

**PRIMAX ELECTRONICS LTD.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
for the Six Months Ended
June 30, 2026 and 2025**

Address: No. 669, Ruey Kuang Road, Neihu, Taipei
Telephone: (02)2798-9008

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.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statement of Comprehensive Income	5
6. Consolidated Statement of Changes in Equity	6
7. Consolidated Statement of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~13
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	13
(6) Explanation of significant accounts	14~45
(7) Related-party transactions	46~47
(8) Pledged assets	47
(9) Commitments and contingencies	47~48
(10) Losses Due to Major Disasters	48
(11) Subsequent Events	48
(12) Other	48~49
(13) Other disclosures	
(a) Information on significant transactions	49~55
(b) Information on investees	55~56
(c) Information on investment in Mainland China	57~58
(14) Segment information	58~59



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電 話 Tel	+ 886 2 8101 6666
傳 真 Fax	+ 886 2 8101 6667
網 址 Web	kpmg.com/tw

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 June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 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\$12,398,251 thousand and NT\$12,782,753 thousand, constituting 22.7% and 26.8% of the consolidated total assets; and the total liabilities amounting to NT\$6,862,053 thousand and NT\$8,634,301 thousand, constituting 20.0% and 28.5% of the consolidated total liabilities as of June 30, 2026 and 2025, respectively; as well as the total comprehensive income (loss) amounting to NT\$329,506 thousand, NT\$(427,853) thousand, NT\$304,756 thousand and NT\$(272,225) thousand, constituting 47.5%, 26.0%, 16.2% and 46.6% of the consolidated comprehensive income (loss) for the three and six months ended June 30, 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\$144,163 thousand and NT\$24,609 thousand as of June 30, 2026 and 2025, and its related share of loss of associates accounted for using equity method of NT\$6,945 thousand, NT\$2,797 thousand, NT\$12,593 thousand and NT\$7,291 thousand for the three and six months ended June 30, 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 June 30, 2026 and 2025, and of its consolidated financial performance for the three and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for six months ended June 30, 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\$16,795,228 thousand and NT\$14,053,188 thousand, constituting 30.7% and 29.5% of the related consolidated total assets as of June 30, 2026 and 2025, respectively; as well as the operating revenue amounting to NT\$6,567,663 thousand, NT\$4,463,541 thousand, NT\$11,527,953 thousand and NT\$8,724,887 thousand, constituting 38.2%, 30.6%, 34.8% and 29.7% of the related consolidated operating revenue for the three and six months ended June 30, 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)
August 6, 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

June 30, 2026, December 31 and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025				June 30, 2026		December 31, 2025		June 30, 2025	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:															
1100	Cash and cash equivalents (Note 6(a))	\$	11,331,278	21	12,289,381	24	12,584,375	27	2100	Short-term borrowings (Notes 6(m) and 8)	\$	2,557,185	5	1,775,467	4
1110	Current financial assets at fair value through profit or loss (Note 6(b))		122,596	-	488,548	1	1,001,008	2	2120	Current financial liabilities at fair value through profit or loss (Note 6(b))		462,189	1	691,838	1
1137	Current financial assets at amortized cost (Notes 6(d) and 8)		26,214	-	26,214	-	75,649	-	2170	Notes and accounts payable		17,054,118	31	14,816,982	29
1170	Notes and accounts receivable (Notes 6(e) and (v))		13,551,439	25	11,007,350	21	10,907,249	23	2180	Accounts payable to related parties (Note 7)		28,342	-	23,187	-
1180	Accounts receivable from related parties, net (Notes 6(e), (v) and 7)		-	-	-	-	1,375	-	2201	Salaries payable		1,066,171	2	1,658,768	3
1200	Other receivables (Notes 6(e), (f) and 7)		860,623	1	1,007,749	2	584,401	1	2219	Other payables		4,930,574	9	3,236,782	6
1310	Inventories (Note 6(g))		12,477,890	23	10,756,563	21	8,492,592	18	2220	Other payables to related parties (Note 7)		2,389	-	16,398	-
1470	Other current assets		1,010,915	2	798,272	2	591,592	1	2280	Current lease liabilities (Note 6(o))		236,001	-	246,375	1
			39,380,955	72	36,374,077	71	34,238,241	72	2320	Long-term borrowings, current portion (Notes 6(n) and 8)		592,267	1	544,450	1
									2365	Current refund liabilities		2,125,878	4	2,065,219	4
									2399	Other current liabilities (Note 6(v))		1,921,336	4	1,772,950	3
												30,976,450	57	26,848,416	52
Non-current assets:															
1511	Non-current financial assets at fair value through profit or loss, designated as upon initial recognition (Note 6(b))		77,388	-	26,188	-	23,114	-	2540	Long-term borrowings (Notes 6(n) and 8)		544,267	1	822,958	2
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))		390,055	1	317,948	1	312,058	1	2580	Non-current lease liabilities (Note 6(o))		1,175,091	2	1,276,727	3
1550	Investments accounted for using equity method (Note 6(h))		144,163	-	157,744	-	24,609	-	2630	Long-term deferred revenue (Note 6(i))		630,274	1	480,816	1
1600	Property, plant and equipment (Notes 6(i) and 8)		9,554,099	17	9,210,285	18	7,921,356	17	2670	Other non-current liabilities		912,136	2	1,272,367	2
1755	Right-of-use assets (Note 6(j))		1,468,545	3	1,592,129	3	1,631,736	3				3,261,768	6	3,852,868	8
1760	Investment property (Notes 6(k) and 8)		721,659	1	598,841	1	566,750	1				34,238,218	63	30,701,284	60
1780	Intangible assets (Note 6(l))		2,031,185	4	2,012,381	4	2,000,219	4		Total liabilities					
1840	Deferred tax assets		595,864	1	641,729	1	688,904	1		Equity attributable to owners of parent:					
1990	Other non-current assets (Note 8)		289,302	1	292,497	1	293,067	1	3110	Ordinary shares (Note 6(s))		4,718,808	9	4,711,428	9
			15,272,260	28	14,849,742	29	13,461,813	28	3200	Capital surplus (Note 6(s))		3,932,391	7	3,894,162	8
									3310	Legal reserve		3,040,875	5	2,778,851	5
									3320	Special reserve		368,728	1	95,367	-
									3350	Unappropriated retained earnings (Note 6(s))		8,322,603	15	9,833,308	19
									3400	Other equity interest		31,592	-	(790,581)	(1)
										Total equity		20,414,997	37	20,522,535	40
Total assets		\$	54,653,215	100	51,223,819	100	47,700,054	100	Total liabilities and equity		\$	54,653,215	100	51,223,819	100

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 and six months ended June 30, 2026 and 2025

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

	For the three months ended				For the six months ended			
	June 30				June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue (Notes 6(v) and 7)	\$ 17,211,510	100	14,591,765	100	33,130,159	100	29,359,896	100
5000 Operating costs (Notes 6(g), (o), (q), (w), 7 and 12)	<u>14,655,731</u>	<u>85</u>	<u>12,044,089</u>	<u>83</u>	<u>28,043,564</u>	<u>85</u>	<u>24,273,327</u>	<u>83</u>
Gross profit from operation	<u>2,555,779</u>	<u>15</u>	<u>2,547,676</u>	<u>17</u>	<u>5,086,595</u>	<u>15</u>	<u>5,086,569</u>	<u>17</u>
Operating expenses (Notes 6(e), (o), (q), (t), (w) and 12):								
6100 Selling expenses	478,137	3	476,552	3	938,653	3	969,683	3
6200 Administrative expenses	552,753	3	506,713	3	1,080,266	3	983,248	3
6300 Research and development expenses	880,901	5	864,932	6	1,726,958	5	1,695,094	6
6450 Expected credit loss (gain on reversal)	<u>(142)</u>	<u>-</u>	<u>(5,932)</u>	<u>-</u>	<u>6,428</u>	<u>-</u>	<u>(6,344)</u>	<u>-</u>
Total operating expenses	<u>1,911,649</u>	<u>11</u>	<u>1,842,265</u>	<u>12</u>	<u>3,752,305</u>	<u>11</u>	<u>3,641,681</u>	<u>12</u>
Net operating income	<u>644,130</u>	<u>4</u>	<u>705,411</u>	<u>5</u>	<u>1,334,290</u>	<u>4</u>	<u>1,444,888</u>	<u>5</u>
Non-operating income and expenses:								
7100 Interest income	107,514	-	139,749	1	180,184	-	251,846	1
7010 Other income (Notes 6(p) and (x))	20,744	-	17,621	-	41,002	-	34,366	-
7020 Other gains and losses (Notes 6(y) and 12)	11,557	-	89,705	-	32,992	-	245,515	-
7060 Share of loss of associates accounted for using equity method (Note 6(h))	(6,945)	-	(2,797)	-	(12,593)	-	(7,291)	-
7050 Finance costs (Note 6(o))	<u>(47,403)</u>	<u>-</u>	<u>(48,001)</u>	<u>-</u>	<u>(91,424)</u>	<u>-</u>	<u>(94,309)</u>	<u>-</u>
Total non-operating income and expenses	<u>85,467</u>	<u>-</u>	<u>196,277</u>	<u>1</u>	<u>150,161</u>	<u>-</u>	<u>430,127</u>	<u>1</u>
Profit before tax	<u>729,597</u>	<u>4</u>	<u>901,688</u>	<u>6</u>	<u>1,484,451</u>	<u>4</u>	<u>1,875,015</u>	<u>6</u>
7950 Less: Income tax expenses (Note 6(r))	<u>149,453</u>	<u>1</u>	<u>168,232</u>	<u>1</u>	<u>304,219</u>	<u>-</u>	<u>401,794</u>	<u>1</u>
Profit	<u>580,144</u>	<u>3</u>	<u>733,456</u>	<u>5</u>	<u>1,180,232</u>	<u>4</u>	<u>1,473,221</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	(6,583)	-	(30,458)	-	58,167	-	(32,037)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(6,583)</u>	<u>-</u>	<u>(30,458)</u>	<u>-</u>	<u>58,167</u>	<u>-</u>	<u>(32,037)</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	119,645	1	(2,350,610)	(16)	642,210	2	(2,025,557)	(7)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>119,645</u>	<u>1</u>	<u>(2,350,610)</u>	<u>(16)</u>	<u>642,210</u>	<u>2</u>	<u>(2,025,557)</u>	<u>(7)</u>
8300 Other comprehensive income after tax	<u>113,062</u>	<u>1</u>	<u>(2,381,068)</u>	<u>(16)</u>	<u>700,377</u>	<u>2</u>	<u>(2,057,594)</u>	<u>(7)</u>
Comprehensive income	<u>\$ 693,206</u>	<u>4</u>	<u>(1,647,612)</u>	<u>(11)</u>	<u>1,880,609</u>	<u>6</u>	<u>(584,373)</u>	<u>(2)</u>
Earnings per share (Note 6(u))								
9710 Basic earnings per share (NT dollars)	<u>\$ 1.26</u>		<u>1.60</u>		<u>2.55</u>		<u>3.21</u>	
9810 Diluted earnings per share (NT dollars)	<u>\$ 1.24</u>		<u>1.58</u>		<u>2.53</u>		<u>3.18</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 six months ended June 30, 2026 and 2025****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent								Total equity
	Retained earnings					Other equity interest			
						Exchange differences on translation of financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
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	-	-	-	-	1,473,221	-	-	-	1,473,221
Other comprehensive income	-	-	-	-	-	(2,025,557)	(32,037)	-	(2,057,594)
Comprehensive income	-	-	-	-	1,473,221	(2,025,557)	(32,037)	-	(584,373)
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	256,150	-	(256,150)	-	-	-	-
Special reserve	-	-	-	(921,588)	921,588	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,963,008)	-	-	-	(1,963,008)
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	134,526	134,526
Cancellation of restricted stock	(1,910)	(12,186)	-	-	-	-	-	14,096	-
Issuance of restricted stock	17,000	129,200	-	-	-	-	-	(146,200)	-
Balance at June 30, 2025	\$ 4,672,538	3,629,972	2,778,851	95,367	8,686,289	(2,111,087)	(41,874)	(287,935)	17,422,121
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	-	-	-	-	1,180,232	-	-	-	1,180,232
Other comprehensive income	-	-	-	-	-	642,210	58,167	-	700,377
Comprehensive income	-	-	-	-	1,180,232	642,210	58,167	-	1,880,609
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	262,024	-	(262,024)	-	-	-	-
Special reserve	-	-	-	273,361	(273,361)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,155,552)	-	-	-	(2,155,552)
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	165,887	165,887
Cancellation of restricted stock	-	(8,750)	-	-	-	-	-	8,750	-
Issuance of restricted stock	7,380	45,461	-	-	-	-	-	(52,841)	-
Claim for the disgorgement right	-	1,518	-	-	-	-	-	-	1,518
Balance at June 30, 2026	\$ 4,718,808	3,932,391	3,040,875	368,728	8,322,603	329,320	2,329	(300,057)	20,414,997

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 six months ended June 30, 2026 and 2025****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2026	2025
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,484,451	1,875,015
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	730,149	683,615
Amortization expense	25,446	23,968
Expected credit loss (gain on reversal)	6,428	(6,344)
Interest expense	90,951	93,937
Net losses on financial assets and liabilities at fair value through profit or loss	368,806	818,926
Interest income	(180,184)	(251,846)
Compensation cost of share-based payment	165,887	134,526
Shares of loss of associates accounted for using equity method	12,593	7,291
Loss on disposal of property, plant and equipment	8,036	14,597
Gain on disposal of right-of-use assets	(18)	-
Loss on disposal of unamortized expense	-	1
Total adjustments to reconcile profit	1,228,094	1,518,671
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	471,548	293,903
Notes and accounts receivable	(2,519,193)	216,455
Accounts receivable from related parties	-	23,805
Other receivables	83,457	111,688
Inventories	(1,721,327)	1,111,090
Other current assets	(212,643)	13,371
Other operating assets	(2,150)	3,909
Changes in operating assets	(3,900,308)	1,774,221
Financial liabilities at fair value through profit or loss	(691,838)	(467,904)
Notes and accounts payable	2,237,136	(1,472,981)
Accounts payable to related parties	5,155	23,811
Salaries payable	(592,597)	(674,959)
Other payables	(537,864)	(626,798)
Other payables to related parties	(14,009)	27,245
Refund liabilities	60,659	(279,144)
Other current liabilities	148,386	(249,528)
Other operating liabilities	(47,319)	23,978
Changes in operating liabilities	567,709	(3,696,280)
Total changes in operating assets and liabilities	(3,332,599)	(1,922,059)
Total adjustments	(2,104,505)	(403,388)
Cash (outflow) inflow generated from operations	(620,054)	1,471,627
Interest received	180,184	251,846
Interest paid	(90,951)	(93,937)
Income taxes paid	(254,621)	(247,063)
Net cash flows (used in) from operating activities	(785,442)	1,382,473
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(13,940)	(21,899)
Increase in financial assets measured at amortized cost	-	(50,000)
Acquisition of financial assets at fair value through profit or loss	(456,733)	(1,964)
Proceeds from disposal of financial assets at fair value through profit or loss	393,320	-
Acquisition of property, plant and equipment	(1,174,057)	(1,145,461)
Proceeds from disposal of property, plant and equipment	43,603	21,627
Decrease (increase) in refundable deposits	1,970	(3,556)
Acquisition of intangible assets	(19,114)	-
Acquisition of investment properties	-	(584)
Acquisition of unamortized expense	(4,431)	(9,184)
Proceeds from disposal of unamortized expense	73	-
Net cash flows used in investing activities	(1,229,309)	(1,211,021)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	859,305	242,124
Increase in long-term borrowings	-	367,046
Repayments of long-term borrowings	(229,671)	(116,000)
Increase (decrease) in guarantee deposits received	2,254	(2,183)
Decrease in other payables to related parties	-	(255,088)
Payment of lease liabilities	(129,357)	(119,795)
Claim for the disgorgement right	1,518	-
Net cash flows from financing activities	504,049	116,104
Effect of exchange rate changes on cash and cash equivalents	552,599	(1,589,166)
Net decrease in cash and cash equivalents	(958,103)	(1,301,610)
Cash and cash equivalents at beginning of period	12,289,381	13,885,985
Cash and cash equivalents at end of period	\$ 11,331,278	12,584,375

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

June 30, 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 six months ended June 30, 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 August 6, 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 endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

- 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”

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

- (i) IFRS 18 “Presentation and Disclosure in Financial Statements”

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.

- 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.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(Continued)

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

- (ii) Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The Group does not expect the following 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 20 “Regulatory Assets and Regulatory Liabilities”

(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
			June 30, 2026	December 31, 2025	June 30, 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)

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
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)
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 %	(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 %	

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
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 %	- %	
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 %	(Note 4)
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.

Note 4: TWEL, a subsidiary of the Group, acquired the entire equity interest of TYAT from TYM Acoustic HK, with the approval of its board in June 2026. The share acquisition transaction was completed and became effective on July 20, 2026.

(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.

(Continued)

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

(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.

(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.

(Continued)

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

(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

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 1,612	1,675	2,379
Demand accounts and checking deposits	5,746,143	6,671,304	5,595,725
Time deposits	5,583,523	5,297,774	6,866,271
Repurchase agreement	-	318,628	120,000
	<u>\$ 11,331,278</u>	<u>12,289,381</u>	<u>12,584,375</u>

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

(i) Details of financial instruments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Mandatorily measured at FVTPL:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 73,993	471,439	54,585
Foreign exchange swap contracts	221	109	946,423
Non-derivative financial assets			
Beneficiary Certificates - Funds	48,382	17,000	-
Foreign Limited Partnership	77,388	26,188	23,114
	<u>\$ 199,984</u>	<u>514,736</u>	<u>1,024,122</u>
Current	\$ 122,596	488,548	1,001,008
Non-current	77,388	26,188	23,114
	<u>\$ 199,984</u>	<u>514,736</u>	<u>1,024,122</u>

(Continued)

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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities held-for-trading:			
Derivative instrument not used for hedging			
Forward exchange contracts	\$ (434,106)	(270,779)	(1,817,959)
Foreign exchange swap contracts	(28,083)	(421,059)	-
	<u><u>\$ (462,189)</u></u>	<u><u>(691,838)</u></u>	<u><u>(1,817,959)</u></u>

- (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 hedge accounting, as of June 30, 2026, December 31 and June 30, 2025:

June 30, 2026			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts — buy HKD / sell USD	USD 20,000	July 16, 2026	7.8245
Forward exchange contracts — buy USD / sell TWD	USD 317,300	July 3, 2026~ October 16, 2026	31.391~32.169
Forward exchange contracts — buy TWD / sell USD	USD 135,000	July 13, 2026~ December 28, 2026	31.415~32.030
Forward exchange contracts — buy CNY / sell USD	USD 392,500	July 2, 2026~ July 23, 2026	6.7436~6.7719
Forward exchange contracts — buy USD / sell THB	USD 118,000	July 23, 2026~ September 23, 2026	32.024~33.252
Forward exchange contracts — buy THB / sell USD	USD 59,903	August 10, 2026~ September 23, 2026	32.417~33.288
Forward exchange contracts — buy EUR / sell HKD	EUR 6,000	July 16, 2026	9.0506
Forward exchange contracts — buy CZK / sell EUR	EUR 11,000	July 23, 2026~ August 20, 2026	24.227~24.340
Forward exchange swap contracts — swap in TWD / swap out USD	USD 94,000	July 13, 2026~ October 16, 2026	31.227~31.857

(Continued)

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 USD / sell TWD	USD 591,350	January 14, 2026~ July 23, 2026	28.042~31.532
Forward exchange contracts — buy TWD / sell USD	USD 22,000	January 12, 2026~ January 21, 2026	31.102~31.481
Forward exchange contracts — buy CNY / sell USD	USD 387,000	January 5, 2026~ February 5, 2026	6.9908~7.0903
Forward exchange contracts — buy USD / sell THB	USD 36,000	January 15, 2026~ March 26, 2026	30.980~32.420
Forward exchange contracts — buy EUR / sell HKD	EUR 4,000	January 22, 2026	9.1563
Forward exchange contracts — buy CZK / sell EUR	EUR 11,000	February 12, 2026	24.354
Forward exchange contracts — buy HKD / sell EUR	EUR 1,000	January 22, 2026	9.0446
Forward exchange contracts — buy HKD / sell USD	USD 15,000	January 8, 2026	7.7749
Forward exchange contracts — buy USD / sell CZK	USD 1,000	January 22, 2026	20.674
Forward exchange swap contracts — swap in TWD / swap out USD	USD 370,000	January 14, 2026~ June 25, 2026	28.790~31.295

June 30, 2025			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts — buy CZK / sell EUR	EUR 10,000	July 24, 2025	24.830~24.859
Forward exchange contracts — buy USD / sell TWD	USD 592,350	July 14, 2025~ December 29, 2025	28.325~32.810
Forward exchange contracts — buy TWD / sell USD	USD 6,000	July 18, 2025~ July 23, 2025	28.750~29.460
Forward exchange contracts — buy CNY / sell USD	USD 390,000	July 2, 2025~ August 4, 2025	7.1438~7.2137
Forward exchange contracts — buy USD / sell THB	USD 31,500	July 9, 2025~ October 22, 2025	32.350~33.280
Forward exchange contracts — buy EUR / sell HKD	EUR 1,000	July 9, 2025	8.9495

(Continued)

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

June 30, 2025			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts — buy HKD / sell USD	USD 12,000	July 2, 2025	7.8199~7.8230
Forward exchange swap contracts — swap in TWD / swap out USD	USD 405,000	July 14, 2025~ December 29, 2025	29.112~32.596

(c) Financial assets at FVOCI

	June 30, 2026	December 31, 2025	June 30, 2025
Equity investments at FVOCI			
Stocks unlisted in domestic markets	\$ 250	250	250
Stocks listed in domestic markets	14,801	19,801	19,801
Equities unlisted in foreign markets	375,004	297,897	292,007
Total	\$ 390,055	317,948	312,058

- (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 June 30, 2026 and 2025.
- (iii) The Group did not provide any of the aforementioned financial assets as collateral.

(d) Financial assets at amortized cost

	June 30, 2026	December 31, 2025	June 30, 2025
Restricted time deposits	\$ 3,414	3,414	-
Time deposits	22,800	22,800	75,649
Total	\$ 26,214	26,214	75,649

- (i) The Group held bank time deposits with an annual interest rates of 1.65%, 1.65% and 1.5%~1.65% as of June 30, 2026, December 31 and June 30, 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.

(Continued)

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

(e) Notes and accounts receivable (including related parties)

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	\$ 8,400	-	-
Accounts receivable	13,567,785	11,047,685	10,946,787
Accounts receivable – related parties	-	-	1,375
Less: allowance for doubtful accounts	(24,746)	(40,335)	(39,538)
Total	<u><u>\$ 13,551,439</u></u>	<u><u>11,007,350</u></u>	<u><u>10,908,624</u></u>

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

	June 30, 2026		
	Carrying amounts of notes and accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 12,522,171	0%	-
0 to 30 days past due	1,002,673	1.04%	10,472
31 to 60 days past due	16,685	4.50%	750
61 to 90 days past due	1,672	5.98%	100
91 to 180 days past due	21,066	7.64%	1,609
181 to 360 days past due	11,918	99.14%	11,815
More than 361 days past due	-	0%	-
	<u><u>\$ 13,576,185</u></u>		<u><u>24,746</u></u>

(Continued)

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

	December 31, 2025		
	Carrying amounts of notes and accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 10,036,327	0.02%	2,366
0 to 30 days past due	932,355	1.12%	10,456
31 to 60 days past due	34,620	2.61%	903
61 to 90 days past due	3,423	1.55%	53
91 to 180 days past due	-	0%	-
181 to 360 days past due	18,697	22.97%	4,294
More than 361 days past due	22,263	100.00%	22,263
	\$ 11,047,685		40,335
	June 30, 2025		
	Carrying amounts of notes and accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 10,517,827	0.04%	3,960
0 to 30 days past due	380,887	1.65%	6,291
31 to 60 days past due	12,499	5.00%	625
61 to 90 days past due	10	10.00%	1
91 to 180 days past due	9,255	25.00%	2,314
181 to 360 days past due	1,837	27.22%	500
More than 361 days past due	25,847	100.00%	25,847
	\$ 10,948,162		39,538

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

	For the six months ended June 30	
	2026	2025
Balance at January 1	\$ 40,335	50,874
Impairment losses recognized (reversed)	6,428	(6,344)
Amounts written off	(22,346)	-
Effect of exchange rate changes	329	(4,992)
Balance at June 30	\$ 24,746	39,538

(Continued)

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

- (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 June 30, 2026, December 31 and June 30, 2025, the details of transferred accounts receivable which conformed to the criteria for derecognition were as follows:

June 30, 2026						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in		Guarantee (Promissory note)
		Unpaid	Paid	Other Receivables	Range of Interest Rate	
DBS Bank	\$ 2,101,389	-	1,859,149	242,240	2.45%~4.25%	-
HSBC Bank	167,168	-	150,452	16,716	4.36%~4.37%	-
Bank of Taiwan	-	-	-	-	-	NT\$ 612,000
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 2,268,557</u>	<u>-</u>	<u>2,009,601</u>	<u>258,956</u>		

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

June 30, 2025						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in		Guarantee (Promissory note)
		Unpaid	Paid	Other Receivables	Range of Interest Rate	
DBS Bank	\$ 1,436,023	-	1,292,421	143,602	4.82%~4.91%	-
HSBC Bank	74,891	-	67,402	7,489	4.89%~4.96%	-
Bank of Taiwan	-	-	-	-	-	NT\$ 367,200
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 1,510,914</u>	<u>-</u>	<u>1,359,823</u>	<u>151,091</u>		

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

(Continued)

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

(f) Other receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Other receivables - factoring of accounts receivable	\$ 258,956	290,609	151,091
Other receivables - tax refund receivable	509,634	583,754	345,808
Other receivables - others	76,130	72,936	96,516
Other receivables - related parties	15,903	60,450	6,340
Less: allowance for doubtful accounts	-	-	(15,354)
	\$ 860,623	1,007,749	584,401

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

	For the six months ended June 30	
	2026	2025
Balance at January 1	\$ -	17,107
Effect of exchange rate changes	-	(1,753)
Balance at June 30	\$ -	15,354

(g) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	\$ 5,119,361	3,303,515	3,157,876
Semi-finished goods and work in process	3,049,672	2,648,341	2,163,566
Finished goods and merchandise	4,308,857	4,804,707	3,171,150
	\$ 12,477,890	10,756,563	8,492,592

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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Gains (losses) on inventory valuation and disposal of inventories	\$ (97,259)	7,716	(176,402)	(38,709)
Unallocated manufacturing overhead resulting from the actual production being lower than the normal capacity	(21,241)	(13,932)	(48,930)	(27,884)
Gains (losses) on physical inventories	252	(1,131)	(505)	(1,075)
	\$ (118,248)	(7,347)	(225,837)	(67,668)

(Continued)

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

Reversal of inventory write-downs, resulting from the sales of previously written-down of inventory and the recovery of material prices, as well as the losses from inventory write-downs to net realizable value, were recognized as a (decrease) 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount of individually insignificant associates' equity	\$ <u>144,163</u>	<u>157,744</u>	<u>24,609</u>
	For the three months ended June 30		For the six months ended June 30
	2026	2025	2026
Attributable to the Group:			
Losses	\$ (6,945)	(2,797)	(12,593)
Other comprehensive loss	(119)	-	(988)
Comprehensive loss	<u>\$ (7,064)</u>	<u>(2,797)</u>	<u>(13,581)</u>

- (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 six months ended June 30, 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 at January 1, 2026	\$ 1,246,259	6,614,104	7,814,638	871,355	2,775,864	19,322,220
Additions	-	13,135	180,085	40,687	814,038	1,047,945
Disposals	-	(3,142)	(110,212)	(40,002)	(123)	(153,479)
Reclassifications	-	23,151	147,027	39,832	(256,389)	(46,379)
Reclassification to investment property	-	(212,155)	-	(996)	-	(213,151)
Effect of changes in exchange rate	(14,275)	136,499	223,527	12,930	(25,987)	332,694
Balance at June 30, 2026	<u>\$ 1,231,984</u>	<u>6,571,592</u>	<u>8,255,065</u>	<u>923,806</u>	<u>3,307,403</u>	<u>20,289,850</u>

(Continued)

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
Balance at January 1, 2025	\$ 1,224,979	6,517,084	7,427,973	869,683	1,631,368	17,671,087
Additions	8,593	16,545	112,039	25,646	750,968	913,791
Disposals	-	(1,789)	(190,095)	(34,148)	(207)	(226,239)
Reclassifications	-	35,894	147,354	5,537	(206,052)	(17,267)
Effect of changes in exchange rate	(21,719)	(574,808)	(681,069)	(77,426)	(58,301)	(1,413,323)
Balance at June 30, 2025	<u>\$ 1,211,853</u>	<u>5,992,926</u>	<u>6,816,202</u>	<u>789,292</u>	<u>2,117,776</u>	<u>16,928,049</u>
Depreciation and impairments loss:						
Balance at January 1, 2026	\$ -	3,114,103	6,359,369	638,463	-	10,111,935
Depreciation	-	155,576	367,850	51,141	-	574,567
Disposals	-	(3,108)	(90,338)	(39,540)	-	(132,986)
Reclassifications	-	-	(29,640)	(88)	-	(29,728)
Reclassification to investment property	-	(111,883)	-	(994)	-	(112,877)
Effect of changes in exchange rate	-	96,073	214,143	14,624	-	324,840
Balance at June 30, 2026	<u>\$ -</u>	<u>3,250,761</u>	<u>6,821,384</u>	<u>663,606</u>	<u>-</u>	<u>10,735,751</u>
Balance at January 1, 2025	\$ -	2,855,447	6,070,518	658,386	-	9,584,351
Depreciation	-	159,964	329,599	45,699	-	535,262
Disposals	-	(1,789)	(152,448)	(32,065)	-	(186,302)
Reclassifications	-	436	(8,948)	(861)	-	(9,373)
Effect of changes in exchange rate	-	(271,500)	(583,106)	(62,639)	-	(917,245)
Balance at June 30, 2025	<u>\$ -</u>	<u>2,742,558</u>	<u>5,655,615</u>	<u>608,520</u>	<u>-</u>	<u>9,006,693</u>
Carrying amounts:						
Balance at 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 at June 30, 2026	<u>\$ 1,231,984</u>	<u>3,320,831</u>	<u>1,433,681</u>	<u>260,200</u>	<u>3,307,403</u>	<u>9,554,099</u>
Balance at 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 at June 30, 2025	<u>\$ 1,211,853</u>	<u>3,250,368</u>	<u>1,160,587</u>	<u>180,772</u>	<u>2,117,776</u>	<u>7,921,356</u>

- (i) The unamortized deferred revenue of equipment subsidy amounted to \$552,200, \$405,125 and \$563,285 were classified as long-term deferred revenue, as of June 30, 2026, December 31 and June 30, 2025, respectively.
- (ii) As of June 30, 2026, December 31 and June 30, 2025, the Group has started the construction of Jhubei Factory in 2022, with the total costs of \$1,997,141, \$1,777,347 and \$1,425,063, respectively. For the three and six months ended June 30, 2026 and 2025, the capitalized borrowing costs of \$3,077, \$3,078, \$6,154 and \$5,576, 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.

(Continued)

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 at January 1, 2026	\$ 253,375	2,615,577	68,668	6,477	2,944,097
Additions	-	2,256	12,552	-	14,808
Disposals	-	-	(7,225)	-	(7,225)
Lease modification	-	(603)	-	-	(603)
Reclassification to investment property	(21,270)	-	-	-	(21,270)
Effect of changes in exchange rates	10,177	8,355	(218)	(42)	18,272
Balance at June 30, 2026	<u>\$ 242,282</u>	<u>2,625,585</u>	<u>73,777</u>	<u>6,435</u>	<u>2,948,079</u>
Balance at January 1, 2025	\$ 258,337	2,530,871	67,772	3,207	2,860,187
Additions	-	19,998	-	-	19,998
Disposals	-	(6,953)	(3,245)	-	(10,198)
Effect of changes in exchange rates	(26,472)	(35,989)	(621)	(130)	(63,212)
Balance at June 30, 2025	<u>\$ 231,865</u>	<u>2,507,927</u>	<u>63,906</u>	<u>3,077</u>	<u>2,806,775</u>
Depreciation:					
Balance at January 1, 2026	\$ 37,655	1,266,220	45,815	2,278	1,351,968
Depreciation	2,926	123,797	7,778	817	135,318
Disposals	-	-	(6,633)	-	(6,633)
Reclassification to investment property	(7,011)	-	-	-	(7,011)
Effect of changes in exchange rates	1,364	4,557	(71)	42	5,892
Balance at June 30, 2026	<u>\$ 34,934</u>	<u>1,394,574</u>	<u>46,889</u>	<u>3,137</u>	<u>1,479,534</u>
Balance at January 1, 2025	\$ 32,107	1,006,112	35,726	732	1,074,677
Depreciation	3,085	119,218	7,759	629	130,691
Disposals	-	(6,953)	(3,245)	-	(10,198)
Effect of changes in exchange rates	(3,555)	(15,796)	(678)	(102)	(20,131)
Balance at June 30, 2025	<u>\$ 31,637</u>	<u>1,102,581</u>	<u>39,562</u>	<u>1,259</u>	<u>1,175,039</u>
Carrying amounts:					
Balance at 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 at June 30, 2026	<u>\$ 207,348</u>	<u>1,231,011</u>	<u>26,888</u>	<u>3,298</u>	<u>1,468,545</u>
Balance at 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 at June 30, 2025	<u>\$ 200,228</u>	<u>1,405,346</u>	<u>24,344</u>	<u>1,818</u>	<u>1,631,736</u>

(Continued)

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 at January 1, 2026	\$ 50,190	705,372	31,452	787,014
Reclassifications	-	213,151	21,270	234,421
Effect of changes in exchange rates	-	36,028	2,668	38,696
Balance at June 30, 2026	<u>\$ 50,190</u>	<u>954,551</u>	<u>55,390</u>	<u>1,060,131</u>
Balance at January 1, 2025	\$ 50,190	718,207	32,068	800,465
Additions	-	584	-	584
Disposal	-	(218)	-	(218)
Effect of changes in exchange rates	-	(70,387)	(3,286)	(73,673)
Balance at June 30, 2025	<u>\$ 50,190</u>	<u>648,186</u>	<u>28,782</u>	<u>727,158</u>
Depreciation and impairment losses:				
Balance at January 1, 2026	\$ 33,941	143,865	10,367	188,173
Depreciation	-	19,734	530	20,264
Reclassifications	-	112,877	7,011	119,888
Effect of changes in exchange rates	-	9,254	893	10,147
Balance at June 30, 2026	<u>\$ 33,941</u>	<u>285,730</u>	<u>18,801</u>	<u>338,472</u>
Balance at January 1, 2025	\$ 33,941	111,358	9,935	155,234
Depreciation	-	17,350	312	17,662
Disposal	-	(218)	-	(218)
Effect of changes in exchange rates	-	(11,225)	(1,045)	(12,270)
Balance at June 30, 2025	<u>\$ 33,941</u>	<u>117,265</u>	<u>9,202</u>	<u>160,408</u>
Carrying amounts:				
Balance at January 1, 2026	<u>\$ 16,249</u>	<u>561,507</u>	<u>21,085</u>	<u>598,841</u>
Balance at June 30, 2026	<u>\$ 16,249</u>	<u>668,821</u>	<u>36,589</u>	<u>721,659</u>
Balance at January 1, 2025	<u>\$ 16,249</u>	<u>606,849</u>	<u>22,133</u>	<u>645,231</u>
Balance at June 30, 2025	<u>\$ 16,249</u>	<u>530,921</u>	<u>19,580</u>	<u>566,750</u>
Fair value:				
Balance at June 30, 2026			<u>\$ 1,352,035</u>	
Balance at January 1, 2026			<u>\$ 1,058,416</u>	

(Continued)

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 six months ended June 30, 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 at January 1, 2026	\$ <u>2,012,193</u>	<u>188</u>	<u>2,012,381</u>
Balance at June 30, 2026	\$ <u>2,012,997</u>	<u>18,188</u>	<u>2,031,185</u>
Balance at January 1, 2025	\$ <u>2,019,526</u>	<u>708</u>	<u>2,020,234</u>
Balance at June 30, 2025	\$ <u>1,999,884</u>	<u>335</u>	<u>2,000,219</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 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>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Unsecured bank loans	\$ 2,557,185	1,775,467	1,280,078
Secured bank loans	-	-	290,552
	<u>\$ 2,557,185</u>	<u>1,775,467</u>	<u>1,570,630</u>
Unused credit lines	<u>\$ 27,000,579</u>	<u>24,372,602</u>	<u>24,353,047</u>
Annual interest rates	<u>1.80%~3.74%</u>	<u>2.35%~2.45%</u>	<u>2.50%~4.75%</u>

For the collateral for short-term borrowings, please refer to Note 8.

(Continued)

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

(n) Long-term borrowings

June 30, 2026				
	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,136,534
Less: current portion				(592,267)
				<u>\$ 544,267</u>
Unused credit lines				<u>\$ 1,273,475</u>
December 31, 2025				
	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,284,934
	THB	3.30%	2027	82,474
Less: current portion				(544,450)
				<u>\$ 822,958</u>
Unused credit lines				<u>\$ 1,499,109</u>
June 30, 2025				
	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,336,134
	THB	3.81%	2027	98,813
Less: current portion				(281,407)
				<u>\$ 1,153,540</u>
Unused credit lines				<u>\$ 1,464,561</u>

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

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

(o) Lease liabilities

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current	<u>\$ 236,001</u>	<u>246,375</u>	<u>235,537</u>
Non-current	<u>\$ 1,175,091</u>	<u>1,276,727</u>	<u>1,333,195</u>

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

(Continued)

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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest on lease liabilities	\$ <u>11,002</u>	<u>12,638</u>	<u>22,602</u>	<u>25,579</u>
Expenses relating to short-term leases and leases of low-value assets	\$ <u>16,815</u>	<u>14,687</u>	<u>32,696</u>	<u>26,747</u>

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

	For the six months ended June 30	
	2026	2025
Rental paid in operating activities	\$ (32,696)	(26,747)
Interest on lease liabilities paid in operating activities	(22,602)	(25,579)
Payment made on lease liabilities in financing activities	(129,357)	(119,795)
Total cash outflow for leases	\$ <u>(184,655)</u>	<u>(172,121)</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.

(Continued)

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Less than one year	\$ 28,278	41,358	54,683
Two to five years	59,540	2,580	9,152
Total undiscounted lease payments	<u><u>\$ 87,818</u></u>	<u><u>43,938</u></u>	<u><u>63,835</u></u>

Rental income from investment property amounted to \$19,051, \$14,820, \$37,135 and \$30,081 for the three and six months ended June 30, 2026 and 2025, respectively.

(q) Employee benefits

(i) Defined benefit plans

There was no material volatility of the market, no material curtailment 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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Defined benefit plans	\$ 50	49	100	98
Defined contribution plans	117,207	102,626	229,994	208,375
Total	<u><u>\$ 117,257</u></u>	<u><u>102,675</u></u>	<u><u>230,094</u></u>	<u><u>208,473</u></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.

(Continued)

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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Income tax expense	\$ <u>149,453</u>	<u>168,232</u>	<u>304,219</u>	<u>401,794</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 \$41,716 related to the top-up tax for the six months ended June 30, 2026, which were levied on its subsidiary in Hong Kong. There was no such transaction for the six months ended June 30, 2025.

- (s) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the six months ended June 30, 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 June 30, 2026, December 31 and June 30, 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 467,254 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

(Continued)

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

Reconciliation of shares outstanding were as follows:

	Ordinary shares (in thousands of shares)	
	For the six months ended June 30	
	2026	2025
Balance at January 1	471,143	465,745
Issuance of restricted stock	738	1,700
Cancellation of restricted stock	-	(191)
Balance at June 30	<u>471,881</u>	<u>467,254</u>

(ii) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2026	December 31, 2025	June 30, 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	643,601	647,125	571,612
Long-term stock investments	1,498,238	1,498,238	1,498,238
Claim for the disgorgement right	<u>1,518</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,932,391</u>	<u>3,894,162</u>	<u>3,629,972</u>

(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 May 29, 2026 and May 23, 2025, the shareholders' meeting resolved to distribute the 2025 and 2024 earnings, respectively. The distributions for 2025 and 2024 were NT\$4.569 (dollars) and NT\$4.2 (dollars) per share, which amounted to \$2,155,552 and \$1,963,008, respectively.

(Continued)

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 six months ended June 30, 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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Restricted stock	\$ <u>79,938</u>	<u>68,157</u>	<u>165,887</u>	<u>134,526</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 June 30		For the six months ended June 30	
	2026	2025	2026	2025
Profit attributable to owners of parent	\$ <u>580,144</u>	<u>733,456</u>	<u>1,180,232</u>	<u>1,473,221</u>
Weighted-average number of ordinary shares (thousand shares)	<u>462,277</u>	<u>458,515</u>	<u>462,120</u>	<u>458,448</u>
Basic earnings per share (NT dollars)	\$ <u>1.26</u>	<u>1.60</u>	<u>2.55</u>	<u>3.21</u>

(Continued)

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

(ii) Diluted earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Profit attributable to owners of parent	\$ <u>580,144</u>	<u>733,456</u>	<u>1,180,232</u>	<u>1,473,221</u>
Weighted-average number of ordinary shares (diluted) (thousand shares)	<u>466,779</u>	<u>462,985</u>	<u>467,254</u>	<u>463,608</u>
Diluted earnings per share (NT dollars)	\$ <u>1.24</u>	<u>1.58</u>	<u>2.53</u>	<u>3.18</u>

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Weighted-average number of ordinary shares at June 30 (basic)	462,277	458,515	462,120	458,448
Estimated effect of employee stock bonuses	588	738	986	1,075
Effect of restricted stock	<u>3,914</u>	<u>3,732</u>	<u>4,148</u>	<u>4,085</u>
Weighted-average number of ordinary shares at June 30 (diluted)	<u>466,779</u>	<u>462,985</u>	<u>467,254</u>	<u>463,608</u>

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2026		
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 6,075,390	10,556,479	16,631,869
Service rendered	<u>168,211</u>	<u>411,430</u>	<u>579,641</u>
	<u>\$ 6,243,601</u>	<u>10,967,909</u>	<u>17,211,510</u>

	For the three months ended June 30, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 5,684,889	8,525,860	14,210,749
Service rendered	<u>100,563</u>	<u>280,453</u>	<u>381,016</u>
	<u>\$ 5,785,452</u>	<u>8,806,313</u>	<u>14,591,765</u>

(Continued)

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

For the six months ended June 30, 2026			
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 11,786,516	20,116,850	31,903,366
Service rendered	345,664	881,129	1,226,793
	\$ 12,132,180	20,997,979	33,130,159
For the six months ended June 30, 2025			
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 11,798,265	16,869,943	28,668,208
Service rendered	119,084	572,604	691,688
	\$ 11,917,349	17,442,547	29,359,896

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Mainland China	\$ 5,968,016	5,576,836	10,930,023	11,668,869
America	5,127,694	4,792,174	11,057,907	9,673,736
Europe	3,211,681	2,661,305	6,306,869	5,419,524
Other	2,904,119	1,561,450	4,835,360	2,597,767
	\$ 17,211,510	14,591,765	33,130,159	29,359,896

(ii) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Notes and accounts receivable (including related parties)	\$ 13,576,185	11,047,685	10,948,162
Less: allowance for impairment	(24,746)	(40,335)	(39,538)
	\$ 13,551,439	11,007,350	10,908,624
Contract liabilities (classified as other current liabilities)	\$ 556,164	452,863	529,340

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 six months ended June 30, 2026 and 2025 that were included in the contract liability balance at the beginning of the period were \$383,705 and \$303,608, 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.

(Continued)

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

(w) Employee's and directors' remuneration

According to the articles of the Company, 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.

Details of remuneration to employees and directors were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Employee remuneration	\$ 15,577	26,001	38,818	53,767
Directors' remuneration	7,788	13,000	19,409	26,883
	<u>\$ 23,365</u>	<u>39,001</u>	<u>58,227</u>	<u>80,650</u>

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

The differences between the amounts approved in the directors' meeting and those recognized in the financial statements for the distributions of earnings for 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.

(Continued)

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

(x) Other income

The details of other income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Government grants	\$ 1,183	2,454	2,895	3,594
Rent income	19,446	14,987	37,816	30,422
Other	115	180	291	350
	<u>\$ 20,744</u>	<u>17,621</u>	<u>41,002</u>	<u>34,366</u>

(y) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Net losses on financial assets/liabilities measured at FVTPL	\$ (67,659)	(635,698)	(368,806)	(818,926)
Foreign currency exchange gains, net	86,652	734,884	417,280	1,065,799
Net losses on disposal of property, plant and equipment	(1,066)	(19,431)	(8,036)	(14,597)
Net gains on disposal of right-of-use assets	18	-	18	-
Other	(6,388)	9,950	(7,464)	13,239
	<u>\$ 11,557</u>	<u>89,705</u>	<u>32,992</u>	<u>245,515</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.

(Continued)

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

(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
June 30, 2026						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 2,557,185	2,564,350	2,564,350	-	-	-
Notes and accounts payable (including related parties)	17,082,460	17,082,460	17,082,460	-	-	-
Other payables (including related parties)	4,114,610	4,114,610	4,114,610	-	-	-
Salaries payable	1,066,171	1,066,171	1,066,171	-	-	-
Lease liabilities	1,411,092	1,559,608	274,175	250,580	490,073	544,780
Refund liabilities	2,125,878	2,125,878	2,125,878	-	-	-
Long-term borrowings	1,136,534	1,150,930	602,774	506,247	41,909	-
Guarantee deposits	41,932	41,932	-	-	-	41,932
Derivative financial liabilities:	462,189	-	-	-	-	-
Outflow	-	19,147,427	19,147,427	-	-	-
Inflow	-	(18,685,238)	(18,685,238)	-	-	-
	<u>\$ 29,998,051</u>	<u>30,168,128</u>	<u>28,292,607</u>	<u>756,827</u>	<u>531,982</u>	<u>586,712</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>

(Continued)

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

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~5 years	Over 5 years
June 30, 2025						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,570,630	1,576,629	1,576,629	-	-	-
Notes and accounts payable (including related parties)	11,898,304	11,898,304	11,898,304	-	-	-
Other payables (including related parties)	4,033,147	4,033,147	4,033,147	-	-	-
Salaries payable	1,182,215	1,182,215	1,182,215	-	-	-
Lease liabilities	1,568,732	1,754,711	279,308	247,090	542,554	685,759
Refund liabilities	2,213,527	2,213,527	2,213,527	-	-	-
Long-term borrowings	1,434,947	1,469,004	300,314	620,534	548,156	-
Guarantee deposits	36,422	36,422	-	-	-	36,422
Derivative financial liabilities:	1,817,959	-	-	-	-	-
Outflow	-	3,300,997	3,300,997	-	-	-
Inflow	-	(1,483,038)	(1,483,038)	-	-	-
	<u>\$ 25,755,883</u>	<u>25,981,918</u>	<u>23,301,403</u>	<u>867,624</u>	<u>1,090,710</u>	<u>722,181</u>

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:

June 30, 2026				December 31, 2025				June 30, 2025			
	Foreign currency	Exchange rate	TWD		Foreign currency	Exchange rate	TWD		Foreign currency	Exchange rate	TWD
Financial assets											
Monetary items											
USD:CNY	\$	621,169	6.8109	19,776,144	585,304	7.0288	18,400,777	593,955	7.1586	17,402,889	
USD:HKD		326,184	7.8417	10,384,704	230,069	7.7819	7,232,919	230,850	7.8498	6,763,909	
USD:TWD		453,399	31.8370	14,434,855	378,243	31.4380	11,891,205	340,595	29.3000	9,979,438	
EUR:CZK		17,278	24.2532	627,312	17,250	24.1706	635,421	14,974	24.7938	514,941	
USD:CZK		6,830	21.2690	217,447	8,506	20.6230	267,412	6,978	21.1220	204,455	
USD:THB		61,980	33.2830	1,973,256	83,155	31.4480	2,614,225	67,835	32.6180	1,987,564	
EUR:HKD		8,517	8.9426	309,227	13,059	9.1180	481,041	11,655	9.2131	400,804	
CZK:HKD		44,106	0.3663	66,027	106,046	0.3772	161,614	102,799	0.3716	142,582	
EUR:USD		6,973	1.1404	253,169	-	-	-	-	-	-	
Financial liabilities											
Monetary items											
USD:CNY	\$	257,001	6.8109	8,182,137	188,171	7.0288	5,915,723	203,397	7.1586	5,959,536	
USD:HKD		279,926	7.8417	8,911,989	202,316	7.7819	6,360,410	203,061	7.8498	5,949,687	
USD:TWD		528,291	31.8370	16,819,209	583,635	31.4380	18,348,325	516,135	29.3000	15,122,752	
EUR:CZK		4,626	24.2532	167,956	7,384	24.1706	271,997	5,373	24.7938	184,772	
USD:THB		119,495	33.2830	3,804,370	106,796	31.4480	3,357,459	88,605	32.6180	2,596,127	
EUR:HKD		16,534	8.9426	600,300	16,069	9.1180	591,918	12,963	9.2131	445,785	
USD:CZK		2,101	21.2690	66,892	1,717	20.6230	53,979	2,749	21.1220	80,546	
EUR:USD		5,926	1.1404	215,155	-	-	-	-	-	-	

(Continued)

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

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes receivable, accounts receivable, other receivables, loans and borrowings, notes and accounts payable, and other payables that are denominated in foreign currency. A weakening (strengthening) of 5% of the TWD, CNY, HKD, CZK and THB against the USD; the HKD against CZK; as well as HKD, CZK and USD against the EUR, as of June 30, 2026 and 2025, would have increased or decreased the net profit before tax by \$463,707 and \$352,869, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three and six months ended June 30, 2026 and 2025, foreign exchange gain (including realized and unrealized portions) amounted to \$86,652, \$734,884, \$417,280 and \$1,065,799, 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 \$2,620 and \$3,285 for the six months ended June 30, 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 six months ended June 30 2026	For the six months ended June 30 2025
Price of securities at the reporting date	Other comprehensive income before tax	Other comprehensive income before tax
Increasing 10%	\$ 39,006	31,206
Decreasing 10%	\$ (39,006)	(31,206)

(Continued)

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

(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:

		June 30, 2026			
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ <u>199,984</u>	48,382	-	151,602	199,984
Financial assets at FVOCI – non-current	\$ <u>390,055</u>	14,801	-	375,254	390,055
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 11,331,278				
Financial assets at amortized cost – current	26,214				
Notes and accounts receivable	13,551,439				
Other receivables	860,623				
Refundable deposits	123,978				
Total	\$ <u>25,893,532</u>				
Financial liabilities at FVTPL – current	\$ <u>462,189</u>	-	-	462,189	462,189
Financial liabilities measured at amortized cost:					
Borrowings	\$ 3,693,719				
Notes and accounts payable (including related parties)	17,082,460				
Other payables (including related parties)	4,114,610				
Salaries payable	1,066,171				
Lease liabilities	1,411,092				
Refund liabilities	2,125,878				
Guarantee deposits	41,932				
Total	\$ <u>29,535,862</u>				

(Continued)

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

		December 31, 2025			
		Fair Value			
	Carrying amounts	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>				

(Continued)

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

		June 30, 2025			
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ <u>1,024,122</u>	-	-	1,024,122	1,024,122
Financial assets at FVOCI – non-current	\$ <u>312,058</u>	19,801	-	292,257	312,058
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 12,584,375				
Financial assets at amortized cost – current	75,649				
Notes and accounts receivable (including related parties)	10,908,624				
Other receivables	584,401				
Refundable deposits	131,957				
Total	\$ <u>24,285,006</u>				
Financial liabilities at FVTPL – current	\$ <u>1,817,959</u>	-	-	1,817,959	1,817,959
Financial liabilities measured at amortized cost :					
Borrowings	\$ 3,005,577				
Notes and accounts payable (including related parties)	11,898,304				
Other payables (including related parties)	4,033,147				
Salaries payable	1,182,215				
Lease liabilities	1,568,732				
Refund liabilities	2,213,527				
Guarantee deposits	36,422				
Total	\$ <u>23,937,924</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.

(Continued)

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 beneficiary certificates - 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 foreign limited partnership or 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 six months ended June 30, 2026 and 2025, there were no transfers between Levels.
 - 4) Reconciliation of Level 3 fair values

	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	FVTPL	FVOCI	Total	FVTPL	FVOCI	Total
Balance at January 1	\$ (194,102)	298,147	104,045	(150,876)	297,154	146,278
Recognized in profit or loss	(376,267)	-	(376,267)	(818,926)	-	(818,926)
Recognized in other comprehensive income	-	63,167	63,167	-	(26,796)	(26,796)
Acquisition /disposal	259,782	13,940	273,722	175,965	21,899	197,864
Balance at June 30	\$ (310,587)	375,254	64,667	(793,837)	292,257	(501,580)

- 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:

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value
Financial assets at FVOCI – equity investment without an active market	(Note 1)	(Note 1)	(Note 1)

(Continued)

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

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value
Financial assets and liabilities at FVTPL – non-derivative financial assets	(Note 1)	(Note 1)	(Note 1)
Financial assets and liabilities at FVTPL – derivative instruments not used for hedging	(Note 2)	(Note 2)	(Note 2)

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

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

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

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

(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.

(Continued)

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

(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	June 30, 2026
Short-term borrowings	\$ 1,775,467	859,305	(77,587)	-	2,557,185
Long-term borrowings	1,367,408	(229,671)	(1,203)	-	1,136,534
Lease liabilities	1,523,102	(129,357)	3,752	13,595	1,411,092
Guarantee deposits	39,678	2,254	-	-	41,932
Total liabilities from financing activities	<u>\$ 4,705,655</u>	<u>502,531</u>	<u>(75,038)</u>	<u>13,595</u>	<u>5,146,743</u>

	January 1, 2025	Cash flows	Effect of changes in exchange rate	Changes in lease payments	June 30, 2025
Short-term borrowings	\$ 1,441,489	242,124	(112,983)	-	1,570,630
Long-term borrowings	1,190,808	251,046	(6,907)	-	1,434,947
Lease liabilities	1,689,841	(119,795)	(21,312)	19,998	1,568,732
Guarantee deposits	38,605	(2,183)	-	-	36,422
Other payables to related parties	255,088	(255,088)	-	-	-
Total liabilities from financing activities	<u>\$ 4,615,831</u>	<u>116,104</u>	<u>(141,202)</u>	<u>19,998</u>	<u>4,610,731</u>

(ad) Supplementary information of cash flow

	For the six months ended June 30	
	2026	2025
Acquisition of property, plant and equipment	\$ 1,047,945	913,791
Decrease in payables on equipment	126,112	231,670
Decrease in cash	<u>\$ 1,174,057</u>	<u>1,145,461</u>

	For the six months ended June 30	
	2026	2025
Disposal of property, plant and equipment	\$ 20,493	39,937
Loss on disposal of property, plant and equipment	(8,036)	(14,597)
Decrease in other receivables	32,016	-
Decrease in equipment subsidy	(870)	(3,713)
Increase in cash	<u>\$ 43,603</u>	<u>21,627</u>

(Continued)

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

(7) Related-party transactions:

(a) Names and relationship of the related parties

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

Name	Relationship
Mibtech Plastic & Molds (Thailand) Company (MBTH)	Associate

(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:

	Sales				Accounts receivable from related parties		
	For the three months ended June 30		For the six months ended June 30		June 30,	December 31,	June 30,
	2026	2025	2026	2025	2026	2025	2025
	\$						
Associates	-	1,348	-	6,310	-	-	1,375

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

(ii) Purchases

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

	Purchases				Accounts payable to related parties		
	For the three months ended June 30		For the six months ended June 30		June 30,	December 31,	June 30,
	2026	2025	2026	2025	2026	2025	2025
	\$						
Associates	26,035	42,112	58,330	42,112	28,342	23,187	23,811

There were no significant differences in the purchasing price between the associates 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.

(Continued)

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

(iii) Receivables and payables on behalf of associates

Other receivables arising from fees paid on behalf of associates by the Group amounted to \$1,952, \$14,483 and \$6,340 as of June 30, 2026, December 31 and June 30, 2025, respectively.

Other payables arising from materials purchased and paid by the Group on behalf of associates amounted to \$2,389, \$16,398 and \$27,245 as of June 30, 2026, December 31 and June 30, 2025, respectively.

(iv) Property transactions

In December 2025, the Group sold machinery and equipment to MBTH for a disposal price of \$48,597, which resulted in a disposal loss of \$80. As of June 30 2026, amounts that were not paid is \$13,951, classified as other receivables.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 71,286	83,232	136,119	152,002
Post-employment benefits	707	522	1,228	1,070
Share-based payments	34,307	35,902	73,848	63,876
	<u>\$ 106,300</u>	<u>119,656</u>	<u>211,195</u>	<u>216,948</u>

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	June 30, 2026	December 31, 2025	June 30, 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	1,525,444	1,823,317	1,767,156
Investment property	Loan collateral	690,305	567,329	524,467

(9) Commitments and contingencies:

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

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (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.

	June 30, 2026	December 31, 2025	June 30, 2025
Guarantee letters	\$ <u>23,960</u>	<u>36,259</u>	<u>29,349</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Sales of accounts receivable	\$ <u>651,796</u>	<u>651,298</u>	<u>403,825</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:

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	\$ <u>494,812</u>	<u>670,781</u>	<u>917,563</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	By function			For the three months ended June 30, 2026			For the three months ended June 30, 2025		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits									
Salaries	907,326	1,154,970	2,062,296	880,115	1,101,617	1,981,732			
Labor and health insurance	43,500	63,476	106,976	41,242	60,276	101,518			
Pension	64,508	52,749	117,257	52,402	50,273	102,675			
Others	34,967	48,966	83,933	18,850	52,190	71,040			
Depreciation	257,101	100,822	357,923	240,153	91,506	331,659			
Amortization	2,785	10,102	12,887	2,044	9,908	11,952			

(Continued)

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

By item	By function	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
		Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits							
Salaries		1,788,466	2,256,856	4,045,322	1,680,943	2,214,629	3,895,572
Labor and health insurance		89,184	146,711	235,895	80,214	138,892	219,106
Pension		125,183	104,911	230,094	108,535	99,938	208,473
Others		64,513	96,256	160,769	25,574	103,164	128,738
Depreciation		512,051	197,834	709,885	481,273	184,680	665,953
Amortization		5,150	20,296	25,446	3,789	20,179	23,968

Note: Excluding the depreciation of the investment property (classified as other gains and losses) amounted to \$20,264 and \$17,662 for the six months ended June 30, 2026 and 2025, respectively.

(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	795,925	705,190	4.5%	Short-term loan to other parties	-	Operating capital	-	-	-	2,423,943	2,423,943

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

Note 2: The above transactions have been eliminated during the preparation of the consolidated financial statements.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	PCH2	The subsidiary of Primax HK and Primax Tech.	6,124,499	319,800	318,370	-	-	1.56 %	16,331,998	Y	N	Y
"	"	Primax Singapore	Subsidiary	6,124,499	2,700,000	2,700,000	407,869	-	13.23 %	16,331,998	Y	N	N
1	Tymphony Huizhou	TYM Acoustic HK	"	2,374,222	4,797	-	-	-	- %	3,957,036	N	N	N

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

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

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

(iii) Securities held as of June 30, 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	-	152,818	2.75	152,818	
	Grove Ventures II, L.P.	-	"	-	123,964	3.27	123,964	

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)	(8,018,680)	(41) %	60 days	Price agreed by both sides	The same as general selling	3,103,071	34%	Note 1
"	PCH2	The subsidiary of Primax HK	Purchase	7,749,993	47 %	"	"	The same as general purchasing	(8,863,808)	(64)%	Note 1
"	PKS1	"	Purchase	922,984	6 %	"	"	"	(584,976)	(4)%	Note 1
"	PCQ1	"	Purchase	3,152,090	19 %	"	"	"	(2,115,355)	(15)%	Note 1
"	Polaris	The subsidiary of Primax Tech.	(Sale)	(1,595,054)	(8) %	90 days	"	The same as general selling	110,166	1%	Note 1
"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	4,187,274	25 %	60 days	"	The same as general purchasing	(848,750)	(6)%	Note 1
"	TYM HK	The subsidiary of TYM Acoustic HK	Purchase	105,353	1 %	"	"	"	(29,928)	-%	Note 1

(Continued)

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

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Primax Singapore	The Company	Parent	Purchase	8,018,680	100 %	60 days	Price agreed by both sides	The same as general purchasing	(3,103,071)	(92)%	Note 1
PCH2	"	The parent of Primax Cayman	(Sale)	(7,749,993)	(96) %	"	"	The same as general selling	8,863,808	97%	Note 1
PKS1	"	"	(Sale)	(922,984)	(100) %	"	"	"	584,976	100%	Note 1
PCQ1	"	"	(Sale)	(3,152,090)	(78) %	"	"	"	2,115,355	83%	Note 1
Primax Thailand	"	The parent of Primax Singapore	(Sale)	(4,187,274)	(99) %	"	"	"	848,750	96%	Note 1
Polaris	"	The parent of Primax Tech.	Purchase	1,595,054	100 %	90 days	"	The same as general purchasing	(110,166)	(100)%	Note 1
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	(Sale)	(5,496,908)	(89) %	60 days	"	The same as general selling	3,820,359	91%	Note 1
"	TYM HK	The subsidiary of TYM Acoustic HK	(Sale)	(117,152)	(2) %	"	"	"	21,488	1%	Note 1
"	TYTH	"	(Sale)	(164,258)	(3) %	"	"	"	167,593	4%	Note 1
Tymphony Dongguan	TYM HK	"	(Sale)	(141,820)	(16) %	"	"	"	143,075	21%	Note 1
"	TYM Acoustic Europe	"	(Sale)	(107,943)	(12) %	"	"	"	52,783	8%	Note 1
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	(Sale)	(564,343)	(65) %	"	"	"	437,354	65%	Note 1
TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	1,286,490	13 %	"	"	The same as general purchasing	(726,502)	(11)%	Note 1
"	Tymphony Huizhou	Parent	Purchase	5,496,908	54 %	"	"	"	(3,820,359)	(58)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	564,343	6 %	"	"	"	(437,354)	(7)%	Note 1
"	TYSG	The subsidiary of TWEL	(Sale)	(9,252,627)	(85) %	"	"	The same as general selling	5,466,544	91%	Note 1
"	TYTH	Subsidiary	Purchase	3,130,324	31 %	"	"	The same as general purchasing	(940,022)	(14)%	Note 1
TYM Acoustic Europe	TYM Acoustic HK	Parent	(Sale)	(1,286,490)	(100) %	60 days	"	The same as general selling	726,502	100%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	107,943	11 %	"	"	The same as general purchasing	(52,783)	(16)%	Note 1
TYM HK	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	117,152	34 %	"	"	"	(21,488)	(2)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	141,820	41 %	"	"	"	(143,075)	(12)%	Note 1
"	The Company	The parent of Diamond	(Sale)	(105,353)	(22) %	"	"	The same as general selling	29,928	3%	Note 1
TYTH	TYM Acoustic HK	Parent	(Sale)	(3,130,324)	(96) %	"	"	"	940,022	96%	Note 1
"	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	164,258	6 %	"	"	The same as general purchasing	(167,593)	(8)%	Note 1
TYM Singapore	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	Purchase	9,252,627	100 %	"	"	"	(5,466,544)	(98)%	Note 1

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

(Continued)

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

- (v) Receivables from related parties with amounts exceeding the lower of NT\$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	3,103,071 (Note 6)	6.00	-	-	-	-
"	Polaris	The subsidiary of Primax Tech.	110,166 (Note 6)	16.88	-	-	110,166	-
"	PCH2	The subsidiary of Primax HK	544,201 (Note 2&6)	3.50	-	-	-	-
"	"	"	4,476 (Note 6)	(Note3)	-	-	1,011	-
"	Primax Thailand	The subsidiary of Primax Singapore	384,306 (Note 2&6)	4.40	-	-	-	-
"	"	"	2,816 (Note 6)	(Note3)	-	-	-	-
PCH2	The Company	The parent of Primax Cayman	8,863,808 (Note 6)	1.71	-	-	63	-
"	Primax Thailand	The subsidiary of Primax Singapore	214,900 (Note 6)	(Note3)	-	-	-	-
PKS1	The Company	The parent of Primax Cayman	584,976 (Note 6)	3.01	-	-	91,745	-
PCQ1	"	"	2,115,355 (Note 6)	2.38	-	-	64,197	-
Primax Thailand	"	The parent of Primax Singapore	848,750 (Note 6)	7.93	-	-	187,369	-
Primax Tech.	PCH2	Subsidiary	313,673 (Note 6)	(Note5)	-	-	-	-
Primax HK	"	"	672,198 (Note 6)	(Note3) (Note5)	-	-	-	-
Primax Cayman	Primax HK	"	641,437 (Note 6)	(Note5)	-	-	-	-
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	3,820,359 (Note 6)	3.44	-	-	855,238	-
"	TYTH	The subsidiary of TYM Acoustic HK	167,593 (Note 6)	2.32	-	-	28,836	-
Tymphony Dongguan	TYM HK	The subsidiary of TYM Acoustic HK	143,075 (Note 6)	2.24	-	-	126,104	-
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	437,354 (Note 6)	4.06	-	-	-	-
TYM Acoustic Europe	"	Parent	726,502 (Note 6)	3.48	-	-	282,627	-
TYM HK	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	60,480 (Note 6)	2.76	-	-	-	-
"	"	"	140,652 (Note 6)	(Note3)	-	-	80,399	-
"	TYM Acoustic HK	Parent	638,898 (Note 6)	(Note3)	-	-	100	-
"	TYM Singapore	The subsidiary of TWEL	126,651 (Note 6)	(Note3)	-	-	22,286	-
TYM Acoustic HK	Tymphony Huizhou	Parent	9,998 (Note 6)	0.18	-	-	-	-
"	"	"	769,601 (Note 6)	(Note3)	-	-	-	-
"	TWEL	The parent of Tymphony Huizhou	705,190 (Note 6)	(Note4)	-	-	-	-
"	"	"	28,541 (Note 6)	(Note3)	-	-	-	-

(Continued)

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	TYM Singapore	The subsidiary of TWEL	5,466,544 (Note 6)	5.34	-	-	1,827,951	-
TYAT	TYM HK	The subsidiary of TYM Acoustic HK	520,192 (Note 6)	(Note3)	-	-	159,503	-
TYTH	TYM Acoustic HK	Parent	940,022 (Note 6)	7.06	-	-	611,270	-
TYSG	TYM HK	The subsidiary of TYM Acoustic HK	370,795 (Note 6)	(Note3)	-	-	62,103	-

Note 1: Amounts were collected as of July 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 six months ended June 30, 2026 was \$1,525,042, which was written off with related cost of goods sold, and not recorded as sales for the Company.

Note 3: The receivables arise from collections and payments made on behalf of intercompany or related parties, 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: The receivables arose from an intercompany capital reduction transaction.

Note 6: 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			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
0	The Company	Primax Singapore	Subsidiary	Sale	8,018,680	Price agreed by both sides	24.20 %
"	"	"	"	Accounts Receivable	3,103,071	60 days	5.68 %
"	"	PCH2	The subsidiary of Primax HK	Purchase	7,749,993	Price agreed by both sides	23.39 %
"	"	"	"	Accounts Payable	8,863,808	60 days	16.22 %
"	"	"	"	Accounts Receivable	544,201	"	1.00 %
"	"	"	"	Other Receivable	4,476	(Note2)	0.01 %
"	"	PKS1	"	Purchase	922,984	Price agreed by both sides	2.79 %
"	"	"	"	Accounts Payable	584,976	60 days	1.07 %
"	"	PCQ1	"	Purchase	3,152,090	Price agreed by both sides	9.51 %
"	"	"	"	Accounts Payable	2,115,355	60 days	3.87 %
"	"	Polaris	The subsidiary of Primax Tech.	Sale	1,595,054	Price agreed by both sides	4.81 %
"	"	"	"	Accounts Receivable	110,166	90 days	0.20 %
"	"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	4,187,274	Price agreed by both sides	12.64 %
"	"	"	"	Accounts Payable	848,750	60 days	1.55 %
"	"	"	"	Accounts Receivable	384,306	"	0.70 %
"	"	"	"	Other Receivable	2,816	(Note2)	0.01 %
"	"	TYM HK	The subsidiary of TYM Acoustic HK	Purchase	105,353	Price agreed by both sides	0.32 %

(Continued)

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

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
1	PCH2	Primax Thailand	The subsidiary of Primax Singapore	Other Receivable	214,900	(Note2)	0.39 %
"	"	Primax Tech.	Parent	Other Payable	313,673	(Note4)	0.57 %
"	"	Primax HK	"	Other Payable	672,198	(Note2)(Note4)	1.23 %
2	Primax Cayman	"	Subsidiary	Other Receivable	641,437	(Note4)	1.17 %
3	Tymphony Huizhou	TYM Acoustic HK	"	Sale	5,496,908	Price agreed by both sides	16.59 %
"	"	"	"	Accounts Receivable	3,820,359	60 days	6.99 %
"	"	"	"	Other Payable	769,601	(Note2)	1.41 %
"	"	"	"	Accounts Payable	9,998	60 days	0.02 %
"	"	TYM HK	The subsidiary of TYM Acoustic HK	Sale	117,152	Price agreed by both sides	0.35 %
"	"	TYTH	"	Sale	164,258	"	0.50 %
"	"	"	"	Accounts Receivable	167,593	60 days	0.31 %
4	Tymphony Dongguan	TYM HK	"	Sale	141,820	Price agreed by both sides	0.43 %
"	"	"	"	Accounts Receivable	143,075	60 days	0.26 %
"	"	"	"	Accounts Payable	60,480	"	0.11 %
"	"	"	"	Other Payable	140,652	(Note2)	0.26 %
"	"	TYM Acoustic Europe	"	Sale	107,943	Price agreed by both sides	0.33 %
"	"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	Sale	564,343	"	1.70 %
"	"	"	"	Accounts Receivable	437,354	60 days	0.80 %
5	TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	1,286,490	Price agreed by both sides	3.88 %
"	"	"	"	Accounts Payable	726,502	60 days	1.33 %
"	"	TYTH	"	Purchase	3,130,324	Price agreed by both sides	9.45 %
"	"	"	"	Accounts Payable	940,022	60 days	1.72 %
"	"	TYM HK	"	Service Expense	640,728	Price agreed by both sides	1.93 %
"	"	"	"	Other Payable	638,898	(Note2)	1.17 %
"	"	TWEL	The parent of Tymphony Huizhou	Other Receivable	705,190	(Note3)	1.29 %
"	"	"	The parent of Tymphony Huizhou	Other Receivable	28,541	(Note2)	0.05 %
"	"	TYM Singapore	The subsidiary of TWEL	Sale	9,252,627	Price agreed by both sides	27.93 %
"	"	"	"	Accounts Receivable	5,466,544	60 days	10.00 %

(Continued)

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

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
6	TYM HK	TYAT	The subsidiary of TYM Acoustic HK	Other Payable	520,192	(Note2)	0.95 %
"	"	"	"	Service Expense	524,730	Price agreed by both sides	1.58 %
"	"	TYM Singapore	The subsidiary of TWEL	Other Receivable	126,651	(Note2)	0.23 %
"	"	"	"	Other Payable	370,795	"	0.68 %

Note 1: Disclosure of the amounts was exceeding of NTS100 million.

Note 2: The receivables arises from collections and payments made on behalf of intercompany or related parties, 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: The receivables arise from an intercompany capital reduction transaction.

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

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 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 June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 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	8,829,242	(40,300)	(6,923)	Note 3
"	Primax Tech.	Cayman Islands	Holding company	897,421	897,421	285,067	100.00	3,379,839	(19,577)	(10,921)	Note 3
"	Destiny BVL	Virgin Island	Holding company	30,939	30,939	1,050	100.00	(3,828)	12,135	12,135	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	15,741	1,136	1,136	Note 3
"	Diamond	Cayman Islands	Holding company	5,292,148	4,759,198	173,050	100.00	9,588,705	134,035	137,121	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	26,661	1,438	1,438	Note 3
"	Primax AE	Cayman Islands	Holding company	1,431,540	1,431,540	48,200	100.00	73,700	1,857	1,857	Note 3
"	Primax Singapore	Singapore	Sale of computer peripherals and mobile device components	1,181,150	1,181,150	40,100	100.00	501,438	(151,376)	(180,944)	Note 3
"	Primax Security	Taiwan	Sale of computer peripherals and mobile device components	200	200	20	100.00	174	(10)	(10)	Note 3
	Total			10,762,448	10,229,498	-	-	22,411,672	(60,662)	(45,111)	
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	531,866	(151,242)	(151,242)	Note 3 Note 5
Primax Cayman	Primax HK	Hong Kong	Holding company and customer service	1,105,539	1,737,164	289,666	100.00	8,310,158	(50,561)	(50,561)	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	491,580	5,269	5,269	Note 3
Diamond	TWEL	Cayman Islands	Holding company	5,486,300	4,953,350	332,486	100.00	9,613,440	134,012	134,012	Note 3

(Continued)

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2026	December 31, 2025	Shares (thousands)	Percentage of ownership	Carrying value			
Primax AE	AIC	Cayman Islands	Holding company	1,356,995	1,356,995	30	37.00	-	(95,652)	-	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	511	(15,616)	(15,616)	Note 3
"	MBTH	Thailand	Manufacturing of plastic products	75,248	75,248	791	40.00	54,396	(17,638)	(6,700)	Note 4
"	SKRI	Canada	R&D of microphones	97,077	97,077	493	10.60	89,767	(61,371)	(5,893)	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	4,039,905	412,829	412,829	Note 3
TYM Acoustic HK	TYM HK	Hong Kong	Holding company; sales of, market development of and customer service for various speaker accessories, speakers and their components	76,280 (Note 1)	76,280 (Note 1)	144,395	100.00	799,680	103,066	103,066	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	108,280	1,891	1,891	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	51,667	2,640	2,640	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	1,153,859	19,625	19,625	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	589,682	31,801	31,801	Note 3 Note 6
"	TYTH	Thailand	Manufacturing and sales of various speaker accessories, speakers, and their components	725,091	725,091	7,789	100.00	874,459	78,444	78,444	Note 3 Note 5
TYM HK	TYML	USA	Sales of various speaker accessories, speakers, and their components	6,628	6,628	200	100.00	8,083	(161)	(161)	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.

Note 6: TWEL, a subsidiary of the Group, acquired the entire equity interest of TYAT from TYM Acoustic HK, with the approval of its board in June 2026. The share acquisition transaction was completed on July 20, 2026.

(Continued)

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

(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 June 30, 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	1,128,578	Indirect investment through Primax Cayman and Primax Tech.	1,725,989	-	-	1,744,108 (Note 3)	(101,661)	100%	(101,661)	7,573,121	-
Destiny Beijing	R&D of computer peripheral and business devices	41,293	Indirect investment through Destiny BVI.	33,010	-	-	33,429	12,135	100%	12,135	(3,832)	-
PKS1	Production of computer peripheral products	240,460	Indirect investment through Primax Cayman	62,876	-	-	63,674	510	100%	510	231,015	-
PCQ1	"	892,012	"	628,760	-	-	636,740	17,172	100%	17,172	2,970,301	-
Tympany Huizhou	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	1,769,344	Indirect investment through Diamond	4,904,328	-	-	4,966,572	361,472	100%	361,472	7,914,073	1,563,640
Tympany Dongguan	"	159,185	"	15,719	-	-	15,919	(23,550)	100%	(23,550)	792,639	-
Tympany Supply Chain Huizhou	Supply chain management services, and sales of various acoustic electronic components and products	9,349	"	-	-	-	-	(841)	100%	(841)	8,485	-

Note 1: The above information on the exchange rate was as follows: HKD:TWD 4.06 ; USD:TWD 31.837; CNY:TWD 4.6744.

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: PCH2 approved a capital reduction in June 2026. As of June 30, 2026, the capital reduction proceeds had not yet been remitted.

Note 4: 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 June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	7,930,843	9,751,583	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, Tympany Dongguan and Tympany Supply Chain Huizhou were reviewed by other auditors, and other information related to subsidiaries came from financial reports prepared by the investees, not reviewed by auditors.

(Continued)

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

(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 six months ended June 30, 2026, are disclosed in “Information on significant transactions”, and “Business relationships and significant intercompany transactions”.

(14) Segment information:

For the three and six months ended June 30, 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 June 30, 2026		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 6,243,601	10,967,909	17,211,510
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 6,243,601</u>	<u>10,967,909</u>	<u>17,211,510</u>
Profit before tax from segments reported	<u>\$ 263,042</u>	<u>466,555</u>	<u>729,597</u>
	For the three months ended June 30, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 5,785,452	8,806,313	14,591,765
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 5,785,452</u>	<u>8,806,313</u>	<u>14,591,765</u>
Profit before tax from segments reported	<u>\$ 296,119</u>	<u>605,569</u>	<u>901,688</u>
	For the six months ended June 30, 2026		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 12,132,180	20,997,979	33,130,159
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 12,132,180</u>	<u>20,997,979</u>	<u>33,130,159</u>
Profit before tax from segments reported	<u>\$ 469,927</u>	<u>1,014,524</u>	<u>1,484,451</u>

(Continued)

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

	For the six months ended June 30, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 11,917,349	17,442,547	29,359,896
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 11,917,349</u>	<u>17,442,547</u>	<u>29,359,896</u>
Profit before tax from segments reported	<u>\$ 690,475</u>	<u>1,184,540</u>	<u>1,875,015</u>