems	Taiwan	Electronic information service	37,500	37,500	2,301,000	19.55	47,021	3,029		- 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	80,121 (	671)		- Subsidiary
ACI	Expotech	Taiwan	Computer system integration service	80,000	80,000	6,000,000	58.87	44,155 (	4,647)		- Subsidiary
ACI	ADTEK	Taiwan	Manufacturing and trade of electronic and mechanical devices	127,110	127,110	2,001,729	21.00	150,084	11,686		- Investments accounted for under equity method
ACI	EncoreMed	Malaysia	Wise Information Technology of med cloud service	54,274	54,274	66,700	30.03	55,910 (	1,077)		- 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	6,570,029	63,395		- Subsidiary
AAC NL	ANA	USA	Marketing, trade and assembly of industrial use computers	504,179	504,179	10,952,616	100.00	10,198,084	383,426		- Subsidiary
AEUH	AEU	Netherlands	Marketing and trade of industrial use computers	868,222	868,222	32,315,215	100.00	1,123,458	39,878		- Subsidiary
AEUH	APL	Poland	Marketing and trade of industrial use computers	14,176	14,176	7,030	100.00	59,581 (	324)		- Subsidiary
ASG	ATH	Thailand	Manufacturing of computers products	10,375	10,375	520,000	50.49	88,541	21,292		- Subsidiary
ASG	AID	Indonesia	Marketing and trade of industrial use computers	4,749	4,749	2,970	99.00	19,639 (	388)		- Subsidiary
ASG	AMX	Mexico	Marketing and trade of industrial use computers	98	98	16,667	0.10	84	2,267		- Subsidiary
ASG	AIN	India	Marketing and trade of industrial use computers	-	-	1	0.01	- (	4,631)		- Subsidiary
Cermate (Taiwan)	LandMark	Samoa	General investment	28,200	28,200	972,284	100.00	124,964	9,328		- Subsidiary
LandMark	Cermate Software Inc.	Canada	Software development	229	229	-	100.00	7,181	3,689		- Subsidiary
ANA	AIE	Ireland	Trading of industrial network communications systems	1,212,462	1,212,462	500,000	100.00	385,874	18,305		- 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	80,615	16,396		- Subsidiary
AIE	ACZ	Czech Republic	Manufacturing of automation control	-	-	-	100.00	370,643	17,913		- Subsidiary
AIN	ARI	India	Marketing and trade of industrial use computers	4,651	4,651	1,237,500	55.00	1,731 (	129)		- Subsidiary
Aures	Aures UK	UK	Retail electronic and computer products marketing and sales	9,965	9,965	5,000	100.00	102,544 (	1,842)		- Subsidiary
Aures	Aures DE	Germany	Retail electronic and computer products marketing and sales	768	768	22,500	90.00	101,707	586		- Subsidiary
Aures	Aures AGH	USA	Holding Company	84,306	84,306	1,000	100.00	517,795	-		- Subsidiary
Aures	Aures J2SYSTEMS	UK	Holding Company	259,704	259,704	42,229	100.00	3,351	-		- Subsidiary
Aures AGH	Aures RTG	USA	Maintenance, installation and technical support for Retail services	291,783	291,783	500	100.00	64,321 (	20,107)		- Subsidiary
Aures J2SYSTEMS	Aures US	USA	Retail electronic and computer products marketing and sales	328	328	10,000	100.00 (	51,723)	2,791		- Subsidiary
Aures J2SYSTEMS	Aures AU	Australia	Retail electronic and computer products marketing and sales	-	-	10	100.00	115,708	1,033		- 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 2026, ATR conducted a cash capital increase through the issuance of new shares.

ADVANTECH CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the three-month period ended March 31, 2026

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 from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2026	Net profit (loss) of the investee for the three-month period ended March 31, 2026	Ownership held by the Company (direct or indirect) (%)	Investment net profit (loss)	Carrying Value as of March 31, 2026	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow						
Advantech Technology (China) Company Ltd. (AKMC) (Note D)	Manufacturing and trade of interface cards and PC cases, plastic cases and accessories	\$ 1,815,716 USD 56,750	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	\$ 1,193,414 USD 37,300	\$ -	\$ -	\$ 1,193,414 USD 37,300	\$ 63,395	100.00	\$ 81,716	\$ 6,588,350	\$ -
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Marketing and trade of industrial use computers	135,339 USD 4,230	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	170,597 USD 5,332	-	-	170,597 USD 5,332	199,137	100.00	200,038	(548,847)	3,300,284 USD 103,150
Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN) (Note G)	Manufacturing, marketing and trade of industrial use computers	308,375 CNY 66,618	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	255,960 USD 8,000	-	-	255,960 USD 8,000	8,212	100.00	8,217	1,928,009	-
Xi'an Advantech Software Ltd. (AXA)	Development and manufacturing of software products	31,995 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	26	100.00	26	32,331	-
Shenzhen Cermate Technologies Inc. (Cermate Shenzhen)	Production of LCD touch screen, USB data cables, and industrial use computers	9,258 CNY 2,000	Through investing in an existing company in the third region, which then invested in the investee in Mainland China	9,854 USD 308	-	-	9,854 USD 308	6,266	90.00	5,532	116,930	125,793 CNY 27,175
Advantech Service-IoT (Shanghai) Co., Ltd. [SIoT (China)]	Technology development, consulting and services in the field of intelligent technology	69,435 CNY 15,000	Other	Note E and Note L	-	-	Note E and Note L	-	Note L	-	-	-
Foshan Technology Co., Ltd. (Foshan Technology)	Operation and maintenance for intelligent general equipment, and consulting service for comprehensive energy issues	37,032 CNY 8,000	Other	Note F	-	-	Note F	(840)	21.88	(184)	12,306	-
Suzhou AIIST Intelligent Technology Co., Ltd (AAY)	Smart operating room total solution	45,776 CNY 9,889	Other	Note F	-	-	Note F	(9,258)	20.00	(1,852)	94,387	-
Adveco Technology Co., Ltd. (Adveco)	Technology development, consulting, services, product design, production and project implementation in the field of smart buildings	23,145 CNY 5,000	Other	Note F	-	-	Note F	(27,166)	53.11	(14,507)	13,400	-
Adveco Management Consulting Co., Ltd. (Adveco Management)	Enterprise management consulting, information consulting, planning, service	9,258 CNY 2,000	Other	Note F	-	-	Note F	-	60.00	-	5,552	-
Adveco Management Consulting No.1 (Limited partnership) (Adveco Management No.1)	Enterprise management consulting, information consulting, planning, service	4,629 CNY 1,000	Other	Note K	-	-	Note K	-	59.94	-	2,772	-
Adveco Management Consulting No.2 (Limited partnership) (Adveco Management No.2)	Enterprise management consulting, information consulting, planning, service	4,629 CNY 1,000	Other	Note K	-	-	Note K	-	59.94	-	2,772	-
Shanghai Fuhua Huichuang Intelligent Information Technology Co., Ltd (Fuhua Huichuang)	Development and sales of information security devices, intelligent systems and cloud technologies	55,548 CNY 12,000	Other	Note F	-	-	Note F	(4,198)	50.00	(2,099)	20,229	-
Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA										
\$ 1,654,877 (USD 51,723 thousand) (Note H)	\$ 2,412,135 (USD 75,391 thousand)	\$ 29,768,059 (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 March 31, 2026 were USD\$1= NT\$31.995, and CNY\$1=NT\$4.629.

Note K: Remittance by Adveco Management.

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