# ADVANTECH CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS AND**

**INDEPENDENT AUDITORS' REVIEW REPORT**

**THEREON**

**JUNE 30, 2026 AND 2025**

**(Stock code: 2395)**

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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 June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-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$16,640,633 thousand and NT$15,881,175 thousand (including the balance of investments accounted for under equity method), constituting 18% and 21% of consolidated total assets as at June 30, 2026 and 2025, respectively, total liabilities amounting to NT$2,356,450 thousand and NT$2,069,370 thousand, constituting 6% and 8% of consolidated total liabilities as at June 30, 2026 and 2025, respectively, and total comprehensive income (loss) amounting to NT$61,295 thousand, (NT$741,488) thousand, NT$174,967 thousand and (NT$440,773) thousand, constituting 1%, (239%), 2% and (13%) of consolidated total comprehensive income for the three-month and six-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 June 30, 2026 and 2025, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-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

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

| | Assets | Notes | June 30, 2026 AMOUNT | % | December 31, 2025 AMOUNT | % | June 30, 2025 AMOUNT | % |
|---|---|---|---|---|---|---|---|---|
| | **Current assets** | | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | $ 12,749,178 | 14 | $ 11,317,279 | 15 | $ 13,163,588 | 18 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 5,381,198 | 6 | 7,152,333 | 9 | 7,330,455 | 10 |
| 1136 | Financial assets at amortised cost - current | 6(4) and 8 | 598,286 | 1 | 724,303 | 1 | 279,714 | - |
| 1150 | Notes receivable, net | 6(5) | 2,214,131 | 2 | 1,627,595 | 2 | 1,440,950 | 2 |
| 1170 | Accounts receivable, net | 6(5) | 13,353,244 | 14 | 8,879,419 | 12 | 9,028,749 | 12 |
| 1180 | Accounts receivable - related parties, net | 7 | 36,590 | - | 28,411 | - | 24,340 | - |
| 1200 | Other receivables | | 125,906 | - | 77,490 | - | 61,857 | - |
| 1210 | Other receivables - related parties | 7 | 144,043 | - | 1,575 | - | 192,361 | - |
| 130X | Inventories | 6(6) | 20,907,985 | 22 | 11,834,524 | 16 | 10,873,882 | 15 |
| 1470 | Other current assets | | 1,592,716 | 2 | 852,598 | 1 | 940,493 | 1 |
| 11XX | **Total current assets** | | 57,103,277 | 61 | 42,495,527 | 56 | 43,336,389 | 58 |
| | **Non-current assets** | | | | | | | |
| 1510 | Financial assets at fair value through profit or loss - non-current | 6(2) | 3,824,536 | 4 | 3,389,977 | 4 | 3,279,268 | 4 |
| 1517 | Financial assets at fair value through other comprehensive income - non-current | 6(3) | 3,953,746 | 4 | 2,765,005 | 4 | 2,984,557 | 4 |
| 1535 | Financial assets at amortised cost - non-current | 6(4) | 1,941,207 | 2 | 1,627,011 | 2 | 601,210 | 1 |
| 1550 | Investments accounted for under equity method | 6(7) | 4,992,371 | 6 | 5,112,577 | 7 | 4,975,987 | 7 |
| 1600 | Property, plant and equipment | 6(8) | 15,349,688 | 17 | 14,451,830 | 19 | 13,027,402 | 18 |
| 1755 | Right-of-use assets | 6(9) | 2,101,922 | 2 | 1,968,958 | 3 | 1,951,469 | 3 |
| 1780 | Intangible assets | 6(10) | 2,809,695 | 3 | 2,734,536 | 4 | 2,614,631 | 3 |
| 1840 | Deferred income tax assets | | 984,710 | 1 | 1,038,996 | 1 | 1,281,677 | 2 |
| 1915 | Prepayments for business facilities | | 41,011 | - | 45,841 | - | 64,848 | - |
| 1990 | Other non-current assets | | 101,647 | - | 87,266 | - | 132,974 | - |
| 15XX | **Total non-current assets** | | 36,100,533 | 39 | 33,221,997 | 44 | 30,914,023 | 42 |
| 1XXX | **Total assets** | | $ 93,203,810 | 100 | $ 75,717,524 | 100 | $ 74,250,412 | 100 |

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

| | Liabilities and Equity | Notes | June 30, 2026 AMOUNT | % | December 31, 2025 AMOUNT | % | June 30, 2025 AMOUNT | % |
|---|---|---|---|---|---|---|---|---|
| | **Current liabilities** | | | | | | | |
| 2120 | Financial liabilities at fair value through profit or loss - current | 6(2) | $ 771 | - | $ 13,323 | - | $ 10,713 | - |
| 2130 | Contract liabilities - current | 6(20) | 1,928,596 | 2 | 1,335,883 | 2 | 1,059,628 | 1 |
| 2170 | Notes and accounts payable | 7 | 14,525,110 | 16 | 7,680,782 | 10 | 7,448,615 | 10 |
| 2200 | Other payables | 6(11) and 7 | 14,181,034 | 15 | 5,018,328 | 7 | 11,160,137 | 15 |
| 2230 | Current income tax liabilities | | 1,672,572 | 2 | 1,545,832 | 2 | 1,407,911 | 2 |
| 2250 | Provisions for liabilities - current | | 198,829 | - | 187,185 | - | 206,701 | - |
| 2280 | Lease liabilities - current | 6(9) | 385,185 | 1 | 290,922 | - | 330,776 | 1 |
| 2320 | Long-term liabilities, current portion | 6(12) | 132,231 | - | 77,029 | - | 120,321 | - |
| 2399 | Other current liabilities | | 346,951 | - | 368,059 | 1 | 404,909 | 1 |
| 21XX | **Total current liabilities** | | 33,371,279 | 36 | 16,517,343 | 22 | 22,149,711 | 30 |
| | **Non-current liabilities** | | | | | | | |
| 2540 | Long-term borrowings | 6(12) | 37,403 | - | 150,327 | - | 149,325 | - |
| 2570 | Deferred income tax liabilities | | 2,157,816 | 2 | 1,972,382 | 2 | 2,005,321 | 2 |
| 2580 | Lease liabilities - non-current | 6(9) | 1,516,098 | 1 | 1,476,031 | 2 | 1,429,622 | 2 |
| 2600 | Other non-current liabilities | 6(20) | 666,965 | 1 | 552,176 | 1 | 624,982 | 1 |
| 25XX | **Total non-current liabilities** | | 4,378,282 | 4 | 4,150,916 | 5 | 4,209,250 | 5 |
| 2XXX | **Total liabilities** | | 37,749,561 | 40 | 20,668,259 | 27 | 26,358,961 | 35 |
| | **Equity attributable to shareholders of the parent** | | | | | | | |
| | Share capital | 6(15) | | | | | | |
| 3110 | Common shares | | 8,682,545 | 9 | 8,651,898 | 12 | 8,641,671 | 12 |
| 3140 | Advance receipts for share capital | | 7,915 | - | 6,405 | - | 2,073 | - |
| | Capital surplus | 6(16) | | | | | | |
| 3200 | Capital surplus | | 10,951,815 | 12 | 12,057,154 | 16 | 11,574,847 | 16 |
| | Retained earnings | 6(17) | | | | | | |
| 3310 | Legal reserve | | 12,657,330 | 14 | 11,628,185 | 15 | 11,628,185 | 16 |
| 3350 | Unappropriated retained earnings | | 20,502,638 | 22 | 21,534,775 | 29 | 15,650,263 | 21 |
| | Other equity | 6(18) | | | | | | |
| 3400 | Other equity | | 2,533,035 | 3 | 1,069,064 | 1 | 252,701 | - |
| 31XX | **Equity attributable to shareholders of the parent** | | 55,335,278 | 60 | 54,947,481 | 73 | 47,749,740 | 65 |
| 36XX | Non-controlling interest | 6(19) | 118,971 | - | 101,784 | - | 141,711 | - |
| 3XXX | **Total equity** | | 55,454,249 | 60 | 55,049,265 | 73 | 47,891,451 | 65 |
| | Significant contingent liabilities and unrecognised contract commitments | 9 | | | | | | |
| 3X2X | **Total liabilities and equity** | | $ 93,203,810 | 100 | $ 75,717,524 | 100 | $ 74,250,412 | 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 SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| | | | For the three-month periods ended June 30 | | | | For the six-month periods ended June 30 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2026 | | 2025 | | 2026 | | 2025 | |
| | Items | Notes | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue | 6(20) and 7 | $ 26,26,290 | 100 | $ 17,835,796 | 100 | $ 46,511,554 | 100 | $ 35,187,042 | 100 |
| 5000 | Operating costs | 6(6)(24) and 7 | (16,281,049) | (62) | (10,703,063) | (60) | (28,686,490) | (62) | (21,026,389) | (60) |
| 5950 | Gross profit | | 9,845,241 | 38 | 7,132,733 | 40 | 17,825,064 | 38 | 14,160,653 | 40 |
| | Operating expenses | 6(24) and 7 | | | | | | | | |
| 6100 | Selling expenses | | (1,910,490) | (7) | (1,606,513) | (9) | (3,651,872) | (8) | (3,288,668) | (9) |
| 6200 | General and administrative expenses | | (1,142,185) | (5) | (1,028,218) | (5) | (2,140,032) | (4) | (2,045,304) | (6) |
| 6300 | Research and development expenses | | (1,654,598) | (6) | (1,404,699) | (8) | (3,168,493) | (7) | (2,814,259) | (8) |
| 6450 | Expected credit impairment (loss) gain | | (10,679) | - | 29,770 | - | (8,892) | - | 34,907 | - |
| 6000 | Total operating expenses | | (4,717,952) | (18) | (4,009,660) | (22) | (8,969,289) | (19) | (8,113,324) | (23) |
| 6900 | Operating profit | | 5,127,289 | 20 | 3,123,073 | 18 | 8,855,775 | 19 | 6,047,329 | 17 |
| | Non-operating income and expenses | | | | | | | | | |
| 7100 | Interest income | 6(4) | 90,347 | - | 92,556 | 1 | 162,262 | - | 174,236 | 1 |
| 7010 | Other income | 6(21) and 7 | 40,997 | - | 78,140 | - | 71,729 | - | 99,558 | - |
| 7020 | Other gains and losses | 6(2)(22) | 207,308 | 1 | (815,378) | (5) | 345,787 | 1 | (649,716) | (2) |
| 7050 | Finance costs | 6(9)(12)(23) | (22,261) | - | (19,417) | - | (44,251) | - | (44,802) | - |
| 7060 | Share of profit of associates and joint ventures accounted for under equity method | 6(7) | 146,303 | 1 | 33,693 | - | 266,968 | 1 | 105,957 | - |
| 7000 | Total non-operating income and expenses | | 462,694 | 2 | (630,406) | (4) | 802,495 | 2 | (314,767) | (1) |
| 7900 | **Profit before income tax** | | 5,589,983 | 22 | 2,492,667 | 14 | 9,658,270 | 21 | 5,732,562 | 16 |
| 7950 | Income tax expense | 6(25) | (1,086,773) | (4) | (522,858) | (3) | (1,836,780) | (4) | (1,071,434) | (3) |
| 8200 | **Profit for the period** | | $ 4,503,210 | 18 | $ 1,969,809 | 11 | $ 7,821,490 | 17 | $ 4,661,128 | 13 |

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ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| | | | For the three-month periods ended June 30 | | | | For the six-month periods ended June 30 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2026 | | 2025 | | 2026 | | 2025 | |
| | Items | Notes | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| | **Other comprehensive income (loss) (net)** | | | | | | | | | |
| | **Components of other comprehensive income (loss) that will not be reclassified to profit or loss** | | | | | | | | | |
| 8316 | Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income | 6(3)(18) | $ 1,020,984 | 4 | $ 120,027 | 1 | $ 1,281,038 | 3 | $ 113,888 | 1 |
| 8320 | Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method that will not be reclassifed to profit or loss | 6(7)(18) | 33,061 | - | (8,745) | - | 23,748 | - | (2,149) | - |
| 8310 | Other comprehensive income that will not be reclassified to profit or loss | | 1,054,045 | 4 | 111,282 | 1 | 1,304,786 | 3 | 111,739 | 1 |
| | **Components of other comprehensive income (loss) that will be reclassified to profit or loss** | | | | | | | | | |
| 8361 | Financial statements translation differences of foreign operations | 6(18) | (80,949) | - | (2,080,459) | (12) | 338,304 | - | (1,538,619) | (5) |
| 8370 | Share of other comprehensive loss of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss | 6(7)(18) | (1,839) | - | (131,328) | (1) | (3,775) | - | (105,884) | - |
| 8399 | Income tax related to the components of other comprehensive income (loss) that will be reclassified to profit or loss | 6(25) | 16,587 | - | 440,413 | 3 | (66,671) | - | 329,168 | 1 |
| 8360 | Other comprehensive (loss) income that will be reclassified to profit or loss | | (66,201) | - | (1,771,374) | (10) | 267,858 | - | (1,315,335) | (4) |
| 8300 | **Total other comprehensive income (loss) for the period** | | $ 987,844 | 4 | ($ 1,660,092) | (9) | $ 1,572,644 | 3 | ($ 1,203,596) | (3) |
| 8500 | **Total comprehensive income for the period** | | $ 5,491,054 | 22 | $ 309,717 | 2 | $ 9,394,134 | 20 | $ 3,457,532 | 10 |
| | Profit (loss) attributable to: | | | | | | | | | |
| 8610 | Shareholders of the parent | | $ 4,517,872 | 18 | $ 1,988,963 | 11 | $ 7,852,037 | 17 | $ 4,722,963 | 13 |
| 8620 | Non-controlling interest | | (14,662) | - | (19,154) | - | (30,547) | - | (61,835) | - |
| | | | $ 4,503,210 | 18 | $ 1,969,809 | 11 | $ 7,821,490 | 17 | $ 4,661,128 | 13 |
| | Total comprehensive income (loss) attributable to: | | | | | | | | | |
| 8710 | Shareholders of the parent | | $ 5,505,569 | 22 | $ 338,590 | 2 | $ 9,423,507 | 20 | $ 3,518,034 | 10 |
| 8720 | Non-controlling interest | | (14,515) | - | (28,873) | - | (29,373) | - | (60,502) | - |
| | | | $ 5,491,054 | 22 | $ 309,717 | 2 | $ 9,394,134 | 20 | $ 3,457,532 | 10 |
| | Basic earnings per share (in dollars) | 6(26) | | | | | | | | |
| 9750 | Profit for the period | | $ 5.20 | | $ 2.30 | | $ 9.05 | | $ 5.47 | |
| | Diluted earnings per share (in dollars) | 6(26) | | | | | | | | |
| 9850 | Profit for the period | | $ 5.16 | | $ 2.28 | | $ 8.99 | | $ 5.42 | |

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 SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

| | | Equity attributable to owners of the parent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Capital | | | Retained Earnings | | Other Equity Interest | | | | | |
| | Notes | Common stock | Advance receipts for share capital | Capital surplus | Legal reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Unearned employee benefits compensation | Total | Non-controlling interest | Total equity |
| For the six-month period ended June 30, 2025 | | | | | | | | | | | | |
| Balance at January 1, 2025 | | $ 8,634,322 | $ 1,572 | $ 11,156,003 | $ 10,723,047 | $ 19,402,613 | ($ 145,169) | $ 1,655,964 | $ - | $ 51,428,352 | $ 368,510 | $ 51,796,862 |
| Consolidated profit (loss) for the period | | - | - | - | - | 4,722,963 | - | - | - | 4,722,963 | ( 61,835) | 4,661,128 |
| Other comprehensive (loss) income for the period | 6(18)(19) | - | - | - | - | - | ( 1,316,668) | 111,739 | - | ( 1,204,929) | 1,333 | ( 1,203,596) |
| Total comprehensive income (loss) for the period | | - | - | - | - | 4,722,963 | ( 1,316,668) | 111,739 | - | 3,518,034 | ( 60,502) | 3,457,532 |
| Appropriations of 2024 earnings | 6(17) | | | | | | | | | | | |
| Legal reserve | | - | - | - | 905,138 | ( 905,138) | - | - | - | - | - | - |
| Cash dividends | | - | - | - | - | ( 7,254,151) | - | - | - | ( 7,254,151) | - | ( 7,254,151) |
| Recognition of employee stock options | 6(14)(15) | 7,349 | 501 | 121,599 | - | - | - | - | - | 129,449 | - | 129,449 |
| Compensation costs recognised for employee stock options | 6(14) | - | - | 254,683 | - | - | - | - | - | 254,683 | - | 254,683 |
| Changes in associates and joint ventures accounted for under equity method | 6(18) | - | - | 74,118 | - | ( 1,876) | - | - | ( 24,918) | 47,324 | - | 47,324 |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | 6(19)(27) | - | - | ( 31,556) | - | ( 342,395) | - | - | - | ( 373,951) | ( 193,735) | ( 567,686) |
| Changes in non-controlling interest | 6(19) | - | - | - | - | - | - | - | - | - | 27,438 | 27,438 |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | 6(3)(18) | - | - | - | - | 7,830 | - | ( 7,830) | - | - | - | - |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income owned by associates | 6(18) | - | - | - | - | 20,417 | - | ( 20,417) | - | - | - | - |
| Balance at June 30, 2025 | | $ 8,641,671 | $ 2,073 | $ 11,574,847 | $ 11,628,185 | $ 15,650,263 | ($ 1,461,837) | $ 1,739,456 | ($ 24,918) | $ 47,749,740 | $ 141,711 | $ 47,891,451 |
| For the six-month period ended June 30, 2026 | | | | | | | | | | | | |
| Balance at January 1, 2026 | | $ 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 |
| Consolidated profit (loss) for the period | | - | - | - | - | 7,852,037 | - | - | - | 7,852,037 | ( 30,547) | 7,821,490 |
| Other comprehensive income for the period | 6(18)(19) | - | - | - | - | - | 266,684 | 1,304,786 | - | 1,571,470 | 1,174 | 1,572,644 |
| Total comprehensive income (loss) for the period | | - | - | - | - | 7,852,037 | 266,684 | 1,304,786 | - | 9,423,507 | ( 29,373) | 9,394,134 |
| Appropriations of 2025 earnings | 6(17) | | | | | | | | | | | |
| Legal reserve | | - | - | - | 1,029,145 | ( 1,029,145) | - | - | - | - | - | - |
| Cash dividends | | - | - | - | - | ( 7,965,638) | - | - | - | ( 7,965,638) | - | ( 7,965,638) |
| Cash payment from capital surplus | | - | - | ( 1,731,660) | - | - | - | - | - | ( 1,731,660) | - | ( 1,731,660) |
| Cash dividends distributed by subsidiaries | 6(19) | - | - | - | - | - | - | - | - | - | ( 3,466) | ( 3,466) |
| Recognition of employee stock options | 6(14)(15) | 30,647 | 1,510 | 497,513 | - | - | - | - | - | 529,670 | - | 529,670 |
| Compensation costs recognised for employee stock options | 6(14) | - | - | 104,387 | - | - | - | - | - | 104,387 | - | 104,387 |
| Changes in associates and joint ventures accounted for under equity method | 6(18) | - | - | 9,920 | - | ( 7,380) | - | - | 9,820 | 12,360 | - | 12,360 |
| Changes in ownership interests in subsidiaries | 6(19) | - | - | 14,501 | - | - | - | - | - | 14,501 | 50,026 | 64,527 |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | 6(3)(18) | - | - | - | - | 69,492 | - | ( 69,492) | - | - | - | - |
| Disposal of investments accounted for under equity method | 6(18) | - | - | - | - | 48,497 | - | ( 47,827) | - | 670 | - | 670 |
| Balance at June 30, 2026 | | $ 8,682,545 | $ 7,915 | $ 10,951,815 | $ 12,657,330 | $ 20,502,638 | ($ 181,102) | $ 2,721,514 | ($ 7,377) | $ 55,335,278 | $ 118,971 | $ 55,454,249 |

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

| | | For the six-month periods ended June 30, | |
|---|---|---|---|
| | Notes | 2026 | 2025 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | | $ 9,658,270 | $ 5,732,562 |
| Adjustment items | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(8)(9)(24) | 530,274 | 491,032 |
| Amortisation | 6(10)(24) | 108,131 | 110,050 |
| Impairment loss on investments accounted for under equity method | 6(7)(22) | 227,932 | - |
| Expected credit impairment loss (gain) | 12(2) | 8,892 | ( 34,907 ) |
| Net (gain) loss on financial assets or liabilities at fair value through profit or loss | 6(2)(22) | ( 375,666 ) | 172,297 |
| Finance costs | 6(23) | 44,251 | 44,802 |
| Interest income | | ( 162,262 ) | ( 174,236 ) |
| Dividend income | 6(21) | ( 10,358 ) | ( 35,009 ) |
| Compensation costs of employee stock options | 6(14)(24) | 111,767 | 261,031 |
| Share of profit of associates accounted for under equity method | 6(7) | ( 266,968 ) | ( 105,957 ) |
| Loss on disposal of property, plant and equipment | 6(22) | 2,848 | 673 |
| Loss on disposal of intangible assets | | - | 72 |
| Gain on disposal of investments | 6(22) | ( 82,340 ) | ( 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 | | 2,018,739 | ( 1,342,203 ) |
| Notes receivable | | ( 586,499 ) | 49,886 |
| Accounts receivable | | ( 4,479,461 ) | ( 394,936 ) |
| Accounts receivable - related parties | | ( 8,179 ) | ( 1,449 ) |
| Other receivables (including related parties) | | ( 106,832 ) | 96,629 |
| Inventories | | ( 9,073,461 ) | ( 320,163 ) |
| Other current assets | | ( 752,835 ) | 103,284 |
| Changes in liabilities relating to operating activities | | | |
| Financial liabilities at fair value through profit or loss | | ( 12,552 ) | 2,811 |
| Contract liabilities - current | | 592,713 | ( 393,522 ) |
| Notes and accounts payable | | 6,844,328 | 537,468 |
| Other payables | | ( 365,765 ) | ( 657,207 ) |
| Provision for liabilities - current | | 11,644 | 24,604 |
| Other current liabilities | | 42,446 | 91,839 |
| Other non-current liabilities | | 27,407 | ( 42,015 ) |
| Cash inflow generated from operations | | 3,946,464 | 4,212,381 |
| Dividends received | | 10,337 | 35,009 |
| Interest received | | 103,261 | 94,061 |
| Interest paid | | ( 44,187 ) | ( 44,945 ) |
| Income taxes paid | | ( 1,349,563 ) | ( 1,342,085 ) |
| Net cash flows provided by operating activities | | 2,666,312 | 2,954,421 |

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

| | Notes | For the six-month periods ended June 30, 2026 | 2025 |
|---|---|---|---|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of financial assets at amortised cost - current | | ($ 2,477,157 ) | ($ 102,621 ) |
| Proceeds from disposal of financial assets at amortised cost - current | | 2,610,779 | 676,888 |
| Acquisition of financial assets at amortised cost - non-current | | ( 298,102 ) | ( 611,695 ) |
| Acquisition of financial assets at fair value through profit or loss | | ( 105,382 ) | ( 442,075 ) |
| Proceeds from disposal of financial assets at fair value through profit or loss | | 55,314 | - |
| Acquisition of financial assets at fair value through other comprehensive income | | - | ( 114,867 ) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | 93,485 | 7,830 |
| Acquisition of investments accounted for under equity method | | ( 100,020 ) | ( 127,110 ) |
| Proceeds from disposal of investments accounted for under equity method | | 29,873 | 11,855 |
| Dividends received from associates | | - | 4,910 |
| Acquisition of property, plant and equipment | | ( 1,246,415 ) | ( 1,320,756 ) |
| Proceeds from disposal of property, plant and equipment | | 108 | 1,601 |
| Increase in refundable deposits | | ( 15,249 ) | ( 12,138 ) |
| Acquisition of intangible assets | 6(10) | ( 169,317 ) | ( 51,840 ) |
| Increase in prepayments for business facilities | | ( 40,862 ) | ( 17,064 ) |
| Decrease in other non-current assets | | 868 | 21,248 |
| Net cash flows used in investing activities | | ( 1,662,077 ) | ( 2,075,834 ) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from long-term borrowings | 6(28) | 6,600 | 50,400 |
| Repayments of long-term borrowings | 6(28) | ( 62,564 ) | ( 61,122 ) |
| Increase (decrease) in guarantee deposits received | | 4,456 | ( 3,023 ) |
| Repayments of lease liabilities | 6(9)(28) | ( 166,316 ) | ( 144,560 ) |
| Employee stock options exercised | | 529,670 | 129,449 |
| Dividends paid to non-controlling interests | 6(19) | ( 3,466 ) | - |
| Change in non-controlling interests | 6(19)(27) | 57,064 | ( 567,686 ) |
| Net cash flows provided by (used in) financing activities | | 365,444 | ( 596,542 ) |
| Effect of exchange rate changes | | 62,220 | ( 735,502 ) |
| Net increase (decrease) in cash and cash equivalents | | 1,431,899 | ( 453,457 ) |
| Cash and cash equivalents at beginning of period | | 11,317,279 | 13,617,045 |
| Cash and cash equivalents at end of period | | $ 12,749,178 | $ 13,163,588 |

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 SIX-MONTH PERIODS ENDED JUNE 30, 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 July 31, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| 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 $1,941,207.

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

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

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

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

Note 2: The entities shall apply the amendment simultaneously with IFRS 18.

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

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

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

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
| --- | --- |
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | To be determined by International Accounting Standards Board |
| IFRS 20, 'Regulatory assets and regulatory liabilities' | January 1, 2029 |

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies 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 (%) June 30, 2026 | Ownership (%) December 31, 2025 | Ownership (%) June 30, 2025 | Description |
|---|---|---|---|---|---|---|
| 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 | |

| Name of investor | Name of subsidiary | Business activities | Ownership (%) June 30, 2026 | Ownership (%) December 31, 2025 | Ownership (%) June 30, 2025 | Description |
|---|---|---|---|---|---|---|
| The Company | Advantech Europe Holding B.V. (AEUH) | Overseas investment in manufacturing and services industries | 100.00 | 100.00 | 100.00 | |
| | 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 LTDA (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 (%) June 30, 2026 | Ownership (%) December 31, 2025 | Ownership (%) June 30, 2025 | Description |
|---|---|---|---|---|---|---|
| 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. (Huan Yan Water Solution) | 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 | 100.00 | 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 |
| | Yan Xu Green Electricity Co., Ltd. (Yan Xu Green Electricity) | Green energy power plant development | 82.50 | 82.50 | 82.50 | Note 2 |

| Name of investor | Name of subsidiary | Business activities | Ownership (%) June 30, 2026 | Ownership (%) December 31, 2025 | Ownership (%) June 30, 2025 | Description |
|---|---|---|---|---|---|---|
| Advantech Corporate Investment (ACI) | Expetech Co., Ltd. (Expetech) | 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 | |
| | Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN) | Overseas investment | 82.00 | 82.00 | 82.00 | Note 2 |

| Name of investor | Name of subsidiary | Business activities | Ownership (%) June 30, 2026 | December 31, 2025 | June 30, 2025 | Description |
|---|---|---|---|---|---|---|
| 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 | 34.22 | 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 |
| 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 |

| Name of investor | Name of subsidiary | Business activities | Ownership (%) June 30, 2026 | Ownership (%) December 31, 2025 | Ownership (%) June 30, 2025 | Description |
|---|---|---|---|---|---|---|
| Adveco Management Consulting Co., Ltd. (Adveco Management) | 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 | 15.21 | 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 | 15.21 | 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 |
| | 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 | - | Note 2 |

| Name of investor | Name of subsidiary | Business activities | Ownership (%) June 30, 2026 | Ownership (%) December 31, 2025 | Ownership (%) June 30, 2025 | Description |
|---|---|---|---|---|---|---|
| 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 |
| | 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 |

| Name of investor | Name of subsidiary | Business activities | Ownership (%) June 30, 2026 | December 31, 2025 | June 30, 2025 | Description |
|---|---|---|---|---|---|---|
| J2 SYSTEMS TECHNOLOGY Limited (Aures J2SYSTEMS) | 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 six-month periods ended June 30, 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 and the second 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 52.45%.

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 of Aures Technologies S.A. (Aures), resulting in an increase in the ownership percentage to 92.39%. The Company has completed the tender offer of 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 June 30, 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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Cash on hand and revolving funds | $ 693 | $ 721 | $ 687 |
| Checking accounts and demand deposits | 11,108,633 | 9,037,904 | 9,717,249 |
| Cash equivalents (time deposits with original maturities less than three months) | 1,639,852 | 2,278,654 | 3,445,652 |
| | $ 12,749,178 | $ 11,317,279 | $ 13,163,588 |

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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Financial assets - current | | | |
| Mandatorily measured at fair value through profit or loss | | | |
| Derivative instruments (not under hedge accounting) | | | |
| Forward foreign exchange contracts | $ 3,901 | $ 455 | $ 731 |
| Non-derivative financial assets | | | |
| Listed, OTC and emerging stocks | 356,079 | 165,155 | 159,049 |
| Beneficiary certificates | 4,862,242 | 6,830,132 | 7,070,520 |
| Ordinary corporate bonds | 158,976 | 156,591 | 100,155 |
| | $ 5,381,198 | $ 7,152,333 | $ 7,330,455 |
| Financial assets - non-current | | | |
| Mandatorily measured at fair value through profit or loss | | | |
| Non-derivative financial assets | | | |
| Listed, OTC and emerging stocks | $ 1,411,853 | $ 973,701 | $ 600,355 |
| Unlisted and non-OTC stocks | 59,245 | 64,033 | 72,226 |
| Beneficiary certificates | 1,963,698 | 1,959,434 | 2,085,046 |
| Ordinary corporate bonds | 389,740 | 392,809 | 521,641 |
| | $ 3,824,536 | $ 3,389,977 | $ 3,279,268 |
| Financial liabilities - current | | | |
| Mandatorily measured at fair value through profit or loss | | | |
| Derivative instruments (not under hedge accounting) | | | |
| Forward foreign exchange contracts | $ 771 | $ 13,323 | $ 10,713 |

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Financial assets and liabilities mandatorily measured at fair value through profit or loss | | |
| Non-derivative instruments | $ 327,823 | ($ 154,457) |
| Derivative instruments | 14,418 | 53,541 |
| | $ 342,241 | ($ 100,916) |

| | | For the six-month periods ended June 30, | | |
|---|---|---|---|---|
| | | 2026 | | 2025 |
| Financial assets and liabilities mandatorily measured at fair value through profit or loss | | | | |
| Non-derivative instruments | $ | 364,025 | ($ | 198,942) |
| Derivative instruments | | 11,641 | | 26,645 |
| | $ | 375,666 | ($ | 172,297) |

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

Derivative financial assets:

| June 30, 2026 | Currency | Maturity date | Contract amount (in thousands) |
|---|---|---|---|
| Sell forward foreign exchange | EUR/NTD | 2026.07~2026.08 | EUR 7,500/NTD 275,402 |
| | CNY/NTD | 2026.08 | CNY 5,000/NTD 23,466 |
| | KRW/NTD | 2026.08 | KRW 755,500/NTD 15,925 |
| | JPY/NTD | 2026.07~2026.08 | JPY 70,000/NTD 14,016 |

| December 31, 2025 | Currency | Maturity date | Contract amount (in thousands) |
|---|---|---|---|
| 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 |

| June 30, 2025 | Currency | Maturity date | Contract amount (in thousands) |
|---|---|---|---|
| Sell forward foreign exchange | USD/NTD | 2025.07 | USD 4,000/NTD 120,302 |
| | JPY/NTD | 2025.07~2025.08 | JPY 20,000/NTD 4,183 |

Derivative financial liabilities:

| June 30, 2026 | Currency | Maturity date | Contract amount (in thousands) |
|---|---|---|---|
| Sell forward foreign exchange | CNY/NTD | 2026.07~2026.08 | CNY 35,000/NTD 163,379 |

| December 31, 2025 | Currency | Maturity date | Contract amount (in thousands) |
|---|---|---|---|
| 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 |

| June 30, 2025 | Currency | Maturity date | Contract amount (in thousands) |
|---|---|---|---|
| Sell forward foreign exchange | EUR/NTD | 2025.07~2025.08 | EUR 5,500/NTD 187,471 |
| | USD/NTD | 2025.07~2025.08 | USD 8,000/NTD 235,452 |
| | CNY/NTD | 2025.07~2025.08 | CNY 10,000/NTD 41,302 |
| | JPY/NTD | 2025.08 | JPY 90,000/NTD 18,303 |

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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Listed and OTC stocks | $ 3,852,955 | $ 2,667,487 | $ 2,845,158 |
| Unlisted and non-OTC stocks | 100,791 | 97,518 | 139,399 |
| | $ 3,953,746 | $ 2,765,005 | $ 2,984,557 |

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Equity instruments at fair value through other comprehensive income | | |
| Fair value change recognised in other comprehensive income | | |
| Held at end of period | $ 985,636 | $ 112,197 |
| Derecognised during the period | 35,348 | 7,830 |
| | $ 1,020,984 | $ 120,027 |
| Cumulative gains (losses) reclassified to retained earnings | | |
| Reclassified due to derecognition | $ 50,369 | $ 7,830 |
| Dividend income recognised in profit or loss held at end of period | $ - | $ 26,585 |

| | For the six-month periods ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| Equity instruments at fair value through other comprehensive income | | | | |
| Fair value change recognised in other comprehensive income | | | | |
| Held at end of period | $ | 1,236,609 | $ | 106,058 |
| Derecognised during the period | | 44,429 | | 7,830 |
| | $ | 1,281,038 | $ | 113,888 |
| Cumulative gains (losses) reclassified to retained earnings | | | | |
| Reclassified due to derecognition | $ | 69,492 | $ | 7,830 |
| Dividend income recognised in profit or loss held at end of period | $ | - | $ | 26,585 |

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 | June 30, 2026 | | December 31, 2025 | | June 30, 2025 | |
|---|---|---|---|---|---|---|
| Current items: | | | | | | |
| Restricted demand deposits | $ | 1,508 | $ | 1,483 | $ | - |
| Time deposits | | 596,778 | | 722,820 | | 279,714 |
| | $ | 598,286 | $ | 724,303 | $ | 279,714 |
| Non-current items: | | | | | | |
| Ordinary corporate bonds | $ | 1,941,207 | $ | 1,627,011 | $ | 601,210 |

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

| | For the three-month periods ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| Interest income | $ | 37,270 | $ | 9,506 |

| | For the six-month periods ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| Interest income | $ | 80,795 | $ | 19,675 |

B. As at June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were $2,539,493, $2,351,314 and $880,924, 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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Notes receivable | $ 2,214,824 | $ 1,628,325 | $ 1,441,677 |
| Less: Allowance for uncollectible accounts | ( 693) | ( 730) | ( 727) |
| | $ 2,214,131 | $ 1,627,595 | $ 1,440,950 |
| Accounts receivable | $ 13,640,083 | $ 9,201,603 | $ 9,343,721 |
| Less: Allowance for uncollectible accounts | ( 286,839) | ( 322,184) | ( 314,972) |
| | $ 13,353,244 | $ 8,879,419 | $ 9,028,749 |

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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Not past due | $ 14,563,826 | $ 9,736,303 | $ 9,765,102 |
| Less than 90 days past due | 1,204,563 | 971,860 | 876,174 |
| Between 91 to 180 days past due | 11,312 | 60,662 | 18,848 |
| Over 181 days past due | 75,206 | 61,103 | 125,274 |
| | $ 15,854,907 | $ 10,829,928 | $ 10,785,398 |

The above aging analysis was based on past due date.

B. As of June 30, 2026, Decmeber 31, 2025, June 30, 2025 and January 1, 2025, the balances of receivables (including notes receivable) from contracts with customers amounted to $15,854,907, $10,829,928, $10,785,398 and $10,473,346, respectively.

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

D. As of June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $2,214,131, $1,627,595 and $1,440,950, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $13,353,244, $8,879,419 and $9,028,749, respectively.

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

(6) Inventories

| | June 30, 2026 | | |
|---|---|---|---|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | $ 10,265,618 | ($ 723,107) | $ 9,542,511 |
| Work in progress | 1,773,967 | ( 96,567) | 1,677,400 |
| Finished goods | 8,873,711 | ( 486,758) | 8,386,953 |
| Inventory in transit | 1,301,121 | - | 1,301,121 |
| | $ 22,214,417 | ($ 1,306,432) | $ 20,907,985 |

| | 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 |
| | $ 12,758,958 | ($ 924,434) | $ 11,834,524 |

| | June 30, 2025 | | |
|---|---|---|---|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | $ 4,906,587 | ($ 665,839) | $ 4,240,748 |
| Work in progress | 738,369 | ( 15,905) | 722,464 |
| Finished goods | 5,131,761 | ( 389,869) | 4,741,892 |
| Inventory in transit | 1,168,778 | - | 1,168,778 |
| | $ 11,945,495 | ($ 1,071,613) | $ 10,873,882 |

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

| | For the three-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Cost of goods sold | $ 16,078,497 | $ 10,549,882 |
| Loss on decline in market value (gain from price recovery) | 27,540 | ( 24,637) |
| Others | 175,012 | 177,818 |
| | $ 16,281,049 | $ 10,703,063 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Cost of goods sold | $ 28,092,316 | $ 20,776,218 |
| Loss on decline in market value | 346,311 | 22,351 |
| Others | 247,863 | 227,820 |
| | $ 28,686,490 | $ 21,026,389 |

The Group reversed previous inventory write-down loss because some inventories which were previously provided with allowance for valuation loss were subsequently sold during the three-month period ended June 30, 2025.

(7) Investments accounted for under equity method

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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Associates that are not individually material | | | |
| Listed, OTC and emerging companies | | | |
| Axiomtek Co., Ltd. (Axiomtek) | $ 1,400,084 | $ 1,353,184 | $ 1,234,997 |
| Winmate Inc. (Winmate) | 718,610 | 710,212 | 662,510 |
| AzureWave Technologies, Inc. (AzureWave) | 817,269 | 771,984 | 793,170 |
| Nippon RAD Inc. (Nippon RAD) | 116,229 | 257,859 | 265,023 |
| Mildex Optical Inc. (Mildex) | - | 140,835 | 130,705 |
| Hwacom Systems Inc. (Hwacom) | 419,867 | 405,796 | 482,980 |
| LNC Technology Co., Ltd. (LNC) | 192,779 | 196,137 | 208,727 |
| International Integrated Systems, Inc. (IISI) | 332,382 | 318,623 | 281,782 |
| VSO Electronics Co., Ltd. (VSO) | 249,036 | 219,087 | 219,898 |
| Unlisted and non-OTC companies | | | |
| CDIB Innovation Accelerator Co., Ltd. (CDIB) | 212,193 | 212,500 | 205,331 |
| Feng Sang Enterprise Co., Ltd. (Feng Sang) | 136,986 | 129,238 | 128,290 |
| ADTEK Electronics Co., Ltd. (ADTEK) | 154,059 | 147,623 | 127,055 |
| Intelligent Cloud Plus Co., Ltd. (Cloud Plus) | 100,020 | - | - |
| Others | 142,857 | 249,499 | 235,519 |
| | $ 4,992,371 | $ 5,112,577 | $ 4,975,987 |

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 second quarter of 2026, the Group disposed of part of its equity interest in Hwacom, which resulted to a decrease in its equity interest to 13.63%. 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 and the second quarter of 2026, which resulted to a decrease in its equity interest to 16.45%. However, the Group continues to hold significant influence over AzureWave as the Group remains as one of its directors.

(d) During 2025 to the second 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 25.31%.

(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 and the second quarter of 2026, the Group disposed of part of its equity interest in Mildex, which resulted to a decrease in its equity interest to 11.99%. As the Group no longer remained as Mildex's directors and lost significant influence over Mildex, the investment in Mildex accounted for under equity method was reclassified as financial assets at fair value through profit or loss - current.

(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%. Additionally, in the second quarter of 2026, Freedom System Inc. made a cash capital increase. As the Group did not subscribe to the capital increase in proportion to its shareholding percentage, its equity interest further decreased to 17.53%. However, the Group continues to hold significant influence over Winmate as the Group remains as one of its directors.

(k) In the first quarter of 2026, the Group acquired 7.08% equity interest in Cloud Plus from external shareholders for a cash consideration of $100,020. Additionally, in the second quarter of 2026, as the Group became one of its directors and gained significant influence over Cloud Plus, the investment in Cloud Plus was reclassified as accounted for under equity method.

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Profit for the period from continuing operations | $ 146,303 | $ 33,693 |
| Other comprehensive income (loss) after tax | 31,222 | ( 140,073) |
| Total comprehensive income (loss) | $ 177,525 | ($ 106,380) |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Profit for the period from continuing operations | $ 266,968 | $ 105,957 |
| Other comprehensive income (loss) after tax | 19,973 | ( 108,033) |
| Total comprehensive income (loss) | $ 286,941 | ($ 2,076) |

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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Fair value of associates | $ 10,676,913 | $ 8,482,908 | $ 8,362,813 |

D. Investments accounted for under equity method were evaluated based on the investees' unreviewed financial statements. As of June 30, 2026 and 2025, the unreviewed investments accounted for under equity method amounted to $3,592,287 and $3,740,990, respectively, and the share of comprehensive income amounted to $106,873, ($91,127), $171,458 and ($19,188) for the three-month periods ended June 30, 2026 and 2025, and for the six-month periods ended June 30, 2026 and 2025, respectively.

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.

G. As part of the Group's associates have shown signs of impairment and the recoverable amounts determined by the assessment were lower than the carrying amounts, the Group recognised its proportionate share of the associate's impairment loss, amounting to $227,932 (listed as "Other gains and losses") for the six-month period ended June 30, 2026. No impairment was recognised on investments accounted for using equity method for the six-month period ended June 30, 2025.

(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) |
| | $ 2,893,785 | $ 6,075,894 | $ 777,716 | $ 144,961 | $ 668,042 | $ 3,891,432 | $ 14,451,830 |
| Balance at January 1, 2026 | $ 2,893,785 | $ 6,075,894 | $ 777,716 | $ 144,961 | $ 668,042 | $ 3,891,432 | $ 14,451,830 |
| Additions | - | 5,427 | 20,101 | 48,899 | 103,048 | 922,325 | 1,099,800 |
| Disposals | - | ( 518) | ( 141) | ( 675) | ( 1,622) | - | ( 2,956) |
| Depreciation charge | - | ( 127,668) | ( 80,512) | ( 28,588) | ( 115,752) | - | ( 352,520) |
| Reclassifications | - | 78,088 | 30,224 | 119 | 22,280 | ( 84,499) | 46,212 |
| Net exchange differences | ( 6,923) | 43,159 | 16,808 | 2,333 | 15,800 | 36,145 | 107,322 |
| Balance at June 30, 2026 | $ 2,886,862 | $ 6,074,382 | $ 764,196 | $ 167,049 | $ 691,796 | $ 4,765,403 | $ 15,349,688 |
| Balance at June 30, 2026 | | | | | | | |
| Cost | $ 2,886,862 | $ 9,955,332 | $ 2,507,885 | $ 939,811 | $ 2,783,051 | $ 4,765,403 | $ 23,838,344 |
| Accumulated depreciation and impairment | - | ( 3,880,950) | ( 1,743,689) | ( 772,762) | ( 2,091,255) | - | ( 8,488,656) |
| | $ 2,886,862 | $ 6,074,382 | $ 764,196 | $ 167,049 | $ 691,796 | $ 4,765,403 | $ 15,349,688 |

| | 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) |
| | $ 2,906,435 | $ 6,306,790 | $ 762,123 | $ 149,220 | $ 676,680 | $ 1,442,823 | $ 12,244,071 |
| Balance at January 1, 2025 | $ 2,906,435 | $ 6,306,790 | $ 762,123 | $ 149,220 | $ 676,680 | $ 1,442,823 | $ 12,244,071 |
| Additions | - | 13,336 | 13,639 | 29,654 | 66,407 | 1,274,796 | 1,397,832 |
| Disposals | - | ( 41) | ( 56) | ( 904) | ( 1,273) | - | ( 2,274) |
| Depreciation charge | - | ( 122,633) | ( 70,845) | ( 30,078) | ( 108,381) | - | ( 331,937) |
| Reclassifications | - | 192 | 12,566 | 1,253 | 8,343 | ( 339) | 22,015 |
| Net exchange differences | ( 17,096) | ( 105,011) | ( 33,062) | ( 6,105) | ( 25,235) | ( 115,796) | ( 302,305) |
| Balance at June 30, 2025 | $ 2,889,339 | $ 6,092,633 | $ 684,365 | $ 143,040 | $ 616,541 | $ 2,601,484 | $ 13,027,402 |
| Balance at June 30, 2025 | | | | | | | |
| Cost | $ 2,889,339 | $ 9,586,136 | $ 2,252,161 | $ 867,691 | $ 2,459,460 | $ 2,601,484 | $ 20,656,271 |
| Accumulated depreciation and impairment | - | ( 3,493,503) | ( 1,567,796) | ( 724,651) | ( 1,842,919) | - | ( 7,628,869) |
| | $ 2,889,339 | $ 6,092,633 | $ 684,365 | $ 143,040 | $ 616,541 | $ 2,601,484 | $ 13,027,402 |

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Amount capitalised | $ 706 | $ 580 |
| Range of interest rates for capitalisation | 2.69% | 2.69% |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Amount capitalised | $ 1,377 | $ 1,058 |
| 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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Carrying amount | | | |
| Land | $ 1,413,306 | $ 1,391,742 | $ 1,322,521 |
| Buildings | 579,111 | 459,660 | 481,182 |
| Machinery and equipment | 188 | 4 | 177 |
| Office equipment | 12,513 | 36,204 | 44,185 |
| Transportation equipment | 94,314 | 81,335 | 103,345 |
| Other equipment | 2,490 | 13 | 59 |
| | $ 2,101,922 | $ 1,968,958 | $ 1,951,469 |

| | For the three-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Depreciation expenses | | |
| Land | $ 2,252 | $ 2,065 |
| Buildings | 69,467 | 56,675 |
| Machinery and equipment | 92 | 87 |
| Office equipment | 1,704 | 3,929 |
| Transportation equipment | 14,076 | 15,686 |
| Other equipment | 509 | 23 |
| | $ 88,100 | $ 78,465 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Depreciation expenses | | |
| Land | $ 4,467 | $ 4,253 |
| Buildings | 140,258 | 116,057 |
| Machinery and equipment | 184 | 173 |
| Office equipment | 3,406 | 7,820 |
| Transportation equipment | 28,421 | 30,746 |
| Other equipment | 1,018 | 46 |
| | $ 177,754 | $ 159,095 |

C. The additions to right-of-use assets for the six-month periods ended June 30, 2026 and 2025 were $282,185 and $141,927, respectively.

D. Lease liabilities

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Carrying amount | | | |
| Current | $ 385,185 | $ 290,922 | $ 330,776 |
| Non-current | 1,516,098 | 1,476,031 | 1,429,622 |
| | $ 1,901,283 | $ 1,766,953 | $ 1,760,398 |

E. Other lease information

| | For the three-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Expense on lease interest | $ 20,581 | $ 16,667 |
| Expense on short-term lease contracts | $ 27 | $ 1,649 |
| Expense on leases of low-value assets | $ 281 | $ 371 |
| Total cash outflow for leases | $ 102,826 | $ 61,218 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Expense on lease interest | $ 41,202 | $ 37,638 |
| Expense on short-term lease contracts | $ 185 | $ 3,509 |
| Expense on leases of low-value assets | $ 625 | $ 834 |
| Total cash outflow for leases | $ 208,328 | $ 148,903 |

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) |
| | $ 81,183 | $ 150,394 | $ - | $ 2,279,617 | $ 223,342 | $ 2,734,536 |
| Balance at January 1, 2026 | $ 81,183 | $ 150,394 | $ - | $ 2,279,617 | $ 223,342 | $ 2,734,536 |
| Additions | - | 143 | - | - | 169,174 | 169,317 |
| Amortisation charge | - | ( 26,547) | - | - | ( 81,584) | ( 108,131) |
| Reclassifications | - | ( 520) | - | - | - | ( 520) |
| Net exchange differences | ( 1,342) | 3,441 | - | 10,334 | 2,060 | 14,493 |
| Balance at June 30, 2026 | $ 79,841 | $ 126,911 | $ - | $ 2,289,951 | $ 312,992 | $ 2,809,695 |
| Balance at June 30, 2026 | | | | | | |
| Cost | $ 529,556 | $ 443,902 | $ 331,433 | $ 2,955,767 | $ 1,069,450 | $ 5,330,108 |
| Accumulated amortisation and impairment | ( 449,715) | ( 316,991) | ( 331,433) | ( 665,816) | ( 756,458) | ( 2,520,413) |
| | $ 79,841 | $ 126,911 | $ - | $ 2,289,951 | $ 312,992 | $ 2,809,695 |

| | 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) |
| | $ 75,111 | $ 224,808 | $ - | $ 2,313,143 | $ 200,679 | $ 2,813,741 |
| Balance at January 1, 2025 | $ 75,111 | $ 224,808 | $ - | $ 2,313,143 | $ 200,679 | $ 2,813,741 |
| Additions | - | - | - | - | 51,840 | 51,840 |
| Disposals | - | - | - | - | ( 72) | ( 72) |
| Amortisation charge | - | ( 36,412) | - | - | ( 73,638) | ( 110,050) |
| Net exchange differences | 2,343 | ( 12,364) | - | ( 124,544) | ( 6,263) | ( 140,828) |
| Balance at June 30, 2025 | $ 77,454 | $ 176,032 | $ - | $ 2,188,599 | $ 172,546 | $ 2,614,631 |
| Balance at June 30, 2025 | | | | | | |
| Cost | $ 500,511 | $ 411,344 | $ 311,192 | $ 2,825,864 | $ 777,942 | $ 4,826,853 |
| Accumulated amortisation and impairment | ( 423,057) | ( 235,312) | ( 311,192) | ( 637,265) | ( 605,396) | ( 2,212,222) |
| | $ 77,454 | $ 176,032 | $ - | $ 2,188,599 | $ 172,546 | $ 2,614,631 |

A. The details of goodwill are as follows:

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| B+B Smartworkx Inc. | $ 1,425,725 | $ 1,406,924 | $ 1,338,525 |
| Aures | 141,826 | 144,210 | 145,411 |
| Advantech Service -IoT GmbH | 177,977 | 180,969 | 172,656 |
| AEU | 144,846 | 147,296 | 140,526 |
| Others | 399,577 | 400,218 | 391,481 |
| | $ 2,289,951 | $ 2,279,617 | $ 2,188,599 |

B. Goodwill impairment assessment

(a) The impairment assessment of goodwill relies on the subjective judgment of the management, including identifying the cash-generating unit and determining its recoverable amount.

(b) The Group assesses the recoverable amounts of goodwill for impairment at the end of the financial reporting period, and the recoverable amount is assessed based on the value-in-use.

(c) The value-in-use calculations use cash flow projections based on financial budgets approved by the management. Management determined the budgeted gross margin and growth rate based on past performance and the expectations of market development. The market valuation used is consistent with the similar industries. The discount rates used reflect specific risks relating to the relevant operating segments and the time value of currency in real market.

(11) Other payables

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Wages and salaries and bonuses payable | $ 2,683,457 | $ 3,051,894 | $ 2,470,041 |
| Employee benefits payable | 303,434 | 316,172 | 234,731 |
| Dividends payable | 7,965,638 | - | 7,254,151 |
| Cash payable from capital surplus | 1,731,660 | - | - |
| Construction payable | 107,354 | 274,718 | - |
| Others | 1,389,491 | 1,375,544 | 1,201,214 |
| | $ 14,181,034 | $ 5,018,328 | $ 11,160,137 |

(12) Long-term borrowings

| Type of borrowings | Borrowing period and repayment term | Interest rate | Collateral | June 30, 2026 |
|---|---|---|---|---|
| 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% | - | $ 105,800 |
| Euro unsecured borrowings | Euros 700 thousand; borrowing period is from March 10, 2020 to March 10, 2027, interest is payable monthly | 0.52% | - | 2,766 |
| 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 | 61,068 |
| Less: Current portion | | | | ( 132,231) |
| | | | | $ 37,403 |

| 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) |
| | | | | $ 150,327 |

| Type of borrowings | Borrowing period and repayment term | Interest rate | Collateral | | June 30, 2025 |
|---|---|---|---|---|---|
| Long-term bank borrowings | | | | | |
| Unsecured borrowings | Borrowing period is from September 24, 2024 to March 24, 2027. The loan can be used in installmets and interest is payable monthly; principal is payable in full upon maturity | 2.69% | - | $ | 87,400 |
| Euro unsecured borrowings | Euros 700 thousand; borrowing period is from March 10, 2020 to March 10, 2027, interest is payable monthly | 0.52% | - | | 6,244 |
| Euro secured borrowings | Euros 4 million; borrowing period is from August 4, 2021 to May 4, 2026, interest is payable monthly | 0.75% | Note | | 37,153 |
| 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 | | 22,234 |
| Euro secured borrowings | Euros 4 million; borrowing period is from June 10, 2021 to June 10, 2026, interest is payable monthly | 0.28% | Note | | 35,352 |
| 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 | | 81,263 |
| Less: Current portion | | | | ( | 120,321) |
| | | | | $ | 149,325 |

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 $1,434, $2,658, $2,600 and $6,748 for the three-month periods ended June 30, 2026 and 2025, and for the six-month periods ended June 30, 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 recognised pension costs of $1,628, $1,689, $3,709 and $3,549 for the three-month periods ended June 30, 2026 and 2025, and for the six-month periods ended June 30, 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 recognise pension expenses at the time of contribution.

(c) The pension costs under the defined contribution pension plans of the Group were $192,423, $163,054, $371,717 and $332,890 for the three-month periods ended June 30, 2026 and 2025, and for the six-month periods ended June 30, 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 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 six-month periods ended June 30, | | | |
|---|---|---|---|---|
| | 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 | ( 3,216) | 164.71 | ( 785) | 164.90 |
| Options outstanding at the end of the period | 7,556 | 188.36 | 12,228 | 184.46 |
| Options exercisable at the end of the period | 2,756 | 185.52 | 4,228 | 164.90 |

(c) The weighted-average stock price of share options at exercise dates for the six-month periods ended June 30, 2026 and 2025 were $274.5 ~ $539 (in dollars) and $299.5 ~ $425 (in dollars), respectively.

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

| | June 30, 2026 | | December 31, 2025 | | June 30, 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 2023 | $ 190.00 | 3.21 | $ 190.00 | 3.71 | $ 194.80 | 4.21 |
| Issuance in 2020 | 160.80 | 0.08 | 160.80 | 0.58 | 164.90 | 1.08 |

(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 six-month periods ended June 30, | | | |
|---|---|---|---|---|
| | 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:

| | June 30, 2026 | | | December 31, 2025 | | | June 30, 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 | 0.58 | $ | 10~20 | 1.08 | $ | 10~20 | 1.58 |

(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 six-month periods ended June 30, | | | |
|---|---|---|---|---|
| | 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 forfeited | ( 100) | - | ( 115) | - |
| Options outstanding at the end of the period | 2,868 | - | 2,968 | - |
| Options exercisable at the end of the period | - | - | - | - |

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

| | June 30, 2026 | | December 31, 2025 | | June 30, 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 | $ - | 8.54 | $ - | 9.04 | $ - | 9.54 |

(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 six-month periods ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Number of options (in thousand units) | Weighted-avarage exercise price (CNY) (in dollars) | Number of options (in thousand units) | Weighted-avarage 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:

| | June 30, 2026 | | December 31, 2025 | | June 30, 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 | $ - | 8.63 | $ - | 9.13 | $ - | 9.63 |

(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 June 30, 2026 and 2025, and for the six-month periods ended June 30, 2026 and 2025 were $55,685, $133,689, $111,767 and $261,031, respectively.

(15) Share capital

As of June 30, 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 $8,690,460 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 | 3,216 | 785 |
| At June 30 | 869,046 | 864,374 |

(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.

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note) | | | |
| 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 | 6,711,858 | 5,808,969 | 5,440,512 |
| Changes in equity of associates accounted for under equity method | 674 | 674 | 674 |
| Employees' share compensation | 78,614 | 78,614 | 78,614 |
| May be used to offset a deficit only | | | |
| Changes in ownership interests in subsidiaries | 52,887 | 38,386 | 23,938 |
| Changes in equity of associates accounted for under equity method | 383,748 | 373,828 | 303,153 |
| Employee share options forfeited | 96,258 | 96,258 | 96,258 |
| Not to be used for any purpose | | | |
| Employee share options | 1,030,699 | 1,331,688 | 1,302,961 |
| | $ 10,951,815 | $ 12,057,154 | $ 11,574,847 |

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 and 2024 had been approved by the shareholders during their meeting on May 29, 2026 and May 29, 2025, respectively.

| | 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 six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Balance at January 1 | ($ 447,786) | ($ 145,169) |
| Recognised for the period | | |
| Exchange differences on translation of the financial statements of foreign operations | 269,704 | ( 1,231,961) |
| Share of loss of associates accounted for under equity method | ( 3,020) | ( 84,707) |
| Other comprehensive income (loss) recognised for the period | 266,684 | ( 1,316,668) |
| Balance at June 30 | ($ 181,102) | ($ 1,461,837) |

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

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Balance at January 1 | $ 1,534,047 | $ 1,655,964 |
| Recognised for the period | | |
| Unrealised gain or loss | | |
| Equity instrument | 1,281,038 | 113,888 |
| Share of profit (loss) of associates accounted for under equity method | 23,748 | ( 2,149) |
| Total | 1,304,786 | 111,739 |
| Transfer of valuation adjustments to retained earnings | | |
| Equity instrument | ( 69,492) | ( 7,830) |
| Share of loss of associates accounted for under equity method | ( 47,827) | ( 20,417) |
| Balance at June 30 | $ 2,721,514 | $ 1,739,456 |

C. Unearned employee benefits compensation

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Balance at January 1 | ($ 17,197) | $ - |
| Share of profit (loss) of associates accounted for under equity method | 9,820 | ( 24,918) |
| Balance at June 30 | ($ 7,377) | ($ 24,918) |

(19) Non-controlling interest

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Balance at January 1 | $ 101,784 | $ 368,510 |
| Loss for the period | ( 30,547) | ( 61,835) |
| Increase in non-controlling interest arising from the establishment of subsidiaries | - | 27,438 |
| Exchange differences on translation of the financial statements of foreign operations | 1,174 | 1,333 |
| Increase in non-controlling interests arising from decrease in investment in subsidiaries | 50,026 | 680 |
| Decrease in non-controlling interests arising from increase in investment in subsidiaries | - | ( 194,415) |
| Cash dividends distributed by subsidiaries | ( 3,466) | - |
| Balance at June 30 | $ 118,971 | $ 141,711 |

(20) Operating revenue

| | For the three-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Revenue from contracts with customers | $ 26,126,290 | $ 17,835,796 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Revenue from contracts with customers | $ 46,511,554 | $ 35,187,042 |

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 June 30, 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 | $ 9,840,849 | $ 9,080,722 | $ 1,678,417 | $ 1,458,704 | $ 4,067,598 | $ 26,126,290 |

For the three-month period ended June 30, 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 | $ 6,464,489 | $ 6,373,647 | $ 1,369,005 | $ 1,418,090 | $ 2,210,565 | $ 17,835,796 |

For the six-month period ended June 30, 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 | $ 17,248,766 | $ 16,109,998 | $ 3,156,692 | $ 2,723,620 | $ 7,272,478 | $ 46,511,554 |

For the six-month period ended June 30, 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 | $ 12,927,146 | $ 12,713,718 | $ 2,664,564 | $ 2,695,007 | $ 4,186,607 | $ 35,187,042 |

B. Contract liabilities

| | June 30, 2026 | December 31, 2025 | June 30, 2025 | January 1, 2025 |
|---|---|---|---|---|
| Current | $ 1,928,596 | $ 1,335,883 | $ 1,059,628 | $ 1,453,150 |
| Non-current (classified as other non-current liabilities) | 339,316 | 296,734 | 339,081 | 316,639 |
| | $ 2,267,912 | $ 1,632,617 | $ 1,398,709 | $ 1,769,789 |

## (21) Other income

| | For the three-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Rental income | $ 1,387 | $ 621 |
| Dividend income | 9,040 | 33,893 |
| Government grants | 9,871 | 13,862 |
| Others | 20,699 | 29,764 |
| | $ 40,997 | $ 78,140 |

| | For the six-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Rental income | $ 2,582 | $ 1,533 |
| Dividend income | 10,358 | 35,009 |
| Government grants | 20,302 | 16,825 |
| Others | 38,487 | 46,191 |
| | $ 71,729 | $ 99,558 |

(22) Other gains and losses

| | For the three-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Losses on disposal of property, plant and equipment | ($ 710) | ($ 1,334) |
| Gains on disposals of investments | 75,546 | - |
| Currency exchange gains (losses) | 34,530 | ( 713,767) |
| Gains (losses) on financial assets / liabilities at fair value through profit or loss | 342,241 | ( 100,916) |
| Impairment losses on investments accounted for under equity method | ( 227,932) | - |
| Other (losses) gains | ( 16,367) | 639 |
| | $ 207,308 | ($ 815,378) |

| | For the six-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Losses on disposal of property, plant and equipment | ($ 2,848) | ($ 673) |
| Gains on disposals of investments | 82,340 | 5,055 |
| Currency exchange gains (losses) | 137,216 | ( 478,670) |
| Gains (losses) on financial assets / liabilities at fair value through profit or loss | 375,666 | ( 172,297) |
| Impairment losses on investments accounted for under equity method | ( 227,932) | - |
| Other losses | ( 18,655) | ( 3,131) |
| | $ 345,787 | ($ 649,716) |

(23) Finance costs

| | For the three-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Bank loan interest | $ 1,434 | $ 2,658 |
| Interest expense on lease liabilities | 20,581 | 16,667 |
| Others | 246 | 92 |
| | $ 22,261 | $ 19,417 |

| | For the six-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Bank loan interest | $ 2,600 | $ 6,748 |
| Interest expense on lease liabilities | 41,202 | 37,638 |
| Others | 449 | 416 |
| | $ 44,251 | $ 44,802 |

(24) Expenses by nature

A. Depreciation and amortisation expenses

| | For the three-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Depreciation categorised by function | | |
| Operating costs | $ 70,650 | $ 75,413 |
| Operating expenses | 200,144 | 167,732 |
| | $ 270,794 | $ 243,145 |
| Amortisation of intangible assets categorised by function | | |
| Operating costs | $ 383 | $ 643 |
| Operating expenses | 57,798 | 63,161 |
| | $ 58,181 | $ 63,804 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Depreciation categorised by function | | |
| Operating costs | $ 142,363 | $ 137,809 |
| Operating expenses | 387,911 | 353,223 |
| | $ 530,274 | $ 491,032 |
| Amortisation of intangible assets categorised by function | | |
| Operating costs | $ 931 | $ 1,142 |
| Operating expenses | 107,200 | 108,908 |
| | $ 108,131 | $ 110,050 |

B. Employee benefit expense

| | For the three-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Short-term employee benefits | $ 3,918,290 | $ 3,265,484 |
| Post-employment benefits | | |
| Defined contribution plan | 192,423 | 163,054 |
| Defined benefit plan | 1,628 | 1,689 |
| | 194,051 | 164,743 |
| Share-based payment | | |
| Equity-settled | 55,685 | 133,689 |
| Other employee benefits | 323,365 | 278,978 |
| Total employee benefit expense | $ 4,491,391 | $ 3,842,894 |
| An analysis of employee benefits expense by function | | |
| Operating costs | $ 935,098 | $ 882,752 |
| Operating expenses | 3,556,293 | 2,960,142 |
| | $ 4,491,391 | $ 3,842,894 |

| | For the six-month periods ended June 30, 2026 | For the six-month periods ended June 30, 2025 |
|---|---|---|
| Short-term employee benefits | $ 7,398,936 | $ 6,591,507 |
| Post-employment benefits | | |
| Defined contribution plan | 371,717 | 332,890 |
| Defined benefit plan | 3,709 | 3,549 |
| | 375,426 | 336,439 |
| Share-based payment | | |
| Equity-settled | 111,767 | 261,031 |
| Other employee benefits | 630,736 | 569,331 |
| Total employee benefit expense | $ 8,516,865 | $ 7,758,308 |
| An analysis of employee benefits expense by function | | |
| Operating costs | $ 1,795,608 | $ 1,701,851 |
| Operating expenses | 6,721,257 | 6,056,457 |
| | $ 8,516,865 | $ 7,758,308 |

(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 June 30, 2026 and 2025, and for the six-month periods ended June 30, 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 June 30, 2026 | For the three-month periods ended June 30, 2025 |
|---|---|---|
| Employees' compensation | $ 262,500 | $ 235,000 |
| Directors' remuneration | $ 6,901 | $ 6,900 |

| | For the six-month periods ended June 30, 2026 | For the six-month periods ended June 30, 2025 |
|---|---|---|
| Employees' compensation | $ 522,500 | $ 470,000 |
| Directors' remuneration | $ 13,267 | $ 13,500 |

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

Employees' compensation and directors' remuneration actual alloment amount for 2025 was the same with the amount recognised in the consolidated financial statements for the year ended December 31, 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 June 30, 2026 | 2025 |
|---|---|---|
| Current income tax: | | |
| Current tax on profits for the period | $ 891,408 | $ 496,475 |
| Tax on undistributed earnings | 64,834 | 44,000 |
| Total current tax | 956,242 | 540,475 |
| Deferred income tax: | | |
| Origination and reversal of temporary differences | 130,531 | ( 17,617) |
| Income tax expense | $ 1,086,773 | $ 522,858 |

| | For the six-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Current income tax: | | |
| Current tax on profits for the period | $ 1,663,615 | $ 1,161,022 |
| Difference between prior years' income tax estimation and assessed results | ( 64,718) | ( 122,866) |
| Tax on undistributed earnings | 64,834 | 44,000 |
| Total current tax | 1,663,731 | 1,082,156 |
| Deferred income tax: | | |
| Origination and reversal of temporary differences | 173,049 | ( 10,722) |
| Income tax expense | $ 1,836,780 | $ 1,071,434 |

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

| | For the three-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Translation of foreign operations | ($ 16,587) | ($ 440,413) |

| | For the six-month periods ended June 30, 2026 | 2025 |
|---|---|---|
| Translation of foreign operations | $ 66,671 | ($ 329,168) |

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 six-month periods ended June 30, 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 June 30, 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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Basic earnings per share | $ 5.20 | $ 2.30 |
| Diluted earnings per share | $ 5.16 | $ 2.28 |

Unit: expressed in dollars per share

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Basic earnings per share | $ 9.05 | $ 5.47 |
| Diluted earnings per share | $ 8.99 | $ 5.42 |

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Earnings used in the computation of basic earnings per share | $ 4,517,872 | $ 1,988,963 |
| Earnings used in the computation of diluted earnings per share | $ 4,517,872 | $ 1,988,963 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Earnings used in the computation of basic earnings per share | $ 7,852,037 | $ 4,722,963 |
| Earnings used in the computation of diluted earnings per share | $ 7,852,037 | $ 4,722,963 |

Unit: expressed in thousand shares

| | For the three-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Weighted average number of ordinary shares used in the computation of basic earnings per share | 868,254 | 864,167 |
| Assumed conversion of all dilutive potential ordinary shares | | |
| Employee share options | 4,929 | 5,060 |
| Employees' compensation | 1,062 | 691 |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | 874,245 | 869,918 |

Unit: expressed in thousand shares

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Weighted average number of ordinary shares used in the computation of basic earnings per share | 867,296 | 863,962 |
| Assumed conversion of all dilutive potential ordinary shares | | |
| Employee share options | 4,105 | 4,808 |
| Employees' compensation | 1,745 | 1,869 |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | 873,146 | 870,639 |

(27) Transactions with non-controlling interest

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

During the first half of 2026, the Group did not participate in the capital increase proportionally to its interest, resulting to a decrease in the Group's equity investment in Adveco to 52.45%. The effect of changes in interests in Adveco on the equity attributable to owners of the parent for the six-month period ended June 30, 2026 is shown below:

| | For the six-month period ended June 30, 2026 |
|---|---|
| | Adveco |
| Cash | $ 57,064 |
| Proportionate share of the carrying amount of the net assets of the subsidiary transferred into non-controlling interests | ( 46,500) |
| Capital surplus - changes in ownership interest in subsidiaries | $ 10,564 |

B. 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 six-month period ended June 30, 2025 |
|---|---|
| | Aures |
| Consideration paid | ($ 568,069) |
| Proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests | 194,415 |
| Difference between consideration and carrying amount of subsidiaries disposed | ($ 373,654) |
| Line items adjusted for equity transactions | |
| 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 | ( 342,098) |
| | ($ 373,654) |

C. 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 six-month period ended June 30, 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) |
| Line items adjusted for equity transactions | |
| 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 | ( 55,964) | ( 166,316) | ( 222,280) |
| Increase | - | 282,185 | 282,185 |
| Net exchange differences | ( 1,758) | 18,461 | 16,703 |
| At June 30 | $ 169,634 | $ 1,901,283 | $ 2,070,917 |

| | 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 | ( 10,722) | ( 144,560) | ( 155,282) |
| Increase | - | 141,927 | 141,927 |
| Net exchange differences | 7,971 | ( 116,891) | ( 108,920) |
| At June 30 | $ 269,646 | $ 1,760,398 | $ 2,030,044 |

## 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 (Note 4) |
| Hwacom Systems Inc. | Associate |
| Intelligent Cloud Plus Co., Ltd. | Associate (Note 3) |
| 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 |
| 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 |

Note 1: In the second quarter of 2025, the Group obtained significant influence over the associate. Accordingly, the entity has 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 the Group’s associates since the third quarter of 2025.

Note 3: In the second quarter of 2026, the Group obtained significant influence over the associate. Accordingly, the entity has been included in the Group’s associates starting from the second quarter of 2026.

Note 4: In the second quarter of 2026, the Group lost significant influence over the associate. Accordingly, the entity was not considered as the Group’s associates since the second quarter of 2026.

(3) Significant related party transactions

A. Operating revenue

| | For the three-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Associates | $ 36,571 | $ 28,671 |
| Other related parties | 840 | - |
| | $ 37,411 | $ 28,671 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Associates | $ 67,289 | $ 42,037 |
| Other related parties | 1,885 | - |
| | $ 69,174 | $ 42,037 |

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Purchases of goods: | | |
| Associates | $ 60,316 | $ 65,500 |
| Purchases of services: | | |
| Associates | 345 | - |
| | $ 60,661 | $ 65,500 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Purchases of goods: | | |
| Associates | $ 118,673 | $ 126,771 |
| Purchases of services: | | |
| Associates | 345 | 345 |
| | $ 119,018 | $ 127,116 |

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)

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Accounts receivable - related parties | | | |
| Associates | $ 36,482 | $ 28,411 | $ 24,340 |
| Other related parties | 108 | - | - |
| | $ 36,590 | $ 28,411 | $ 24,340 |
| Other receivables - related parties | | | |
| Associates | $ 144,043 | $ - | $ 192,361 |
| Other related parties | - | 1,575 | - |
| | $ 144,043 | $ 1,575 | $ 192,361 |

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)

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Notes and accounts payable - related parties | | | |
| Associates | $ 55,067 | $ 54,793 | $ 63,609 |
| Other payables - related parties | | | |
| Associates | $ 1,087 | $ 940 | $ 1,953 |

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| General and administrative expenses | | |
| Associates | $ 617 | $ 2,694 |
| Other related parties | - | 20 |
| | $ 617 | $ 2,714 |
| Research and development expenses | | |
| Associates | $ 1,855 | $ 1,690 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| General and administrative expenses | | |
| Associates | $ 1,004 | $ 11,650 |
| Other related parties | - | 20 |
| | $ 1,004 | $ 11,670 |
| Research and development expenses | | |
| Associates | $ 2,342 | $ 3,317 |

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Rental income | | |
| Other related parties | $ 15 | $ 15 |
| Other income | | |
| Other related parties | $ 3,016 | $ 2,671 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Rental income | | |
| Other related parties | $ 30 | $ 30 |
| Other income | | |
| Other related parties | $ 4,530 | $ 4,527 |

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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Associates (classified as a deduction of investment accounted for under equity method) | $ - | $ 4,910 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Associates (classified as a deduction of investment accounted for under equity method) | $ 144,043 | $ 197,271 |

(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 June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Short-term employee benefits | $ 13,583 | $ 12,828 |
| Post-employment benefits | 142 | 133 |
| Share-based payments | 2,949 | 7,350 |
| | $ 16,674 | $ 20,311 |

| | For the six-month periods ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Short-term employee benefits | $ 27,166 | $ 25,656 |
| Post-employment benefits | 284 | 266 |
| Share-based payments | 5,898 | 14,699 |
| | $ 33,348 | $ 40,621 |

## 8. PLEDGED ASSETS

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

| | Book value | | | |
|---|---|---|---|---|
| Pledged asset | June 30, 2026 | December 31, 2025 | June 30, 2025 | Purpose |
| Pledged deposits (classified as financial assets at amortised cost - current) | $ 5,593 | $ 10,113 | $ 10,134 | Lease mortgage |
| Demand deposits (classified as financial assets at amortised cost - current) | 1,508 | 1,483 | - | Credit card Guarantee |
| | $ 7,101 | $ 11,596 | $ 10,134 | |

## 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 June 30, 2026, the consideration under the contract amounted to $1,673,080, for which no payment has been made yet.

B. As of June 30, 2026, the Group has signed a contract for the construction of Hwa Ya Technology Park Phase II amounting to $2,085,122, for which no payment has been made yet.

C. As of June 30, 2026, the Group has signed a contract for the construction of ANA factory and buildings amounting to USD 4,035 thousand, for which no payment has been made yet.

D. As of June 30, 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 $436,675, for which no payment has been made yet.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

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

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Financial assets | | | |
| Financial assets at fair value through profit or loss | | | |
| Financial assets mandatorily measured at fair value through profit or loss | $ 9,205,734 | $ 10,542,310 | $ 10,609,723 |
| Financial assets at amortised cost (Note 1) | 31,263,595 | 24,368,844 | 24,883,019 |
| Financial assets at fair value through other comprehensive income | | | |
| Equity instruments | 3,953,746 | 2,765,005 | 2,984,557 |

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Financial liabilities | | | |
| Financial liabilities at fair value through profit or loss | | | |
| Financial liabilities held for trading | $ 771 | $ 13,323 | $ 10,713 |
| Financial liabilities at amortised cost (Note 2) | 28,944,164 | 12,990,396 | 18,931,902 |
| Lease liabilities | 1,901,283 | 1,766,953 | 1,760,398 |

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, notes receivable, 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:

| | June 30, 2026 | | |
|---|---|---|---|
| | Foreign currency amount (in thousands) | Exchange rate | Book value (NTD) |
| **(Foreign currency: functional currency)** | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:NTD | $ 267,329 | 31.850 | $ 8,514,416 |
| CNY:NTD | 1,657,642 | 4.690 | 7,774,341 |
| EUR:NTD | 70,531 | 36.290 | 2,559,587 |
| USD:CNY | 119,214 | 6.7910 | 3,796,949 |
| USD:EUR | 56,550 | 0.8777 | 1,801,105 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:NTD | 311,183 | 31.850 | 9,911,186 |
| CNY:NTD | 694,420 | 4.690 | 3,256,830 |
| USD:CNY | 59,644 | 6.7910 | 1,899,656 |
| USD:EUR | 42,243 | 0.8777 | 1,345,444 |

| | 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 |

| | June 30, 2025 | | |
|---|---|---|---|
| | Foreign currency amount (in thousands) | Exchange rate | Book value (NTD) |
| **(Foreign currency: functional currency)** | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:NTD | $ 196,963 | 29.902 | $ 5,889,588 |
| CNY:NTD | 1,432,498 | 4.174 | 5,979,246 |
| EUR:NTD | 52,242 | 35.205 | 1,839,188 |
| USD:CNY | 100,298 | 7.1639 | 2,999,098 |
| USD:EUR | 34,065 | 0.8494 | 1,018,612 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:NTD | 132,980 | 29.902 | 3,976,382 |
| CNY:NTD | 600,457 | 4.174 | 2,506,306 |
| USD:CNY | 40,484 | 7.1639 | 1,210,548 |
| USD:EUR | 11,296 | 0.8494 | 337,778 |
| EUR:NTD | 109 | 35.2050 | 3,827 |

For the three-month periods ended June 30, 2026 and 2025 , and for the six-month periods ended June 30, 2026 and 2025, realised and unrealised net foreign exchange gains (losses) were $34,530, ($713,767), $137,216, and ($478,670), respectively. It is impractical to disclose net foreign exchange gains (losses) 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 six-month period ended June 30, 2026 | | |
|---|---|---|---|
| | Sensitivity Analysis | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| **(Foreign currency: functional currency)** | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:NTD | 1% | $ 85,144 | $ - |
| CNY:NTD | 1% | 77,743 | - |
| EUR:NTD | 1% | 25,596 | - |
| USD:CNY | 1% | 37,969 | - |
| USD:EUR | 1% | 18,011 | - |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:NTD | 1% | 99,112 | - |
| CNY:NTD | 1% | 32,568 | - |
| USD:CNY | 1% | 18,997 | - |
| USD:EUR | 1% | 13,454 | - |

| | For the six-month period ended June 30, 2025 | | |
|---|---|---|---|
| | Sensitivity Analysis | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| **(Foreign currency: functional currency)** | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:NTD | 1% | $ 58,896 | $ - |
| CNY:NTD | 1% | 59,792 | - |
| EUR:NTD | 1% | 18,392 | - |
| USD:CNY | 1% | 29,991 | - |
| USD:EUR | 1% | 10,186 | - |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:NTD | 1% | 39,764 | - |
| CNY:NTD | 1% | 25,063 | - |
| USD:CNY | 1% | 12,105 | - |
| USD:EUR | 1% | 3,378 | - |
| EUR:NTD | 1% | 38 | - |

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:

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Fair value interest rate risk | | | |
| - Financial assets | $ 4,177,837 | $ 4,629,968 | $ 4,326,576 |
| - Financial liabilities | 1,965,117 | 1,895,109 | 1,942,644 |
| Cash flow interest rate risk | | | |
| - Financial assets | 11,110,141 | 9,037,904 | 9,717,249 |
| - Financial liabilities | 105,800 | 99,200 | 87,400 |

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 six-month periods ended June 30, 2026 and 2025 would have increased by $27,511 and $24,075, 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 six-month periods ended June 30, 2026 and 2025 would have increased by $18,272 and $8,316, 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 six-month periods ended June 30, 2026 and 2025 would have increased by $39,537 and $29,846, 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 June 30, 2026, December 31, 2025 and June 30, 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 |
|---|---|---|---|---|---|---|
| June 30, 2026 | | | | | | |
| Expected credit loss rate | 0%~10% | 0%~95% | 0%~100% | 45%~100% | 100% | |
| Total book value | $14,563,826 | $ 1,204,563 | $ 11,312 | $ 22,538 | $ 51,975 | $15,854,214 |
| Loss allowance (lifetime expected credit losses) | - | ( 208,024) | ( 9,045) | ( 17,795) | ( 51,975) | ( 286,839) |
| Amortised cost | $14,563,826 | $ 996,539 | $ 2,267 | $ 4,743 | $ - | $15,567,375 |

| | Not past due | 1~ 90 days past due | 91~ 180 days past due | 181~ 360 days past due | Over 360 days past due | Total |
|---|---|---|---|---|---|---|
| December 31, 2025 | | | | | | |
| 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 | $ 9,736,066 | $ 739,592 | $ 30,609 | $ 747 | $ - | $10,507,014 |

| | Not past due | 1~ 90 days past due | 91~ 180 days past due | 181~ 360 days past due | Over 360 days past due | Total |
|---|---|---|---|---|---|---|
| June 30, 2025 | | | | | | |
| Expected credit loss rate | 0%~5% | 0%~100% | 15%~100% | 60%~100% | 100% | |
| Total book value | $ 9,765,102 | $ 876,174 | $ 18,848 | $ 8,360 | $ 116,187 | $10,784,671 |
| Loss allowance (lifetime expected credit losses) | ( 297) | ( 185,281) | ( 6,507) | ( 6,700) | ( 116,187) | ( 314,972) |
| Amortised cost | $ 9,764,805 | $ 690,893 | $ 12,341 | $ 1,660 | $ - | $10,469,699 |

vii. The Group individually assesses the customers that have low credit rating and default. As at June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amount of notes and accounts receivable amounted to $693, $730 and $727, respectively, the expected credit loss rate is 100%, and the Group has provided loss allowance amounting to $693, $730 and $727, 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 |
| Provision for (reversal of) impairment loss | 8,892 | ( 34,907) |
| Amounts written off (Note) | ( 40,981) | ( 11,018) |
| Net exchange differences | ( 3,293) | ( 10,990) |
| Balance at June 30 | $ 287,532 | $ 315,699 |

Note: The Group wrote off accounts receivable and related loss allowance for the six-month periods ended June 30, 2026 and 2025 amounting to $40,981 and $11,018, 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:

| | June 30, 2026 | | | |
|---|---|---|---|---|
| | | Lifetime | | |
| | 12 months | Significant increase in credit risk | Impairment of credit | Total |
| Financial assets at amortised cost | $ 1,941,207 | $ - | $ - | $ 1,941,207 |
| Financial assets at fair value through profit or loss | $ 548,716 | $ - | $ - | $ 548,716 |

| | 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 |

| | June 30, 2025 | | | |
|---|---|---|---|---|
| | | Lifetime | | |
| | 12 months | Significant increase in credit risk | Impairment of credit | Total |
| Financial assets at amortised cost | $ 880,924 | $ - | $ - | $ 880,924 |
| Financial assets at fair value through profit or loss | $ 621,796 | $ - | $ - | $ 621,796 |

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 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 June 30, 2026, December 31, 2025 and June 30, 2025, the Group's undrawn bank borrowing facilities are as follows:

| | June 30, 2026 | December 31, 2025 | June 30, 2025 |
|---|---|---|---|
| Unsecured bank overdraft facilities | | | |
| - Amount used (Note) | $ 116,038 | $ 111,479 | $ 100,892 |
| - Amount unused | 10,689,846 | 6,740,558 | 6,476,446 |
| | $ 10,805,884 | $ 6,852,037 | $ 6,577,338 |
| Secured bank overdraft facilities | | | |
| - Amount used (Note) | $ 61,068 | $ 123,475 | $ 176,002 |

Note: As at June 30, 2026, December 31, 2025 and June 30, 2025, the amounts used or drawn by the Group from the unsecured bank overdraft facilities were recorded as borrowings amounting to $169,634, $227,357 and $269,646, respectively, and lease and salary guarantees amounting to $7,472, $7,597 and $7,248, 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.

June 30, 2026

| | On demand or less than 1 month | 1-3 months | Over 3 months to 1 year | Over 1 year |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Non-interest bearing liabilities | $ 13,622,020 | $ 4,578,069 | $ 10,506,055 | $ - |
| Lease liability | 36,386 | 71,393 | 301,908 | 2,021,979 |
| Floating rate instruments | 237 | 474 | 107,880 | - |
| Fixed rate instruments | 215 | 7,174 | 21,620 | 44,988 |
| | $ 13,658,858 | $ 4,657,110 | $ 10,937,463 | $ 2,066,967 |

December 31, 2025

| | On demand or less than 1 month | 1-3 months | Over 3 months to 1 year | Over 1 year |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| 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 |
| | $ 8,856,187 | $ 3,196,270 | $ 1,036,503 | $ 2,062,288 |

June 30, 2025

| | On demand or less than 1 month | 1-3 months | Over 3 months to 1 year | Over 1 year |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Non-interest bearing liabilities | $ 8,056,539 | $ 2,367,043 | $ 8,185,170 | $ - |
| Lease liability | 26,741 | 57,552 | 322,638 | 1,788,646 |
| Floating rate instruments | 196 | 392 | 1,763 | 90,286 |
| Fixed rate instruments | 332 | 30,606 | 93,362 | 72,234 |
| | $ 8,083,808 | $ 2,455,593 | $ 8,602,933 | $ 1,951,166 |

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.

June 30, 2026

| | On demand or less than 1 month | 1-3 months | Over 3 months to 1 year | Total |
|---|---|---|---|---|
| Gross settled | | | | |
| Forward foreign exchange contracts | | | | |
| - Inflows | $ 232,050 | $ 260,138 | $ - | $ 492,188 |
| - Outflows | ( 230,615) | ( 258,443) | - | ( 489,058) |
| | $ 1,435 | $ 1,695 | $ - | $ 3,130 |

December 31, 2025

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

June 30, 2025

| | On demand or less than 1 month | 1-3 months | Over 3 months to 1 year | Total |
|---|---|---|---|---|
| Gross settled | | | | |
| Forward foreign exchange contracts | | | | |
| - Inflows | $ 245,231 | $ 361,782 | $ - | $ 607,013 |
| - Outflows | ( 247,037) | ( 369,958) | - | ( 616,995) |
| | ($ 1,806) | ($ 8,176) | $ - | ($ 9,982) |

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:

| June 30, 2026 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets - recurring fair value measurements | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Derivative instruments | $ - | $ 3,901 | $ - | $ 3,901 |
| Listed, OTC and emerging stocks | 960,311 | - | 807,621 | 1,767,932 |
| Unlisted and non-OTC stocks | - | - | 59,245 | 59,245 |
| Ordinary corporate bonds | 548,716 | - | - | 548,716 |
| Fund beneficiary certificates | 4,862,242 | - | 1,963,698 | 6,825,940 |
| | 6,371,269 | 3,901 | 2,830,564 | 9,205,734 |
| Financial assets at fair value through other comprehensive income | | | | |
| Listed and OTC stocks | $ 3,782,583 | $ 70,372 | $ - | $ 3,852,955 |
| Unlisted and non-OTC stocks | - | - | 100,791 | 100,791 |
| | 3,782,583 | 70,372 | 100,791 | 3,953,746 |
| | $10,153,852 | $ 74,273 | $ 2,931,355 | $ 13,159,480 |
| Liabilities - recurring fair value measurements | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivative instruments | $ - | $ 771 | $ - | $ 771 |

| December 31, 2025 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets - recurring fair value measurements | | | | |
| Financial assets at fair value through profit or loss | | | | |
| 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 |
| | 7,979,350 | 455 | 2,562,505 | 10,542,310 |
| Financial assets at fair value through other comprehensive income | | | | |
| Listed and OTC stocks | $ 2,596,743 | $ 70,744 | $ - | $ 2,667,487 |
| Unlisted and non-OTC stocks | - | - | 97,518 | 97,518 |
| | 2,596,743 | 70,744 | 97,518 | 2,765,005 |
| | $10,576,093 | $ 71,199 | $ 2,660,023 | $ 13,307,315 |
| Liabilities - recurring fair value measurements | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivative instruments | $ - | $ 13,323 | $ - | $ 13,323 |

| June 30, 2025 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets - recurring fair value measurements | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Derivative instruments | $ - | $ 731 | $ - | $ 731 |
| Listed, OTC and emerging stocks | 477,545 | - | 281,859 | 759,404 |
| Unlisted and non-OTC stocks | - | - | 72,226 | 72,226 |
| Ordinary corporate bonds | 621,796 | - | - | 621,796 |
| Fund beneficiary certificates | 7,070,520 | - | 2,085,046 | 9,155,566 |
| | 8,169,861 | 731 | 2,439,131 | 10,609,723 |
| Financial assets at fair value through other comprehensive income | | | | |
| Listed and OTC stocks | $ 2,774,040 | $ 71,118 | $ - | $ 2,845,158 |
| Unlisted and non-OTC stocks | - | - | 139,399 | 139,399 |
| | 2,774,040 | 71,118 | 139,399 | 2,984,557 |
| | $10,943,901 | $ 71,849 | $ 2,578,530 | $ 13,594,280 |
| Liabilities - recurring fair value measurements | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivative instruments | $ - | $ 107,713 | $ - | $ 107,713 |

(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:

| | Listed and OTC stocks | Emerging stocks | Open-end fund | Corporate bonds |
|---|---|---|---|---|
| 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 six-month periods ended June 30, 2026 and 2025.

E. The following chart is the movement of Level 3 for the six -month periods ended June 30, 2026 and 2025:

For the six-month period ended June 30, 2026

| Financial assets | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | Total |
|---|---|---|---|
| Balance at January 1 | $ 2,562,505 | $ 97,518 | $ 2,660,023 |
| Purchases | 25,181 | - | 25,181 |
| Recognised in profit or loss | 242,878 | - | 242,878 |
| Recognised in other comprehensive income | - | 413 | 413 |
| Net exchange differences | - | 2,860 | 2,860 |
| Balance at June 30 | $ 2,830,564 | $ 100,791 | $ 2,931,355 |

For the six-month period ended June 30, 2025

| Financial assets | | Financial assets at fair value through profit or loss | | Financial assets at fair value through other comprehensive income | | Total |
|---|---|---|---|---|---|---|
| Balance at January 1 | $ | 2,469,794 | $ | 167,243 | $ | 2,637,037 |
| Purchases | | 279,647 | | - | | 279,647 |
| Recognised in profit or loss | ( | 290,609) | | - | ( | 290,609) |
| Recognised in other comprehensive income | | - | ( | 27,844) | ( | 27,844) |
| Net exchange differences | ( | 19,701) | | - | ( | 19,701) |
| Balance at June 30 | $ | 2,439,131 | $ | 139,399 | $ | 2,578,530 |

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

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

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

| | Fair value at June 30, 2026 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---|---|---|---|---|
| Non-derivative equity instrument: | | | | | |
| Unlisted and non-OTC stocks | $ 160,036 | Net asset value | Not applicable | Not applicable | Not applicable |
| Private placement shares (listed companies) | $ 807,621 | 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 | $ 1,963,698 | 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 | $ 161,551 | Net asset value | Not applicable | Not applicable | Not applicable |
| Private placement shares (listed companies) | $ 539,038 | 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 | $ 1,959,434 | Net asset value | Not applicable | Not applicable | Not applicable |

| | Fair value at June 30, 2025 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---|---|---|---|---|
| Non-derivative equity instrument: | | | | | |
| Emerging stocks | $ 23,606 | Market comparable companies | Price-to-book ratio | 2.00~3.53 | The higher the value multiple, the higher the fair value |
| Unlisted and non-OTC stocks | $ 211,625 | Net asset value | Not applicable | Not applicable | Not applicable |
| Private placement shares (listed companies) | $ 258,253 | 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 | $ 2,085,046 | Net asset value | Not applicable | Not applicable | Not applicable |

(4) Others

Description of overall operating conditions

The Group’s consolidated operating revenue reached NT$46.512 billion for the six-month period ended June 30, 2026, an increase of 32% over the same period last year. The gross profit was NT$17.825 billion (gross profit margin was 38.3%), the operating profit was NT$8.856 billion (operating profit margin was 19.0%), the consolidated net profit after tax was NT$7.852 billion (increased 66% YoY), and the basic earnings per share was $9.05 (in dollars) for the six-month period ended June 30, 2026.

The Group’s consolidated operating revenue reached NT$26.126 billion for the three-month period ended June 30, 2026, an increase of 46% over the same period last year. The gross profit was NT$9.845 billion (gross profit margin was 37.7%), the operating profit was NT$5.127 billion (operating profit margin was 19.6%), the consolidated net profit after tax was NT$4.518 billion (increased 127% YoY), and the basic earnings per share was $5.20 (in dollars) for the three-month period ended June 30, 2026.

Regarding the operating results of the Group for the six-month period ended June 30, 2026, in US dollars, the Group achieved an overall revenue of $US1,470 million, increased 33% YoY. In terms of geographic overview, North America, Europe, China, North Asia, Taiwan, and Emerging markets outperformed with double-digit growth of 30%, 29%, 51%, 24%, 67%, and 32%, respectively. By business units, each business unit shown double-digit growth in performance compared to the same period last year. Intelligent Systems Sector (iSystems), IoT Automation Sector (iAutomation), and Embedded Sector outperformed with growth of 34%, 19%, and 28% YoY, respectively. While Intelligent Services Sector (iService) only improved by single digit YoY.

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 six-month period ended June 30, 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 | $ 17,248,766 | $ 16,109,998 | $ 3,156,692 | $ 2,723,620 | $ 7,272,478 | $ 46,511,554 |
| Inter-segment revenue | - | - | - | - | - | - |
| Segment revenue | $ 17,248,766 | $ 16,109,998 | $ 3,156,692 | $ 2,723,620 | $ 7,272,478 | 46,511,554 |
| Eliminations | $ - | $ - | $ - | $ - | $ - | - |
| Consolidated revenue | - | - | - | - | - | 46,511,554 |
| Segment income | $ 4,338,429 | $ 3,353,053 | $ 1,585,162 | $ 227,765 | $ 669,938 | 10,174,347 |
| Interest and other income | | | | | | 233,991 |
| Other unamortised expenses | | | | | | ( 1,318,572) |
| Other gains and losses | | | | | | 345,787 |
| Finance costs | | | | | | ( 44,251) |
| Share of profit of associates accounted for under equity method | | | | | | 266,968 |
| Profit from continuing operations before tax | | | | | | $ 9,658,270 |

For the six-month period ended June 30, 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 | $ 12,927,146 | $ 12,713,718 | $ 2,664,564 | $ 2,695,007 | $ 4,186,607 | $ 35,187,042 |
| Inter-segment revenue | - | - | - | - | - | - |
| Segment revenue | $ 12,927,146 | $ 12,713,718 | $ 2,664,564 | $ 2,695,007 | $ 4,186,607 | 35,187,042 |
| Eliminations | $ - | $ - | $ - | $ - | $ - | - |
| Consolidated revenue | - | - | - | - | - | 35,187,042 |
| Segment income | $ 2,901,922 | $ 2,577,691 | $ 1,026,381 | $ 213,016 | $ 338,618 | 7,057,628 |
| Interest and other income | | | | | | 273,794 |
| Other unamortised expenses | | | | | | ( 1,010,299) |
| Other gains and losses | | | | | | ( 649,716) |
| Finance costs | | | | | | ( 44,802) |
| Share of profit of associates accounted for under equity method | | | | | | 105,957 |
| Profit from continuing operations before tax | | | | | | $ 5,732,562 |

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 six-month period ended June 30, 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 | $ 222,950 | $ 191,100 | 3%~4% | Short-term financing | $ - | Operating need | $ - | None | $ - | $ 5,533,528 (Note B) | $ 11,067,056 (Note B) |
| 0 | ADVANTECH CO., LTD. | Aures | Other receivable - related parties | Yes | 159,975 | 159,250 | 95,550 | 3%~4% | Short-term financing | - | Operating need | - | None | - | 5,533,528 (Note B) | 11,067,056 (Note B) |
| 0 | ADVANTECH CO., LTD. | Aures RTG | Other receivable - related parties | Yes | 222,950 | 222,950 | 15,925 | 3.50% | Short-term financing | - | Operating need | - | None | - | 5,533,528 (Note B) | 11,067,056 (Note B) |
| 0 | ADVANTECH CO., LTD. | Aures | Other receivable - related parties | Yes | 182,450 | 181,450 | - | 2.50% | Short-term financing | - | Operating need | - | None | - | 5,533,528 (Note B) | 11,067,056 (Note B) |
| 1 | ACI CN | ACN | Other receivable - related parties | Yes | 328,300 | 328,300 | 328,300 | 3.00% | Short-term financing | - | Operating need | - | None | - | 747,453 (Note C) | 747,453 (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 six-month period ended June 30, 2026

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

| No. | Endorser/guarantor | Party being endorsed/guaranteed: Company Name | Party being endorsed/guaranteed: Relationship with the endorser/guarantor | Limit on endorsements/ guarantees provided for a single party （Note A） | Maximum outstanding endorsement/guarantee amount as of June 30, 2026 | Outstanding endorsement/guarantee amount at June 30, 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | ADVANTECH CO., LTD. | Yan Xu Green Electricity Co., Ltd. | Subsidiary | $ 5,533,528 | $ 526,680 | $ 526,680 | $ 105,800 | $ - | 0.95 | $ 16,600,583 | 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)

June 30, 2026

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| Holding Company Name | Marketable securities: Type | Marketable securities: Name | Relationship with the securities issuer | General ledger account | As of June 30, 2026: Number of shares | Book value | Ownership (%) | Fair value | Footnote |
|---|---|---|---|---|---|---|---|---|---|
| ADVANTECH CO., LTD. | Stock | ASUSTek Computer Inc. | None | Financial assets at fair value through other comprehensive income or loss - non-current | 3,639,461 | $ 2,547,623 | 0.49 | $ 2,547,623 | 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 | 485,307 | 2.13 | 485,307 | Note A |
| ADVANTECH CO., LTD. | Bond | CRP NVDA 3.2 091626 | None | Financial assets at fair value through profit or loss - current | - | 158,976 | - | 158,976 | Note A |
| ADVANTECH CO., LTD. | Bond | Unsecured Corporate Bonds of Taiwan Life – Tranche A | None | Financial assets at amortised cost - non-current | - | 280,000 | - | 281,114 | 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 | - | 101,992 | Note A |
| ADVANTECH CO., LTD. | Bond | Nan Shan Life Insurance Co., Ltd. Unsecured Corporate Bonds A | None | Financial assets at amortised cost - non-current | - | 101,000 | - | 103,396 | Note A |
| ADVANTECH CO., LTD. | Beneficiary certificates | FSITC Taiwan Money Market | None | Financial assets at fair value through profit or loss - current | 52,809,520 | 862,385 | - | 862,385 | Note B |
| ADVANTECH CO., LTD. | Beneficiary certificates | Fubon Chi-Hsiang Money Market Fund | None | Financial assets at fair value through profit or loss - current | 9,502,288 | 158,712 | - | 158,712 | Note B |
| ADVANTECH CO., LTD. | Beneficiary certificates | Fubon Money Market Fund | None | Financial assets at fair value through profit or loss - current | 94,808,836 | 1,500,691 | - | 1,500,691 | Note B |
| ADVANTECH CO., LTD. | Beneficiary certificates | CTBC Hua Win Money Market Fund | None | Financial assets at fair value through profit or loss - current | 9,093,428 | 106,704 | - | 106,704 | Note B |
| ADVANTECH CO., LTD. | Beneficiary certificates | Taishin 1699 Money Market | None | Financial assets at fair value through profit or loss - current | 36,077,609 | 522,422 | - | 522,422 | Note B |
| ACI | Stock | TXC Corporation | None | Financial assets at fair value through profit or loss - non-current | 1,008,000 | 189,000 | 0.29 | 189,000 | Note A |
| ACI | Stock | Phison Electronics Corporation | None | Financial assets at fair value through profit or loss - non-current | 45,000 | 107,325 | 0.04 | 107,325 | Note A |
| ACI | Stock | Apacer Technology Inc. | None | Financial assets at fair value through profit or loss - non-current | 6,041,000 | 807,621 | 4.69 | 807,621 | Note C |
| ACI | Stock | Allied Circuit Co., Ltd. | None | Financial assets at fair value through other comprehensive income or loss - non-current | 1,999,077 | 749,653 | 3.29 | 749,653 | Note A |
| ACI | Stock | Mildex | None | Financial assets at fair value through profit or loss - current | 9,501,313 | 215,680 | 11.99 | 215,680 | Note A |
| ACI | Stock | ITTS | None | Financial assets at fair value through profit or loss - current | 3,391,273 | 140,399 | 12.41 | 140,399 | Note A |
| ACI | Beneficiary certificates | Taishin 1699 Money Market | None | Financial assets at fair value through profit or loss - current | 17,435,477 | 252,474 | - | 252,474 | Note B |
| ACI | Beneficiary certificates | FSITC Taiwan Money Market | None | Financial assets at fair value through profit or loss - current | 78,551,202 | 1,282,749 | - | 1,282,749 | Note B |
| Advanixs Corporation | Beneficiary certificates | Jih Sun Money Market | None | Financial assets at fair value through profit or loss - current | 9,703,815 | 153,598 | - | 153,598 | Note B |
| ACI KY | Beneficiary certificates | Momenta DIF III L.P. | None | Financial assets at fair value through profit or loss - non-current | - | 783,334 | - | 783,334 | Note B |
| ACI KY | Beneficiary certificates | Esquarre IoT Landing Fund L.P. | None | Financial assets at fair value through profit or loss - non-current | - | 211,112 | - | 211,112 | Note B |
| ACI KY | Bond | META 4.95% 05/15/33 | None | Financial assets at amortised cost - non-current | - | 162,355 | - | 159,266 | Note A |
| ACI KY | Bond | Johnson & Johnson 4.85% 03/01/32 | None | Financial assets at amortised cost - non-current | - | 161,639 | - | 162,180 | Note A |
| ACI KY | Bond | UnitedHealth Group Inc. 5% 24/34 | None | Financial assets at amortised cost - non-current | - | 131,082 | - | 127,629 | 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 | - | 329,654 | - | 329,654 | 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 | - | 520,125 | - | 520,125 | Note B |
| ANA | Bond | QUALCOMM Inc. 5,4% 22/33 | None | Financial assets at amortised cost - non-current | - | 101,312 | - | 104,969 | Note A |
| ANA | Bond | TSMC Global Ltd.4.625% S/A 07/22/32 | None | Financial assets at amortised cost - non-current | - | 177,454 | - | 175,841 | Note A |

Note A: Market value was based on the closing price on June 30, 2026.
Note B: Market value was based on the net asset values of the open-ended funds on June 30, 2026.
Note C: The fair values are estimated from the closing price on June 30, 2026.
Note D: Securities with an ending book value of less than NT$100 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 six-month period ended June 30, 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 | $ 9,778,442 | 29.72% | 60 days after month-end | Contract price | No significant difference | $ 3,434,648 | 20.36% |
| ADVANTECH CO., LTD. | ACN | Subsidiary | Sales | 6,592,634 | 20.04% | 180 days after month-end | Contract price | No significant difference | 5,620,836 | 33.32% |
| ADVANTECH CO., LTD. | AEU | Subsidiary | Sales | 5,256,015 | 15.97% | 60 days after month-end | Contract price | No significant difference | 3,016,660 | 17.88% |
| ADVANTECH CO., LTD. | AKR | Subsidiary | Sales | 1,387,419 | 4.22% | 30 days after month-end | Contract price | No significant difference | 749,333 | 4.44% |
| ADVANTECH CO., LTD. | AJP | Subsidiary | Sales | 1,062,035 | 3.23% | 30 days after month-end | Contract price | No significant difference | 273,035 | 1.62% |
| ADVANTECH CO., LTD. | Advanixs Corporation | Subsidiary | Sales | 164,442 | 0.50% | 30 days after month-end | Contract price | No significant difference | 47,160 | 0.28% |
| ADVANTECH CO., LTD. | ASG | Subsidiary | Sales | 347,026 | 1.05% | 45 days after month-end | Contract price | No significant difference | 126,901 | 0.75% |
| ADVANTECH CO., LTD. | AAU | Subsidiary | Sales | 185,578 | 0.56% | 45 days after month-end | Contract price | No significant difference | 98,843 | 0.59% |
| ADVANTECH CO., LTD. | AMY | Subsidiary | Sales | 137,128 | 0.42% | 45 days after month-end | Contract price | No significant difference | 65,440 | 0.39% |
| ADVANTECH CO., LTD. | AIN | Subsidiary | Sales | 160,049 | 0.49% | 45 days after month-end | Contract price | No significant difference | 80,405 | 0.48% |
| ADVANTECH CO., LTD. | ATH | Subsidiary | Sales | 106,862 | 0.32% | 45 days after month-end | Contract price | No significant difference | 18,164 | 0.11% |
| ADVANTECH CO., LTD. | ATR | Subsidiary | Sales | 147,623 | 0.45% | 45 days after month-end | Contract price | No significant difference | 720 | 0.00% |
| AKMC | ADVANTECH CO., LTD. | Parent company | Sales | 9,225,070 | 92.39% | 90 days after month-end | Contract price | No significant difference | 5,391,470 | 95.77% |
| AKMC | ACN | Fellow subsidiary | Sales | 713,621 | 7.15% | 60 days after month-end | Contract price | No significant difference | 226,547 | 4.02% |
| ANA | ADVANTECH CO., LTD. | Parent company | Sales | 339,034 | 2.42% | 30 days from the invoice date | Contract price | No significant difference | 131,504 | 3.55% |
| ACZ | AEU | Fellow subsidiary | Sales | 171,454 | 73.71% | 60 days from the invoice date | Contract price | No significant difference | 47,114 | 68.96% |
| ACN | Fuhua Huichuang | Fellow subsidiary | Sales | 206,876 | 1.91% | 90 days from the invoice date | Contract price | No significant difference | 154,238 | 7.25% |
| Aures | Aures DE | Subsidiary | Sales | 125,092 | 9.08% | 60 days after month-end | Contract price | No significant difference | 52,268 | 12.24% |

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

June 30, 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 | $ 5,620,836 | 2.58 | $ - | - | $ 609,700 | $ - |
| ADVANTECH CO., LTD. | ANA | Subsidiary | 3,443,254 | 6.02 | 71 | Monthly reconciliation and collection | - | - |
| ADVANTECH CO., LTD. | AEU | Subsidiary | 3,023,361 | 4.21 | 844,610 | Monthly reconciliation and collection | 413,144 | - |
| ADVANTECH CO., LTD. | AKR | Subsidiary | 755,068 | 5.01 | 272,197 | Monthly reconciliation and collection | - | - |
| ADVANTECH CO., LTD. | AJP | Subsidiary | 274,837 | 10.36 | - | - | - | - |
| ADVANTECH CO., LTD. | ASG | Subsidiary | 127,523 | 7.21 | - | - | - | - |
| ADVANTECH CO., LTD. | AKMC | Subsidiary | 1,628,056 | Note A | 86 | Monthly reconciliation and collection | - | - |
| ADVANTECH CO., LTD. | Aures RTG | Sub-subsidiary | 207,689 | Note B | 207,628 | Monthly reconciliation and collection | 2,309 | - |
| AKMC | ADVANTECH CO., LTD. | Parent company | 5,391,470 | 3.68 | - | - | 211,052 | - |
| AKMC | ACN | Fellow subsidiary | 226,648 | 6.88 | 103 | Monthly reconciliation and collection | - | - |
| ANA | ADVANTECH CO., LTD. | Parent company | 131,504 | 3.32 | 89,749 | Monthly reconciliation and collection | 18,465 | - |
| ACN | Fuhua Huichuang | Subsidiary | 154,238 | 7.99 | 4,426 | Monthly reconciliation and collection | 19,620 | - |
| ACI CN | ACN | Fellow subsidiary | 328,300 | Note B | - | - | - | - |
| Aures | Aures US | Sub-subsidiary | 150,713 | 1.44 | 97,431 | Monthly reconciliation and collection | 17,490 | - |

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 six-month period ended June 30, 2026

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

| No. (Note A) | Company Name | Counterparty | Relationship (Note B) | Transaction: General ledger account | Transaction: Amount | Transaction: Transaction terms | Transaction: Percentage of consolidated total operating revenues or total assets (Note C) |
|---|---|---|---|---|---|---|---|
| 0 | ADVANTECH CO., LTD. | AAU | 1 | Sales revenue | $ 185,578 | Usual trade terms | 0% |
| 0 | ADVANTECH CO., LTD. | ACN | 1 | Receivables from related parties | 5,620,836 | 180 days after month-end | 6% |
| 0 | ADVANTECH CO., LTD. | ACN | 1 | Sales revenue | 6,592,634 | Usual trade terms | 14% |
| 0 | ADVANTECH CO., LTD. | AEU | 1 | Receivables from related parties | 3,016,660 | 60 days after month-end | 3% |
| 0 | ADVANTECH CO., LTD. | AEU | 1 | Sales revenue | 5,256,015 | Usual trade terms | 11% |
| 0 | ADVANTECH CO., LTD. | AIN | 1 | Sales revenue | 160,049 | Usual trade terms | 0% |
| 0 | ADVANTECH CO., LTD. | AJP | 1 | Receivables from related parties | 273,035 | 30 days after month-end | 0% |
| 0 | ADVANTECH CO., LTD. | AJP | 1 | Sales revenue | 1,062,035 | Usual trade terms | 2% |
| 0 | ADVANTECH CO., LTD. | AKMC | 1 | Receivables from related parties | 1,628,056 | 90 days after month-end | 2% |
| 0 | ADVANTECH CO., LTD. | AKR | 1 | Receivables from related parties | 749,333 | 30 days after month-end | 1% |
| 0 | ADVANTECH CO., LTD. | AKR | 1 | Sales revenue | 1,387,419 | Usual trade terms | 3% |
| 0 | ADVANTECH CO., LTD. | AMY | 1 | Sales revenue | 137,128 | Usual trade terms | 0% |
| 0 | ADVANTECH CO., LTD. | ANA | 1 | Receivables from related parties | 3,434,648 | 60 days after month-end | 4% |
| 0 | ADVANTECH CO., LTD. | ANA | 1 | Sales revenue | 9,778,442 | Usual trade terms | 21% |
| 0 | ADVANTECH CO., LTD. | ASG | 1 | Receivables from related parties | 126,901 | 45 days after month-end | 0% |
| 0 | ADVANTECH CO., LTD. | ASG | 1 | Sales revenue | 347,026 | Usual trade terms | 1% |
| 0 | ADVANTECH CO., LTD. | ATH | 1 | Sales revenue | 106,862 | Usual trade terms | 0% |
| 0 | ADVANTECH CO., LTD. | ATR | 1 | Sales revenue | 147,623 | Usual trade terms | 0% |
| 0 | ADVANTECH CO., LTD. | Advanixs Corporation | 1 | Sales revenue | 164,442 | Usual trade terms | 0% |
| 0 | ADVANTECH CO., LTD. | Aures RTG | 1 | Other receivables from related parties | 207,025 | Note E | 0% |
| 1 | AKMC | ADVANTECH CO., LTD. | 2 | Receivables from related parties | 5,391,470 | 90 days after month-end | 6% |
| 1 | AKMC | ADVANTECH CO., LTD. | 2 | Sales revenue | 9,225,070 | Usual trade terms | 20% |
| 1 | AKMC | ACN | 3 | Receivables from related parties | 226,547 | 60 days after month-end | 0% |
| 1 | AKMC | ACN | 3 | Sales revenue | 713,621 | Usual trade terms | 2% |
| 2 | ANA | ADVANTECH CO., LTD. | 2 | Receivables from related parties | 131,504 | 30 days after invoice date | 0% |
| 2 | ANA | ADVANTECH CO., LTD. | 2 | Sales revenue | 339,034 | Usual trade terms | 1% |
| 3 | ACN | Fuhua Huichuang | 3 | Receivables from related parties | 154,238 | 90 days after invoice date | 0% |
| 3 | ACN | Fuhua Huichuang | 3 | Sales revenue | 206,876 | Usual trade terms | 0% |
| 4 | ACI CN | ACN | 3 | Other receivables from related parties | 328,300 | Note E | 0% |
| 5 | ACZ | AEU | 3 | Sales revenue | 171,454 | Usual trade terms | 0% |
| 6 | Aures | Aures US | 1 | Receivables from related parties | 150,713 | 60 days after month-end | 0% |

| No. (Note A) | Company Name | Counterparty | Relationship (Note B) | Transaction | | | |
|---|---|---|---|---|---|---|---|
| | | | | General ledger account | Amount | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note C) |
| 6 | Aures | Aures DE | 1 | Sales revenue | $ 125,092 | Usual trade terms | 0% |

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note C: For assets and liabilities, amounts are shown as a percentage to consolidated total assets as of June 30, 2026, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the six-month period ended June 30, 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 six-month period ended June 30, 2026

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount: Balance as at June 30, 2026 | Initial investment amount: Balance as at January 1, 2026 | Balance as of June 30, 2026: Number of shares | Balance as of June 30, 2026: Ownership (%) | Balance as of June 30, 2026: Carrying value | Net profit (loss) of the investee for the six-month period ended June 30, 2026 | Investment income (loss) recognised by the Company for the six-month period ended June 30, 2026 (Note C) | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ADVANTECH CO., LTD. | AAC NL | Netherlands | Overseas investment in manufacturing and services industries | $ 247,275 | $ 247,275 | 11,126,887 | 100.00 | $ 10,473,773 | $ 1,068,804 | $ 1,059,328 | Subsidiary |
| ADVANTECH CO., LTD. | ATC | British Virgin Islands | Overseas investment in manufacturing and services industries | 998,788 | 998,788 | 33,850,000 | 100.00 | 6,734,351 | 251,501 | 218,528 | Subsidiary |
| ADVANTECH CO., LTD. | Advanixs Corporation | Taiwan | Manufacturing, marketing and trade of industrial use computers | 100,000 | 100,000 | 10,000,000 | 100.00 | 222,926 | 19,778 | 19,778 | Subsidiary |
| ADVANTECH CO., LTD. | ACI | Taiwan | Investment in marketable securities | 4,300,000 | 4,300,000 | 447,000,000 | 100.00 | 6,759,091 | 524,624 | 524,655 | Subsidiary |
| ADVANTECH CO., LTD. | Axiomtek | Taiwan | Manufacturing, marketing and trade of industrial use computers | 511,372 | 511,372 | 28,080,142 | 25.31 | 1,400,084 | 466,085 | 117,176 | 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 | 192,779 | 25,903 | 12,465 | 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 | 121,839 | 6,710 | 6,472 | Subsidiary |
| ADVANTECH CO., LTD. | AEUH | Netherlands | Overseas investment in manufacturing and services industries | 1,655,383 | 1,655,383 | 25,961,250 | 100.00 | 906,144 | 221,305 | 219,682 | Subsidiary |
| ADVANTECH CO., LTD. | ASG | Singapore | Marketing and trade of industrial use computers | 27,134 | 27,134 | 1,450,000 | 100.00 | 377,827 | 70,272 | 69,781 | Subsidiary |
| ADVANTECH CO., LTD. | ATH | Thailand | Manufacturing of computer products | 47,701 | 47,701 | 510,000 | 49.51 | 86,998 | 28,690 | 14,216 | Subsidiary |
| ADVANTECH CO., LTD. | AAU | Australia | Marketing and trade of industrial use computers | 40,600 | 40,600 | 500,204 | 100.00 | 46,542 | 6,247 | 6,194 | Subsidiary |
| ADVANTECH CO., LTD. | AJP | Japan | Marketing and trade of industrial use computers | 651,685 | 651,685 | 1,200 | 100.00 | 1,407,545 | 65,367 | 65,155 | Subsidiary |
| ADVANTECH CO., LTD. | AMY | Malaysia | Marketing and trade of industrial use computers | 35,140 | 35,140 | 2,000,000 | 100.00 | 149,981 | 12,636 | 12,578 | Subsidiary |
| ADVANTECH CO., LTD. | AKR | Korea | Marketing and trade of industrial use computers | 156,668 | 156,668 | 600,000 | 100.00 | 567,002 | 38,446 | 38,351 | Subsidiary |
| ADVANTECH CO., LTD. | ABR | Brazil | Marketing and trade of industrial use computers | 89,846 | 89,846 | 15,920,821 | 100.00 | 97,918 | ( 14,140) | ( 14,125) | Subsidiary |
| ADVANTECH CO., LTD. | AiCS | Taiwan | Design, research and develop and sale of intelligent services | 81,837 | 81,837 | 1,000,000 | 100.00 | 85,919 | 67 | 67 | Subsidiary |
| ADVANTECH CO., LTD. | AIN | India | Marketing and trade of industrial use computers | 39,747 | 39,747 | 4,999,999 | 99.99 | 19,584 | ( 6,483) | ( 6,608) | Subsidiary |
| ADVANTECH CO., LTD. | Winmate | Taiwan | Embedded System Modules | 527,670 | 527,670 | 11,726,000 | 14.57 | 718,610 | 338,575 | 45,280 | 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 | 44,884 | 9,168 | 5,510 | Subsidiary |
| ADVANTECH CO., LTD. | Nippon RAD | Japan | Integration of IoT intelligent system | 251,915 | 251,915 | 850,000 | 16.08 | 99,594 | 13,704 | 1,039 | Investments accounted for under equity method |
| ADVANTECH CO., LTD. | ATR | Turkey | Wholesale of computers and peripheral devices | 138,123 | 138,123 | 27,063,050 | 100.00 | 50,828 | 10,071 | 9,972 | Subsidiary (Note D) |
| ADVANTECH CO., LTD. | AIL | Israel | Trading of industrial network communications systems | 8,653 | 8,653 | 100 | 100.00 | 15,025 | 3,247 | 3,248 | 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 | 1,798 | ( 136) | ( 122) | Subsidiary |
| ADVANTECH CO., LTD. | ADB | United Arab Emirates | Trading of industrial network communications systems | 3,312 | 3,312 | 50 | 100.00 | 5,848 | 937 | 937 | Subsidiary |
| ADVANTECH CO., LTD. | AID | Indonesia | Marketing and trade of industrial use computers | 48 | 48 | 30 | 1.00 | - | 161 | - | 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 | 769,745 | 498,211 | 497,849 | Subsidiary |
| ADVANTECH CO., LTD. | ACI KY | Cayman Islands | General investment | 3,147,958 | 3,147,958 | 160,000,000 | 100.00 | 2,596,785 | ( 28,300) | ( 28,300) | Subsidiary |
| ADVANTECH CO., LTD. | Cermate (Taiwan) | Taiwan | Manufacturing of electronic components, computers, and peripheral devices | 157,275 | 157,275 | 1,327,500 | 45.00 | 54,777 | 21,064 | 9,609 | 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 | 433,295 | ( 118,010) | ( 123,491) | Subsidiary |
| ACI | Cermate (Taiwan) | Taiwan | Manufacturing of electronic components, computers, and peripheral devices | 32,725 | 32,725 | 1,622,500 | 55.00 | 99,759 | 21,064 | - | Subsidiary |
| ACI | Deneng | Taiwan | Installment and sale of electronic components and software | 18,095 | 18,095 | 658,000 | 39.69 | 2,277 | 20 | - | Investments accounted for under equity method |
| ACI | CDIB | Taiwan | Investment in marketable securities | 150,000 | 150,000 | 23,663,143 | 17.86 | 212,193 | ( 1,719) | - | Investments accounted for under equity method |
| ACI | AzureWave | Taiwan | Wireless communication and digital image module manufacturing and trading | 433,660 | 433,813 | 25,489,000 | 16.45 | 817,269 | 286,586 | - | Investments accounted for under equity method |
| ACI | Nippon RAD | Japan | Integration of IoT intelligent system | 49,733 | 49,733 | 154,310 | 2.92 | 16,635 | 13,704 | - | Investments accounted for under equity method |
| ACI | Mildex | Taiwan | Electronic component manufacturing | - | 172,693 | - | - | - | - | - | NOTE E |
| ACI | Smasoft | Taiwan | Manufacturing and trade of electronic and mechanical devices | 73,270 | 73,270 | 1,088,271 | 40.03 | 17,452 | ( 13,594) | - | 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 | 249,036 | 159,486 | - | Investments accounted for under equity method |
| ACI | Hwacom | Taiwan | Computer system integration service | 271,867 | 276,932 | 20,075,000 | 13.63 | 419,867 | ( 40,220) | - | Investments accounted for under equity method |

| Investor | Investee | Location | Main business activities | Initial investment amount: Balance as at June 30, 2026 | Initial investment amount: Balance as at January 1, 2026 | Balance as of June 30, 2026: Number of shares | Balance as of June 30, 2026: Ownership (%) | Balance as of June 30, 2026: Carrying value | Net profit (loss) of the investee for the six-month period ended June 30, 2026 | Investment income (loss) recognised by the Company for the six-month period ended June 30, 2026 (Note C) | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ACI | Feng Sang | Taiwan | Computer system integration service | $ 109,219 | $ 109,219 | 6,088,750 | 36.24 | $ 136,986 | $ 17,308 | $ - | Investments accounted for under equity method |
| ACI | iSAP | Taiwan | Information software service | - | 10,000 | - | - | - | - | - | NOTE F |
| ACI | IISI | Taiwan | Computer system integration service | 234,671 | 234,671 | 13,804,205 | 17.11 | 332,382 | 27,288 | - | Investments accounted for under equity method |
| ACI | Freedom Systems | Taiwan | Electronic information service | 37,500 | 37,500 | 2,301,000 | 17.53 | 51,164 | 7,180 | - | 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 | 79,539 | ( 1,375) | - | Subsidiary |
| ACI | Expetech | Taiwan | Computer system integration service | 80,000 | 80,000 | 6,000,000 | 58.87 | 42,599 | ( 7,291) | - | Subsidiary |
| ACI | ADTEK | Taiwan | Manufacturing and trade of electronic and mechanical devices | 127,110 | 127,110 | 2,001,729 | 21.00 | 154,059 | 30,464 | - | Investments accounted for under equity method |
| ACI | Cloud Plus | Taiwan | Computer system and circuit engineering integration services | 100,020 | - | 3,334,000 | 7.08 | 100,020 | - | - | Investments accounted for under equity method (NOTE G) |
| ACI | EncoreMed | Malaysia | Wise Information Technology of med cloud service | 54,274 | 54,274 | 66,700 | 30.03 | 20,966 | ( 6,431) | - | 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 | 6,848,924 | 251,608 | - | Subsidiary |
| AAC NL | ANA | USA | Marketing, trade and assembly of industrial use computers | 504,179 | 504,179 | 10,952,616 | 100.00 | 10,839,782 | 1,068,736 | - | Subsidiary |
| AEUH | AEU | Netherlands | Marketing and trade of industrial use computers | 868,222 | 868,222 | 32,315,215 | 100.00 | 1,290,007 | 222,124 | - | Subsidiary |
| AEUH | APL | Poland | Marketing and trade of industrial use computers | 14,176 | 14,176 | 7,030 | 100.00 | 58,572 | ( 484) | - | Subsidiary |
| ASG | ATH | Thailand | Manufacturing of computers products | 10,375 | 10,375 | 520,000 | 50.49 | 91,097 | 28,690 | - | Subsidiary |
| ASG | AID | Indonesia | Marketing and trade of industrial use computers | 4,749 | 4,749 | 2,970 | 99.00 | 20,111 | 161 | - | Subsidiary |
| ASG | AMX | Mexico | Marketing and trade of industrial use computers | 98 | 98 | 16,667 | 0.10 | 65 | 6,710 | - | Subsidiary |
| ASG | AIN | India | Marketing and trade of industrial use computers | - | - | 1 | 0.01 | - | ( 6,483) | - | Subsidiary |
| Cermate (Taiwan) | LandMark | Samoa | General investment | 12,506 | 12,506 | 435,284 | 100.00 | 134,490 | 17,457 | - | Subsidiary |
| LandMark | Cermate Software Inc. | Canada | Software development | 229 | 229 | - | 100.00 | 9,413 | 6,141 | - | Subsidiary |
| ANA | AIE | Ireland | Trading of industrial network communications systems | 1,212,462 | 1,212,462 | 500,000 | 100.00 | 298,521 | 37,340 | - | 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 | 73,063 | 9,961 | - | Subsidiary |
| AIE | ACZ | Czech Republic | Manufacturing of automation control | - | - | - | 100.00 | 281,756 | 36,555 | - | Subsidiary |
| AIN | ARI | India | Marketing and trade of industrial use computers | 4,651 | 4,651 | 1,237,500 | 55.00 | 1,741 | ( 66) | - | Subsidiary |
| Aures | Aures UK | UK | Retail electronic and computer products marketing and sales | 9,965 | 9,965 | 5,000 | 100.00 | 90,324 | ( 3,434) | - | Subsidiary |
| Aures | Aures DE | Germany | Retail electronic and computer products marketing and sales | 768 | 768 | 22,500 | 90.00 | 97,801 | ( 2,515) | - | Subsidiary |
| Aures | Aures AGH | USA | Holding Company | 84,306 | 84,306 | 1,000 | 100.00 | 515,453 | - | - | Subsidiary |
| Aures | Aures J2SYSTEMS | UK | Holding Company | 259,704 | 259,704 | 42,229 | 100.00 | 3,348 | - | - | Subsidiary |
| Aures AGH | Aures RTG | USA | Maintenance, installation and technical support for Retail services | 291,783 | 291,783 | 500 | 100.00 | 41,990 | ( 41,973) | - | Subsidiary |
| Aures J2SYSTEMS | Aures US | USA | Retail electronic and computer products marketing and sales | 328 | 328 | 10,000 | 100.00 | ( 46,571) | 7,671 | - | Subsidiary |
| Aures J2SYSTEMS | Aures AU | Australia | Retail electronic and computer products marketing and sales | - | - | 10 | 100.00 | 105,877 | 2,494 | - | 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.
Note E: In the second quarter of 2026, as the Group no longer remained as Mildex's directors and lost significant influence over Mildex, the investment in Mildex accounted for under equity method was reclassified to financial assets at fair value through profit or loss -current.
Note F: In the second quarter of 2026, the Group disposed all of its equity interest in iSAP.
Note G: In the second quarter of 2026, as the Group became one of its directors and gained significant influence over Cloud Plus, the investment in Cloud Plus was reclassified as accounted for under equity method.

ADVANTECH CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
For the six-month period ended June 30, 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: Outflow | Investment Flows: Inflow | Accumulated Outflow of Investment from Taiwan as of June 30, 2026 | Net profit (loss) of the investee for the six-month period ended June 30, 2026 | Ownership held by the Company (direct or indirect) (%) | Investment net profit (loss) | Carrying Value as of June 30, 2026 | Accumulated Inward Remittance of Earnings as of June 30, 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Advantech Technology (China) Company Ltd. (AKMC) (Note D) | Manufacturing and trade of interface cards and PC cases, plastic cases and accessories | $ 1,807,488<br>USD 56,750 | Through investing in an existing company in the third region, which then invested in the investee in Mainland China | $ 1,188,005<br>USD 37,300 | $ - | $ - | $ 1,188,005<br>USD 37,300 | $ 251,608 | 100.00 | $ 284,553 | $ 6,881,869 | $ - |
| Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN) | Marketing and trade of industrial use computers | 134,726<br>USD 4,230 | Through investing in an existing company in the third region, which then invested in the investee in Mainland China | 169,824<br>USD 5,332 | - | - | 169,824<br>USD 5,332 | 577,580 | 100.00 | 578,216 | ( 172,714) | 3,285,328<br>USD 103,150 |
| Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN) (Note G) | Manufacturing, marketing and trade of industrial use computers | 312,438<br>CNY 66,618 | Through investing in an existing company in the third region, which then invested in the investee in Mainland China | 254,800<br>USD 8,000 | - | - | 254,800<br>USD 8,000 | ( 79,334) | 100.00 | ( 79,323) | 1,868,632 | - |
| Xi'an Advantech Software Ltd. (AXA) | Development and manufacturing of software products | 31,850<br>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 | 56 | 100.00 | 56 | 32,793 | - |
| Shenzhen Cermate Technologies Inc. (Cermate Shenzhen) | Production of LCD touch screen, USB data cables, and industrial use computers | 9,380<br>CNY 2,000 | Through investing in an existing company in the third region, which then invested in the investee in Mainland China | 9,810<br>USD 308 | - | - | 9,810<br>USD 308 | 12,619 | 90.00 | 11,254 | 124,273 | 127,451<br>CNY 27,175 |
| Advantech Service-IoT (Shanghai) Co., Ltd. [SIoT (China) ] | Technology development, consulting and services in the field of intelligent technology | 70,350<br>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 | 37,520<br>CNY 8,000 | Other | Note F | - | - | Note F | ( 43,571) | 21.88 | ( 9,531) | 2,951 | - |
| Suzhou AIIST Intelligent Technology Co., Ltd (AAY) | Smart operating room total solution | 46,379<br>CNY 9,889 | Other | Note F | - | - | Note F | ( 10,455) | 20.00 | ( 2,091) | 48,047 | - |
| Adveco Technology Co., Ltd. (Adveco) | Technology development, consulting, services, product design, production and project implementation in the field of smart buildings | 23,450<br>CNY 5,000 | Other | Note F | - | - | Note F | ( 58,554) | 52.45 | ( 31,061) | 24,452 | - |
| Adveco Management Consulting Co., Ltd. (Adveco Management) | Enterprise management consulting, information consulting, planning, service | 9,380<br>CNY 2,000 | Other | Note F | - | - | Note F | ( 1) | 60.00 | ( 1) | 5,624 | - |
| Adveco Management Consulting No.1 (Limited partnership) (Adveco Management No.1) | Enterprise management consulting, information consulting, planning, service | 4,690<br>CNY 1,000 | Other | Note K | - | - | Note K | - | 59.94 | - | 2,809 | - |
| Adveco Management Consulting No.2 (Limited partnership) (Adveco Management No.2) | Enterprise management consulting, information consulting, planning, service | 4,690<br>CNY 1,000 | Other | Note K | - | - | Note K | - | 59.94 | - | 2,809 | - |
| Shanghai Fuhua Huichuang Intelligent Information Technology Co., Ltd (Fuhua Huichuang) | Development and sales of information security devices, intelligent systems and cloud technologies | 56,280<br>CNY 12,000 | Other | Note F | - | - | Note F | ( 9,334) | 50.00 | ( 4,667) | 17,899 | - |

| Accumulated Investment in Mainland China as of June 30, 2026 | Investment Amounts Authorized by Investment Commission, MOEA | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA |
|---|---|---|
| $ 1,647,378 (USD 51,723 thousand) | $ 2,401,203 (USD 75,391 thousand) | $ 33,201,167 |
| (Note H) | | (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 June 30, 2026 were USD$1= NT$31.850, and CNY$1=NT$4.690.
Note K: Remittance by Adveco Management.
Note L: In the third quarter of 2025, SIoT (China) was dissolved and liquidated.