

**PRIMAX ELECTRONICS LTD.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
for the Three Months Ended
March 31, 2026 and 2025**

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of PRIMAX ELECTRONICS LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of PRIMAX ELECTRONICS LTD. (“the Company”) and its subsidiaries (“the Group”) as of March 31, 2026 and 2025, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to NT\$15,290,627 thousand and NT\$13,039,297 thousand, constituting 29.0% and 26.1% of the consolidated total assets; and the total liabilities amounting to NT\$10,719,269 thousand and NT\$8,207,298 thousand, constituting 34.6% and 28.3% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively; as well as the total comprehensive income (loss) amounting to NT\$(24,750) thousand and NT\$155,628 thousand, constituting (2.1)% and 14.6% of the consolidated comprehensive income (loss) for the three months ended March 31, 2026 and 2025, respectively.

Furthermore, as stated in note 6(h), the investments accounted for using equity method of the Group in its investee companies of NT\$151,227 thousand and NT\$27,406 thousand as of March 31, 2026 and 2025, and its related share of loss of associates accounted for using equity method of NT\$5,648 thousand and NT\$4,494 thousand for the three months ended March 31, 2026 and 2025, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of another auditor (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of Tymphony Worldwide Enterprises Ltd., a subsidiary of the Group. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Tymphony Worldwide Enterprises Ltd., is based solely on the review report of another auditor. The financial statements of Tymphony Worldwide Enterprises Ltd. reflect the total assets amounting to NT\$16,101,463 thousand and NT\$15,708,938 thousand, constituting 30.5% and 31.4% of the related consolidated total assets as of March 31, 2026 and 2025, respectively; as well as the operating revenue amounting to NT\$4,960,290 thousand and NT\$4,261,346 thousand, constituting 31.2% and 28.9% of the related consolidated operating revenue for the three months ended March 31, 2026 and 2025, respectively.

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

KPMG

Taipei, Taiwan (Republic of China)
May 7, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review 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’ review 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

March 31, 2026, December 31 and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025			March 31, 2026		December 31, 2025		March 31, 2025		
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	
Assets								Liabilities and Equity						
Current assets:								Current liabilities:						
1100 Cash and cash equivalents (note 6(a))	\$ 12,881,884	24	12,289,381	24	14,223,816	29	2100 Short-term borrowings (notes 6(m) and 8)	\$ 3,377,971	6	1,775,467	4	1,639,032	3	
1110 Current financial assets at fair value through profit or loss (note 6(b))	457,672	1	488,548	1	397,182	1	2120 Current financial liabilities at fair value through profit or loss (note 6(b))	742,289	2	691,838	1	580,836	1	
1137 Current financial assets at amortized cost (notes 6(d) and 8)	26,214	-	26,214	-	25,649	-	2170 Notes and accounts payable	14,879,418	28	14,816,982	29	12,444,192	25	
1170 Notes and accounts receivable (notes 6(e) and (v))	11,736,396	22	11,007,350	21	11,037,662	22	2180 Accounts payable to related parties (note 7)	31,186	-	23,187	-	-	-	
1180 Accounts receivable from related parties, net (notes 6(e), (v) and 7)	-	-	-	-	5,420	-	2201 Salaries payable	913,680	2	1,658,768	3	1,035,911	2	
1200 Other receivables (notes 6(e), (f) and 7)	866,270	2	1,007,749	2	695,036	1	2219 Other payables	2,705,753	5	3,236,782	6	3,736,560	7	
1310 Inventories (note 6(g))	10,820,713	20	10,756,563	21	8,806,481	18	2220 Other payables to related parties (note 7)	2,431	-	16,398	-	9,015	-	
1470 Other current assets	823,679	2	798,272	2	640,754	1	2280 Current lease liabilities (note 6(o))	242,499	1	246,375	1	239,243	1	
	<u>37,612,828</u>	<u>71</u>	<u>36,374,077</u>	<u>71</u>	<u>35,832,000</u>	<u>72</u>	2320 Long-term borrowings, current portion (notes 6(n) and 8)	594,409	1	544,450	1	272,289	1	
Non-current assets:								2365 Current refund liabilities	2,093,328	4	2,065,219	4	2,433,988	5
1511 Non-current financial assets at fair value through profit or loss, designated as upon initial recognition (note 6(b))	36,233	-	26,188	-	25,650	-	2399 Other current liabilities (note 6(v))	1,796,537	3	1,772,950	3	2,081,865	4	
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	391,788	1	317,948	1	322,496	1		<u>27,379,501</u>	<u>52</u>	<u>26,848,416</u>	<u>52</u>	<u>24,472,931</u>	<u>49</u>	
1550 Investments accounted for using equity method (note 6(h))	151,227	-	157,744	-	27,406	-	Non-Current liabilities:							
1600 Property, plant and equipment (notes 6(i) and 8)	9,360,708	18	9,210,285	18	8,374,078	17	2540 Long-term borrowings (notes 6(n) and 8)	683,252	1	822,958	2	1,229,281	2	
1755 Right-of-use assets (note 6(j))	1,527,837	3	1,592,129	3	1,743,002	3	2580 Non-current lease liabilities (note 6(o))	1,227,053	3	1,276,727	3	1,412,722	3	
1760 Investment property (notes 6(k) and 8)	721,659	1	598,841	1	645,139	1	2630 Long-term deferred revenue (note 6(i))	509,461	1	480,816	1	581,530	1	
1780 Intangible assets (note 6(l))	2,029,550	4	2,012,381	4	2,021,793	4	2670 Other non-current liabilities	1,175,938	2	1,272,367	2	1,318,554	3	
1840 Deferred tax assets	643,653	1	641,729	1	690,920	1		<u>3,595,704</u>	<u>7</u>	<u>3,852,868</u>	<u>8</u>	<u>4,542,087</u>	<u>9</u>	
1990 Other non-current assets (note 8)	295,609	1	292,497	1	297,118	1	Total liabilities	<u>30,975,205</u>	<u>59</u>	<u>30,701,284</u>	<u>60</u>	<u>29,015,018</u>	<u>58</u>	
	<u>15,158,264</u>	<u>29</u>	<u>14,849,742</u>	<u>29</u>	<u>14,147,602</u>	<u>28</u>	Equity attributable to owners of parent:							
Total assets	<u>\$ 52,771,092</u>	<u>100</u>	<u>51,223,819</u>	<u>100</u>	<u>49,979,602</u>	<u>100</u>	3110 Ordinary shares (note 6(s))	4,718,808	9	4,711,428	9	4,674,028	9	
							3200 Capital surplus (note 6(s))	3,939,623	7	3,894,162	8	3,639,874	7	
							3310 Legal reserve	2,778,851	5	2,778,851	5	2,522,701	5	
							3320 Special reserve	95,367	-	95,367	-	1,016,955	2	
							3350 Unappropriated retained earnings (note 6(s))	10,433,396	20	9,833,308	19	9,250,403	19	
							3400 Other equity interest	(170,158)	-	(790,581)	(1)	(139,377)	-	
								<u>21,795,887</u>	<u>41</u>	<u>20,522,535</u>	<u>40</u>	<u>20,964,584</u>	<u>42</u>	
							Total equity	<u>21,795,887</u>	<u>41</u>	<u>20,522,535</u>	<u>40</u>	<u>20,964,584</u>	<u>42</u>	
							Total liabilities and equity	<u>\$ 52,771,092</u>	<u>100</u>	<u>51,223,819</u>	<u>100</u>	<u>49,979,602</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 three months ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(v) and 7)	\$ 15,918,649	100	14,768,131	100
5000	Operating costs (notes 6(g), (o), (q), (w), 7 and 12)	<u>13,387,833</u>	<u>84</u>	<u>12,229,238</u>	<u>83</u>
	Gross profit from operation	<u>2,530,816</u>	<u>16</u>	<u>2,538,893</u>	<u>17</u>
	Operating expenses (notes 6(e), (o), (q), (t), (w) and 12):				
6100	Selling expenses	460,516	3	493,131	3
6200	Administrative expenses	527,513	3	476,535	3
6300	Research and development expenses	846,057	6	830,162	6
6450	Expected credit loss (gain on reversal)	<u>6,570</u>	<u>-</u>	<u>(412)</u>	<u>-</u>
	Total operating expenses	<u>1,840,656</u>	<u>12</u>	<u>1,799,416</u>	<u>12</u>
	Net operating income	<u>690,160</u>	<u>4</u>	<u>739,477</u>	<u>5</u>
	Non-operating income and expenses:				
7100	Interest income	72,670	1	112,097	1
7010	Other income (note 6(x))	20,258	-	16,745	-
7020	Other gains and losses (notes 6(y) and 12)	21,435	-	155,810	1
7060	Shares of loss of associates accounted for using equity method (note 6(h))	(5,648)	-	(4,494)	-
7050	Finance costs (note 6(o))	<u>(44,021)</u>	<u>-</u>	<u>(46,308)</u>	<u>-</u>
	Total non-operating income and expenses	<u>64,694</u>	<u>1</u>	<u>233,850</u>	<u>2</u>
	Profit before tax	754,854	5	973,327	7
7950	Less: Income tax expenses (note 6(r))	<u>154,766</u>	<u>1</u>	<u>233,562</u>	<u>2</u>
	Profit	<u>600,088</u>	<u>4</u>	<u>739,765</u>	<u>5</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	64,750	-	(1,579)	-
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>64,750</u>	<u>-</u>	<u>(1,579)</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	522,565	3	325,053	2
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>522,565</u>	<u>3</u>	<u>325,053</u>	<u>2</u>
8300	Other comprehensive income after tax	<u>587,315</u>	<u>3</u>	<u>323,474</u>	<u>2</u>
	Comprehensive income	<u>\$ 1,187,403</u>	<u>7</u>	<u>1,063,239</u>	<u>7</u>
	Earnings per share (note 6(u))				
9710	Basic earnings per share (NT dollars)	<u>\$ 1.30</u>		<u>1.61</u>	
9810	Diluted earnings per share (NT dollars)	<u>\$ 1.28</u>		<u>1.60</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 three months ended March 31, 2026 and 2025****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent								Total equity
	Retained earnings					Other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	
Balance at January 1, 2025	\$ 4,657,448	3,512,958	2,522,701	1,016,955	8,510,638	(85,530)	(9,837)	(290,357)	19,834,976
Profit	-	-	-	-	739,765	-	-	-	739,765
Other comprehensive income	-	-	-	-	-	325,053	(1,579)	-	323,474
Comprehensive income	-	-	-	-	739,765	325,053	(1,579)	-	1,063,239
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	66,369	66,369
Cancellation of restricted stock	(420)	(2,284)	-	-	-	-	-	2,704	-
Issuance of restricted stock	17,000	129,200	-	-	-	-	-	(146,200)	-
Balance at March 31, 2025	\$ 4,674,028	3,639,874	2,522,701	1,016,955	9,250,403	239,523	(11,416)	(367,484)	20,964,584
Balance at January 1, 2026	\$ 4,711,428	3,894,162	2,778,851	95,367	9,833,308	(312,890)	(55,838)	(421,853)	20,522,535
Profit	-	-	-	-	600,088	-	-	-	600,088
Other comprehensive income	-	-	-	-	-	522,565	64,750	-	587,315
Comprehensive income	-	-	-	-	600,088	522,565	64,750	-	1,187,403
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	85,949	85,949
Issuance of restricted stock	7,380	45,461	-	-	-	-	-	(52,841)	-
Balance at March 31, 2026	\$ 4,718,808	3,939,623	2,778,851	95,367	10,433,396	209,675	8,912	(388,745)	21,795,887

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 three months ended March 31, 2026 and 2025****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2026	2025
Cash flows from (used in) operating activities:		
Profit before tax	\$ 754,854	973,327
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	362,010	343,207
Amortization expense	12,559	12,016
Expected credit loss (gain on reversal)	6,570	(412)
Interest expense	43,550	46,308
Net losses on financial assets and liabilities at fair value through profit or loss	301,147	183,228
Interest income	(72,670)	(112,097)
Compensation cost of share-based payment	85,949	66,369
Shares of loss of associates accounted for using equity method	5,648	4,494
Loss (Gain) on disposal of property, plant and equipment	6,970	(4,834)
Total adjustments to reconcile profit	751,733	538,279
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	471,741	293,768
Notes and accounts receivable	(702,013)	66,302
Accounts receivable from related parties	-	19,760
Other receivables	75,900	7,340
Inventories	(64,150)	797,201
Other current assets	(25,407)	(36,986)
Other operating assets	(1,570)	501
Changes in operating assets	(245,499)	1,147,886
Financial liabilities at fair value through profit or loss	(691,838)	(467,904)
Notes and accounts payable	62,436	(903,282)
Accounts payable to related parties	7,999	-
Salaries payable	(745,088)	(821,263)
Other payables	(496,073)	(193,830)
Other payables to related parties	(13,967)	9,015
Refund liabilities	28,109	(58,683)
Other current liabilities	23,587	31,465
Other operating liabilities	(74,399)	62,163
Changes in operating liabilities	(1,899,234)	(2,342,319)
Total changes in operating assets and liabilities	(2,144,733)	(1,194,433)
Total adjustments	(1,393,000)	(656,154)
Cash inflow (outflow) generated from operations	(638,146)	317,173
Interest received	72,670	112,097
Interest paid	(43,550)	(46,308)
Income taxes paid	(18,699)	(96,697)
Net cash flows from (used in) operating activities	(627,725)	286,265
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(9,090)	(1,879)
Acquisition of financial assets at fair value through profit or loss	(29,387)	(1,964)
Proceeds from disposal of financial assets at fair value through profit or loss	19,619	-
Acquisition of property, plant and equipment	(737,544)	(568,678)
Proceeds from disposal of property, plant and equipment	42,165	21,592
Decrease (increase) in refundable deposits	(3,053)	2,721
Acquisition of intangible assets	(19,114)	-
Acquisition of investment properties	-	(584)
Acquisition of unamortized expense	(923)	(4,295)
Proceeds from disposal of unamortized expense	73	-
Net cash flows used in investing activities	(737,254)	(553,087)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,634,160	170,397
Increase in long-term borrowings	-	367,046
Repayments of long-term borrowings	(88,030)	(58,000)
Increase (decrease) in guarantee deposits received	1,930	(166)
Decrease in other payables to related parties	-	(76,179)
Payment of lease liabilities	(64,597)	(58,919)
Net cash flows from financing activities	1,483,463	344,179
Effect of exchange rate changes on cash and cash equivalents	474,019	260,474
Net increase in cash and cash equivalents	592,503	337,831
Cash and cash equivalents at beginning of period	12,289,381	13,885,985
Cash and cash equivalents at end of period	\$ 12,881,884	14,223,816

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

March 31, 2026 and 2025

(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 three months ended March 31, 2026, 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 May 7, 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, 2026:

- 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”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

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

- (b) 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>

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.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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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:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers (“the Regulation”) and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

(i) 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
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Primax Industries (Cayman Holding) Ltd. (Primax Cayman)	Holding company	100.00 %	100.00 %	100.00 %	
The Company	Primax Technology (Cayman Holding) Ltd. (Primax Tech.)	Holding company	100.00 %	100.00 %	100.00 %	(note1)
The Company	Destiny Technology Holding Co., Ltd. (Destiny BVI.)	Holding company	100.00 %	100.00 %	100.00 %	(note1)
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 %	100.00 %	(note1)
The Company	Diamond (Cayman) Holdings Ltd. (Diamond)	Holding company	100.00 %	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 %	100.00 %	(note1)

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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
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Primax AE (Cayman) Holdings Ltd. (Primax AE)	Holding company	100.00 %	100.00 %	100.00 %	(note1)
The Company	Primax Electronics (Singapore) Pte. Ltd. (Primax Singapore)	Sale of computer peripherals and mobile device components	100.00 %	100.00 %	100.00 %	(note1)
The Company	Primax Security Technology Inc. (Primax Security)	Sale of computer peripherals and mobile device components	100.00 %	100.00 %	100.00 %	(note1)
Primax Cayman	Primax Industries (Hong Kong) Ltd. (Primax HK)	Holding company and customer service	100.00 %	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 %	100.00 %	
Primax HK	Primax Electronics (Kun Shan) Corp., Ltd. (PKS1)	Production of computer peripheral products	100.00 %	100.00 %	100.00 %	(note1)
Primax HK	Primax Electronics (Chongqing) Corp., Ltd. (PCQ1)	Production of computer peripheral products	100.00 %	100.00 %	100.00 %	(note1)
Primax Tech.	Polaris Electronics Inc. (Polaris)	Sale and purchase of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	(note1)
Destiny BVI	Destiny Electronic Corp. (Destiny Beijing)	R&D of computer peripherals and business devices	100.00 %	100.00 %	100.00 %	(note1)
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 %	100.00 %	(note1) (note2)
Diamond	Tymphany Worldwide Enterprises Ltd. (TWEL)	Holding company	100.00 %	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 %	100.00 %	(note 3)
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 %	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 %	100.00 %	
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 %	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 %	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
			March 31, 2026	December 31, 2025	March 31, 2025	
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 %	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 %	100.00 %	(note1)
TYM Acoustic HK	TYP Enterprise, inc. (TYP)	Market development of and customer service for speakers and their components	100.00 %	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 %	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 %	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 %	100.00 %	(note1) (note 2)
TYM HK	TYMPHANY LOGISTICS, INC (TYML)	Sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	

Note 1: The Company is a non-significant subsidiary, and its financial statement have not been reviewed by independent auditors.

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.

(c) **Employee benefits**

The pension cost in the consolidated financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) **Income taxes**

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make 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.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

The accounting policies involved significant judgments and the information that have significant effect on the amounts recognized in the consolidated financial statements is as follow:

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

The Group holds 37% of the voting shares of ALT International Co., Ltd. (AIC), but the chairman of AIC controls 45% of voting shares, and the Group did not obtain any director seats of AIC. 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.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to note 6 of the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	\$ 1,651	1,675	3,041
Demand accounts and checking deposits	7,951,234	6,671,304	8,660,952
Time deposits	4,928,999	5,297,774	5,519,823
Repurchase agreement	-	318,628	40,000
	<u>\$ 12,881,884</u>	<u>12,289,381</u>	<u>14,223,816</u>

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

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

(i) Details of financial instruments were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Mandatorily measured at FVTPL:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 437,086	471,439	397,182
Foreign exchange swap contracts	1,218	109	-
Non-derivative financial assets			
Funds	19,368	17,000	-
Equities unlisted in foreign markets	<u>36,233</u>	<u>26,188</u>	<u>25,650</u>
	<u>\$ 493,905</u>	<u>514,736</u>	<u>422,832</u>
Current	\$ 457,672	488,548	397,182
Non-current	<u>36,233</u>	<u>26,188</u>	<u>25,650</u>
	<u>\$ 493,905</u>	<u>514,736</u>	<u>422,832</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Financial liabilities held-for-trading:			
Derivative instrument not used for hedging			
Forward exchange contracts	\$ (393,588)	(270,779)	(289,745)
Foreign exchange swap contracts	<u>(348,701)</u>	<u>(421,059)</u>	<u>(291,091)</u>
	<u>\$ (742,289)</u>	<u>(691,838)</u>	<u>(580,836)</u>

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

- (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 March 31, 2026, December 31 and March 31, 2025:

March 31, 2026			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts – buy USD / sell TWD	USD 555,850	April 1, 2026~ August 13, 2026	29.207~32.169
Forward exchange contracts – buy TWD / sell USD	USD 65,500	April 9, 2026~ May 18, 2026	31.415~32.120
Forward exchange contracts – buy CNY/ sell USD	USD 383,000	April 2, 2026~ April 24, 2026	6.8526~6.8850
Forward exchange contracts – buy USD/ sell THB	USD 93,000	April 16, 2026~ May 21, 2026	30.910~32.650
Forward exchange contracts – buy THB/ sell USD	USD 37,957	April 29, 2026~ May 18, 2026	30.941~31.777
Forward exchange contracts – buy EUR/ sell HKD	EUR 6,000	April 9, 2026	9.113
Forward exchange contracts – buy CZK/ sell EUR	EUR 11,000	April 16, 2026~ April 23, 2026	24.395~24.466
Forward exchange contracts – buy HKD/sell USD	USD 20,000	April 9, 2026~ May 7, 2026	7.797~7.813
Forward exchange contracts – buy USD/ sell CZK	USD 1,000	April 16, 2026	20.940
Forward exchange swap contracts – swap in TWD/ swap out USD	USD 300,000	April 13, 2026~ July 20, 2026	29.574~31.857
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

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

December 31, 2025				
Derivative financial instruments	Nominal amount (in thousands)		Maturity date	Predetermined rate
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
March 31, 2025				
Derivative financial instruments	Nominal amount (in thousands)		Maturity date	Predetermined rate
Forward exchange contracts — buy CZK/ sell USD	USD	2,000	April 9, 2025	22.975
Forward exchange contracts — buy CZK/ sell EUR	EUR	8,000	April 29, 2025	25.042~25.050
Forward exchange contracts — buy USD / sell TWD	USD	574,850	April 11, 2025~ September 26, 2025	31.265~32.976
Forward exchange contracts — buy TWD / sell USD	USD	55,000	April 9, 2025~ April 29, 2025	32.792~33.018
Forward exchange contracts — buy CNY/ sell USD	USD	392,500	April 2, 2025~ July 21, 2025	7.1735~7.2743
Forward exchange contracts — buy USD/ sell THB	USD	28,500	April 25, 2025~ May 19, 2025	33.330~33.950
Forward exchange contracts — buy THB/ sell USD	USD	3,000	April 25, 2025	34.000
Forward exchange swap contracts — swap in TWD/ swap out USD	USD	390,000	April 11, 2025~ September 25, 2025	31.457~32.596

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

(c) Financial assets at FVOCI

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Equity investments at FVOCI			
Stocks unlisted in domestic markets	\$ 250	250	250
Stocks listed in domestic markets	19,801	19,801	19,801
Equities unlisted in foreign markets	<u>371,737</u>	<u>297,897</u>	<u>302,445</u>
Total	<u>\$ 391,788</u>	<u>317,948</u>	<u>322,496</u>

(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) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2026 and 2025.

(iii) The Group did not provide any of the aforementioned financial assets as collateral.

(d) Financial assets at amortized cost

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Restricted time deposits	\$ 3,414	3,414	-
Time deposits	<u>22,800</u>	<u>22,800</u>	<u>25,649</u>
Total	<u>\$ 26,214</u>	<u>26,214</u>	<u>25,649</u>

(i) The Group held bank time deposits with an annual interest rates of 1.65% as of March 31, 2026, December 31 and March 31, 2025.

(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) Notes and accounts receivable (including related parties)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Notes receivable	\$ 8,306	-	-
Accounts receivable	11,775,672	11,047,685	11,088,667
Accounts receivable – related parties	-	-	5,420
Less: allowance for doubtful accounts	<u>(47,582)</u>	<u>(40,335)</u>	<u>(51,005)</u>
Total	<u>\$ 11,736,396</u>	<u>11,007,350</u>	<u>11,043,082</u>

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

	March 31, 2025		
	Carrying amounts of notes and accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 10,585,980	0.13%	14,257
0 to 30 days past due	415,847	2.63%	10,938
31 to 60 days past due	48,577	0.50%	243
61 to 90 days past due	12,231	6.00%	734
91 to 180 days past due	190	3.68%	7
181 to 360 days past due	7,564	14.91%	1,128
More than 361 days past due	23,698	100%	23,698
	\$ 11,094,087		51,005

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

	For the three months ended March 31	
	2026	2025
Balance on January 1	\$ 40,335	50,874
Impairment losses recognized (reversed)	6,570	(412)
Effect of exchange rate changes	677	543
Balance on March 31	\$ 47,582	51,005

- (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 March 31, 2026, December 31 and March 31, 2025, the details of transferred accounts receivable which conformed to the criteria for derecognition were as follows:

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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March 31, 2026						
Purchaser	Amount Derecognized	Amount Advanced		Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 1,592,688	41,942	1,356,642	236,046	2.39%~4.61%	-
HSBC Bank	167,350	-	150,615	16,735	4.29%~4.35%	-
Bank of Taiwan	35,482	-	31,934	3,548	4.47%~4.50%	NTS 612,000
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 1,795,520</u>	<u>41,942</u>	<u>1,539,191</u>	<u>256,329</u>		

December 31, 2025						
Purchaser	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%	NTS 612,000
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 2,493,071</u>	<u>41,302</u>	<u>2,202,462</u>	<u>290,609</u>		

March 31, 2025						
Purchaser	Amount Derecognized	Amount Advanced		Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 1,593,640	-	1,434,276	159,364	4.85%~4.95%	-
Bank of Taiwan	-	-	-	-	-	NTS 367,200
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 1,593,640</u>	<u>-</u>	<u>1,434,276</u>	<u>159,364</u>		

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

(f) Other receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables - factoring of accounts receivable	\$ 256,329	290,609	159,364
Other receivables - tax refund receivable	522,106	583,754	458,120
Other receivables - others	71,651	72,936	91,160
Other receivables - related parties	16,184	60,450	3,732
Less: allowance for doubtful accounts	-	-	(17,340)
	<u>\$ 866,270</u>	<u>1,007,749</u>	<u>695,036</u>

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

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

	For the three months ended March 31	
	2026	2025
Balance on January 1	\$ -	17,107
Effect of exchange rate changes	-	233
Balance on March 31	\$ -	17,340

(g) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 4,056,108	3,303,515	3,416,303
Semi-finished goods and work in process	2,506,654	2,648,341	2,266,157
Finished goods and merchandise	4,257,951	4,804,707	3,124,021
	\$ 10,820,713	10,756,563	8,806,481

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:

	For the three months ended March 31	
	2026	2025
Losses on inventory valuation and disposal of inventories	\$ (79,143)	(46,425)
Unallocated manufacturing overhead resulting from the actual production being lower than the normal capacity	(27,689)	(13,952)
Gains (losses) on physical inventories	(757)	56
	\$ (107,589)	(60,321)

The losses from inventory write-downs to net realizable value, were recognized as an increase in 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:

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of individually insignificant associates' equity	\$ 151,227	157,744	27,406

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	For the three months ended March 31	
	2026	2025
Attributable to the Group:		
Losses	\$ (5,648)	(4,494)
Other comprehensive loss	(869)	-
Comprehensive loss	\$ (6,517)	(4,494)

- (i) The Group did not provide any investment accounted for using equity method as collateral.
- (ii) Investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed by independent auditors.

(i) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group for the three months ended March 31, 2026 and 2025, 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, 2026	\$ 1,246,259	6,614,104	7,814,638	871,355	2,775,864	19,322,220
Additions	-	6,479	77,465	16,785	437,047	537,776
Disposals	-	(3,109)	(65,863)	(21,272)	(122)	(90,366)
Reclassifications	-	17,681	29,610	38,092	(123,869)	(38,486)
Reclassification to investment property	-	(205,486)	-	(966)	-	(206,452)
Effect of changes in exchange rate	(8,597)	107,752	169,591	11,251	(18,185)	261,812
Balance on March 31, 2026	\$ 1,237,662	6,537,421	8,025,441	915,245	3,070,735	19,786,504
Balance on January 1, 2025	\$ 1,224,979	6,517,084	7,427,973	869,683	1,631,368	17,671,087
Additions	-	2,738	58,806	10,802	416,768	489,114
Disposals	-	(680)	(86,124)	(4,938)	-	(91,742)
Reclassifications	-	8,367	72,031	100	(81,531)	(1,033)
Effect of changes in exchange rate	5,205	90,703	110,496	13,124	8,913	228,441
Balance on March 31, 2025	\$ 1,230,184	6,618,212	7,583,182	888,771	1,975,518	18,295,867

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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, 2026	\$ -	3,114,103	6,359,369	638,463	-	10,111,935
Depreciation	-	78,081	180,811	25,233	-	284,125
Disposals	-	(3,074)	(47,616)	(21,069)	-	(71,759)
Reclassifications	-	-	(31,113)	(275)	-	(31,388)
Reclassification to investment property	-	(108,448)	-	(965)	-	(109,413)
Effect of changes in exchange rate	-	71,914	158,631	11,751	-	242,296
Balance on March 31, 2026	<u>\$ -</u>	<u>3,152,576</u>	<u>6,620,082</u>	<u>653,138</u>	<u>-</u>	<u>10,425,796</u>
Balance on January 1, 2025	\$ -	2,855,447	6,070,518	658,386	-	9,584,351
Depreciation	-	80,586	165,654	23,257	-	269,497
Disposals	-	(680)	(66,785)	(4,912)	-	(72,377)
Reclassifications	-	431	(161)	(718)	-	(448)
Effect of changes in exchange rate	-	39,534	91,053	10,179	-	140,766
Balance on March 31, 2025	<u>\$ -</u>	<u>2,975,318</u>	<u>6,260,279</u>	<u>686,192</u>	<u>-</u>	<u>9,921,789</u>
Carrying amounts:						
Balance on January 1, 2026	<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 March 31, 2026	<u>\$ 1,237,662</u>	<u>3,384,845</u>	<u>1,405,359</u>	<u>262,107</u>	<u>3,070,735</u>	<u>9,360,708</u>
Balance on January 1, 2025	<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 March 31, 2025	<u>\$ 1,230,184</u>	<u>3,642,894</u>	<u>1,322,903</u>	<u>202,579</u>	<u>1,975,518</u>	<u>8,374,078</u>

- (i) The unamortized deferred revenue of equipment subsidy amounted to \$431,756, \$405,125 and \$501,775 were classified as long-term deferred revenue, as of March 31, 2026, December 31 and March 31, 2025, respectively.
- (ii) As of March 31, 2026, December 31 and March 31, 2025, the Group has started the construction of Jhubei Factory in 2022, with the total costs of \$1,838,435, \$1,777,347 and \$1,389,466, respectively. For the three months ended March 31, 2026 and 2025, the capitalized borrowing costs of \$3,077 and \$2,498, respectively, related to the construction of the said factory, had been calculated using a capitalization rate 1.225%.
- (iii) 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
Notes to the Consolidated Financial Statements

(j) 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, 2026	\$ 253,375	2,615,577	68,668	6,477	2,944,097
Additions	-	977	7,742	-	8,719
Disposals	-	-	(895)	-	(895)
Reclassification to investment property	(21,270)	-	-	-	(21,270)
Effect of changes in exchange rates	7,889	4,149	(312)	(49)	11,677
Balance on March 31, 2026	<u>\$ 239,994</u>	<u>2,620,703</u>	<u>75,203</u>	<u>6,428</u>	<u>2,942,328</u>
Balance on January 1, 2025	\$ 258,337	2,530,871	67,772	3,207	2,860,187
Additions	-	3,500	-	-	3,500
Effect of changes in exchange rates	3,529	31,345	1,804	114	36,792
Balance on March 31, 2025	<u>\$ 261,866</u>	<u>2,565,716</u>	<u>69,576</u>	<u>3,321</u>	<u>2,900,479</u>
Depreciation:					
Balance on January 1, 2026	\$ 37,655	1,266,220	45,815	2,278	1,351,968
Depreciation	1,446	61,862	4,073	456	67,837
Disposals	-	-	(895)	-	(895)
Reclassification to investment property	(7,011)	-	-	-	(7,011)
Effect of changes in exchange rates	1,110	1,574	(120)	28	2,592
Balance on March 31, 2026	<u>\$ 33,200</u>	<u>1,329,656</u>	<u>48,873</u>	<u>2,762</u>	<u>1,414,491</u>
Balance on January 1, 2025	\$ 32,107	1,006,112	35,726	732	1,074,677
Depreciation	1,566	58,974	3,942	315	64,797
Effect of changes in exchange rates	466	16,503	1,011	23	18,003
Balance on March 31, 2025	<u>\$ 34,139</u>	<u>1,081,589</u>	<u>40,679</u>	<u>1,070</u>	<u>1,157,477</u>
Carrying amounts:					
Balance on January 1, 2026	<u>\$ 215,720</u>	<u>1,349,357</u>	<u>22,853</u>	<u>4,199</u>	<u>1,592,129</u>
Balance on March 31, 2026	<u>\$ 206,794</u>	<u>1,291,047</u>	<u>26,330</u>	<u>3,666</u>	<u>1,527,837</u>
Balance on January 1, 2025	<u>\$ 226,230</u>	<u>1,524,759</u>	<u>32,046</u>	<u>2,475</u>	<u>1,785,510</u>
Balance on March 31, 2025	<u>\$ 227,727</u>	<u>1,484,127</u>	<u>28,897</u>	<u>2,251</u>	<u>1,743,002</u>

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

(k) 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, 2026	\$ 50,190	705,372	31,452	787,014
Reclassifications	-	206,452	21,270	227,722
Effect of changes in exchange rates	-	27,865	1,606	29,471
Balance on March 31, 2026	<u>\$ 50,190</u>	<u>939,689</u>	<u>54,328</u>	<u>1,044,207</u>
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	-	9,376	438	9,814
Balance on March 31, 2025	<u>\$ 50,190</u>	<u>727,949</u>	<u>32,506</u>	<u>810,645</u>
Depreciation and impairment losses:				
Balance on January 1, 2026	\$ 33,941	143,865	10,367	188,173
Depreciation	-	9,786	262	10,048
Reclassifications	-	109,413	7,011	116,424
Effect of changes in exchange rates	-	7,367	536	7,903
Balance on March 31, 2026	<u>\$ 33,941</u>	<u>270,431</u>	<u>18,176</u>	<u>322,548</u>
Balance on January 1, 2025	\$ 33,941	111,358	9,935	155,234
Depreciation	-	8,755	158	8,913
Disposal	-	(218)	-	(218)
Effect of changes in exchange rates	-	1,439	138	1,577
Balance on March 31, 2025	<u>\$ 33,941</u>	<u>121,334</u>	<u>10,231</u>	<u>165,506</u>
Carrying amounts:				
Balance on January 1, 2026	<u>\$ 16,249</u>	<u>561,507</u>	<u>21,085</u>	<u>598,841</u>
Balance on March 31, 2026	<u>\$ 16,249</u>	<u>669,258</u>	<u>36,152</u>	<u>721,659</u>
Balance on January 1, 2025	<u>\$ 16,249</u>	<u>606,849</u>	<u>22,133</u>	<u>645,231</u>
Balance on March 31, 2025	<u>\$ 16,249</u>	<u>606,615</u>	<u>22,275</u>	<u>645,139</u>
Fair value:				
Balance on March 31, 2026				<u>\$ 1,333,353</u>
Balance on January 1, 2026				<u>\$ 1,058,416</u>

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

- (i) The fair value of the investment property listed above is evaluated based on third-party quotation information, which are third-level fair value. There are no significant changes for the three months ended March 31, 2025. Please refer to note 6(l) of the consolidated financial report of 2025.
- (ii) The Group provided the aforementioned investment property as collateral; please refer to note 8.

(l) Intangible assets

	<u>Goodwill</u>	<u>Trademarks, Patents and Copyrights</u>	<u>Total</u>
Carrying amounts:			
Balance on January 1, 2026	\$ <u>2,012,193</u>	<u>188</u>	<u>2,012,381</u>
Balance on March 31, 2026	\$ <u>2,013,830</u>	<u>15,720</u>	<u>2,029,550</u>
Balance on January 1, 2025	\$ <u>2,019,526</u>	<u>708</u>	<u>2,020,234</u>
Balance on March 31, 2025	\$ <u>2,021,244</u>	<u>549</u>	<u>2,021,793</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2026 and 2025. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2025 for other related information.

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

(m) Short-term borrowings

The details of short-term borrowings were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured bank loans	\$ 3,038,950	1,775,467	1,303,636
Secured bank loans	339,021	-	335,396
	<u>\$ 3,377,971</u>	<u>1,775,467</u>	<u>1,639,032</u>
Unused credit lines	<u>\$ 25,174,380</u>	<u>24,372,602</u>	<u>28,360,802</u>
Annual interest rates	<u>1.78%~4.05%</u>	<u>2.35%~2.45%</u>	<u>2.72%~4.80%</u>

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

(n) Long-term borrowings

March 31, 2026

	Currency	Annual interest rate	Maturity year	Amount
	Secured bank loans	TWD	1.23%~1.77%	2026~2028
	THB	3.30%	2027	66,928
Less: current portion				(594,409)
				\$ 683,252
Unused credit lines				\$ 940,182

December 31, 2025

	Currency	Annual interest rate	Maturity year	Amount
	Secured bank loans	TWD	1.23%~1.77%	2026~2028
	THB	3.30%	2027	82,474
Less: current portion				(544,450)
				\$ 822,958
Unused credit lines				\$ 1,499,109

March 31, 2025

	Currency	Annual interest rate	Maturity year	Amount
	Secured bank loans	TWD	1.23%~1.77%	2026~2028
	THB	4.20%	2027	\$ 107,437
Less: current portion				(272,289)
				\$ 1,229,281
Unused credit lines				\$ 1,606,738

(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.

(o) Lease liabilities

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

	March 31, 2026	December 31, 2025	March 31, 2025
Current	\$ 242,499	246,375	239,243
Non-current	\$ 1,227,053	1,276,727	1,412,722

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

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2026	2025
Interest on lease liabilities	<u>\$ 11,600</u>	<u>12,941</u>
Expenses relating to short-term leases and leases of low-value assets	<u>\$ 15,881</u>	<u>12,060</u>

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

	For the three months ended March 31	
	2026	2025
Rental paid in operating activities	\$ (15,881)	(12,060)
Interest on lease liabilities paid in operating activities	(11,600)	(12,941)
Payment made on lease liabilities in financing activities	(64,597)	(58,919)
Total cash outflow for leases	<u>\$ (92,078)</u>	<u>(83,920)</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.

(p) 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(k) sets out information about the operating leases of investment property.

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

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Less than one year	\$ 43,528	41,358	62,049
Two to five years	<u>63,261</u>	<u>2,580</u>	<u>25,583</u>
Total undiscounted lease payments	<u>\$ 106,789</u>	<u>43,938</u>	<u>87,632</u>

Rental income from investment property amounted to \$18,084 and \$15,261 for the three months ended March 31, 2026 and 2025, respectively.

(q) Employee benefits

(i) Defined benefit plans

There was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2025 and 2024.

(ii) Defined contribution plans

The Company contribute the pension cost on the defined contribution plans to the labor pension account at the Bureau of Labor Insurance. Subsidiaries other than the Company set up their defined contribution plans in accordance with the regulations of their respective countries.

(iii) The Group recognized its pension costs and recorded them as operating costs and operating expenses.

	For the three months ended March 31	
	2026	2025
Defined benefit plans	\$ 50	49
Defined contribution plans	<u>112,787</u>	<u>105,749</u>
Total	<u>\$ 112,837</u>	<u>105,798</u>

(r) Income taxes

(i) Income tax expense for the period is best estimated by multiplying the profit before tax of the reporting period by the effective annual tax rate as forecasted by the management.

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

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

	For the three months ended March 31	
	2026	2025
Income tax expense	<u>\$ 154,766</u>	<u>233,562</u>

- (iii) There were no income tax recognized in equity or other comprehensive income.
- (iv) The Company's income tax returns have been examined by the tax authority through the years to 2023.
- (v) 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.

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. This impact has been taken into account in determining the weighted-average annual income tax rate for the full financial year.

The Group recognized its current tax expenses of \$20,626 thousand and \$8,811 thousand related to the top-up tax for the three months ended March 31, 2026 and 2025, respectively, which were levied on its subsidiary in Hong Kong.

- (s) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the three months ended March 31, 2026 and 2025. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2025.

- (i) Ordinary shares

As of March 31, 2026, December 31 and March 31, 2025, 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 471,881 thousand shares, 471,143 thousand shares and 467,403 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Reconciliation of shares outstanding were as follows:

	Ordinary shares (in thousands of shares)	
	For the three months ended March 31	
	2026	2025
Balance on January 1	471,143	465,745
Issuance of restricted stock	738	1,700
Cancellation of restricted stock	-	(42)
Balance on March 31	471,881	467,403

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital	\$ 1,529,633	1,489,398	1,300,721
Employee stock options	259,401	259,401	259,401
Restricted employee stock options	652,351	647,125	581,514
Long-term stock investments	1,498,238	1,498,238	1,498,238
	\$ 3,939,623	3,894,162	3,639,874

(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 earnings 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 shareholders, 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.

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

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

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

(t) Share-based payment

Except for the following disclosure, there were no significant changes on share-based payment for the three months ended March 31, 2026 and 2025. Please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2025 for further information.

After the shareholders' meeting on May 24, 2024, the Company decided to issue 4,350 thousand shares of restricted stock to those full-time employees who meet the Company's requirements. The restricted stock 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, 1,700, and 309 thousand shares in August 2024, February 2025, and August 2025, respectively.

After the shareholders' meeting on May 23, 2025, the Company decided to issue 4,350 thousand shares of restricted stock to those full-time employees who meet the Company's requirements. The restricted stock 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 and 738 thousand shares in August 2025 and February 2026, respectively.

Expenses attributable to share-based payment were as follows:

	For the three months ended March 31	
	2026	2025
	<u>2026</u>	<u>2025</u>
Restricted stock	\$ <u>85,949</u>	<u>66,369</u>

(u) Earnings per share

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

(i) Basic earnings per share

	For the three months ended March 31	
	2026	2025
	<u>2026</u>	<u>2025</u>
Profit attributable to owners of parent	\$ <u>600,088</u>	<u>739,765</u>
Weighted-average number of ordinary shares (thousand shares)	<u>461,963</u>	<u>458,381</u>
Basic earnings per share (NT dollars)	\$ <u>1.30</u>	<u>1.61</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(ii) Diluted earnings per share

	For the three months ended March 31	
	2026	2025
Profit attributable to owners of parent	\$ 600,088	739,765
Weighted-average number of ordinary shares (diluted) (thousand shares)	468,087	463,284
Diluted earnings per share (NT dollars)	\$ 1.28	1.60

Weighted-average number of ordinary shares (diluted) (thousand shares)

	For the three months ended March 31	
	2026	2025
Weighted-average number of ordinary shares on March 31 (basic)	461,963	458,381
Estimated effect of employee stock bonuses	1,127	1,009
Effect of restricted stock	4,997	3,894
Weighted-average number of ordinary shares on March 31 (diluted)	468,087	463,284

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2026		
	Computer Peripherals	Non-computer Peripherals	Total
	Goods sold	\$ 5,711,126	9,560,371
Service rendered	177,453	469,699	647,152
	\$ 5,888,579	10,030,070	15,918,649

	For the three months ended March 31, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
	Goods sold	\$ 6,113,376	8,344,083
Service rendered	18,521	292,151	310,672
	\$ 6,131,897	8,636,234	14,768,131

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	For the three months ended March 31	
	2026	2025
Mainland China	\$ 4,962,007	6,092,033
Europe	3,095,188	2,758,219
America	5,930,213	4,881,562
Other	1,931,241	1,036,317
	\$ 15,918,649	14,768,131

(ii) Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts receivable (including related parties)	\$ 11,783,978	11,047,685	11,094,087
Less: allowance for impairment	(47,582)	(40,335)	(51,005)
	\$ 11,736,396	11,007,350	11,043,082
Contract liabilities (classified as other current liabilities)	\$ 502,526	452,863	673,052

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

The amount of revenue recognized for the three months ended March 31, 2026 and 2025 that were included in the contract liability balance at the beginning of the period were \$176,976 and \$135,604, 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.

(w) 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:

	For the three months ended March 31	
	2026	2025
Employee remuneration	\$ 23,241	27,766
Directors' remuneration	11,621	13,883
	\$ 34,862	41,649

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 2025 and 2024 were as follows:

	2025		
	Actual earnings distributed	Accrued in the financial statement	Difference
Employee remuneration–Cash	\$ 98,038	98,038	-
Director's remuneration	49,019	49,019	-
	2024		
	Actual earnings distributed	Accrued in the financial statement	Difference
Employee remuneration–Cash	\$ 89,503	89,503	-
Director's remuneration	44,752	44,752	-

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.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(x) Other income

The details of other income were as follows:

	For the three months ended March 31	
	2026	2025
Government grants	\$ 1,712	1,140
Rent income	18,370	15,435
Other	176	170
	<u>\$ 20,258</u>	<u>16,745</u>

(y) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31	
	2026	2025
Net losses on financial assets/liabilities measured at FVTPL	\$ (301,147)	(183,228)
Foreign currency exchange gains, net	330,628	330,915
Net gains (losses) on disposal of property, plant and equipment	(6,970)	4,834
Other	(1,076)	3,289
	<u>\$ 21,435</u>	<u>155,810</u>

(z) Financial instruments

Except for the following paragraph, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. Please refer to note 6(aa) of the consolidated financial statements for the year ended December 31, 2025 for further information.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(i) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~5 years	Over 5 years
March 31, 2026						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 3,377,971	3,388,365	3,388,365	-	-	-
Notes and accounts payable (including related parties)	14,910,604	14,910,604	14,910,604	-	-	-
Other payables (including related parties)	1,914,335	1,914,335	1,914,335	-	-	-
Salaries payable	913,680	913,680	913,680	-	-	-
Lease liabilities	1,469,552	1,628,637	282,773	253,910	510,298	581,656
Refund liabilities	2,093,328	2,093,328	2,093,328	-	-	-
Long-term borrowings	1,277,661	1,297,168	608,065	521,209	167,894	-
Guarantee deposits	41,608	41,608	-	-	-	41,608
Derivative financial liabilities:	742,289	-	-	-	-	-
Outflow	-	24,162,854	24,162,854	-	-	-
Inflow	-	(23,420,565)	(23,420,565)	-	-	-
	<u>\$ 26,741,028</u>	<u>26,930,014</u>	<u>24,853,439</u>	<u>775,119</u>	<u>678,192</u>	<u>623,264</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>
March 31, 2025						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,639,032	1,649,029	1,649,029	-	-	-
Notes and accounts payable	12,444,192	12,444,192	12,444,192	-	-	-
Other payables (including related parties)	2,783,924	2,783,924	2,783,924	-	-	-
Salaries payable	1,035,911	1,035,911	1,035,911	-	-	-
Lease liabilities	1,651,965	1,855,521	286,337	258,464	579,689	731,031
Refund liabilities	2,433,988	2,433,988	2,433,988	-	-	-
Long-term borrowings	1,501,570	1,542,157	293,265	559,735	689,157	-
Guarantee deposits	38,439	38,439	-	-	-	38,439
Derivative financial liabilities:	580,836	-	-	-	-	-
Outflow	-	13,175,640	13,175,640	-	-	-
Inflow	-	(12,594,804)	(12,594,804)	-	-	-
	<u>\$ 24,109,857</u>	<u>24,363,997</u>	<u>21,507,482</u>	<u>818,199</u>	<u>1,268,846</u>	<u>769,470</u>

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

(ii) Currency risk

1) Exposure to foreign currency risk

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

	March 31, 2026			December 31, 2025			March 31, 2025			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
Financial assets										
Monetary items										
USD:CNY	\$	585,020	6.9194	18,708,924	585,304	7.0288	18,400,777	584,639	7.1782	19,399,505
USD:HKD		217,598	7.8367	6,958,771	230,069	7.7819	7,232,919	215,490	7.7785	7,150,389
USD:TWD		402,177	31.9800	12,861,608	378,243	31.4380	11,891,205	363,537	33.1820	12,062,892
EUR:CZK		16,659	24.5164	610,586	17,250	24.1706	635,421	12,215	25.1143	440,216
USD:CZK		6,511	21.3980	208,222	8,506	20.6230	267,412	9,502	23.1270	315,295
USD:THB		69,946	32.8500	2,236,888	83,155	31.4480	2,614,225	46,437	33.9720	1,540,884
EUR:HKD		9,932	8.9816	364,028	13,059	9.1180	481,041	8,737	8.4482	314,873
CZK:HKD		50,371	0.3663	75,304	106,046	0.3772	161,614	82,075	0.3364	117,778
EUR:USD		5,089	1.1461	186,522	-	-	-	-	-	-
Financial liabilities										
Monetary items										
USD:CNY	\$	194,386	6.9194	6,216,464	188,171	7.0288	5,915,723	188,954	7.1782	6,269,879
USD:HKD		177,783	7.8367	5,685,500	202,316	7.7819	6,360,410	192,287	7.7785	6,380,467
USD:TWD		555,242	31.9800	17,756,624	583,635	31.4380	18,348,325	467,141	33.1820	15,500,684
EUR:CZK		5,541	24.5164	203,089	7,384	24.1706	271,997	5,747	25.1143	207,116
USD:THB		108,666	32.8500	3,475,148	106,796	31.4480	3,357,459	44,654	33.9720	1,481,717
EUR:HKD		16,307	8.9816	597,684	16,069	9.1180	591,918	8,913	8.4482	321,216
USD:CZK		1,880	21.3980	60,123	1,717	20.6230	53,979	2,495	23.1270	82,789
EUR:USD		4,578	1.1461	167,793	-	-	-	-	-	-

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, CZK and USD against the EUR, as of March 31, 2026 and 2025, would have increased or decreased the net profit before tax by \$402,421 and \$554,898, respectively. The analysis is performed on the same basis for both periods.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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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 three months ended March 31, 2026 and 2025, foreign exchange gain (including realized and unrealized portions) amounted to \$330,628 and \$330,915, respectively.

(iii) 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 \$2,087 and \$3,477 for the three months ended March 31, 2026 and 2025, respectively. This is mainly due to borrowings and demand deposits with variable interest rates.

(iv) 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):

	For the three months ended March 31 2026	For the three months ended March 31 2025
Price of securities at the reporting date	Other comprehensive income before tax	Other comprehensive income before tax
Increasing 10%	\$ 39,179	32,250
Decreasing 10%	\$ (39,179)	(32,250)

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(v) 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:

	March 31, 2026				
	Carrying amounts	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	<u>\$ 493,905</u>	19,368	-	474,537	493,905
Financial assets at FVOCI – non-current	<u>\$ 391,788</u>	19,801	-	371,987	391,788
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 12,881,884				
Financial assets at amortized cost – current	26,214				
Notes and accounts receivable	11,736,396				
Other receivables	866,270				
Refundable deposits	<u>129,001</u>				
Total	<u>\$ 25,639,765</u>				
Financial liabilities at FVTPL – current	<u>\$ 742,289</u>	-	-	742,289	742,289
Financial liabilities measured at amortized cost:					
Borrowings	\$ 4,655,632				
Notes and accounts payable (including related parties)	14,910,604				
Other payables (including related parties)	1,914,335				
Salaries payable	913,680				
Lease liabilities	1,469,552				
Refund liabilities	2,093,328				
Guarantee deposits	<u>41,608</u>				
Total	<u>\$ 25,998,739</u>				

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

	December 31, 2025				
	Carrying amounts	Fair Value			
		Level 1	Level 2	Level 3	Total
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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	March 31, 2025				
	Carrying amounts	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ <u>422,832</u>	-	-	422,832	422,832
Financial assets at FVOCI – non-current	\$ <u>322,496</u>	19,801	-	302,695	322,496
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 14,223,816				
Financial assets at amortized cost – current	25,649				
Notes and accounts receivable (including related parties)	11,043,082				
Other receivables	695,036				
Refundable deposits	<u>125,680</u>				
Total	\$ <u>26,113,263</u>				
Financial liabilities at FVTPL – current	\$ <u>580,836</u>	-	-	580,036	580,036
Financial liabilities measured at amortized cost :					
Borrowings	\$ 3,140,602				
Notes and accounts payable	12,444,192				
Other payables (including related parties)	2,783,924				
Salaries payable	1,035,911				
Lease liabilities	1,651,965				
Refund liabilities	2,433,988				
Guarantee deposits	<u>38,439</u>				
Total	\$ <u>23,529,021</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
Notes to the Consolidated Financial Statements

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) In the three months ended March 31, 2026 and 2025, there were no transfers between Levels.
- 4) Reconciliation of Level 3 fair values

	<u>For the three months ended March 31, 2026</u>			<u>For the three months ended March 31, 2025</u>		
	<u>FVTPL</u>	<u>FVOCI</u>	<u>Total</u>	<u>FVTPL</u>	<u>FVOCI</u>	<u>Total</u>
Balance on January 1	\$ (194,102)	298,147	104,045	(150,876)	297,154	146,278
Recognized in profit or loss	(303,168)	-	(303,168)	(183,228)	-	(183,228)
Recognized in other comprehensive income	-	64,750	64,750	-	3,662	3,662
Acquisition /disposal	229,518	9,090	238,608	176,100	1,879	177,979
Balance on March 31	<u>\$ (267,752)</u>	<u>371,987</u>	<u>104,235</u>	<u>(158,004)</u>	<u>302,695</u>	<u>144,691</u>

- 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)

(Continued)

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

<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 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.

(aa) Financial risk management

The Group's objectives and policies on financial risk management are consistent with note 6(ab) of the consolidated financial statement ended December 31, 2025.

(ab) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to note 6(ac) of the consolidated financial statements for the year ended December 31, 2025 for further details.

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

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2026	Cash flows	Effect of changes in exchange rate	Changes in lease payments	March 31, 2026
Short-term borrowings	\$ 1,775,467	1,634,160	(31,656)	-	3,377,971
Long-term borrowings	1,367,408	(88,030)	(1,717)	-	1,277,661
Lease liabilities	1,523,102	(64,597)	2,328	8,719	1,469,552
Guarantee deposits	39,678	1,930	-	-	41,608
Total liabilities from financing activities	<u>\$ 4,705,655</u>	<u>1,483,463</u>	<u>(31,045)</u>	<u>8,719</u>	<u>6,166,792</u>

	January 1, 2025	Cash flows	Effect of changes in exchange rate	Changes in lease payments	March 31, 2025
Short-term borrowings	\$ 1,441,489	170,397	27,146	-	1,639,032
Long-term borrowings	1,190,808	309,046	1,716	-	1,501,570
Lease liabilities	1,689,841	(58,919)	17,543	3,500	1,651,965
Guarantee deposits	38,605	(166)	-	-	38,439
Total liabilities from financing activities	<u>\$ 4,360,743</u>	<u>420,358</u>	<u>46,405</u>	<u>3,500</u>	<u>4,831,006</u>

(ad) Supplementary information of cash flow

	For the three months ended March 31	
	2026	2025
Acquisition of property, plant and equipment	\$ 537,776	489,114
Decrease in payables on equipment	199,768	79,564
Decrease in cash	<u>\$ 737,544</u>	<u>568,678</u>

	For the three months ended March 31	
	2026	2025
Disposal of property, plant and equipment	\$ 18,607	19,365
Gain (Loss) on disposal of property, plant and equipment	(6,970)	4,834
Decrease in other receivables	31,299	-
Decrease in equipment subsidy	(771)	(2,607)
Increase in cash	<u>\$ 42,165</u>	<u>21,592</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(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)
Mibtech Plastic & Molds (Thailand) Company (MBTH)	Associate

Note: In January 2025, the key management personnel of Specialty 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>For the three months ended March 31</u>		<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2025</u>
Associates	\$ <u>-</u>	<u>4,962</u>	<u>-</u>	<u>-</u>	<u>5,420</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.

(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>For the three months ended March 31</u>		<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2025</u>
Associates	\$ <u>32,295</u>	<u>-</u>	<u>31,186</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.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(iii) Receivables and payables on behalf of associates

Other receivables arising from fees paid on behalf of associates by the Group amounted to \$1,516 and \$3,732 as of March 31, 2026 and 2025, respectively.

Other payables arising from materials purchased and paid by the Group on behalf of associates amounted to \$2,431 and \$9,015 as of March 31, 2026 and 2025, respectively.

(iv) 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 March 31 2026, amounts that were not paid is \$14,668 thousand, classified as other receivables.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2026	2025
Short-term employee benefits	\$ 64,833	68,770
Post-employment benefits	521	548
Share-based payments	39,541	27,974
	\$ 104,895	97,292

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

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	March 31, 2026	December 31, 2025	March 31, 2025
Other non-current assets – restricted assets	Guarantee letters issued by bank	\$ -	-	3,414
Financial assets at amortized cost – current	Guarantee letters issued by bank	\$ 3,414	3,414	-
Property, plant and equipment	Loan collateral	\$ 1,723,648	1,823,317	1,903,812
Investment property	Loan collateral	\$ 690,448	567,329	601,242

(9) Commitments and contingencies:

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

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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- (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.

	March 31, 2026	December 31, 2025	March 31, 2025
Guarantee letters	\$ <u>23,966</u>	<u>36,259</u>	<u>31,963</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Sales of accounts receivable	\$ <u>651,975</u>	<u>651,298</u>	<u>408,678</u>
Long-term borrowings	\$ <u>1,800,400</u>	<u>1,800,400</u>	<u>1,800,400</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	\$ <u>676,083</u>	<u>670,781</u>	<u>1,127,637</u>

(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	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	881,140	1,101,886	1,983,026	800,828	1,113,012	1,913,840
Labor and health insurance	45,684	83,235	128,919	38,972	78,616	117,588
Pension	60,675	52,162	112,837	56,133	49,665	105,798
Others	29,546	47,290	76,836	6,724	50,974	57,698
Depreciation	254,950	97,012	351,962	241,120	93,174	334,294
Amortization	2,365	10,194	12,559	1,745	10,271	12,016

Note: Excluding the depreciation of the investment property (classified as other gains and losses) amounted to \$10,048 and \$8,913 for the three months ended March 31, 2026 and 2025, respectively.

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

(b) Seasonality of Operation

The Group's operation were not affected by seasonality or cyclicity factors.

(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	799,500	799,500	692,367	4.5%	Short-term loan to other parties	-	Operating capital	-	-	-	2,275,510	2,275,510

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.

(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.	6,538,766	319,800	319,800	-	-	1.47 %	17,436,710	Y	N	Y
"	"	Primax Singapore	Subsidiary	6,538,766	2,700,000	2,700,000	368,680	-	12.39 %	17,436,710	Y	N	N
1	Tymphony Huizhou	TYM Acoustic HK	"	2,803,377	4,797	4,797	-	-	0.05 %	4,672,295	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.

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

(iii) Securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures):

Company Ending balance holding securities	Security type and name	Relationship with company	Account	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Equities:							
	Grove Ventures, L.P.	-	Financial assets at FVOCI	-	153,504	2.75	153,504	
	Grove Ventures II, L.P.	-	"	-	124,521	3.27	124,521	

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)	(4,320,854)	(44) %	60 days	Price agreed by both sides	The same as general selling	2,886,327	36%	Note 1
"	PCH2	The subsidiary of Primax HK	Purchase	3,522,630	42 %	"	"	The same as general purchasing	(8,380,419)	(59)%	Note 1
"	PKS1	"	Purchase	477,184	6 %	"	"	"	(569,686)	(4)%	Note 1
"	PCQ1	"	Purchase	1,514,335	18 %	"	"	"	(2,809,409)	(20)%	Note 1
"	Polaris	The subsidiary of Primax Tech.	(Sale)	(783,044)	(8) %	90 days	"	The same as general selling	172,777	2%	Note 1
"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	2,437,575	29 %	60 days	"	The same as general purchasing	(1,196,219)	(8)%	Note 1
Primax Singapore	The Company	Parent	Purchase	4,320,854	99 %	"	"	"	(2,886,327)	(92)%	Note 1
PCH2	"	The parent of Primax Cayman	(Sale)	(3,522,630)	(95) %	"	"	The same as general selling	8,380,419	96%	Note 1
PKS1	"	"	(Sale)	(477,184)	(100) %	"	"	"	569,686	100%	Note 1
PCQ1	"	"	(Sale)	(1,514,335)	(77) %	"	"	"	2,809,409	86%	Note 1
Primax Thailand	"	The parent of Primax Singapore	(Sale)	(2,437,575)	(99) %	"	"	"	1,196,219	98%	Note 1
Polaris	"	The parent of Primax Tech.	Purchase	783,044	100 %	90 days	"	The same as general purchasing	(172,777)	(100)%	Note 1
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	(Sale)	(2,163,693)	(88) %	60 days	"	The same as general selling	2,143,191	89%	Note 1
Tymphony Dongguan	"	The subsidiary of Tymphony Huizhou	(Sale)	(233,730)	(62) %	"	"	"	231,222	61%	Note 1
TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	682,563	16 %	"	"	The same as general purchasing	(692,770)	(15)%	Note 1
"	Tymphony Huizhou	Parent	Purchase	2,163,693	49 %	"	"	"	(2,143,191)	(47)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	233,730	5 %	"	"	"	(231,222)	(5)%	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)	
TYM Acoustic HK	TYM Singapore	The subsidiary of TWEL	(Sale)	(3,853,145)	(83) %	60 days	Price agreed by both sides	The same as general selling	3,192,454	84%	Note 1
"	TYTH	Subsidiary	Purchase	1,448,348	33 %	"	"	The same as general purchasing	(852,274)	(19)%	Note 1
TYM Acoustic Europe	TYM Acoustic HK	Parent	(Sale)	(682,563)	(100) %	"	"	The same as general selling	692,770	99%	Note 1
TYTH	"	"	(Sale)	(1,448,348)	(93) %	"	"	"	852,274	96%	Note 1
TYM Singapore	"	The subsidiary of Tymphany Huizhou	Purchase	3,853,145	100 %	"	"	The same as general purchasing	(3,192,454)	(96)%	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	2,886,327 (note 5)	6.74	-	-	577,625	-
"	Polaris	The subsidiary of Primax Tech.	172,777 (note 5)	14.22	-	-	172,777	-
"	PCH2	The subsidiary of Primax HK	454,262 (note 2&5)	3.34	-	-	234,159	-
"	"	"	2,466 (note 5)	(note 3)	-	-	867	-
"	Primax Thailand	The subsidiary of Primax Singapore	108,019 (note 2&5)	4.78	-	-	-	-
"	"	"	74,239 (note 5)	(note 3)	-	-	-	-
PCH2	The Company	The parent of Primax Cayman	8,380,419 (note 5)	1.60	-	-	-	-
"	Primax Thailand	The subsidiary of Primax Singapore	288,135 (note 5)	(note 3)	-	-	-	-
PKS1	The Company	The parent of Primax Cayman	569,686 (note 5)	3.15	-	-	99,353	-
PCQ1	"	"	2,809,409 (note 5)	2.02	-	-	-	-
Primax Thailand	"	The parent of Primax Singapore	1,196,219 (note 5)	7.93	-	-	393,997	-
Tymphany Huizhou	TYM Acoustic HK	Subsidiary	2,143,191 (note 5)	3.68	-	-	-	-
Tymphany Dongguan	"	The subsidiary of Tymphany Huizhou	231,222 (note 5)	5.34	-	-	-	-
TYM Acoustic Europe	"	Parent	692,770 (note 5)	3.78	-	-	237,812	-
TYM HK	Tymphany Dongguan	The subsidiary of Tymphany Huizhou	39,867 (note 5)	3.14	-	-	-	-
"	"	"	152,999 (note 5)	(note 3)	-	-	-	-
"	TYM Acoustic HK	Parent	573,655 (note 5)	(note 3)	-	-	7,330	-
"	TYM Singapore	The subsidiary of TWEL	149,604 (note 5)	(note 3)	-	-	-	-

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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 Acoustic HK	Tymphony Huizhou	Parent	3,856 (note 5)	0.08	-	-	3,856	-
"	"	"	413,458 (note 5)	(note 3)	-	-	379,904	-
"	TWEL	The parent of Tymphony Huizhou	692,367 (note 5)	(note 4)	-	-	-	-
"	"	"	21,227 (note 5)	(note 3)	-	-	-	-
"	TYM Singapore	The subsidiary of TWEL	3,192,454 (note 5)	6.62	-	-	58,475	-
TYAT	TYM HK	The subsidiary of TYM Acoustic HK	478,402 (note 5)	(note 3)	-	-	102,336	-
TYTH	TYM Acoustic HK	Parent	852,274 (note 5)	6.88	-	-	159,900	-

Note 1: Amounts were collected as of April 17, 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 three months ended March 31, 2026 was \$557,281, 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	4,320,854	Price agreed by both sides	27.14 %
"	"	"	"	Accounts Receivable	2,886,327	60 days	5.47 %
"	"	PCH2	The subsidiary of Primax HK	Purchase	3,522,630	Price agreed by both sides	22.13 %
"	"	"	"	Accounts Payable	8,380,419	60 days	15.88 %
"	"	"	"	Accounts Receivable	454,262	"	0.86 %
"	"	"	"	Other Receivable	2,466	(note 2)	- %
"	"	PKS1	"	Purchase	477,184	Price agreed by both sides	3.00 %
"	"	"	"	Accounts Payable	569,686	60 days	1.08 %
"	"	PCQ1	"	Purchase	1,514,335	Price agreed by both sides	9.51 %
"	"	"	"	Accounts Payable	2,809,409	60 days	5.32 %
"	"	Polaris	The subsidiary of Primax Tech.	Sale	783,044	Price agreed by both sides	4.92 %
"	"	"	"	Accounts Receivable	172,777	90 days	0.33 %
"	"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	2,437,575	Price agreed by both sides	15.31 %
"	"	"	"	Accounts Payable	1,196,219	60 days	2.27 %
"	"	"	"	Accounts Receivable	108,019	"	0.20 %

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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	
0	The Company	Primax Thailand	The subsidiary of Primax Singapore	Other Receivable	74,239	(note 2)	0.14 %
1	PCH2	"	"	Other Receivable	288,135	"	0.55 %
2	Tymphony Huizhou	TYM Acoustic HK	Subsidiary	Sale	2,163,693	Price agreed by both sides	13.59 %
"	"	"	"	Accounts Receivable	2,143,191	60 days	4.06 %
"	"	"	"	Other Payable	413,458	(note 2)	0.78 %
"	"	"	"	Accounts Payable	3,856	60 days	0.01 %
3	Tymphony Dongguan	TYM HK	The subsidiary of TYM Acoustic HK	Accounts Payable	39,867	60 days	0.08 %
"	"	"	"	Other Payable	152,999	(note 2)	0.29 %
"	"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	Sale	233,730	Price agreed by both sides	1.47 %
"	"	"	"	Accounts Receivable	231,222	60 days	0.44 %
4	TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	682,563	Price agreed by both sides	4.29 %
"	"	"	"	Accounts Payable	692,770	60 days	1.31 %
"	"	TYTH	"	Purchase	1,448,348	Price agreed by both sides	9.10 %
"	"	"	"	Accounts Payable	852,274	60 days	1.62 %
"	"	TYM HK	"	Service Expense	318,814	Price agreed by both sides	2.00 %
"	"	"	"	Other Payable	573,655	(note 2)	1.09 %
"	"	TWEL	The parent of Tymphony Huizhou	Other Receivable	692,367	(note 3)	1.31 %
"	"	"	"	Other Receivable	21,227	(note 2)	0.04 %
"	"	TYM Singapore	The subsidiary of TWEL	Sale	3,853,145	Price agreed by both sides	24.21 %
"	"	"	"	Accounts Receivable	3,192,454	60 days	6.05 %
5	TYM HK	TYAT	The subsidiary of TYM Acoustic HK	Other Payable	478,402	(note 2)	0.91 %
"	"	"	"	Service Expense	260,199	Price agreed by both sides	1.63 %
"	"	TYM Singapore	The subsidiary of TWEL	Other Receivable	149,604	(note 2)	0.28 %

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.

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

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2026 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Primax Cayman	Cayman Islands	Holding company	1,912,688	1,912,688	6,197,636	100.00	8,738,603	(34,658)	(5,297)	Note 3
"	Primax Tech.	Cayman Islands	Holding company	897,421	897,421	285,067	100.00	3,376,567	(13,499)	10,775	Note 3
"	Destiny BVI	Virgin Island	Holding company	30,939	30,939	1,050	100.00	(14,137)	1,806	1,806	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	15,882	999	999	Note 3
"	Diamond	Cayman Islands	Holding company	4,759,198	4,759,198	156,050	100.00	10,493,129	56,592	56,272	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	26,050	717	717	Note 3
"	Primax AE	Cayman Islands	Holding company	1,431,540	1,431,540	48,200	100.00	73,373	1,530	1,530	Note 3
"	Primax Singapore	Singapore	Sale of computer peripherals and mobile device components	1,181,150	1,181,150	40,100	100.00	574,346	(118,205)	(117,765)	Note 3
"	Primax Security	Taiwan	Sale of computer peripherals and mobile device components	200	200	20	100.00	184	-	-	Note 3
	Total			<u>10,229,498</u>	<u>10,229,498</u>	-	-	<u>23,283,997</u>	<u>(104,718)</u>	<u>(50,963)</u>	
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	575,622	(117,091)	(117,091)	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	8,864,968	(35,111)	(35,111)	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	491,223	2,578	2,578	Note 3
Diamond	TWEL	Cayman Islands	Holding company	4,953,350	4,953,350	279,191	100.00	10,525,087	56,523	56,523	Note 3
Primax AE	AIC	Cayman Islands	Holding company	1,356,995	1,356,995	30	37.00	-	(42,529)	-	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	16,000	500	100.00	7,419	(8,823)	(8,823)	Note 3
"	MBTH	Thailand	Manufacturing of plastic products	75,248	75,248	791	40.00	58,861	(9,097)	(3,286)	Note 4
"	SKRI	Canada	R&D of microphones	97,077	97,077	493	10.60	92,366	(28,057)	(2,362)	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	3,792,516	172,281	172,281	Note 3

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares (thousands)	Percentage of ownership	Carrying value			
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	812,572	111,634	111,634	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	101,084	1,145	1,145	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	50,863	1,878	1,878	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	1,148,028	14,141	14,141	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	566,599	27,891	27,891	Note 3
"	TYTH	Thailand	Manufacturing and sales of various speaker accessories, speakers, and their components	725,091	725,091	7,789	100.00	799,851	(10,679)	(10,679)	Note 3 Note 5
TYM HK	TYML	USA	Sales of various speaker accessories, speakers, and their components	6,628	6,628	200	100.00	8,214	(68)	(68)	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, 2026 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026 (note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
PCH2	Manufacturing and sale of computer peripherals, mobile device components, and business devices	2,061,041	Indirect investment through Primax Cayman and Primax Tech.	1,725,989	-	-	1,752,254	(57,733)	100%	(57,733)	8,474,458	-
Destiny Beijing	R&D of computer peripheral and business devices	40,828	Indirect investment through Destiny BVI.	33,010	-	-	33,579	1,806	100%	1,806	(14,141)	-
PKS1	Production of computer peripheral products	237,754	Indirect investment through Primax Cayman	62,876	-	-	63,960	9,424	100%	9,424	237,380	-
PCQ1	"	881,974	"	628,760	-	-	639,600	(5,838)	100%	(5,838)	2,913,760	-
Tymphony Huizhou	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	1,749,434	Indirect investment through Diamond	4,904,328	-	-	4,988,880	96,398	100%	96,398	9,344,589	-
Tymphony Dongguan	"	159,900	"	15,719	-	-	15,990	(16,747)	100%	(16,747)	790,436	-

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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, 2026 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026 (note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Tympany Supply Chain Huizhou	Supply chain management services, and sales of various acoustic electronic components and products	9,244	Indirect investment through Diamond	-	-	-	-	(446)	100%	(446)	8,786	-

Note 1: The above information on the exchange rate was as follows: HKD:TWD 4.0808 ; USD:TWD 31.9800; CNY:TWD 4.6218.

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.

(ii) Limitation on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	7,966,777	9,795,695	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, was reviewed by the Company's auditors. Tympany Huizhou and Tympany Dongguan were reviewed by other auditors, and other information related to subsidiaries came from financial reports prepared by the investees, not reviewed by 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 three months ended March 31, 2026, are disclosed in "Information on significant transactions", and "Business relationships and significant intercompany transactions".

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(14) Segment information:

For the three months ended March 31, 2026 and 2025, the Group's segment information had no significant change. Please refer to note 14 of the consolidated financial statement for the year ended December 31, 2025 for the further information.

The Group's segment financial information was as follows:

	For the three months ended March 31, 2026		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 5,888,579	10,030,070	15,918,649
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 5,888,579</u>	<u>10,030,070</u>	<u>15,918,649</u>
Profit before tax from segments reported	<u>\$ 206,885</u>	<u>547,969</u>	<u>754,854</u>
	For the three months ended March 31, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 6,131,897	8,636,234	14,768,131
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 6,131,897</u>	<u>8,636,234</u>	<u>14,768,131</u>
Profit before tax from segments reported	<u>\$ 394,356</u>	<u>578,971</u>	<u>973,327</u>