

**PRIMAX ELECTRONICS LTD.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Report
for the Years Ended
December 31, 2025 and 2024**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of PRIMAX ELECTRONICS LTD. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, PRIMAX ELECTRONICS LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: PRIMAX ELECTRONICS LTD.

Chairman: Pan, Yung-Chung

Date: February 25, 2026



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of PRIMAX ELECTRONICS LTD.:

Opinion

We have audited the consolidated financial statements of PRIMAX ELECTRONICS LTD. and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2025 and 2024, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PRIMAX ELECTRONICS LTD. and its subsidiaries as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of PRIMAX ELECTRONICS LTD. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of certain subsidiaries and investments accounted for using equity method. Those financial statements were audited by another auditor. Therefore, our opinion, insofar as it relates to those subsidiaries and investments accounted for using equity method, is based solely on the report of another auditor. As of December 31, 2025 and 2024, the assets of these subsidiaries and investments accounted for using equity method constitute 31% and 32% of the consolidated total assets, respectively. For the years ended December 31, 2025 and 2024, the operating revenue of these subsidiaries constitute 30% and 34%, respectively, of the consolidated operating revenue, and the related share of loss of associates accounted for using equity method constitute (1)% and 0%, respectively, of the consolidated profit.

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion with other matter paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgments, key audit matters to be communicated in the independent auditors' report are listed below:

1. Evaluation of inventories

Please refer to note 4(h) "Inventories", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and note 6(g) "Inventories" of the consolidated financial statements.

Description of key audit matter:

Inventories of PRIMAX ELECTRONICS LTD. and its subsidiaries are measured at the lower of cost and net realizable value. Due to the fast high-tech revolution, as well as the advancement of production technologies that may lead dramatic change in customers' demand, the net realizable value of inventories requires subjective judgments of the management, which is the major source of estimation uncertainty. Therefore, evaluation of inventories is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the policies of evaluating the inventories of PRIMAX ELECTRONICS LTD. and its subsidiaries; inspecting whether existing inventory policies are applied; examining the accuracy of the aging of inventories by sampling and analyzing the changes of the aging of inventories; inspecting the reasonableness of the allowance provided for inventory valuation in the past and comparing it to the current year to ensure that the measurements and assumptions are appropriate.

In addition, the consolidated financial statements of certain subsidiaries were audited by other auditor, therefore, we have issued audit instruction to their auditors as guidelines to communicate the above key audit matters with them and reviewed other auditor's working papers, as well as obtained the feedbacks required in the audit instruction.

2. Impairment assessment of intangible assets

Please refer to note 4(n) "Impairment of non-financial assets", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and note 6(m) "Intangible assets" of the consolidated financial statements.

Description of key audit matter:

In 2014, PRIMAX ELECTRONICS LTD. acquired Tymphony Worldwide Enterprises Ltd. through its subsidiary, Diamond (Cayman) Holdings Ltd. The transaction mentioned above resulted in PRIMAX ELECTRONICS LTD. and its subsidiaries to recognize its goodwill, technologies, and customer relations, as intangible assets. The rapid industrial transformation and the assessment of impairment contained estimation uncertainty. Therefore, the assessment of impairment of intangible assets is one of the key audit matters for our audit.

How the matter was addressed in our audit:

The principal audit procedures on the assessment of impairment of intangible assets included: evaluating the identification of cash generating units and any indication of impairment relating to intangible assets made by the management; acquiring impairment assessment report from external expert engaged by the Group; reviewing the impairment assessment report and assessing the reasonability of measurements, parameters, and assumptions; evaluating the operation outcomes and comparing them to the past forecasts; making sensitivity analysis for evaluation of impairment losses and evaluating the completeness of disclosure in the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing PRIMAX ELECTRONICS LTD. and its subsidiaries's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PRIMAX ELECTRONICS LTD. and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on PRIMAX ELECTRONICS LTD. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause PRIMAX ELECTRONICS LTD. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within PRIMAX ELECTRONICS LTD. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Horng, Shyh-Gang and Fu, Hung-Wen.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024			December 31, 2025		December 31, 2024	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 12,289,381	24	13,885,985	28	2100 Short-term borrowings (notes 6(n) and 8)	\$ 1,775,467	4	1,441,489	3
1110 Current financial assets at fair value through profit or loss (note 6(b))	488,548	1	293,655	1	2120 Current financial liabilities at fair value through profit or loss (note 6(b))	691,838	1	467,904	1
1137 Current financial assets at amortized cost (notes 6(d) and 8)	26,214	-	25,649	-	2170 Notes and accounts payable	14,816,982	29	13,347,474	27
1170 Accounts receivable, net (notes 6(e) and (w))	11,007,350	21	10,742,552	21	2180 Accounts payable to related parties (note 7)	23,187	-	-	-
1180 Accounts receivable from related parties, net (notes 6(e), (w) and 7)	-	-	109,306	-	2201 Salaries payable	1,658,768	3	1,857,174	4
1200 Other receivables (notes 6(e), (f) and 7)	1,007,749	2	980,026	2	2219 Other payables	3,236,782	6	3,676,998	7
1310 Inventories (note 6(g))	10,756,563	21	9,603,682	19	2220 Other payables to related parties (note 7)	16,398	-	255,088	-
1470 Other current assets	798,272	2	604,963	1	2280 Current lease liabilities (note 6(p))	246,375	1	232,639	-
	<u>36,374,077</u>	<u>71</u>	<u>36,245,818</u>	<u>72</u>	2320 Long-term borrowings, current portion (notes 6(o) and 8)	544,450	1	258,430	1
Non-current assets:					2365 Current refund liabilities	2,065,219	4	2,492,671	5
1511 Non-current financial assets at fair value through profit or loss, designated as upon initial recognition (note 6(b))	26,188	-	23,373	-	2399 Other current liabilities (note 6(w))	1,772,950	3	2,050,400	4
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	317,948	1	322,196	1		<u>26,848,416</u>	<u>52</u>	<u>26,080,267</u>	<u>52</u>
1550 Investments accounted for using equity method (note 6(h))	157,744	-	31,900	-	Non-Current liabilities:				
1600 Property, plant and equipment (notes 6(j) and 8)	9,210,285	18	8,086,736	16	2540 Long-term borrowings (notes 6(o) and 8)	822,958	2	932,378	2
1755 Right-of-use assets (note 6(k))	1,592,129	3	1,785,510	4	2580 Non-current lease liabilities (note 6(p))	1,276,727	3	1,457,202	3
1760 Investment property (notes 6(l) and 8)	598,841	1	645,231	1	2630 Long-term deferred revenue (note 6(j))	480,816	1	606,502	1
1780 Intangible assets (note 6(m))	2,012,381	4	2,020,234	4	2670 Other non-current liabilities (notes 6(r) and (s))	1,272,367	2	1,217,092	2
1840 Deferred tax assets (note 6(s))	641,729	1	662,009	1		<u>3,852,868</u>	<u>8</u>	<u>4,213,174</u>	<u>8</u>
1990 Other non-current assets (note 8)	292,497	1	305,410	1	Total liabilities	<u>30,701,284</u>	<u>60</u>	<u>30,293,441</u>	<u>60</u>
	<u>14,849,742</u>	<u>29</u>	<u>13,882,599</u>	<u>28</u>	Equity attributable to owners of parent:				
Total assets	<u>\$ 51,223,819</u>	<u>100</u>	<u>50,128,417</u>	<u>100</u>	3110 Ordinary shares (note 6(t))	4,711,428	9	4,657,448	10
					3200 Capital surplus (note 6(t))	3,894,162	8	3,512,958	7
					3310 Legal reserve (note 6(t))	2,778,851	5	2,522,701	5
					3320 Special reserve (note 6(t))	95,367	-	1,016,955	2
					3350 Unappropriated retained earnings (note 6(t))	9,833,308	19	8,510,638	17
					3400 Other equity interest	(790,581)	(1)	(385,724)	(1)
						<u>20,522,535</u>	<u>40</u>	<u>19,834,976</u>	<u>40</u>
					Total equity	<u>20,522,535</u>	<u>40</u>	<u>19,834,976</u>	<u>40</u>
					Total liabilities and equity	<u>\$ 51,223,819</u>	<u>100</u>	<u>50,128,417</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(w) and 7)	\$ 60,181,706	100	58,243,661	100
5000 Operating costs (notes 6(g), (p), (r), (x), 7 and 12)	<u>49,760,110</u>	<u>83</u>	<u>48,362,968</u>	<u>83</u>
Gross profit from operation	<u>10,421,596</u>	<u>17</u>	<u>9,880,693</u>	<u>17</u>
Operating expenses (notes 6(e), (f), (p), (r), (u), (x) and 12):				
6100 Selling expenses	1,941,406	3	1,721,686	3
6200 Administrative expenses	2,073,038	4	2,120,793	3
6300 Research and development expenses	3,590,188	6	3,327,670	6
6450 Expected credit loss (gain on reversal)	<u>(25,039)</u>	<u>-</u>	<u>(20,548)</u>	<u>-</u>
Total operating expenses	<u>7,579,593</u>	<u>13</u>	<u>7,149,601</u>	<u>12</u>
Net operating income	<u>2,842,003</u>	<u>4</u>	<u>2,731,092</u>	<u>5</u>
Non-operating income and expenses:				
7100 Interest income	437,003	1	593,293	1
7010 Other income (notes 6(c), (q) and (y))	71,285	-	114,823	-
7020 Other gains and losses (notes 6(j), (z) and 12)	155,095	-	116,593	-
7060 Shares of loss of associates accounted for using equity method (note 6(h))	<u>(19,313)</u>	<u>-</u>	<u>-</u>	<u>-</u>
7050 Finance costs (note 6(p))	<u>(179,645)</u>	<u>-</u>	<u>(148,854)</u>	<u>-</u>
Total non-operating income and expenses	<u>464,425</u>	<u>1</u>	<u>675,855</u>	<u>1</u>
Profit before tax	<u>3,306,428</u>	<u>5</u>	<u>3,406,947</u>	<u>6</u>
7950 Less: Income tax expenses (note 6(s))	<u>679,706</u>	<u>1</u>	<u>679,823</u>	<u>1</u>
Profit	<u>2,626,722</u>	<u>4</u>	<u>2,727,124</u>	<u>5</u>
8300 Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss:				
8311 Gains (losses) on remeasurements of defined benefit plans (note 6(r))	(6,482)	-	4,649	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(46,001)</u>	<u>-</u>	<u>5,968</u>	<u>-</u>
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(52,483)</u>	<u>-</u>	<u>10,617</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation of foreign operation's financial statements	(227,360)	-	964,549	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>(227,360)</u>	<u>-</u>	<u>964,549</u>	<u>1</u>
8300 Other comprehensive income after tax	<u>(279,843)</u>	<u>-</u>	<u>975,166</u>	<u>1</u>
Comprehensive income	<u>\$ 2,346,879</u>	<u>4</u>	<u>3,702,290</u>	<u>6</u>
Profit attributable to:				
8610 Owners of parent	\$ 2,626,722	4	2,556,850	5
8620 Non-controlling interests (note 6(i))	<u>-</u>	<u>-</u>	<u>170,274</u>	<u>-</u>
	<u>\$ 2,626,722</u>	<u>4</u>	<u>2,727,124</u>	<u>5</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 2,346,879	4	3,483,087	6
8720 Non-controlling interests (note 6(i))	<u>-</u>	<u>-</u>	<u>219,203</u>	<u>-</u>
	<u>\$ 2,346,879</u>	<u>4</u>	<u>3,702,290</u>	<u>6</u>
Earnings per share (note 6(v))				
9710 Basic earnings per share (NT dollars)	<u>\$ 5.71</u>		<u>5.61</u>	
9810 Diluted earnings per share (NT dollars)	<u>\$ 5.63</u>		<u>5.52</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**Consolidated Statement of Changes in Equity****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent										
	Ordinary shares	Capital surplus	Retained earnings			Exchange differences on translation of financial statements	Other equity interest		Total equity attributable to owners of parent	Non-controlling interests	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings		Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation			
Balance at January 1, 2024	\$ 4,629,738	2,359,753	2,274,414	754,918	8,311,190	(1,001,150)	(15,805)	(299,549)	17,013,509	2,083,067	19,096,576
Profit	-	-	-	-	2,556,850	-	-	-	2,556,850	170,274	2,727,124
Other comprehensive income	-	-	-	-	4,649	915,620	5,968	-	926,237	48,929	975,166
Comprehensive income	-	-	-	-	2,561,499	915,620	5,968	-	3,483,087	219,203	3,702,290
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	248,287	-	(248,287)	-	-	-	-	-	-
Special reserve	-	-	-	262,037	(262,037)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,851,727)	-	-	-	(1,851,727)	-	(1,851,727)
Changes in shares of investment accounted for using equity method	-	937,532	-	-	-	-	-	-	937,532	(2,302,270)	(1,364,738)
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	252,575	252,575	-	252,575
Cancellation of restricted stock	(3,300)	(16,281)	-	-	-	-	-	19,581	-	-	-
Issuance of restricted stock	31,010	231,954	-	-	-	-	-	(262,964)	-	-	-
Balance at December 31, 2024	4,657,448	3,512,958	2,522,701	1,016,955	8,510,638	(85,530)	(9,837)	(290,357)	19,834,976	-	19,834,976
Profit	-	-	-	-	2,626,722	-	-	-	2,626,722	-	2,626,722
Other comprehensive income	-	-	-	-	(6,482)	(227,360)	(46,001)	-	(279,843)	-	(279,843)
Comprehensive income	-	-	-	-	2,620,240	(227,360)	(46,001)	-	2,346,879	-	2,346,879
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	256,150	-	(256,150)	-	-	-	-	-	-
Special reserve	-	-	-	(921,588)	921,588	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,963,008)	-	-	-	(1,963,008)	-	(1,963,008)
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	303,688	303,688	-	303,688
Cancellation of restricted stock	(2,230)	(12,663)	-	-	-	-	-	14,893	-	-	-
Issuance of restricted stock	56,210	393,867	-	-	-	-	-	(450,077)	-	-	-
Balance at December 31, 2025	\$ 4,711,428	3,894,162	2,778,851	95,367	9,833,308	(312,890)	(55,838)	(421,853)	20,522,535	-	20,522,535

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**Consolidated Statement of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,306,428	3,406,947
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,355,475	1,556,973
Amortization expense	47,487	65,963
Gain on reversal of expected credit loss	(25,039)	(20,548)
Interest expense	179,165	148,777
Net losses on financial assets and liabilities at fair value through profit or loss	219,970	173,186
Interest income	(437,003)	(593,293)
Compensation cost of share-based payment	303,688	252,575
Dividend income	(534)	(639)
Shares of loss of associates accounted for using equity method	19,313	-
Loss on disposal of property, plant and equipment	22,975	12,914
Impairment loss of property, plant and equipment	86,198	30,244
Gain on disposal of right-of-use assets	(112)	(2,497)
Loss on disposal of unamortized expense	1	460
Total adjustments to reconcile profit	1,771,584	1,624,115
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	294,445	380,183
Accounts receivable	(23,961)	1,261,725
Accounts receivable from related parties	25,180	(38,700)
Other receivables	(110,821)	61,708
Inventories	(1,152,881)	(1,607,285)
Other current assets	(193,309)	(87,380)
Other operating assets	3,688	(11,388)
Changes in operating assets	(1,157,659)	(41,137)
Financial liabilities at fair value through profit or loss	(467,904)	(992,340)
Notes and accounts payable	1,469,508	1,212,351
Accounts payable to related parties	23,187	-
Salaries payable	(198,406)	547,037
Other payables	(237,966)	(524,067)
Other payables to related parties	16,398	255,088
Refund liabilities	(427,452)	253,655
Other current liabilities	(277,450)	79,524
Other operating liabilities	(248,326)	122,662
Changes in operating liabilities	(348,411)	953,910
Total changes in operating assets and liabilities	(1,506,070)	912,773
Total adjustments	265,514	2,536,888
Cash inflow generated from operations	3,571,942	5,943,835
Interest received	437,003	593,293
Interest paid	(179,165)	(148,777)
Income taxes paid	(607,147)	(766,823)
Net cash flows from operating activities	3,222,633	5,621,528
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(41,753)	(25,943)
(Increase) decrease in financial assets measured at amortized cost	(565)	4,585
Acquisition of financial assets at fair value through profit or loss	(30,765)	(10,836)
Proceeds from disposal of financial assets at fair value through profit or loss	10,480	-
Acquisition of investments accounted for using equity method	(140,425)	(31,900)
Acquisition of property, plant and equipment	(2,354,841)	(1,373,222)
Proceeds from disposal of property, plant and equipment	24,737	180,031
Decrease (increase) in refundable deposits	2,453	(5,996)
Acquisition of intangible assets	-	(14)
Proceeds from disposal of intangible assets	-	21
Acquisition of investment properties	(584)	(57)
Acquisition of unamortized expense	(20,413)	(9,050)
Proceeds from disposal of unamortized expense	196	2,124
Dividends received	534	639
Net cash flows used in investing activities	(2,550,946)	(1,269,618)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	252,157	629,645
Increase in long-term borrowings	448,046	493,281
Repayments of long-term borrowings	(274,204)	(16,667)
Increase in guarantee deposits received	1,073	5,100
Decrease in other payables (including related parties)	(272,948)	-
Payment of lease liabilities	(245,344)	(247,739)
Cash dividends	(1,963,008)	(1,851,727)
Change in non-controlling interests	-	(1,091,790)
Net cash flows used in financing activities	(2,054,228)	(2,079,897)
Effect of exchange rate changes on cash and cash equivalents	(214,063)	709,289
Net increase (decrease) in cash and cash equivalents	(1,596,604)	2,981,302
Cash and cash equivalents at beginning of period	13,885,985	10,904,683
Cash and cash equivalents at end of period	\$ 12,289,381	13,885,985

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

PRIMAX ELECTRONICS LTD. (the “Company”), formerly known as Hong Chuan Investments Ltd., was incorporated on March 20, 2006, and registered under the Ministry of Economic Affairs, ROC. The Company changed its name to Hong Chuan Electronics Ltd. and Primax Electronics Ltd. in October 2007 and February 2008, respectively. The address of the Company’s registered office is No. 669, Ruey Kuang Road, Neihu, Taipei.

The consolidated financial statements of the Company as of and for the years ended December 31, 2025, comprised the Company and subsidiaries (together referred to as “the Group”). The major business activities of the Group were the manufacture and sale of multi-function printers, scanners, digital camera modules, computer mice, keyboards, track pads, mobile phone accessories, consumer electronics products, shredders, amplifiers, speakers, audio systems and related parts, as well as other electronic components. Please refer to note 14 for further information.

The Company’s common shares were registered with the Financial Supervisory Commission, ROC (“FSC”) on June 22, 2012, and listed on the Taiwan Stock Exchange (“TWSE”) on October 5, 2012.

(2) Approval date and procedures of the consolidated financial statements:

Those consolidated financial statements were authorized for issuance by the board of directors on February 25, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- Annual Improvements to IFRS Accounting Standards
 - Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	<p>January 1, 2027</p> <p>note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated annual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effort by the FSC (altogether referred to “IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value; and
- 3) The defined benefit liabilities are measured at fair value of plan assets, less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the Group's share of net assets before and after the change and any consideration received or paid are adjusted to equity attributable to stockholders of the Company.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests at their carrying amounts at the date when control is lost. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(ii) List of subsidiaries in the consolidated financial statements

The details of the subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding		Description
			December 31, 2025	December 31, 2024	
The Company	Primax Industries (Cayman Holding) Ltd. (Primax Cayman)	Holding company	100.00 %	100.00 %	
The Company	Primax Technology (Cayman Holding) Ltd. (Primax Tech.)	Holding company	100.00 %	100.00 %	
The Company	Destiny Technology Holding Co., Ltd. (Destiny BVI.)	Holding company	100.00 %	100.00 %	

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding		Description
			December 31, 2025	December 31, 2024	
The Company	Primax Destiny Co., Ltd. (Destiny Japan)	Market development of and customer service for computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	
The Company	Diamond (Cayman) Holdings Ltd. (Diamond)	Holding company	100.00 %	100.00 %	
The Company	Gratus Technology Corp. (Gratus Tech.)	Market development of and customer service for computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	
The Company	Primax AE (Cayman) Holdings Ltd. (Primax AE)	Holding company	100.00 %	100.00 %	
The Company	Primax Electronics (Singapore) Pte. Ltd. (Primax Singapore)	Sale of computer peripherals and mobile device components	100.00 %	100.00 %	
The Company	Primax Security Technology Inc. (Primax Security)	Sale of computer peripherals and mobile device components	100.00 %	100.00 %	
Primax Cayman	Primax Industries (Hong Kong) Ltd. (Primax HK)	Holding company and customer service	100.00 %	100.00 %	
Primax HK and Primax Tech.	Dongguan Primax Electronic & Telecommunication Products Ltd. (PCH2)	Manufacturing and sale of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	
Primax HK	Primax Electronics (Kun Shan) Corp., Ltd. (PKS1)	Production of computer peripheral products	100.00 %	100.00 %	
Primax HK	Primax Electronics (Chongqing) Corp., Ltd. (PCQ1)	Production of computer peripheral products	100.00 %	100.00 %	
Primax Tech.	Polaris Electronics Inc. (Polaris)	Sale and purchase of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	
Destiny BVI.	Destiny Electronic Corp. (Destiny Beijing)	R&D of computer peripherals and business devices	100.00 %	100.00 %	
Primax Singapore	Primax Electronics (Thailand) Co., Ltd. (Primax Thailand)	Manufacturing and sale of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	(note 2)
Diamond	Tymphany Worldwide Enterprises Ltd. (TWEL)	Holding company	100.00 %	100.00 %	
TWEL	Tymphany Acoustic Technology (Huizhou) Co., Ltd (Tymphany Huizhou)	Manufacturing, R&D, design, and sales of various speaker accessories, speakers, and their components	100.00 %	100.00 %	(note 3) (note 4)
TWEL	Tymphany Acoustic Technology (Singapore) Pte. Ltd. (TYM Singapore)	R&D, design, and sale of various speaker accessories, speakers, and their components, as well as holding business	100.00 %	100.00 %	
Tymphany Huizhou	Tymphany Acoustic Technology HK Ltd. (TYM Acoustic HK)	R&D, design, and sale of various speaker accessories, speakers, and their components, as well as holding business	100.00 %	100.00 %	

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding		Description
			December 31, 2025	December 31, 2024	
Tymphany Huizhou	Dongguan Tymphany Acoustic Technology Co., Ltd. (Tymphany Dongguan)	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	
Tymphany Huizhou	Tymphany Supply Chain (Huizhou) Co., Ltd. (Tymphany Supply Chain Huizhou)	Supply chain management services and sale of various acoustic electronic components and products	100.00 %	- %	(note 5)
TYM Acoustic HK	TYMPHANY ACOUSTIC TECHNOLOGY (UK) LIMITED (TYM UK)	R&D and design of various speaker accessories as well as speakers and their components	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology Europe, s.r.o (TYM Acoustic Europe)	Manufacturing, installation, and maintenance of various speaker accessories and their components	100.00 %	100.00 %	
TYM Acoustic HK	TYP Enterprise, inc. (TYP)	Market development of and customer service for speakers and their components	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany HK Ltd. (TYM HK)	Holding company; sale of, market development of and customer service for various speaker accessories, speakers and their components	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology Limited (TYAT)	R&D and design of various speaker accessories as well as speakers and their components	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology (Thailand) Co., Ltd (TYTH)	Manufacturing and sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	(note 2)
TYM HK	TYMPHANY LOGISTICS, INC (TYML)	Sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	
Tymphany Dongguan	Dong Guan Dong Cheng Tymphany Acoustic Technology Co., Ltd. (TYDC)	Manufacturing, R&D, design, and sale of various speaker accessories, speakers, and their components	- %	- %	(note 1)

Note 1: TYDC was merged into Tymphany Dongguan in June 2024.

Note 2: To meet the regulatory requirements, both 3 shares of Primax Thailand and TYTH are owned by natural person.

Note 3: 1 share of Tymphany Huizhou was originally owned by natural person and was repurchased by TWEL in July 2025.

Note 4: Please refer to Note 6(i) for the changes in the percentage of shareholding.

Note 5: As of December 31, 2025, there was no capital injection from the Company.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the differences relating to an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the consolidated financial statements, New Taiwan Dollar, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the consolidated financial statements, New Taiwan Dollar, at the average rate. Foreign currency differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of its investment in an associate or joint venture including a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash and cash equivalents comprise petty cash, cash on hand, demand deposits and repurchase agreement. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Time deposits with maturities within three months or less which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an trade receivable without a significant financing component) or financial liability is initially measured at fair value, plus transaction costs that are directly attributable to its acquisition or issue. A accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets classified as the same categories are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost; Fair value through other comprehensive income (FVOCI) ; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, principal is defined as the fair value of the financial assets on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

5) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, other receivables, refundable deposit paid and other financial assets, etc.).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 61 days past due.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group considers a financial asset to be in default when the financial asset is more than 361 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 361 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

6) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expired, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences the residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average-costing method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, after adjustments to align their accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes of the Group's shareholding percentage in the associate, the Group recognizes equity changes attributable to the Group by its shareholding percentage as capital surplus.

Unrealized Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated party's interests in the associate.

When the Group's share of losses exceeds its interests in an associate, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Group has an obligation or has made payments on behalf of its associates.

The Group shall discontinue the use of the equity method from the date when its investment ceases to be an associate. The Group shall measure the retained interest at fair value. The difference between the fair value of retained interest and proceeds from disposal, and the carrying amount of the investment at the date the equity method was discontinued, is recognized in profit or loss. The Group shall account for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if its associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity shall reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value, which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land has an unlimited useful life, and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- 1) Buildings, leasehold improvement, and additional equipment: 1 ~ 51 years
- 2) Machinery and equipment: 1 ~10 years
- 3) Office and other equipment: 1 ~6 years

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Depreciation methods, useful lives, and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(l) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised or penalty should be paid.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 3) there is a change of its assessment on purchase option; or
- 4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- 5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of machinery and other equipment that have a short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete the development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationships, technology, patents and trademarks, that are acquired by the Group and have finite useful lives, are measured at cost, less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Customer relationships	10 years
2) Technology	10 years
3) Trademarks	10 years
4) Patents	2.5~10 years
5) Copyrights	15 years

Amortization methods, useful lives and residual values, are reviewed at each annual reporting date and adjusted if appropriate.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Impairment of non-financial assets

At each annual reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value, less costs to sell. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below:

(i) Sale of goods

The Group manufactures computer peripherals and non-computer peripherals and sales them to customers. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group often offers discounts to its customers based on aggregate sales of components. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liabilities is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales of components are made with a credit term of 45 days to 120 days, which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Rendering of services

The Group provides services, such as model research, development, and design to customers. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Deferred grant revenue

Deferred grant revenue with additional conditions shall be recognized if the Group fulfills the conditions and the grant revenue becomes receivable.

Deferred grant revenue shall be recognized in profit or loss on a systematic basis in the periods in which the expenses it is to compensate are recognized. Grant revenue with conditions to compensate for the acquisition cost of an asset shall be deferred and recognized in profit or loss on a systematic basis over the useful life of the asset.

If the deferred grant revenue is to compensate for the Group's expenses that have been incurred or to supply immediate financial support to the Group and there is no related cost in the future, it shall be recognized in profit or loss when the grant revenue becomes receivable.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to the defined contribution plans are expensed as related services are provided.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined benefit plans

The Group's net obligation in respect of the defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability (asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as related service are provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between the expected and the actual outcomes.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of shares that employees can subscribe for.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Income taxes

Income taxes expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(t) Earnings per share

The Group discloses the basic and diluted earnings per share attributable to ordinary stockholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary stockholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary stockholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise employee remuneration and restricted stock.

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about critical judgments made in applying the accounting policies that have significant effects on amounts recognized in the consolidated financial statements is as follows:

(a) Judgment of whether the Group has substantive control over its investees

The Group holds 37% of the outstanding voting shares of ALT International Co., Ltd. (AIC), but the Group did not obtain any director seats of AIC, and the chairman of AIC controls 45% of voting shares. Therefore, the Group does not have power of control over relevant activities of AIC, but remains significant influence.

The Group holds 40% of the voting shares of Mibtech Plastic & Molds (Thailand) Co., Ltd. (MBTH), with the remaining 60% being held by other shareholders. Therefore, the Group does not have power of control over relevant activities of MBTH, but remains significant influence.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of economic uncertainty.

(a) Valuation of inventories

As inventories are measured at the lower of cost or net realizable value, the Group estimates the amount due to inventories' obsolescence and unmarketable items at the reporting date and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6(g) for valuation of inventories.

(b) Assessment of impairment of intangible assets (including goodwill)

The assessment of impairment of intangible assets required the Group to make subjective judgments on cash-generating units, allocate the intangible assets to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Changes in economic conditions or changes in assessment caused by business strategies could result in significant impairment charges or reversal in future years.

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit and loss. The Group has established an internal control framework with respect to the measurement of fair value and regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, then the Group assessed the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRSs, including the level in the fair value hierarchy in which such valuations should be classified.

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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

Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to note 6(aa) for assumptions used in measuring fair value.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 1,675	2,921
Demand accounts and checking deposits	6,671,304	10,020,352
Time deposits	5,297,774	3,666,026
Repurchase agreement	318,628	196,686
	<u>\$ 12,289,381</u>	<u>13,885,985</u>

(b) Current financial assets and liabilities at fair value through profit or loss

(i) Details of financial instruments were as follows:

	December 31, 2025	December 31, 2024
Mandatorily measured at FVTPL:		
Derivative instruments not used for hedging		
Forward exchange contracts	\$ 471,439	293,655
Foreign exchange swap contracts	109	-
Non-derivative financial assets		
Funds	17,000	-
Equities unlisted in foreign markets	26,188	23,373
	<u>\$ 514,736</u>	<u>317,028</u>
Current	\$ 488,548	293,655
Non-current	26,188	23,373
	<u>\$ 514,736</u>	<u>317,028</u>
Financial liabilities held-for-trading:		
Derivative instrument not used for hedging		
Forward exchange contracts	\$ (270,779)	(134,130)
Foreign exchange swap contracts	(421,059)	(333,774)
	<u>\$ (691,838)</u>	<u>(467,904)</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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- (ii) The Group held the following derivative instruments as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities, without the application of edge accounting, as of December 31, 2025 and 2024:

December 31, 2025			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts – buy USD / sell TWD	USD 591,350	January 14, 2026~ July 23, 2026	28.042~31.532
Forward exchange contracts – buy TWD / sell USD	USD 22,000	January 12, 2026~ January 21, 2026	31.102~31.481
Forward exchange contracts – buy CNY/ sell USD	USD 387,000	January 5, 2026~ February 5, 2026	6.9908~7.0903
Forward exchange contracts – buy USD/ sell THB	USD 36,000	January 15, 2026~ March 26, 2026	30.980~32.420
Forward exchange contracts – buy EUR/sell HKD	EUR 4,000	January 22, 2026	9.1563
Forward exchange contracts – buy CZK/sell EUR	EUR 11,000	February 12, 2026	24.354
Forward exchange contracts – buy HKD/sell EUR	EUR 1,000	January 22, 2026	9.0446
Forward exchange contracts – buy HKD/ sell USD	USD 15,000	January 8, 2026	7.7749
Forward exchange contracts – buy USD/ sell CZK	USD 1,000	January 22, 2026	20.674
Forward exchange swap contracts – swap in TWD/ swap out USD	USD 370,000	January 14, 2026~ June 25, 2026	28.790~31.295

December 31, 2024			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts – buy CZK/ sell USD	USD 8,000	January 9, 2025~ February 19, 2025	23.900~24.100
Forward exchange contracts – buy CZK/ sell EUR	EUR 6,000	February 19, 2025	25.130~25.203
Forward exchange contracts – buy USD / sell TWD	USD 596,850	January 2, 2025~ July 21, 2025	30.803~32.498
Forward exchange contracts – buy TWD / sell USD	USD 23,000	January 2, 2025~ January 17, 2025	32.445~32.682

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts — buy CNY/ sell USD	USD 377,000	January 2, 2025~ July 21, 2025	7.1735~7.2812
Forward exchange contracts — buy USD/ sell THB	USD 31,500	January 16, 2025~ February 27, 2025	34.070~34.570
Forward exchange swap contracts — swap in TWD/ swap out USD	USD 390,000	January 13, 2025~ June 20, 2025	31.325~32.230

(c) Financial assets at FVOCI

	December 31, 2025	December 31, 2024
Equity investments at FVOCI		
Stocks unlisted in domestic markets	\$ 250	250
Stocks listed in domestic markets	19,801	25,042
Equities unlisted in foreign markets	297,897	296,904
Total	\$ 317,948	322,196

- (i) The Group designated the investments shown above as equity securities as at FVOCI because these equity securities represent those investments that the Group intends to hold for long term for strategic purposes and not for sale.
- (ii) During the years ended December 31, 2025 and 2024, the dividends of \$534 and \$639, related to equity investments at FVOCI held were recognized as other income.
- (iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of the year ended December 31, 2025 and 2024.
- (iv) The Group did not provide any of the aforementioned financial assets as collateral.

(d) Financial assets at amortized cost

	December 31, 2025	December 31, 2024
Restricted time deposits	\$ 3,414	-
Time deposits	22,800	25,649
Total	\$ 26,214	25,649

- (i) The Group held bank time deposits with an annual interest rates of 1.65% as of December 31, 2025 and 2024.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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- (ii) The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.
- (iii) The Group provided the aforementioned financial assets as collateral, please refer to note 8.
- (e) Accounts receivable (including related parties)

	December 31, 2025	December 31, 2024
Accounts receivable	\$ 11,047,685	10,793,426
Accounts receivable – related parties	-	109,306
Less: allowance for doubtful accounts	(40,335)	(50,874)
Total	\$ 11,007,350	10,851,858

- (i) The Group did not provide any of the aforementioned accounts receivable (including related parties) as collateral.
- (ii) The Group applies the simplified approach to provide for its ECL, the use of lifetime ECL provision for all accounts receivables. To measure the ECL, accounts receivable have been grouped based on shared credit risk characteristics and customer's ability to pay all the amounts due based on the terms of the contract as well as incorporated forward looking information, including macroeconomic and relevant industry information. The ECL allowance provision analysis was as follows:

	December 31, 2025		
	Carrying amounts of accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 10,036,327	0.02%	2,366
0 to 30 days past due	932,355	1.12%	10,456
31 to 60 days past due	34,620	2.61%	903
61 to 90 days past due	3,423	1.55%	53
91 to 180 days past due	-	0%	-
181 to 360 days past due	18,697	22.97%	4,294
More than 361 days past due	22,263	100.00%	22,263
	\$ 11,047,685		40,335

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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December 31, 2024

	Carrying amounts of accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 9,380,684	0.03%	3,069
0 to 30 days past due	1,400,255	1.50%	20,998
31 to 60 days past due	88,570	2.77%	2,455
61 to 90 days past due	101	4.95%	5
91 to 180 days past due	3,986	8.00%	319
181 to 360 days past due	5,676	10.00%	568
More than 361 days past due	23,460	100.00%	23,460
	<u><u>\$ 10,902,732</u></u>		<u><u>50,874</u></u>

- (iii) The movement in the allowance for accounts receivable (including related parties) was as follows:

	2025	2024
Balance on January 1	\$ 50,874	67,416
Impairment losses reversed	(8,634)	(20,548)
Effect of exchange rate changes	(1,905)	4,006
Balance on December 31	<u><u>\$ 40,335</u></u>	<u><u>50,874</u></u>

- (iv) The Group entered into agreements with banks to sell its accounts receivable without recourse. According to the agreements, within the limit of its credit facilities, the Group does not need to guarantee the capability of its customers to pay for reasons other than commercial disputes when transferring its accounts receivable. The Group receives partial advances upon sales of accounts receivable and pays interest calculated based on the interest rates agreed for the period through the collection of the accounts receivable. The remaining amounts are received upon the collection of the accounts receivable, and are recorded as other receivables. In addition, the Group shall pay handling charges based on a fixed rate. The Group derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership and it does not have any continuing involvement in them. As of December 31, 2025 and 2024, the details of transferred accounts receivable which conformed to the criteria for derecognition were as follows:

Purchaser	December 31, 2025					
	Amount Derecognized	Amount Advanced		Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 1,783,289	41,302	1,563,658	219,631	2.39%–4.61%	-
HSBC Bank	471,570	-	424,413	47,157	4.29%–4.32%	-
Bank of Taiwan	238,212	-	214,391	23,821	4.44%–4.58%	NT\$ 612,000
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u><u>\$ 2,493,071</u></u>	<u><u>41,302</u></u>	<u><u>2,202,462</u></u>	<u><u>290,609</u></u>		

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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December 31, 2024						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 2,028,391	218,261	1,607,291	421,100	4.86%~5.21%	-
Bank of Taiwan	156,808	-	141,127	15,681	5.32%~5.33%	NT\$ 367,200
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	\$ 2,185,199	218,261	1,748,418	436,781		

(v) Please refer to note 9 for guarantee notes provided by the Group to sell its accounts receivable.

(f) Other receivables

	December 31, 2025	December 31, 2024
Other receivables - factoring of accounts receivable	\$ 290,609	436,781
Other receivables - tax refund receivable	583,754	459,079
Other receivables - others	72,936	101,273
Other receivables - related parties	60,450	-
Less: allowance for doubtful accounts	-	(17,107)
	\$ 1,007,749	980,026

The movement in the allowance for other receivables was as follows:

	2025	2024
Balance on January 1	\$ 17,107	16,278
Impairment losses reversed	(16,405)	-
Effect of exchange rate changes	(702)	829
Balance on December 31	\$ -	17,107

(g) Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$ 3,303,515	3,080,743
Semi-finished goods and work in process	2,648,341	2,516,621
Finished goods and merchandise	4,804,707	4,006,318
	\$ 10,756,563	9,603,682

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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The Group did not provide any of the aforementioned inventories as collateral. Except for cost of inventories sold, the Group recognized the following items as cost of goods sold:

	<u>2025</u>	<u>2024</u>
Gains (losses) on inventory valuation and disposal of inventories	\$ (101,124)	59,622
Unallocated manufacturing overhead resulting from the actual production being lower than the normal capacity	(55,039)	(69,618)
Gains (losses) on physical inventories	<u>(14,260)</u>	<u>302</u>
	<u>\$ (170,423)</u>	<u>(9,694)</u>

Reversal of inventory write-downs, resulting from the sales of previously written-down of inventory and the recovery of material prices, as well as the losses from inventory write-downs to net realizable value, were recognized as cost of sales.

(h) Investments accounted for using equity method

The Group's investments accounted for using the equity method are individually insignificant. The related information included in the consolidated financial statements was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of individually insignificant associates' equity	<u>\$ 157,744</u>	<u>31,900</u>
	<u>2025</u>	<u>2024</u>
Attributable to the Group:		
Losses	\$ (19,313)	-
Other comprehensive income	<u>4,732</u>	<u>-</u>
Comprehensive income	<u>\$ (14,581)</u>	<u>-</u>

- (i) The Group did not provide any investment accounted for using equity method as collateral.
- (ii) TWEL, the subsidiary of the Group, entered into a joint venture agreement with a non-related party to invest in Mibtech Plastic & Molds (Thailand), based on a resolution decided during its board meeting held in 2024. TWEL invested the amount of \$31,900 (USD 1,000 thousand) to obtain a 40% ownership interest. In August and December 2025, MBTH executed capital increases, where TWEL had participated and invested the amount of \$11,949 (USD 400 thousand) and \$31,399 (USD 1,000 thousand), respectively.
- (iii) In August 2025, TWEL, a subsidiary of the Group, participated in Soundskirt Inc.'s capital increase, with an investment amount of \$97,077 thousand (USD 3,250 thousand), resulting in TWEL acquiring 10.6% ownership interest. Consequently, the Group obtained a seat on Soundskirt Inc.'s board. After taking the above matter into consideration, the Group assessed that it has gained significant influence over the company and therefore valued this investment using the equity method.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of subsidiaries	Main operation place Business/Registered Country	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
		December 31, 2025	December 31, 2024
Tymphany Huizhou and its subsidiaries	Hong Kong and China/Cayman Is.	-	%
		-	%

The following information on the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustments made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

(i) Tymphany Huizhou and its subsidiaries's collective financial information:

	December 31, 2024
Current assets	\$ 12,808,001
Non-current assets	5,277,170
Current liabilities	(7,344,029)
Non-current liabilities	(525,815)
Net assets	\$ 10,215,327
Non-controlling interests	\$ -
	2024
Operating revenue	\$ 19,696,948
Profit	\$ 740,644
Other comprehensive income	358,697
Comprehensive income	\$ 1,099,341
Profit attributable to non-controlling interests	\$ 170,274
Comprehensive income attributable to non-controlling interests	\$ 219,203
	2024
Cash flows from operating activities	\$ 1,994,701
Cash flows from investing activities	188,884
Cash flows used in financing activities	(129,031)
Effect of exchange rate changes	222,867
Net increase in cash and cash equivalents	\$ 2,277,421
Dividends paid to non-controlling interests	\$ -

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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The Group's subsidiary, TWEL, entered into an agreement with the minority shareholders of Tymphany Huizhou to acquire their equity, for a total price of CNY \$304,587 thousand, based on a resolution decided during its board meeting held on June 18, 2024. The relevant procedures have completed in December 2024. After the acquisition, TWEL's shareholding in Tymphany Huizhou increased from 77.01% to 100%. Please refer to note 4(c) and note 6(t) for further information.

The impact of the change in the Group's ownership interest in Tymphany Huizhou on equity attributable to owners of parent was as follows:

Decrease in carrying amount of non-controlling interests	\$ 2,314,968
Consideration paid to non-controlling interests	<u>(1,364,738)</u>
Capital surplus-long-term stock investments	<u><u>\$ 950,230</u></u>

As of December 31, 2024, amounts that were not paid is \$272,948, classified as other payables and other payables to related parties.

(j) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024, were as follows:

	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2025	\$ 1,224,979	6,517,084	7,427,973	869,683	1,631,368	17,671,087
Additions	8,593	37,519	284,470	100,984	1,895,851	2,327,417
Disposals	-	(38,629)	(469,315)	(110,112)	(572)	(618,628)
Reclassifications	-	122,220	611,367	12,018	(777,132)	(31,527)
Effect of changes in exchange rate	12,687	(24,090)	(39,857)	(1,218)	26,349	(26,129)
Balance on December 31, 2025	<u>\$ 1,246,259</u>	<u>6,614,104</u>	<u>7,814,638</u>	<u>871,355</u>	<u>2,775,864</u>	<u>19,322,220</u>
Balance on January 1, 2024	\$ 1,080,192	6,213,055	7,443,940	1,151,325	994,455	16,882,967
Additions	125,094	15,740	216,907	30,227	1,146,085	1,534,053
Disposals	-	(69,310)	(1,029,779)	(351,755)	(1,536)	(1,452,380)
Reclassifications	-	42,138	432,509	(14,431)	(524,879)	(64,663)
Effect of changes in exchange rate	19,693	315,461	364,396	54,317	17,243	771,110
Balance on December 31, 2024	<u>\$ 1,224,979</u>	<u>6,517,084</u>	<u>7,427,973</u>	<u>869,683</u>	<u>1,631,368</u>	<u>17,671,087</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Depreciation and impairments loss:						
Balance on January 1, 2025	\$ -	2,855,447	6,070,518	658,386	-	9,584,351
Depreciation	-	318,264	647,092	90,919	-	1,056,275
Impairment loss	-	-	86,198	-	-	86,198
Disposals	-	(34,489)	(378,962)	(105,393)	-	(518,844)
Reclassifications	-	436	(10,256)	(925)	-	(10,745)
Effect of changes in exchange rate	-	(25,555)	(55,221)	(4,524)	-	(85,300)
Balance on December 31, 2025	<u>\$ -</u>	<u>3,114,103</u>	<u>6,359,369</u>	<u>638,463</u>	<u>-</u>	<u>10,111,935</u>
Balance on January 1, 2024	\$ -	2,481,245	5,834,955	825,858	-	9,142,058
Depreciation	-	311,720	810,358	127,339	-	1,249,417
Impairment loss	-	-	27,762	2,482	-	30,244
Disposals	-	(62,960)	(863,010)	(323,072)	-	(1,249,042)
Reclassifications	-	(19)	(28,780)	(14,741)	-	(43,540)
Effect of changes in exchange rate	-	125,461	289,233	40,520	-	455,214
Balance on December 31, 2024	<u>\$ -</u>	<u>2,855,447</u>	<u>6,070,518</u>	<u>658,386</u>	<u>-</u>	<u>9,584,351</u>
Carrying amounts:						
Balance on December 31, 2025	<u>\$ 1,246,259</u>	<u>3,500,001</u>	<u>1,455,269</u>	<u>232,892</u>	<u>2,775,864</u>	<u>9,210,285</u>
Balance on December 31, 2024	<u>\$ 1,224,979</u>	<u>3,661,637</u>	<u>1,357,455</u>	<u>211,297</u>	<u>1,631,368</u>	<u>8,086,736</u>
Balance on January 1, 2024	<u>\$ 1,080,192</u>	<u>3,731,810</u>	<u>1,608,985</u>	<u>325,467</u>	<u>994,455</u>	<u>7,740,909</u>

- (i) The unamortized deferred revenue of equipment subsidy amounted to \$405,125 and \$527,320 were classified as long-term deferred revenue, as of December 31, 2025 and 2024, respectively.
- (ii) Due to the project completion, some production lines no longer have future capacity, resulting in the Group's subsidiary in China and Thailand to adjust the carrying amount according to the recoverable amount, leading to an impairment loss of \$86,198 and \$30,244, to be recognized as other gains and losses for the years ended December 31, 2025 and 2024, respectively.
- (iii) As of December 31, 2025 and 2024, the Group has started the construction of Jhubei Factory in 2022, with the total costs of \$1,777,347 and \$1,239,257, respectively. For the years ended December 31, 2025 and 2024, the capitalized borrowing costs of \$11,730 and \$2,903, respectively, related to the construction of the said factory, had been calculated using a capitalization rate between 1.1% to 1.225%.
- (iv) The Group provided the aforementioned property, plant and equipment as collateral; please refer to note 8.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(k) Right-of-use assets

The Group leases many assets including land, buildings and vehicles. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance on January 1, 2025	\$ 258,337	2,530,871	67,772	3,207	2,860,187
Additions	-	52,447	6,940	2,900	62,287
Disposals	-	(16,267)	(8,999)	-	(25,266)
Lease modification	-	5,719	-	-	5,719
Effect of changes in exchange rates	<u>(4,962)</u>	<u>42,807</u>	<u>2,955</u>	<u>370</u>	<u>41,170</u>
Balance on December 31, 2025	<u>\$ 253,375</u>	<u>2,615,577</u>	<u>68,668</u>	<u>6,477</u>	<u>2,944,097</u>
Balance on January 1, 2024	\$ 245,823	2,549,113	56,507	-	2,851,443
Additions	-	196,854	19,667	3,203	219,724
Disposals	-	(256,869)	(8,549)	-	(265,418)
Lease modification	-	26,536	-	-	26,536
Effect of changes in exchange rates	<u>12,514</u>	<u>15,237</u>	<u>147</u>	<u>4</u>	<u>27,902</u>
Balance on December 31, 2024	<u>\$ 258,337</u>	<u>2,530,871</u>	<u>67,772</u>	<u>3,207</u>	<u>2,860,187</u>
Depreciation:					
Balance on January 1, 2025	\$ 32,107	1,006,112	35,726	732	1,074,677
Depreciation	6,027	241,938	15,342	1,482	264,789
Disposals	-	(10,495)	(6,911)	-	(17,406)
Effect of changes in exchange rates	<u>(479)</u>	<u>28,665</u>	<u>1,658</u>	<u>64</u>	<u>29,908</u>
Balance on December 31, 2025	<u>\$ 37,655</u>	<u>1,266,220</u>	<u>45,815</u>	<u>2,278</u>	<u>1,351,968</u>
Balance on January 1, 2024	\$ 24,571	908,268	27,073	-	959,912
Depreciation	6,178	250,400	15,103	722	272,403
Disposals	-	(159,105)	(6,672)	-	(165,777)
Effect of changes in exchange rates	<u>1,358</u>	<u>6,549</u>	<u>222</u>	<u>10</u>	<u>8,139</u>
Balance on December 31, 2024	<u>\$ 32,107</u>	<u>1,006,112</u>	<u>35,726</u>	<u>732</u>	<u>1,074,677</u>
Carrying amounts:					
Balance on December 31, 2025	<u>\$ 215,720</u>	<u>1,349,357</u>	<u>22,853</u>	<u>4,199</u>	<u>1,592,129</u>
Balance on December 31, 2024	<u>\$ 226,230</u>	<u>1,524,759</u>	<u>32,046</u>	<u>2,475</u>	<u>1,785,510</u>
Balance on January 1, 2024	<u>\$ 221,252</u>	<u>1,640,845</u>	<u>29,434</u>	<u>-</u>	<u>1,891,531</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(l) Investment property

	<u>Land</u>	<u>Buildings and other equipment</u>	<u>Right-of-use assets — Land</u>	<u>Total</u>
Cost or deemed cost:				
Balance on January 1, 2025	\$ 50,190	718,207	32,068	800,465
Additions	-	584	-	584
Disposal	-	(218)	-	(218)
Effect of changes in exchange rates	-	(13,201)	(616)	(13,817)
Balance on December 31, 2025	<u>\$ 50,190</u>	<u>705,372</u>	<u>31,452</u>	<u>787,014</u>
Balance on January 1, 2024	\$ 50,190	684,898	30,515	765,603
Additions	-	57	-	57
Effect of changes in exchange rates	-	33,252	1,553	34,805
Balance on December 31, 2024	<u>\$ 50,190</u>	<u>718,207</u>	<u>32,068</u>	<u>800,465</u>
Depreciation and impairment losses:				
Balance on January 1, 2025	\$ 33,941	111,358	9,935	155,234
Depreciation	-	33,802	609	34,411
Disposal	-	(218)	-	(218)
Effect of changes in exchange rates	-	(1,077)	(177)	(1,254)
Balance on December 31, 2025	<u>\$ 33,941</u>	<u>143,865</u>	<u>10,367</u>	<u>188,173</u>
Balance on January 1, 2024	\$ 33,941	73,298	8,849	116,088
Depreciation	-	34,528	625	35,153
Effect of changes in exchange rates	-	3,532	461	3,993
Balance on December 31, 2024	<u>\$ 33,941</u>	<u>111,358</u>	<u>9,935</u>	<u>155,234</u>
Carrying amounts:				
Balance on December 31, 2025	<u>\$ 16,249</u>	<u>561,507</u>	<u>21,085</u>	<u>598,841</u>
Balance on December 31, 2024	<u>\$ 16,249</u>	<u>606,849</u>	<u>22,133</u>	<u>645,231</u>
Balance on January 1, 2024	<u>\$ 16,249</u>	<u>611,600</u>	<u>21,666</u>	<u>649,515</u>
Fair value:				
Balance on December 31, 2025				<u>\$ 1,058,416</u>
Balance on December 31, 2024				<u>\$ 1,071,518</u>
Balance on January 1, 2024				<u>\$ 1,035,637</u>

- (i) The fair value of the investment property listed above is evaluated based on third-party quotation information, which are third-level fair value.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(ii) Investment property comprises a number of commercial properties which are leased to third parties. Each of the leases contains an initial non-cancellable period between 1 and 3. Subsequent renewals are negotiated with the lessee, and no contingent rents are charged. Please refer to note 6(q) for further information.

(iii) The Group provided the aforementioned investment property as collateral; please refer to note 8.

(m) Intangible assets

The carrying amounts of the intangible assets of the Group for the years ended December 31, 2025 and 2024, were as follows:

	<u>Goodwill</u>	<u>Customer Relationships</u>	<u>Technology</u>	<u>Trademarks, Patents and Copyrights</u>	<u>Total</u>
Cost or deemed cost:					
Balance on January 1, 2025	\$ 2,052,163	718,800	357,271	124,243	3,252,477
Effect of changes in exchange rate	(8,748)	-	-	(126)	(8,874)
Balance on December 31, 2025	<u>\$ 2,043,415</u>	<u>718,800</u>	<u>357,271</u>	<u>124,117</u>	<u>3,243,603</u>
Balance on January 1, 2024	\$ 2,038,283	718,800	357,271	124,156	3,238,510
Additions	-	-	-	14	14
Disposals	-	-	-	(150)	(150)
Effect of changes in exchange rate	13,880	-	-	223	14,103
Balance on December 31, 2024	<u>\$ 2,052,163</u>	<u>718,800</u>	<u>357,271</u>	<u>124,243</u>	<u>3,252,477</u>
Amortization and impairment loss:					
Balance on January 1, 2025	\$ 32,637	718,800	357,271	123,535	1,232,243
Amortization	-	-	-	490	490
Effect of changes in exchange rate	(1,415)	-	-	(96)	(1,511)
Balance on December 31, 2025	<u>\$ 31,222</u>	<u>718,800</u>	<u>357,271</u>	<u>123,929</u>	<u>1,231,222</u>
Balance on January 1, 2024	\$ 30,392	717,060	356,258	121,211	1,224,921
Amortization	-	1,740	1,013	2,197	4,950
Disposals	-	-	-	(129)	(129)
Effect of changes in exchange rate	2,245	-	-	256	2,501
Balance on December 31, 2024	<u>\$ 32,637</u>	<u>718,800</u>	<u>357,271</u>	<u>123,535</u>	<u>1,232,243</u>
Carrying amounts:					
Balance on December 31, 2025	<u>\$ 2,012,193</u>	<u>-</u>	<u>-</u>	<u>188</u>	<u>2,012,381</u>
Balance on December 31, 2024	<u>\$ 2,019,526</u>	<u>-</u>	<u>-</u>	<u>708</u>	<u>2,020,234</u>
Balance on January 1, 2024	<u>\$ 2,007,891</u>	<u>1,740</u>	<u>1,013</u>	<u>2,945</u>	<u>2,013,589</u>

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) The Group evaluated the recoverable amounts of its goodwill arising from the acquisition of TWEL, which is based on its value-in-use, for impairment testing at each annual reporting date. Value-in-use is based on five years of the estimated future cash flow of the Group, and discounted to their present value using the yearly discount rate, which reflects the risks specific to CGU, by 9.66% and 11.66% for the years ended December 31, 2025 and 2024, respectively. There were no impairment losses of goodwill in 2025 and 2024.

(ii) The Group did not provide any of the aforementioned intangible assets as collateral.

(n) Short-term borrowings

The details of short-term borrowings were as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	<u>\$ 1,775,467</u>	<u>1,441,489</u>
Unused credit lines	<u>\$ 24,372,602</u>	<u>26,856,603</u>
Annual interest rates	<u>2.35%~2.45%</u>	<u>2.81%~5.34%</u>

(o) Long-term borrowings

December 31, 2025				
	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,284,934
	THB	3.30%	2027	82,474
Less: current portion				<u>(544,450)</u>
				<u>\$ 822,958</u>
Unused credit lines				<u>\$ 1,499,109</u>
December 31, 2024				
	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,085,087
	THB	4.20%	2027	\$ 105,721
Less: current portion				<u>(258,430)</u>
				<u>\$ 932,378</u>
Unused credit lines				<u>\$ 2,288,622</u>

(i) Please refer to note 8 for further information on assets provided as collateral.

(ii) Please refer to note 9 for the details of the outstanding guarantee notes.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follow:

	December 31, 2025	December 31, 2024
Current	<u>\$ 246,375</u>	<u>232,639</u>
Non-current	<u>\$ 1,276,727</u>	<u>1,457,202</u>

For the maturity analysis, please refer to note 6(aa).

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest on lease liabilities	<u>\$ 49,788</u>	<u>52,605</u>
Expenses relating to short-term leases and leases of low-value assets	<u>\$ 65,219</u>	<u>61,584</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	2025	2024
Rental paid in operating activities	<u>\$ (65,219)</u>	<u>(61,584)</u>
Interest on lease liabilities paid in operating activities	<u>(49,788)</u>	<u>(52,605)</u>
Payment made on lease liabilities in financing activities	<u>(245,344)</u>	<u>(247,739)</u>
Total cash outflow for leases	<u>\$ (360,351)</u>	<u>(361,928)</u>

(i) Real estate leases

The Group leases lands and buildings for its office, staff dormitory, factory facilities and warehouses. The leases typically run for a period of one to fifty years. Some leases require additional rental payments depending on the changes in fair value of the lease assets.

(ii) Other leases

The Group leases vehicles and some of other equipment with lease terms of one to five years.

The Group also leases machineries and some of other equipment with lease terms of one to five years. These leases are short-term or leases of low-value items. The Group decided to apply recognition exemptions, and had elected not to recognize its right-of-use assets and lease liabilities for these leases.

(q) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(l) sets out information about the operating leases of investment property.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, was as follows:

	December 31, 2025	December 31, 2024
Less than one year	\$ 41,358	61,572
Two to five years	2,580	40,379
Total undiscounted lease payments	\$ 43,938	101,951

Rental income from investment property amounted to \$58,798 and \$60,233 in 2025 and 2024, respectively.

(r) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 146,962	132,937
Fair value of plan assets	111,942	106,605
Net defined benefit liability (classified as other non-current liabilities)	\$ 35,020	26,332

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$111,942 at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Movements in present value of defined benefit obligations

The movements in present value of defined benefit obligations for the Group for the years ended December 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit obligation at January 1	\$ 132,937	128,828
Benefits paid	(6,560)	(2,863)
Current service cost	5,423	3,759
Interest cost	1,816	1,506
Remeasurement of net defined liabilities	<u>13,346</u>	<u>1,707</u>
Defined benefit obligation at December 31	<u>\$ 146,962</u>	<u>132,937</u>

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group for the years ended December 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 106,605	64,056
Interest income	1,621	799
Remeasurement of net defined liabilities	6,864	6,356
Contribution paid	2,754	37,763
Benefits paid	<u>(5,902)</u>	<u>(2,369)</u>
Fair value of plan assets at December 31	<u>\$ 111,942</u>	<u>106,605</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group for the years ended December 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Current service costs	\$ 5,423	3,759
Net interest of net liabilities for defined benefit	<u>195</u>	<u>707</u>
Expenses	<u>\$ 5,618</u>	<u>4,466</u>

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 5) Remeasurements of net defined benefit liability (asset) recognized in other comprehensive income.

The Group's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2025 and 2024, was as follows:

	<u>2025</u>	<u>2024</u>
Balance on January 1	\$ 13,864	18,513
Recognized during the period	<u>6,482</u>	<u>(4,649)</u>
Balance on December 31	<u><u>\$ 20,346</u></u>	<u><u>13,864</u></u>

- 6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.300 %	1.600 %
Future salary increase rate	3.500 %	3.500 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date was \$2,766.

The weighted-average duration of the defined benefit plans is 7 years.

- 7) Sensitivity analysis

When computing the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	<u>Increased 0.25%</u>	<u>Decreased 0.25%</u>
December 31, 2025		
Discount rate	\$ (1,958)	2,006
Future salary increase rate	\$ 1,917	(1,881)
December 31, 2024		
Discount rate	\$ (2,014)	2,067
Future salary increase rate	\$ 1,980	(1,940)

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. Many assumption changes may affect each other in practice. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There were no changes in the method and assumptions used in the preparation of the sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The continuing operations allocate 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company contribute a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

Except to the Company, other subsidiaries of the Group have their own defined contribution plans. These plans are funded in accordance with the regulations of their respective countries. Contributions to these plans are expensed as incurred without additional legal or constructive obligation.

The Group recognized pension costs under the defined contribution method amounting to \$417,434 and \$390,927 for the years ended December 31, 2025 and 2024, respectively, recorded as operating cost and operating expenses in the statement of comprehensive income.

(s) Income taxes

(i) The details of the Group's income tax expenses were as follows:

	2025	2024
Current tax expense	\$ 482,961	506,630
Deferred tax expense	196,745	173,193
Income tax expense	<u>\$ 679,706</u>	<u>679,823</u>

(ii) The Group has no income tax directly recognized in equity or other comprehensive income.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Reconciliation of income tax expenses and profit before tax were as follows:

	2025	2024
Profit before income tax	<u>\$ 3,306,428</u>	<u>3,406,947</u>
Income tax calculated based on domestic tax rate of individual entity of the Group	776,775	968,472
Overseas investment gains recognized under the equity method	(67,425)	(206,341)
Prior year's income tax adjustment	(4,736)	13,468
Surtax on unappropriated earnings	63,197	6,040
Investment tax credits accrued	(143,265)	(146,028)
Other	<u>55,160</u>	<u>44,212</u>
Income tax expense	<u><u>\$ 679,706</u></u>	<u><u>679,823</u></u>

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with subsidiaries' earnings. Also, the management considered its probability that the temporary differences will not be reversed in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

	December 31, 2025	December 31, 2024
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 1,689,402</u>	<u>1,691,305</u>

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
The carryforward of unused tax losses	\$ 95,559	95,550
Deductible temporary differences	<u>227,700</u>	<u>249,800</u>
	<u><u>\$ 323,259</u></u>	<u><u>345,350</u></u>

The deductible temporary differences and losses cannot be realized, or there may not be sufficient taxable profit to utilize after the Group's evaluation. Therefore, they were not recognized as deferred tax assets.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities were as follows:

	Investment income recognized under the equity method	Amortization of appraised value adjustment of intangible assets	Others	Total
Deferred tax liabilities:				
Balance on January 1, 2025	\$ 481,973	-	37,656	519,629
Recognized in profit or loss	178,830	-	(2,365)	176,465
Balance on December 31, 2025	<u>\$ 660,803</u>	<u>-</u>	<u>35,291</u>	<u>696,094</u>
Balance on January 1, 2024	\$ 352,535	254	31,619	384,408
Recognized in profit or loss	129,438	(254)	6,037	135,221
Balance on December 31, 2024	<u>\$ 481,973</u>	<u>-</u>	<u>37,656</u>	<u>519,629</u>

	Unfunded pension fund contribution	Refund liabilities	Loss on inventory valuation	Unrealized foreign exchange loss	Deferred granted revenue	Unrealized revenue from disposal of assets	Gain on valuation of financial assets / liabilities	Others	Total
Deferred tax assets:									
Balance on January 1, 2025	\$ 4,902	289,542	44,711	93,603	109,811	11,846	41,596	65,998	662,009
Recognized in profit or loss	(644)	(39,164)	3,986	(12,735)	(15,599)	(3,090)	2,807	44,159	(20,280)
Balance on December 31, 2025	<u>\$ 4,258</u>	<u>250,378</u>	<u>48,697</u>	<u>80,868</u>	<u>94,212</u>	<u>8,756</u>	<u>44,403</u>	<u>110,157</u>	<u>641,729</u>
Balance on January 1, 2024	\$ 12,412	276,813	56,132	22,602	115,594	14,936	126,049	75,443	699,981
Recognized in profit or loss	(7,510)	12,729	(11,421)	71,001	(5,783)	(3,090)	(84,453)	(9,445)	(37,972)
Balance on December 31, 2024	<u>\$ 4,902</u>	<u>289,542</u>	<u>44,711</u>	<u>93,603</u>	<u>109,811</u>	<u>11,846</u>	<u>41,596</u>	<u>65,998</u>	<u>662,009</u>

- (v) The Company's income tax returns have been examined by the tax authority through the years to 2023.
- (vi) Global minimum top-up tax

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. Please refer to note 4(s) for explanation of accounting policies.

Some countries where the Group operates have enacted new legislations to implement the global minimum top-up tax, wherein the Group is closely monitoring their developments. The Group recognized a current tax expense of \$23,261 thousand related to the top-up tax for the year ended December 31, 2025 which was levied on its subsidiary in Hong Kong.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the nominal ordinary shares both amounted to \$5,500,000. Par value of each share is \$10 (dollars), which means in total there were 550,000 thousand authorized common shares, of which 471,143 thousand shares and 465,745 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding were as follows:

	Ordinary shares	
	(in thousands of shares)	
	2025	2024
Balance on January 1	465,745	462,974
Issuance of restricted stock	5,621	3,101
Cancellation of restricted stock	(223)	(330)
Balance on December 31	<u>471,143</u>	<u>465,745</u>

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31,	December 31,
	2025	2024
Additional paid-in capital	\$ 1,489,398	1,281,568
Employee stock options	259,401	259,401
Restricted employee stock options	647,125	473,751
Long-term stock investments	<u>1,498,238</u>	<u>1,498,238</u>
	<u>\$ 3,894,162</u>	<u>3,512,958</u>

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary shares or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital increase via transferring of the paid-in capital, in excess of par value, should not exceed 10% of the total common stock outstanding.

TWEL, which is held by the Company through its subsidiary, Diamond, resolved to acquire Tymphany Huizhou's equity held by minority shareholders, based on a resolution passed during its board meeting held in December, 2024. After the acquisition, TWEL's shareholding in Tymphany Huizhou increased from 77.01% to 100.00%. The Company recognized the change in its ownership interest as capital surplus long-term stock investment. Please refer to note 4(c) and 6(i).

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Retained earnings

According to the articles of the Company, when allocating the earnings for each year, the Company shall first offset its losses in previous year and set aside a legal capital reserve at 10% of the earning left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside a special capital reserve in accordance with relevant laws, the balance of the earnings shall combined into an aggregate amount of undistributed earnings, which shall become the aggregate distributable earnings to be distributed by the directors' distribution proposals according to the resolution adopted at the shareholders' meeting.

The Company is at the growth stage and considers its future cash demand, long-term financial plans, benefits to stockholders, and balanced dividends. Earnings distribution is made by stock dividend and cash dividend. The cash dividend shall not be less than 10 percent of the total dividends and could be adjusted depending on the Company's operating condition.

1) Legal reserve

If the Company experiences profit for the year, the distribution of the statutory earnings reserve, either by new shares or by cash, shall be decided at the stockholders' meeting, and the distribution amount is limited to the portion of legal reserve which exceeds 25 percent of the paid-in capital.

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 "First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the IFRS Accounting Standards by the FSC, retained earnings increased by \$97,300 by recognizing the cumulative translation adjustments (gains) on the adoption date as deemed cost. In accordance with the FSC, the increase in retained earnings due to the first-time adoption of IFRSs shall be reclassified as special reserve, and when the relevant asset is used, disposed of, or reclassified, this special reserve, shall be reversed as distributable earnings proportionately. As of December 31, 2025 and 2024, the carrying amount of special reserve both amounted to \$97,300.

In accordance with the FSC, a portion of earnings shall be allocated as special earnings reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other stockholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other stockholders' equity shall qualify for additional distributions.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Earnings distribution

On May 23, 2025 and May 24, 2024, the shareholders' meeting resolved to distribute the 2024 and 2023 earnings, respectively. The distributions for 2024 and 2023 were NT\$4.2(dollars) and NT\$4(dollars) per share, which amounted to \$1,963,008 and \$1,851,727, respectively.

The earnings distributions for 2025 were proposed to be NT\$4.568(dollars) per share which amounted to \$2,155,552 during the board of directors meeting held on February 25, 2026.

(u) Share-based payment

(i) Restricted stock

1) As of December 31, 2025, the outstanding restricted stock of the Group was as follows:

	Plan 8 (note 1)		Plan 9 (note 1)		Plan 10 (note 1)	Plan 11 (note 1)		
	August 9, 2022	February 8, 2023	August 4, 2023	August 13, 2024	August 13, 2024	March 4, 2025	August 11, 2025	August 11, 2025
Grant date								
Fair value on grant date (per share)	69.70	58.50	63.30	84.80	84.80	86.00	77.50	77.50
Exercise price	Free grants	Free grants	Free grants	Free grants	Free grants	Free grants	Free grants	Free grants
Granted units (thousand shares)	3,355	1,145	3,740	760	2,341	1,700	309	3,612
Vesting period	1~3 years (note 2)	1~3 years (note 2)	1~3 years (note 2)	1~3 years (note 2)	1~3 years (note 2)	1~5 years (note 3)	1~3 years (note 2)	1~3 years (note 2)

Note 1: Plan 8 was resolved by the stockholders' meeting held on May 26, 2022, and has been registered with and approved by the Securities and Futures Bureau of the FSC. The board of directors' meeting resolved to issue 3,355 thousand and 1,145 thousand shares on August, 2022 and January, 2023, respectively.

Plan 9 was resolved by the stockholders' meeting held on May 25, 2023, and has been registered with and approved by the Securities and Futures Bureau of the FSC. The board of directors' meeting resolved to issue 3,740 thousand and 760 thousand shares on August, 2023 and 2024, respectively.

Plan 10 was resolved by the stockholders' meeting held on May 24, 2024, and has been registered with and approved by the Securities and Futures Bureau of the FSC. The board of directors' meeting resolved to issue 2,341 thousand, 1,700 thousand and 309 thousand shares on August 2024, February 2025, and August 2025, respectively.

Plan 11 was resolved by the stockholders' meeting held on May 23, 2025, and has been registered with and approved by the Securities and Futures Bureau of the FSC. The board of directors' meeting resolved to issue 3,612 thousand shares on August, 2025.

Note 2: If the employees continue to provide service to the employer company and meet the prior year's performance indicator, 30%, 30% and 40% shall be vested in the first year, second year and third year, respectively, after the grant date.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 3: If the employees continue to provide service to the employer company and meet the prior year's performance indicator, 15%, 15%, 20%, 20% and 30% shall be vested in the first year, second year, third year, fourth year and fifth year, respectively, after the grant date.

The restricted stock is kept by a trust, which is appointed by the Group, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or, by any other means, disposed of to third parties during the custody period. The voting rights of these shares are executed by the custodian, and the custodian will act based on law and regulations. If the shares remain unvested after the vesting period, the Group will cancel the unvested shares thereafter.

2) The related information on restricted stock of the Group was as follows:

(Thousand shares)	2025	2024
Outstanding on January 1	7,632	8,997
Granted during the year	5,621	3,101
Vesting during the year	(3,478)	(4,178)
Expired during the year	(223)	(288)
Outstanding on December 31	<u><u>9,552</u></u>	<u><u>7,632</u></u>

Expenses attributable to share-based payment were as follows:

	2025	2024
Restricted stock	\$ <u><u>303,688</u></u>	<u><u>252,575</u></u>

(v) Earnings per share

The calculation of basic earnings and diluted earnings per share was as follows:

(i) Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2025 and 2024, based on the profit attributable to owners of parent of the Company and the weighted-average number of ordinary shares outstanding was as follows:

Profit attributable to owners of parent	\$ <u><u>2,626,722</u></u>	<u><u>2,556,850</u></u>
Weighted-average number of ordinary shares (thousand shares)	<u><u>459,764</u></u>	<u><u>455,764</u></u>
Basic earnings per share (NT dollars)	\$ <u><u>5.71</u></u>	<u><u>5.61</u></u>
Ordinary shares at January 1	<u>458,113</u>	<u>453,935</u>
Vesting of restricted stock	<u>1,651</u>	<u>1,829</u>
Ordinary shares at December 31	<u><u>459,764</u></u>	<u><u>455,764</u></u>

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

The calculation of diluted earnings per share as of December 31, 2025 and 2024 was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares was as follows:

	2025	2024
Profit attributable to owners of parent	<u><u>\$ 2,626,722</u></u>	<u><u>2,556,850</u></u>
Weighted-average number of ordinary shares (diluted) (thousand shares)	<u><u>466,515</u></u>	<u><u>463,019</u></u>
Diluted earnings per share (NT dollars)	<u><u>\$ 5.63</u></u>	<u><u>5.52</u></u>
Weighted-average number of ordinary shares (diluted) (thousand shares)		
	2025	2024
Weighted-average number of ordinary shares on December 31 (basic)	459,764	455,764
Estimated effect of employee stock bonuses	1,445	1,383
Effect of restricted stock	<u>5,306</u>	<u>5,872</u>
Weighted-average number of ordinary shares on December 31 (diluted)	<u><u>466,515</u></u>	<u><u>463,019</u></u>

(w) Revenue from contracts with customers

(i) Disaggregation of revenue

	2025		
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 23,721,480	34,520,862	58,242,342
Service rendered	<u>493,136</u>	<u>1,446,228</u>	<u>1,939,364</u>
	<u><u>\$ 24,214,616</u></u>	<u><u>35,967,090</u></u>	<u><u>60,181,706</u></u>
	2024		
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 23,529,354	32,676,651	56,206,005
Service rendered	<u>531,318</u>	<u>1,506,338</u>	<u>2,037,656</u>
	<u><u>\$ 24,060,672</u></u>	<u><u>34,182,989</u></u>	<u><u>58,243,661</u></u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	<u>2025</u>	<u>2024</u>
Mainland China	\$ 22,175,045	25,946,327
Europe	11,984,522	10,799,318
America	19,379,268	17,745,858
Other	<u>6,642,871</u>	<u>3,752,158</u>
	<u>\$ 60,181,706</u>	<u>58,243,661</u>

(ii) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Accounts receivable (including related parties)	\$ 11,047,685	10,902,732	11,619,809
Less: allowance for impairment	<u>(40,335)</u>	<u>(50,874)</u>	<u>(67,416)</u>
	<u>\$ 11,007,350</u>	<u>10,851,858</u>	<u>11,552,393</u>
Contract liabilities (classified as other current liabilities)	<u>\$ 452,863</u>	<u>620,796</u>	<u>488,099</u>

For details on accounts receivable (including related parties) and allowance for impairment, please refer to note 6(e).

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$396,139 and \$343,329, respectively.

The contract liabilities primarily relate to the advance consideration received from contracts with goods sold, for which revenue is recognized when products are delivered to customers.

(x) Employee's and directors' remuneration

On May 23, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, a maximum of 2% shall be allocated as remunerations for directors, and 2% to 10% (in shares or in cash) as employee remuneration (including a minimum of 8% to those base-level employees). The recipients of the aforementioned employee remuneration may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, a maximum of 2% shall be allocated as remunerations for directors, and 2% to 10% (in shares or in cash) as employee remuneration, including those employees of the subsidiaries who meet certain specific requirements.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Details of remuneration to employees and directors were as follows:

	<u>2025</u>	<u>2024</u>
Employee remuneration	\$ 98,038	89,503
Directors' remuneration	<u>49,019</u>	<u>44,752</u>
	<u>\$ 147,057</u>	<u>134,255</u>

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during each period. The differences between the amounts distributed and those accrued in the financial statements, if any, are accounted for as changes in accounting estimate and recognized as profit or loss in the distribution year.

The differences between the amounts approved in the directors' meeting and those recognized in the financial statements for the distributions of earnings for 2024 and 2023 were as follows:

	<u>2024</u>		
	<u>Actual earnings distributed</u>	<u>Accrued in the financial statement</u>	<u>Difference</u>
Employee remuneration–Cash	\$ 89,503	89,503	-
Director's remuneration	44,752	44,752	-
	<u>2023</u>		
	<u>Actual earnings distributed</u>	<u>Accrued in the financial statement</u>	<u>Difference</u>
Employee remuneration–Cash	\$ 89,330	89,330	-
Director's remuneration	44,665	44,665	-

Information on the remuneration to employees and directors, approved in the Board of Directors' meetings, can be accessed in the Market Observation Post System website.

(y) Other income

The details of other income were as follows:

	<u>2025</u>	<u>2024</u>
Government grants	\$ 10,100	52,299
Rent income	59,797	61,073
Dividend income	534	639
Other	<u>854</u>	<u>812</u>
	<u>\$ 71,285</u>	<u>114,823</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(z) Other gains and losses

The details of other gains and losses were as follows:

	<u>2025</u>	<u>2024</u>
Net losses on financial assets/liabilities measured at FVTPL	\$ (219,970)	(173,186)
Impairment losses of property, plant and equipment	(86,198)	(30,244)
Foreign currency exchange gains, net	479,345	327,420
Net losses on disposal of property, plant and equipment	(22,975)	(12,914)
Net gains on disposal of right-of-use assets	112	2,497
Other	<u>4,781</u>	<u>3,020</u>
	<u>\$ 155,095</u>	<u>116,593</u>

(aa) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

For information on the Group's concentration of credit risk, please refer to note 6(ab).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1~2 years</u>	<u>2~5 years</u>	<u>Over 5 years</u>
December 31, 2025						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,775,467	1,779,227	1,779,227	-	-	-
Notes and accounts payable (including related parties)	14,840,169	14,840,169	14,840,169	-	-	-
Other payables (including related parties)	2,583,724	2,583,724	2,583,724	-	-	-
Salaries payable	1,658,768	1,658,768	1,658,768	-	-	-
Lease liabilities	1,523,102	1,692,655	288,672	257,286	528,973	617,724
Refund liabilities	2,065,219	2,065,219	2,065,219	-	-	-
Long-term borrowings	1,367,408	1,391,654	560,384	537,007	294,263	-
Guarantee deposits	39,678	39,678	-	-	-	39,678
Derivative financial liabilities:	691,838	-	-	-	-	-
Outflow	-	20,884,464	20,884,464	-	-	-
Inflow	-	(20,192,626)	(20,192,626)	-	-	-
	<u>\$ 26,545,373</u>	<u>26,742,932</u>	<u>24,468,001</u>	<u>794,293</u>	<u>823,236</u>	<u>657,402</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~5 years	Over 5 years
December 31, 2024						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,441,489	1,444,191	1,444,191	-	-	-
Notes and accounts payable	13,347,474	13,347,474	13,347,474	-	-	-
Other payables (including related parties)	3,132,446	3,132,446	3,132,446	-	-	-
Salaries payable	1,857,174	1,857,174	1,857,174	-	-	-
Lease liabilities	1,689,841	1,904,031	281,000	262,724	594,267	766,040
Refund liabilities	2,492,671	2,492,671	2,492,671	-	-	-
Long-term borrowings	1,190,808	1,225,353	276,048	412,598	536,707	-
Guarantee deposits	38,605	38,605	-	-	-	38,605
Derivative financial liabilities:	467,904	-	-	-	-	-
Outflow	-	14,728,441	14,728,441	-	-	-
Inflow	-	(14,260,537)	(14,260,537)	-	-	-
	<u>\$ 25,658,412</u>	<u>25,909,849</u>	<u>23,298,908</u>	<u>675,322</u>	<u>1,130,974</u>	<u>804,645</u>

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD:CNY	\$ 585,304	7.0288	18,400,777	596,855	7.1884	19,565,506
USD:HKD	230,069	7.7819	7,232,919	288,110	7.7625	9,444,524
USD:TWD	378,243	31.4380	11,891,205	416,525	32.7810	13,654,121
EUR:CZK	17,250	24.1706	635,421	10,939	25.3083	375,405
USD:CZK	8,506	20.6230	267,412	12,992	24.1680	425,891
USD:THB	83,155	31.4480	2,614,225	43,186	34.1070	1,415,668
EUR:HKD	13,059	9.1180	481,041	8,033	8.1265	275,676
CZK:HKD	106,046	0.3772	161,614	72,774	0.3211	98,681
Financial liabilities						
Monetary items						
USD:CNY	\$ 188,171	7.0288	5,915,723	220,977	7.1884	7,243,857
USD:HKD	202,316	7.7819	6,360,410	261,439	7.7625	8,570,232
USD:TWD	583,635	31.4380	18,348,325	516,467	32.7810	16,930,317
EUR:CZK	7,384	24.1706	271,997	5,508	25.3083	189,024
USD:THB	106,796	31.4480	3,357,459	66,750	34.1070	2,188,122
EUR:HKD	16,069	9.1180	591,918	8,335	8.1265	286,041
USD:CZK	1,717	20.6230	53,979	836	24.1680	27,404

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes receivable, accounts receivable, other receivables, loans and borrowings, notes and accounts payable, and other payables that are denominated in foreign currency. A weakening (strengthening) of 5% of the TWD, CNY, HKD, CZK and THB against the USD; the HKD against CZK; as well as HKD and CZK against the EUR, as of December 31, 2025 and 2024, would have increased or decreased the net profit before tax by \$339,240 and \$491,024, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$479,345 and \$327,420, respectively.

(iv) Interest rate analysis

Please refer to the note on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets and liabilities with variable interest rates, the analysis is based on the assumption that the amounts of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, and assumed all other variables remain constant, the profit before tax would have increased or decreased by \$8,926 and \$18,578 for the years ended December 31, 2025 and 2024, respectively. This is mainly due to borrowings and demand deposits with variable interest rates.

(v) Other price risk

If the market price of the equity securities had changed on the reporting date, the influence on other comprehensive income is as follows (The analysis is performed on the same basis for both periods, and assumes all other variable remain constant):

	<u>2025</u>	<u>2024</u>
	Other	Other
<u>Price of securities at the reporting date</u>	<u>comprehensive</u>	<u>comprehensive</u>
	<u>income before tax</u>	<u>income before tax</u>
Increasing 10%	\$ 31,795	32,220
Decreasing 10%	\$ (31,795)	(32,220)

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Fair value

1) Kinds of financial instruments and fair value

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	Carrying amounts	December 31, 2025			Total
		Fair Value			
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	<u>\$ 514,736</u>	17,000	-	497,736	514,736
Financial assets at FVOCI – non-current	<u>\$ 317,948</u>	19,801	-	298,147	317,948
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 12,289,381				
Financial assets at amortized cost – current	26,214				
Notes and accounts receivable	11,007,350				
Other receivables	1,007,749				
Refundable deposits	<u>125,948</u>				
Total	<u>\$ 24,456,642</u>				
Financial liabilities at FVTPL – current	<u>\$ 691,838</u>	-	-	691,838	691,838
Financial liabilities measured at amortized cost:					
Borrowings	\$ 3,142,875				
Notes and accounts payable (including related parties)	14,840,169				
Other payables (including related parties)	2,583,724				
Salaries payable	1,658,768				
Lease liabilities	1,523,102				
Refund liabilities	2,065,219				
Guarantee deposits	<u>39,678</u>				
Total	<u>\$ 25,853,535</u>				

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	December 31, 2024				
	Carrying amounts	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	<u>\$ 317,028</u>	-	-	317,028	317,028
Financial assets at FVOCI – non-current	<u>\$ 322,196</u>	25,042	-	297,154	322,196
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 13,885,985				
Financial assets at amortized cost – current	25,649				
Accounts receivable (including related parties)	10,851,858				
Other receivables	980,026				
Refundable deposits	<u>128,401</u>				
Total	<u>\$ 25,871,919</u>				
Financial liabilities at FVTPL – current	<u>\$ 467,904</u>	-	-	467,904	467,904
Financial liabilities measured at amortized cost :					
Borrowings	\$ 2,632,297				
Notes and accounts payable	13,347,474				
Other payables (including related parties)	3,132,446				
Salaries payable	1,857,174				
Lease liabilities	1,689,841				
Refund liabilities	2,492,671				
Guarantee deposits	<u>38,605</u>				
Total	<u>\$ 25,190,508</u>				

2) Fair value valuation techniques for financial instruments measured at fair value

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from major exchanges and over-the counter markets are the basis used to determine the fair value of a listed company's stock and the quoted prices in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If these conditions can not be reached, then the market is non-active. In general, a market with low trading volume or high bid-ask spreads is an indication of a non-active market.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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The Group uses the following methods in determining the fair value of its financial instruments with a quoted price in an active market:

- a) The fair value of financial assets trading in active markets are based on quoted market prices. Those include investments in stocks of listed entities and funds.

The Group uses the following methods in determining the fair value of its financial instruments without a quoted price in an active market:

- a) The fair value of derivative instruments is based on quoted prices. When quoted prices are unavailable, the fair value is estimated on the basis of the contract's spot exchange rate and swap point.
- b) Financial assets at FVTPL— non-derivative financial assets and Financial assets at FVOCI without an active market are investments in domestic or foreign non-listed stock. The estimated fair value is based on the market approach of comparable business and adjusted for the lack of liquidity. When prices are unavailable, the fair value is estimated on the basis of unadjusted prior trade prices.
- 3) The Group holds an investment in equity shares of Changing Information Technology Inc., which is classified as fair value through other comprehensive income, with a fair value of \$19,801 and \$25,042 as of December 31, 2025 and 2024, respectively. Changing Information Technology Inc. was listed on the Taipei Exchange in October 2024. Following its listing, active market quotations became available for the company's equity, resulting in a transfer of its fair value measurement from Level 3 to Level 1.
- 4) Reconciliation of Level 3 fair values

	2025			2024		
	FVTPL	FVOCI	Total	FVTPL	FVOCI	Total
Balance on January 1	\$ (150,876)	297,154	146,278	(600,683)	290,285	(310,398)
Recognized in profit or loss	(220,450)	-	(220,450)	(173,186)	-	(173,186)
Recognized in other comprehensive income	-	(40,760)	(40,760)	-	(5,066)	(5,066)
Acquisition /disposal	177,224	41,753	218,977	622,993	25,943	648,936
Transfer out of Level 3	-	-	-	-	(14,008)	(14,008)
Balance on December 31	\$ (194,102)	298,147	104,045	(150,876)	297,154	146,278

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The fair value measurements of the Group which are categorized within level 3 are classified as financial assets and liabilities at FVTPL – non-derivative financial assets and derivative instruments not used for hedging and financial assets at FVOCI – equity investment without an active market. The quantitative information about significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationships between significant unobservable inputs and fair value</u>
Financial assets at FVOCI – equity investment without an active market	(note 1)	(note 1)	(note 1)
Financial assets and liabilities at FVTPL – non-derivative financial assets	(note 1)	(note 1)	(note 1)
Financial assets and liabilities at FVTPL – derivative instruments not used for hedging	(note 2)	(note 2)	(note 2)

note 1: The fair value is based on comparable companies method or net asset value method.

Comparable companies method: It has considered the recent financing activities, comparable business, market and other economic conditions etc., to determine the assumptions. The significant unobservable inputs are marketability discount, but any changes of marketability discount would not result in significant potential financial impact, therefore there is no need to show the quantified information on it.

Net asset value method: The fair value has considered only the net asset value of the investee company, therefore there is no need to show the sensitivity analysis of significant unobservable inputs.

note 2: The fair value is based on the quotation of a third party, therefore there is no need to show the sensitivity analysis of unobservable inputs.

(ab) Financial risk management

(i) Briefings

The Group is exposed to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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This note presents information on exposure to each of the above risks and on the objectives, policies, and processes for measuring and managing risk. For detailed information, please refer to the related notes on each risk.

(ii) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees the management's monitoring of the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The board of directors is assisted in its oversight role by an internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents; accounts receivables (including related parties), and other receivables; and derivative instruments.

1) Cash and cash equivalents

The Group had deposited \$12,177,574 (including restricted deposits) in E.SUN Bank and 24 other financial institutions, and \$13,671,722 (including restricted deposits) in SinoPac Bank and 24 other financial institutions, representing 24% and 27% of total assets, as of December 31, 2025 and 2024, respectively. The Group believes that there is no significant credit risk from the above-mentioned financial institutions.

2) Accounts receivable

Sales to individual customers constituting over 10% of total revenue for the years ended December 31, 2025 and 2024, totaled 10% and 11%, respectively; both 19%, of the ending balance of accounts receivable (including related parties) were accounted for by those customers. In order to reduce credit risk, the Group assesses the financial status of each customer and the possibility of collection of receivables on a regular basis. The above-mentioned customers are profitable and have a good credit record; hence, the Group did not suffer any significant credit loss from those customers during the financial reporting period.

3) Derivative instruments

The Group entered into derivative instrument contracts with reputable and creditworthy financial institutions. The Group believes that the risk that these financial institutions may default on these contracts is relatively low and anticipates no significant credit loss.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group had unused credit line of \$25,871,711 and \$29,145,225 as of December 31, 2025 and 2024, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the TWD, USD, HKD, CNY, CZK, THB and SGD. These transactions are denominated in USD.

The Group uses forward exchange contracts and foreign exchange swap contracts to hedge its currency risk. The Group makes performance reports and reviews operating strategy regularly, and believes that there is no significant risk because the gains or losses from exchange rate fluctuation will mostly be offset by the hedged item.

2) Interest rate risk

The Group's main assets and liabilities with a floating-interest-rate basis are deposits and borrowings. The Group believes that cash flow risk arising from interest rate fluctuation is insignificant.

(ac) Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence, and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, retained earnings, and other equity.

The Group sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

The Group's debt ratios as of December 31, 2025 and 2024, were both 60%.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(ad) Changes of liabilities from financing activities

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Effect of changes in exchange rate	Changes in lease payments	December 31, 2025
Short-term borrowings	\$ 1,441,489	252,157	81,821	-	1,775,467
Long-term borrowings	1,190,808	173,842	2,758	-	1,367,408
Lease liabilities	1,689,841	(245,344)	18,571	60,034	1,523,102
Guarantee deposits	38,605	1,073	-	-	39,678
Other payables to related parties	<u>255,088</u>	<u>(255,088)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities from financing activities	<u>\$ 4,615,831</u>	<u>(73,360)</u>	<u>103,150</u>	<u>60,034</u>	<u>4,705,655</u>

	January 1, 2024	Cash flows	Effect of changes in exchange rate	Changes in lease payments	December 31, 2024
Short-term borrowings	\$ 756,252	629,645	55,592	-	1,441,489
Long-term borrowings	707,979	476,614	6,215	-	1,190,808
Lease liabilities	1,784,590	(247,739)	8,868	144,122	1,689,841
Guarantee deposits	<u>33,505</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>38,605</u>
Total liabilities from financing activities	<u>\$ 3,282,326</u>	<u>863,620</u>	<u>70,675</u>	<u>144,122</u>	<u>4,360,743</u>

(ae) Supplementary information of cash flow

	2025	2024
Acquisition of property, plant and equipment	\$ 2,327,417	1,534,053
Decrease (increase) in payables on equipment	<u>27,424</u>	<u>(160,831)</u>
Decrease in cash	<u>\$ 2,354,841</u>	<u>1,373,222</u>

	2025	2024
Disposal of property, plant and equipment	\$ 99,784	203,338
Loss on disposal of property, plant and equipment	(22,975)	(12,914)
Decrease (Increase) in other receivables	(45,967)	8,160
Decrease in equipment subsidy	(6,105)	(3,569)
Decrease in advance payment	<u>-</u>	<u>(14,984)</u>
Increase in cash	<u>\$ 24,737</u>	<u>180,031</u>

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Names and relationship of the related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name</u>	<u>Relationship</u>
Specialty Technologies, LLC (Specialty)	Other related party (Note)
Tom Zilvervlood B.V. (Tom Zilvervlood)	Other related party (Note)
Tuskany Investment Corporation (Tuskany)	Other related party
HuiZhou Bo-Chuang Investment Partnership Company (Limited Partnership) (Huizhou Bo-Chuang)	Other related party
Mibtech Plastic & Molds (Thailand) Company (MBTH)	Associate
Soundskirt Inc. (SKRI)	Associate

Note: In January 2025, the key management personnel of Specialty and Tom Zilvervlood resigned as the director of the Group's subsidiary. Therefore, it is longer considered as a related party thereafter. The information below was disclosed up to the date of resignation.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group to related parties and the outstanding balances were as follows:

	<u>Sales</u>		<u>Accounts receivable from related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related parties	\$ -	504,300	-	84,126
Associates	6,312	22,149	-	25,180
	<u>\$ 6,312</u>	<u>526,449</u>	<u>-</u>	<u>109,306</u>

There were no significant differences in the selling prices between the related parties and other customers. The trading terms offered to related parties were 60 days, and the trading terms to other customers were 45 days to 120 days.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Purchase

The amounts of purchase by the Group from related parties and the outstanding balances were as follows:

	<u>Purchase</u>		<u>Accounts payable to related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates	\$ <u>92,747</u>	<u>-</u>	<u>23,187</u>	<u>-</u>

There were no significant differences in the purchasing price between the related parties and other vendors. The payment terms offered to associates were 60 days, and the payment terms to other vendors were 30 days to 120 days.

(iii) Receivables and payables on behalf of associates

Other receivables arising from fees paid on behalf of associates by the Group amounted to \$14,483 as of December 31, 2025. There was no such transaction as of December 31, 2024.

Other payables arising from fees collected by the Group on behalf of associates amounted to \$16,398 as of December 31, 2025. There was no such transaction as of December 31, 2024.

(iv) Acquisition of equity

TWEL, which is held by the Company through its subsidiary, Diamond, resolved to acquire Tymphany Huizhou's equity held by minority shareholders, based on a resolution passed during its board meeting held in 2024. The transaction price was determined through negotiation between both parties, and a certified public accountant has been engaged to render an opinion regarding the appropriateness of the transaction price. Please refer to note 6(i). The transaction details were as follows:

	<u>2024</u>		<u>December 31, 2024</u>
	<u>Shares (thousands)</u>	<u>Price</u>	<u>Other payables to related parties</u>
Counter party:			
Tom Zilvervloot	56,031	\$ 878,691	178,909
Tuskany	17,228	270,171	55,009
Huizhou Bo-Chuang	6,630	103,971	21,170
	<u>79,889</u>	<u>\$ 1,252,833</u>	<u>255,088</u>

(v) Cash capital increase

For information relating to the Group's participation in its associates' cash capital increase for the year ended December 31, 2025, please refer to note 6(h).

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Property transactions

In December 2025, the Group sold machinery and equipment to MBTH for a disposal price of \$48,597 thousand, which resulted in a disposal loss of \$80 thousand. As of December 31, 2025, amounts that were not paid is \$45,967 thousand, classified as other receivables.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 272,447	298,501
Post-employment benefits	2,764	2,033
Share-based payments	<u>143,757</u>	<u>95,641</u>
	<u>\$ 418,968</u>	<u>396,175</u>

Please refer to note 6(u) for information related to share-based payments.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other non-current assets – restricted assets	Guarantee letters issued by bank	\$ -	<u>3,414</u>
Financial assets at amortized cost – current	Guarantee letters issued by bank	<u>3,414</u>	<u>-</u>
Property, plant and equipment	Loan collateral	<u>1,823,317</u>	<u>1,902,889</u>
Investment property	Loan collateral	<u>567,329</u>	<u>597,921</u>

(9) Commitments and contingencies:

(a) For the detail of the Group's guarantee, please refer to note 13.

(b) The following are guarantee letters issued by the bank to customs, business partner and Power Supply Bureau as guarantee deposits and power supply guarantee, respectively.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee letters	\$ <u>36,259</u>	<u>40,736</u>

(c) Guarantee notes provided as part of agreements with banks to sell accounts receivable and to acquire long-term borrowings were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Sales of accounts receivable	\$ <u>651,298</u>	<u>408,176</u>
Long-term borrowings	<u>\$ 1,800,400</u>	<u>1,800,400</u>

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) The aggregate unpaid amounts of contracts pertaining to the purchase of equipment were as follows:

	December 31, 2025	December 31, 2024
Property, plant and equipment	\$ 670,781	1,338,721

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

(a) A summary of employee benefit, depreciation, and amortization expenses by function, was as follows:

By item	2025			2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	3,622,117	4,591,436	8,213,553	3,588,439	4,543,043	8,131,482
Labor and health insurance	165,366	265,348	430,714	152,494	235,471	387,965
Pension	215,253	207,799	423,052	217,376	178,017	395,393
Others	56,088	196,231	252,319	70,278	176,786	247,064
Depreciation	951,712	369,352	1,321,064	1,172,630	349,190	1,521,820
Amortization	7,659	39,828	47,487	13,803	52,160	65,963

Note: Excluding the depreciation of the investment property (classified as other gains and losses) amounted to \$34,411 and \$35,153 for the years ended December 31, 2025 and 2024, respectively.

(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the Regulations for the Group:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	TYM Acoustic HK	TWEL	Other receivables	Y	785,950	785,950	680,633	4.5%	Short-term loan to other parties	-	Operating capital	-	-	-	2,173,146	2,173,146
2	TYM HK	"	"	"	33,182	-	-	5.5%	"	-	"	-	-	-	415,342	415,342

Note 1: The amount available for financing to a single entity and the total financing limit provided by a foreign subsidiary (which the Company, directly or indirectly, holds 100% of the voting shares) shall not exceed 60% of the Company's net worth in the latest financial statements.
Note 2: The above transactions have been eliminated during the preparation of the consolidated financial statements.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	PCH2	The subsidiary of Primax HK and Primax Tech.	6,156,761	331,820	314,380	-	-	1.53 %	16,418,028	Y	N	Y
"	"	Primax Singapore	Subsidiary	6,156,761	2,700,000	2,700,000	341,928	-	13.16 %	16,418,028	Y	N	N
1	Tymphony Huizhou	TYM Acoustic HK	"	2,720,143	4,977	4,716	-	-	0.05 %	4,533,572	N	N	N

Note 1: The amount of the guarantee to a company shall not exceed 30% of the Company's net worth in the latest financial statements. The total amount of the guarantee to total company shall not exceed 80% of the Company's net worth in the latest financial statements.

Note 2: The amount of the guarantee to a company shall not exceed 30% of the Tymphony Huizhou's net worth in the latest financial statements. The total amount of the guarantee to total company shall not exceed 50% of the Tymphony Huizhou's net worth in the latest financial statements.

Note 3: The above counter-parties of guarantee and endorsement are subsidiaries included in the consolidated financial statements.

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Company Ending balance holding securities	Security type and name	Relationship with company	Account	Ending balance				Highest balance during the year		Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%)	
The Company	Equities:									
	Grove Ventures, L.P.	-	Financial assets at FVOCI	-	118,961	2.75	118,961	-	2.75	
	Grove Ventures II, L.P.	-	"	-	108,907	3.28	108,907	-	3.28	

Note 1: Disclosure of the amounts was exceeding of NTDS\$100 million.

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the Company's issued capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Primax Singapore	Subsidiary	(Sale)	(14,165,889)	(37) %	60 days	Price agreed by both sides	The same as general selling	2,240,197	29%	Note 1
"	PCH2	The subsidiary of Primax HK	Purchase	17,006,118	51 %	"	"	The same as general purchasing	(9,260,795)	(61)%	Note 1
"	PKS1	"	Purchase	1,973,359	5 %	"	"	"	(641,021)	(4)%	Note 1
"	PCQ1	"	Purchase	6,348,198	18 %	"	"	"	(3,193,062)	(21)%	Note 1
"	Polaris	The subsidiary of Primax Tech.	(Sale)	(3,292,123)	(9) %	90 days	"	The same as general selling	267,819	3%	Note 1
"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	8,146,727	24 %	60 days	"	The same as general purchasing	(1,264,389)	(8)%	Note 1
"	TYM HK	The subsidiary of TYM Acoustic HK	Purchase	159,072	- %	"	"	"	(82,059)	(1)%	Note 1

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Primax Singapore	The Company	Parent	Purchase	14,165,889	99 %	60 days	Price agreed by both sides	The same as general purchasing	(2,240,197)	(89)%	Note 1
PCH2	"	The parent of Primax Cayman	(Sale)	(17,006,118)	(95) %	"	"	The same as general selling	9,260,795	97%	Note 1
PKS1	"	"	(Sale)	(1,973,359)	(100) %	"	"	"	641,021	100%	Note 1
PCQ1	"	"	(Sale)	(6,348,198)	(79) %	"	"	"	3,193,062	83%	Note 1
Primax Thailand	"	The parent of Primax Singapore	(Sale)	(8,146,727)	(99) %	"	"	"	1,264,389	96%	Note 1
Polaris	"	The parent of Primax Tech.	Purchase	3,292,123	100 %	90 days	"	The same as general purchasing	(267,819)	(100)%	Note 1
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	(Sale)	(5,043,533)	(67) %	60 days	"	The same as general selling	2,565,606	84%	Note 1
"	TYM HK	The subsidiary of TYM Acoustic HK	(Sale)	(1,491,620)	(20) %	"	"	"	187,131	6%	Note 1
"	TYM Acoustic Europe	"	(Sale)	(146,687)	(2) %	"	"	"	33,831	1%	Note 1
"	TYTH	"	(Sale)	(262,582)	(3) %	"	"	"	115,003	4%	Note 1
Tymphony Dongguan	TYM HK	"	Purchase	175,455	8 %	"	"	The same as general purchasing	(58,479)	(15)%	Note 1
"	"	"	(Sale)	(387,733)	(15) %	"	"	The same as general selling	109,786	32%	Note 1
"	TYM Acoustic Europe	"	(Sale)	(378,977)	(14) %	"	"	"	85,402	25%	Note 1
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	(Sale)	(1,784,419)	(67) %	"	"	"	118,903	35%	Note 1
TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	2,662,089	23 %	"	"	The same as general purchasing	(753,565)	(16)%	Note 1
"	Tymphony Huizhou	Parent	Purchase	5,043,533	43 %	"	"	"	(2,565,606)	(54)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	1,784,419	15 %	"	"	"	(118,903)	(3)%	Note 1
"	TYM Singapore	The subsidiary of TWEL	(Sale)	(1,285,629)	(10) %	"	"	The same as general selling	1,460,553	31%	Note 1
"	TYTH	Subsidiary	Purchase	2,586,091	22 %	"	"	The same as general purchasing	(832,501)	(18)%	Note 1
TYM Acoustic Europe	TYM Acoustic HK	Parent	(Sale)	(2,662,089)	(100) %	"	"	The same as general selling	753,565	100%	Note 1
"	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	146,687	7 %	"	"	The same as general purchasing	(33,831)	(7)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	378,977	18 %	"	"	"	(85,402)	(18)%	Note 1
TYM HK	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	1,491,620	31 %	"	"	"	(187,131)	(17)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	387,733	8 %	"	"	"	(109,786)	(10)%	Note 1
"	"	"	(Sale)	(175,455)	(3) %	"	"	The same as general selling	58,479	6%	Note 1

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
TYM HK	TYTH	The subsidiary of TYM Acoustic HK	Purchase	3,122,864	64 %	60 days	Price agreed by both sides	The same as general purchasing	(212,973)	(20)%	Note 1
"	"	"	(Sale)	(226,708)	(4) %	"	"	The same as general selling	99,295	9%	Note 1
"	The Company	The parent of Diamond	(Sale)	(159,072)	(3) %	"	"	"	82,059	8%	Note 1
TYTH	TYM HK	The subsidiary of TYM Acoustic HK	(Sale)	(3,122,864)	(54) %	"	"	"	212,973	20%	Note 1
"	"	"	Purchase	226,708	4 %	"	"	The same as general purchasing	(99,295)	(6)%	Note 1
"	TYM Acoustic HK	Parent	(Sale)	(2,586,091)	(45) %	"	"	The same as general selling	832,501	78%	Note 1
"	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	262,582	5 %	"	"	The same as general purchasing	(115,003)	(6)%	Note 1
TYM Singapore	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	Purchase	1,285,629	100 %	"	"	"	(1,460,553)	(89)%	Note 1

Note 1: Related transactions have been eliminated during the preparation of the consolidated financial statements.

- (v) Receivables from related parties with amounts exceeding the lower of TWD\$100 million or 20% of the Company's issued capital:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Allowance for bad debts
					Amount	Action taken		
The Company	Primax Singapore	Subsidiary	2,240,197 (note 5)	8.21	-	-	1,217,571	-
"	Polaris	The subsidiary of Primax Tech.	267,819 (note 5)	14.26	-	-	205,113	-
"	PCH2	The subsidiary of Primax HK	650,934 (note 2&5)	4.28	-	-	183,621	-
"	"	"	2,144 (note 5)	(note 3)	-	-	1,030	-
PCH2	The Company	The parent of Primax Cayman	9,260,795 (note 5)	1.89	-	-	1,539,087	-
"	Primax Thailand	The subsidiary of Primax Singapore	291,399 (note 5)	(note 3)	-	-	57,617	-
PKS1	The Company	The parent of Primax Cayman	641,021 (note 5)	3.63	-	-	372,836	-
PCQ1	"	"	3,193,062 (note 5)	1.99	-	-	1,470,120	-
Primax Thailand	"	The parent of Primax Singapore	1,264,389 (note 5)	10.05	-	-	1,246,546	-
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	2,565,606 (note 5)	2.42	-	-	833,902	-
"	TYM HK	The subsidiary of TYM Acoustic HK	187,131 (note 5)	1.85	-	-	50,349	-
"	TYTH	"	115,003 (note 5)	2.11	-	-	30,273	-
Tymphony Dongguan	TYM HK	"	109,786 (note 5)	2.01	-	-	37,762	-
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	118,903 (note 5)	2.63	-	-	-	-
TYM Acoustic Europe	"	Parent	753,565 (note 5)	3.93	-	-	583,440	-

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Allowance for bad debts
					Amount	Action taken		
TYM HK	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	58,479 (note 5)	2.40	-	-	20,080	-
"	"	"	125,091 (note 5)	(note 3)	-	-	-	-
"	TYM Acoustic HK	Parent	428,918 (note 5)	(note 3)	-	-	180,984	-
"	TYM Singapore	The subsidiary of TWEL	182,479 (note 5)	(note 3)	-	-	182,479	-
TYM Acoustic HK	Tymphony Huizhou	Parent	1,534 (note 5)	29.38	-	-	1,534	-
"	"	"	316,449 (note 5)	(note 3)	-	-	316,449	-
"	TWEL	The parent of Tymphony Huizhou	680,633 (note 5)	(note 4)	-	-	-	-
"	"	"	12,406 (note 5)	(note 3)	-	-	-	-
"	TYM Singapore	The subsidiary of TWEL	1,460,553 (note 5)	1.76	-	-	835,365	-
TYAT	TYM HK	The subsidiary of TYM Acoustic HK	449,975 (note 5)	(note 3)	-	-	80,243	-
TYTH	"	"	212,973 (note 5)	11.36	-	-	110,138	-
"	TYM Acoustic HK	Parent	832,501 (note 5)	3.68	-	-	770,966	-

Note 1: Amounts were collected as of February 6, 2026.

Note 2: The Company sells semi-finished products to its subsidiaries for processing and production. The finished products are then repurchased back by the Company and sold to the customers. The amount of semi-finished products sold in the twelve months ended December 31, 2025 was \$2,283,196, which was written off with related cost of goods sold, and not recorded as sales for the Company.

Note 3: The receivables arise from service rendering for intercompany or material purchasing on behalf of intercompany or related parties.

Note 4: The other receivables arise from intercompany loans.

Note 5: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of consolidated total operating revenues or total assets
				Account name	Amount	Trading terms	
0	The Company	Primax Singapore	Subsidiary	Sale	14,165,889	Price agreed by both sides	23.54 %
"	"	"	"	Accounts Receivable	2,240,197	60 days	4.37 %
"	"	PCH2	The subsidiary of Primax HK	Purchase	17,006,118	Price agreed by both sides	28.26 %
"	"	"	"	Accounts Payable	9,260,795	60 days	18.08 %
"	"	"	"	Accounts Receivable	650,934	"	1.27 %
"	"	"	"	Other Receivable	2,144	(note 2)	- %
"	"	PKS1	"	Purchase	1,973,359	Price agreed by both sides	3.28 %
"	"	"	"	Accounts Payable	641,021	60 days	1.25 %
"	"	PCQ1	"	Purchase	6,348,198	Price agreed by both sides	10.55 %
"	"	"	"	Accounts Payable	3,193,062	60 days	6.23 %
"	"	Polaris	The subsidiary of Primax Tech.	Sale	3,292,123	Price agreed by both sides	5.47 %

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of consolidated total operating revenues or total assets
				Account name	Amount	Trading terms	
0	The Company	Polaris	The subsidiary of Primax Tech.	Accounts Receivable	267,819	90 days	0.52 %
"	"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	8,146,727	Price agreed by both sides	13.54 %
"	"	"	"	Accounts Payable	1,264,389	60 days	2.47 %
"	"	TYM HK	The subsidiary of TYM Acoustic HK	Purchase	159,072	Price agreed by both sides	0.26 %
1	PCH2	Primax Thailand	The subsidiary of Primax Singapore	Other Receivable	291,399	(note 2)	0.57 %
"	"	UTD3	The subsidiary of Destiny Tech	Service Expense	123,558	Price agreed by both sides	0.21 %
2	Tymphony Huizhou	TYM Acoustic HK	Subsidiary	Sale	5,043,533	"	8.38 %
"	"	"	"	Accounts Receivable	2,565,606	60 days	5.01 %
"	"	"	"	Other Payable	316,449	(note 2)	0.62 %
"	"	"	"	Accounts Payable	1,534	60 days	- %
"	"	TYM HK	The subsidiary of TYM Acoustic HK	Sale	1,491,620	Price agreed by both sides	2.48 %
"	"	"	"	Accounts Receivable	187,131	60 days	0.37 %
"	"	TYM Acoustic Europe	"	Sale	146,687	Price agreed by both sides	0.24 %
"	"	TYTH	"	Sale	262,582	"	0.44 %
"	"	"	"	Accounts Receivable	115,003	60 days	0.22 %
3	Tymphony Dongguan	TYM HK	"	Purchase	175,455	Price agreed by both sides	0.29 %
"	"	"	"	Sale	387,733	"	0.64 %
"	"	"	"	Accounts Payable	58,479	60 days	0.11 %
"	"	"	"	Other Payable	125,091	(note 2)	0.24 %
"	"	"	"	Accounts Receivable	109,786	60 days	0.21 %
"	"	TYM Acoustic Europe	"	Sale	378,977	Price agreed by both sides	0.63 %
"	"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	Sale	1,784,419	"	2.97 %
"	"	"	"	Accounts Receivable	118,903	60 days	0.23 %
4	TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	2,662,089	Price agreed by both sides	4.42 %
"	"	"	"	Accounts Payable	753,565	60 days	1.47 %
"	"	TYTH	"	Purchase	2,586,091	Price agreed by both sides	4.30 %
"	"	"	"	Accounts Payable	832,501	60 days	1.63 %
"	"	TYM HK	"	Service Expense	1,046,227	Price agreed by both sides	1.74 %
"	"	"	"	Other Payable	428,918	(note 2)	0.84 %

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of consolidated total operating revenues or total assets
				Account name	Amount	Trading terms	
4	TYM Acoustic HK	TWEL	The parent of Tymphony Huizhou	Other Receivable	680,633	(note 3)	1.33 %
"	"	"	"	Other Receivable	12,406	(note 2)	0.02 %
"	"	TYM Singapore	The subsidiary of TWEL	Sale	1,285,629	Price agreed by both sides	2.14 %
"	"	"	"	Accounts Receivable	1,460,553	60 days	2.85 %
5	TYM HK	TYAT	The subsidiary of TYM Acoustic HK	Other Payable	449,975	(note 2)	0.88 %
"	"	"	"	Service Expense	1,155,717	Price agreed by both sides	1.92 %
"	"	TYTH	"	Sale	226,708	"	0.38 %
"	"	"	"	Purchase	3,122,864	"	5.19 %
"	"	"	"	Accounts Payable	212,973	60 days	0.42 %
"	"	TYM Singapore	The subsidiary of TWEL	Other Receivable	182,479	(note 2)	0.36 %

Note 1: Disclosure of the amounts was exceeding of NTDS100 million.

Note 2: The receivables arises from service rendering for intercompany or material purchasing on behalf of intercompany or related party.

Note 3: The other receivables arise from intercompany loans.

Note 4: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest balance during the year		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value	Shares (thousands)	Percentage of ownership			
The Company	Primax Cayman	Cayman Islands	Holding company	1,912,688	1,912,688	6,197,636	100.00	8,456,593	6,197,636	100.00	143,663	192,997	Note 3
"	Primax Tech.	Cayman Islands	Holding company	897,421	897,421	285,067	100.00	3,266,754	285,067	100.00	15,052	31,108	Note 3
"	Destiny BVL	Virgin Island	Holding company	30,939	30,939	1,050	100.00	(15,442)	1,050	100.00	(4,058)	(4,058)	Note 3
"	Destiny Japan	Japan	Market development of and customer service for computer peripherals, mobile device components, and business devices	7,032	7,032	0.50	100.00	14,901	0.5	100.00	462	462	Note 3
"	Diamond	Cayman Islands	Holding company	4,759,198	4,759,198	156,050	100.00	10,252,705	156,050	100.00	535,838	537,083	Note 3
"	Gratus Tech.	USA	Market development of and customer service for computer peripherals, mobile device components, and business devices	9,330	9,330	300	100.00	24,891	300	100.00	2,821	2,821	Note 3
"	Primax AE	Cayman Islands	Holding company	1,431,540	1,431,540	48,200	100.00	71,843	48,200	100.00	(162)	(162)	Note 3
"	Primax Singapore	Singapore	Sale of computer peripherals and mobile device components	1,181,150	1,181,150	40,100	100.00	706,359	40,100	100.00	53,888	46,862	Note 3
"	Primax Security	Taiwan	Sale of computer peripherals and mobile device components	200	200	20	100.00	184	20	100.00	(9)	(9)	Note 3
	Total			<u>10,229,498</u>	<u>10,229,498</u>			<u>22,778,789</u>			<u>747,495</u>	<u>807,104</u>	

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest balance during the year		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value	Shares (thousands)	Percentage of ownership			
Primax Singapore	Primax Thailand	Thailand	Manufacturing and sale of computer peripherals, mobile device components, and business devices	1,162,928	1,162,928	1,244	100.00	706,983	1,244	100.00	50,762	50,762	Note 3 Note 5
Primax Cayman	Primax HK	Hong Kong	Holding company and customer service	1,737,164	1,737,164	446,817	100.00	8,612,772	446,817	100.00	144,250	144,250	Note 3
Primax Tech.	Polaris	USA	Sale and purchase of computer peripherals, mobile device components, and business devices	52,680	52,680	1,600	100.00	480,341	1,600	100.00	9,756	9,756	Note 3
Diamond	TWEL	Cayman Islands	Holding company	4,953,350	4,953,350	279,191	100.00	10,288,275	279,191	100.00	536,116	536,116	Note 3
Primax AE	AIC	Cayman Islands	Holding company	1,356,995	1,356,995	30	37.00	-	30	37.00	(183,500)	-	Note 4
TWEL	TYM Singapore	Singapore	R&D, design, and sales of various speaker accessories as well as speakers and their components and holding business	16,000	-	500	100.00	16,132	500	100.00	414	414	Note 3
"	MBTH	Thailand	Manufacturing of plastic products	75,248	31,900	760	40.00	63,025	760	40.00	(30,628)	(14,094)	Note 4
"	SKRI	Canada	R&D of microphones	97,077	-	493	10.60	94,719	493	10.60	(129,766)	(5,219)	Note 4
Tymphony Huizhou	TYM Acoustic HK	Hong Kong	R&D, design, and sales of various speaker accessories as well as speakers and their components and holding business	1,592,954	1,592,954	418,090	100.00	3,621,910	418,090	100.00	222,684	222,684	Note 3
TYM Acoustic HK	TYM HK	Hong Kong	Holding company; sales of, market development of and customer service for various speaker accessories, speakers and their components	76,280 (note 1)	76,280 (note 1)	144,395	100.00	692,237	144,395	100.00	7,253	7,253	Note 3
"	TYP	USA	Market development of and customer service for speakers and their components	15 (note 1)	15 (note 1)	0.50	100.00	92,395	0.5	100.00	5,078	5,078	Note 3
"	TYM UK	United Kingdom	R&D and design of various speaker accessories as well as speakers and their components	15,631	15,631	400	100.00	49,192	400	100.00	1,289	1,289	Note 3
"	TYM Acoustic Europe	Czech	Manufacturing, installation, and maintenance of various speaker accessories and their components	653,796	653,796	187,800	100.00	1,151,390	187,800	100.00	25,406	25,406	Note 3
"	TYAT	Taiwan	R&D and design of various speaker accessories as well as speakers and their components	48,318	48,318	5,000	100.00	520,564	5,000	100.00	41,086	41,086	Note 3
"	TYTH	Thailand	Manufacturing and sales of various speaker accessories, speakers, and their components	725,091	725,091	7,789	100.00	831,599	7,789	100.00	49,981	49,981	Note 3 Note 5

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest balance during the year		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value	Shares (thousands)	Percentage of ownership			
TYM HK	TYML	USA	Sales of various speaker accessories, speakers, and their components	6,628	6,628	200	100.00	8,142	200	100.00	(44)	(44)	Note 3

Note 1: The amount is the initial investment costs from the original stockholders prior to the acquisition of the Company through Diamond.

Note 2: Related investments (except for AIC, MBTH and SKRI) have been eliminated during the preparation of the consolidated financial statements.

Note 3: The subsidiary of the Company.

Note 4: The associate of the Company.

Note 5: To meet the regulatory requirements, both 3 shares of Primax Thailand and TYTH are owned by natural person.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of Investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025 (note 2)	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership during the year	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
PCCH2	Manufacturing and sale of computer peripherals, mobile device components, and business devices	1,994,552	Indirect investment through Primax Cayman and Primax Tech.	1,801,000	-	-	1,725,989	17,987	100%	100%	17,987	8,255,902	-
Destiny Beijing	R&D of computer peripheral and business devices	39,511	Indirect investment through Destiny BVI.	34,420	-	-	33,010	(4,059)	100%	100%	(4,059)	(15,446)	-
PKS1	Production of computer peripheral products	230,084	Indirect investment through Primax Cayman	65,562	-	-	62,876	6,995	100%	100%	6,995	220,291	-
PCQ1	"	853,522	"	655,620	-	-	628,760	148,415	100%	100%	148,415	2,825,656	-
Tymphony Huizhou	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	1,692,997	Indirect investment through Diamond	5,113,836	-	-	4,904,328	630,744	100%	100%	630,744	9,067,144	-
Tymphony Dongguan	"	157,190	"	16,391	-	-	15,719	53,153	100%	100%	53,153	781,568	-
Tymphony Supply Chain Huizhou	Supply chain management services, and sales of various acoustic electronic components and products	-	"	-	-	-	-	-	100% (note 4)	100%	-	-	-

Note 1: The above information on the exchange rate was as follows: HKD:TWD 4.0399 ; USD:TWD 31.4380; CNY:TWD 4.4727.

Note 2: The differences between the accumulated out flow of investments and paid in capital was derived from the currency exchange on translation, capital increase from retained earning and working capital.

Note 3: Related investments have been eliminated during the preparation of the consolidated financial statements.

Note 4: As of December 31, 2025, there was no capital injection from the Company.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	7,835,188	9,633,110	None (note)

Note: The Company has received the Certificate issued by the Industrial Development Bureau, Ministry of Economic Affairs, allowing it to start the operating of its headquarters.

The above investment income (losses) in mainland China, except for PCH2, Destiny Beijing, PKS1 and PCQ1 which were based on financial statements audited by the Company's auditors, others were based on the audited results of other auditors.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of the consolidated financial statements for the year ended December 31, 2025, are disclosed in "Information on significant transactions", and "Business relationships and significant intercompany transactions".

(14) Segment information:

(a) General information

The Group's reported segments are the divisions for computer peripherals and non-computer peripherals. The division for computer peripherals specializes in the manufacture and sale of computer mice, keyboards, track pads, etc. The division for non-computer peripherals specializes in the manufacture and sale of digital camera modules, mobile phone accessories, multi-function printers, scanners, shredders, amplifiers, speakers and audio systems, etc.

The Group's reported segments consist of strategic business units which provide essentially different products and services. These units have to be separately managed as a result of the different technology and marketing strategies. Most of the business units were acquired, and the original management teams are still operating.

The Group's segment financial information was as follows:

	2025		
	<u>Computer Peripherals</u>	<u>Non-computer Peripherals</u>	<u>Total</u>
Revenue			
External revenue	\$ 24,214,616	35,967,090	60,181,706
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 24,214,616</u>	<u>35,967,090</u>	<u>60,181,706</u>
Profit before tax from segments reported	<u>\$ 1,465,274</u>	<u>1,841,154</u>	<u>3,306,428</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2024		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 24,060,672	34,182,989	58,243,661
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 24,060,672</u>	<u>34,182,989</u>	<u>58,243,661</u>
Profit before tax from segments reported	<u>\$ 1,749,518</u>	<u>1,657,429</u>	<u>3,406,947</u>

(b) Geographic information

In presenting information on the basis of geography, revenue is based on the geographical location of customers, and non-current assets are based on the geographical location of the assets. Details were as follows:

<u>Geographic Information</u>	<u>2025</u>	<u>2024</u>
Revenues from external customers:		
China	\$ 22,175,045	25,946,327
Europe	11,984,522	10,799,318
America	19,379,268	17,745,858
Other	<u>6,642,871</u>	<u>3,752,158</u>
Total	<u>\$ 60,181,706</u>	<u>58,243,661</u>
	<u>December 31,</u>	<u>December 31,</u>
	<u>2025</u>	<u>2024</u>
Non-current assets:		
China	\$ 4,220,759	4,618,402
Taiwan	4,090,885	3,614,726
Thailand	2,854,856	2,066,725
Other	<u>2,332,833</u>	<u>2,330,333</u>
Total	<u>\$ 13,499,333</u>	<u>12,630,186</u>

(c) Major customer information

	<u>2025</u>	<u>2024</u>
C company – Computer Peripherals	<u>\$ 6,178,895</u>	<u>6,549,286</u>