

**PRIMAX ELECTRONICS LTD.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
for the Nine Months Ended
September 30, 2025 and 2024**

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

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Independent Auditors' Review Report

To the Board of Directors of PRIMAX ELECTRONICS LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of PRIMAX ELECTRONICS LTD. (“the Company”) and its subsidiaries (“the Group”) as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, 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\$13,305,119 thousand and NT\$10,879,782 thousand, constituting 27.0% and 21.4% of the consolidated total assets; and the total liabilities amounting to NT\$11,038,990 thousand and NT\$7,736,775 thousand, constituting 36.7% and 25.4% of the consolidated total liabilities as of September 30, 2025 and 2024, respectively; as well as the total comprehensive income (loss) amounting to NT\$190,076 thousand, NT\$72,368 thousand, NT\$(82,149) thousand and NT\$357,263 thousand, constituting 11.5%, 8.7%, (7.7)% and 11.8% of the consolidated comprehensive income (loss) for the three and nine months ended September 30, 2025 and 2024, respectively.

Furthermore, as stated in note 6(h), the investments accounted for using equity method of the Group in its investee companies of NT\$134,292 thousand as of September 30, 2025, and its related share of loss of associates accounted for using equity method of NT\$246 thousand and NT\$7,537 thousand for the three and nine months ended September 30, 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 September 30, 2025 and 2024, and of its consolidated financial performance for the three and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for nine months ended September 30, 2025 and 2024 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\$15,565,356 thousand and NT\$16,677,833 thousand, constituting 31.6% and 32.7% of the related consolidated total assets as of September 30, 2025 and 2024, respectively; as well as the operating revenue amounting to NT\$5,029,646 thousand, NT\$5,690,911 thousand, NT\$13,754,533 thousand and NT\$15,137,196 thousand, constituting 31.7%, 35.5%, 30.4% and 33.6% of the related consolidated operating revenue for the three and nine months ended September 30, 2025 and 2024, 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)
November 6, 2025

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

September 30, 2025, December 31 and September 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

	September 30, 2025		December 31, 2024		September 30, 2024			September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current assets:							Current liabilities:						
1100 Cash and cash equivalents (note 6(a))	\$ 11,562,071	24	13,885,985	28	13,540,327	27	2100 Short-term borrowings (notes 6(n) and 8)	\$ 1,842,915	4	1,441,489	3	1,732,728	3
1110 Current financial assets at fair value through profit or loss (note 6(b))	346,836	1	293,655	1	237,488	1	2120 Current financial liabilities at fair value through profit or loss (note 6(b))	582,362	1	467,904	1	691,659	1
1137 Current financial assets at amortized cost (note 6(d))	72,800	-	25,649	-	25,649	-	2170 Notes and accounts payable	14,285,059	29	13,347,474	27	13,506,560	27
1170 Notes and accounts receivable (notes 6(e) and (w))	12,174,231	25	10,742,552	21	12,838,722	25	2180 Accounts payable to related parties (note 7)	29,944	-	-	-	-	-
1180 Accounts receivable from related parties, net (notes 6(e), (w) and 7)	-	-	109,306	-	114,618	-	2201 Salaries payable	1,558,292	3	1,857,174	4	1,786,041	3
1200 Other receivables (notes 6(c), (f) and 7)	668,096	1	980,026	2	1,713,389	3	2219 Other payables	3,125,436	6	3,676,998	7	3,742,837	8
1310 Inventories (note 6(g))	9,475,717	19	9,603,682	19	8,197,991	16	2220 Other payables to related parties (note 7)	33,948	-	255,088	-	-	-
1470 Other current assets	674,363	1	604,963	1	539,777	1	2280 Current lease liabilities (note 6(p))	248,392	1	232,639	-	236,310	1
	<u>34,974,114</u>	<u>71</u>	<u>36,245,818</u>	<u>72</u>	<u>37,207,961</u>	<u>73</u>	2320 Long-term borrowings, current portion (notes 6(o) and 8)	432,486	1	258,430	1	204,098	-
Non-current assets:							2365 Current refund liabilities	2,096,797	4	2,492,671	5	2,591,666	5
1511 Non-current financial assets at fair value through profit or loss, designated as upon initial recognition (note 6(b))	24,467	-	23,373	-	22,567	-	2399 Other current liabilities (note 6(w))	1,785,583	4	2,050,400	4	2,159,699	4
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	338,581	1	322,196	1	299,360	1		<u>26,021,214</u>	<u>53</u>	<u>26,080,267</u>	<u>52</u>	<u>26,651,598</u>	<u>52</u>
1550 Investments accounted for using equity method (note 6(h))	134,292	-	31,900	-	-	-	Non-Current liabilities:						
1600 Property, plant and equipment (notes 6(j) and 8)	8,528,348	17	8,086,736	16	7,957,315	16	2540 Long-term borrowings (notes 6(o) and 8)	1,017,565	2	932,378	2	611,329	1
1755 Right-of-use assets (note 6(k))	1,632,102	3	1,785,510	4	1,835,694	3	2580 Non-current lease liabilities (note 6(p))	1,317,949	3	1,457,202	3	1,501,619	3
1760 Investment property (notes 6(l) and 8)	583,791	1	645,231	1	648,241	1	2630 Long-term deferred revenue (note 6(j))	484,476	1	606,502	1	615,278	1
1780 Intangible assets (note 6(m))	2,007,382	4	2,020,234	4	2,014,376	4	2670 Other non-current liabilities	1,246,952	2	1,217,092	2	1,093,882	3
1840 Deferred tax assets	684,841	2	662,009	1	687,467	1		<u>4,066,942</u>	<u>8</u>	<u>4,213,174</u>	<u>8</u>	<u>3,822,108</u>	<u>8</u>
1990 Other non-current assets (note 8)	331,108	1	305,410	1	272,779	1	Total liabilities	<u>30,088,156</u>	<u>61</u>	<u>30,293,441</u>	<u>60</u>	<u>30,473,706</u>	<u>60</u>
	<u>14,264,912</u>	<u>29</u>	<u>13,882,599</u>	<u>28</u>	<u>13,737,799</u>	<u>27</u>	Equity attributable to owners of parent:						
Total assets	\$ 49,239,026	100	50,128,417	100	50,945,760	100	3110 Ordinary shares (note 6(t))	4,711,748	10	4,657,448	10	4,660,328	9
							3200 Capital surplus (note 6(t))	3,894,162	8	3,512,958	7	2,581,358	5
							3310 Legal reserve	2,778,851	6	2,522,701	5	2,522,701	5
							3320 Special reserve	95,367	-	1,016,955	2	1,016,955	2
							3350 Unappropriated retained earnings (note 6(t))	9,397,978	19	8,510,638	17	8,030,700	15
							3400 Other equity interest	(1,727,236)	(4)	(385,724)	(1)	(656,059)	(1)
								<u>19,150,870</u>	<u>39</u>	<u>19,834,976</u>	<u>40</u>	<u>18,155,983</u>	<u>35</u>
							36XX Non-controlling interests (notes 6(i) and 7)	-	-	-	-	2,316,071	5
							Total equity	<u>19,150,870</u>	<u>39</u>	<u>19,834,976</u>	<u>40</u>	<u>20,472,054</u>	<u>40</u>
							Total liabilities and equity	\$ 49,239,026	100	50,128,417	100	50,945,760	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 nine months ended September 30, 2025 and 2024

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

	For the three months ended September 30				For the nine months ended September 30				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes 6(w) and 7)								
	\$ 15,879,054	100	16,008,535	100	45,238,950	100	45,025,321	100	
5000	Operating costs (notes 6(g), (p), (r), (x), 7 and 12)								
	<u>13,174,877</u>	<u>83</u>	<u>13,271,137</u>	<u>83</u>	<u>37,448,204</u>	<u>83</u>	<u>37,449,121</u>	<u>83</u>	
	Gross profit from operation								
	<u>2,704,177</u>	<u>17</u>	<u>2,737,398</u>	<u>17</u>	<u>7,790,746</u>	<u>17</u>	<u>7,576,200</u>	<u>17</u>	
	Operating expenses (notes 6(e), (p), (r), (u), (x) and 12):								
6100	Selling expenses	485,666	3	450,678	3	1,455,349	3	1,276,270	3
6200	Administrative expenses	516,489	3	564,209	3	1,499,737	3	1,673,666	4
6300	Research and development expenses	927,927	6	896,416	6	2,623,021	6	2,427,610	5
6450	Expected credit loss (gain on reversal)	(1,450)	-	(6,047)	-	(7,794)	-	(14,425)	-
	Total operating expenses	<u>1,928,632</u>	<u>12</u>	<u>1,905,256</u>	<u>12</u>	<u>5,570,313</u>	<u>12</u>	<u>5,363,121</u>	<u>12</u>
	Net operating income	<u>775,545</u>	<u>5</u>	<u>832,142</u>	<u>5</u>	<u>2,220,433</u>	<u>5</u>	<u>2,213,079</u>	<u>5</u>
	Non-operating income and expenses:								
7100	Interest income	85,322	-	140,399	1	337,168	1	427,708	1
7010	Other income (note 6(y))	16,166	-	20,723	-	50,532	-	69,954	-
7020	Other gains and losses (notes 6(z) and 12)	47,494	-	90,635	-	293,009	-	187,049	-
7060	Shares of loss of associates accounted for using equity method (note 6(h))	(246)	-	-	-	(7,537)	-	-	-
7050	Finance costs (note 6(p))	(42,874)	-	(37,756)	-	(137,183)	-	(103,196)	-
	Total non-operating income and expenses	<u>105,862</u>	<u>-</u>	<u>214,001</u>	<u>1</u>	<u>535,989</u>	<u>1</u>	<u>581,515</u>	<u>1</u>
	Profit before tax	<u>881,407</u>	<u>5</u>	<u>1,046,143</u>	<u>6</u>	<u>2,756,422</u>	<u>6</u>	<u>2,794,594</u>	<u>6</u>
7950	Less: Income tax expenses (note 6(s))	<u>169,718</u>	<u>1</u>	<u>208,867</u>	<u>1</u>	<u>571,512</u>	<u>1</u>	<u>559,039</u>	<u>1</u>
	Profit	<u>711,689</u>	<u>4</u>	<u>837,276</u>	<u>5</u>	<u>2,184,910</u>	<u>5</u>	<u>2,235,555</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	10,107	-	(7,191)	-	(21,930)	-	(15,274)	-
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>10,107</u>	<u>-</u>	<u>(7,191)</u>	<u>-</u>	<u>(21,930)</u>	<u>-</u>	<u>(15,274)</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	924,396	6	300	-	(1,101,161)	(3)	812,143	2
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>924,396</u>	<u>6</u>	<u>300</u>	<u>-</u>	<u>(1,101,161)</u>	<u>(3)</u>	<u>812,143</u>	<u>2</u>
8300	Other comprehensive income after tax	<u>934,503</u>	<u>6</u>	<u>(6,891)</u>	<u>-</u>	<u>(1,123,091)</u>	<u>(3)</u>	<u>796,869</u>	<u>2</u>
	Comprehensive income	<u>\$ 1,646,192</u>	<u>10</u>	<u>830,385</u>	<u>5</u>	<u>1,061,819</u>	<u>2</u>	<u>3,032,424</u>	<u>7</u>
	Profit attributable to:								
8610	Owners of parent	\$ 711,689	4	772,904	5	2,184,910	5	2,081,561	5
8620	Non-controlling interests (note 6(i))	-	-	64,372	-	-	-	153,994	-
		<u>\$ 711,689</u>	<u>4</u>	<u>837,276</u>	<u>5</u>	<u>2,184,910</u>	<u>5</u>	<u>2,235,555</u>	<u>5</u>
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 1,646,192	10	758,774	5	1,061,819	2	2,808,998	6
8720	Non-controlling interests (note 6(i))	-	-	71,611	-	-	-	223,426	1
		<u>\$ 1,646,192</u>	<u>10</u>	<u>830,385</u>	<u>5</u>	<u>1,061,819</u>	<u>2</u>	<u>3,032,424</u>	<u>7</u>
	Earnings per share (note 6(v))								
9710	Basic earnings per share (NT dollars)	<u>\$ 1.55</u>		<u>1.70</u>		<u>4.76</u>		<u>4.58</u>	
9810	Diluted earnings per share (NT dollars)	<u>\$ 1.53</u>		<u>1.67</u>		<u>4.70</u>		<u>4.50</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 nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent										
	Retained earnings					Other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	\$ 4,629,738	2,359,753	2,274,414	754,918	8,311,190	(1,001,150)	(15,805)	(299,549)	17,013,509	2,083,067	19,096,576
Profit	-	-	-	-	2,081,561	-	-	-	2,081,561	153,994	2,235,555
Other comprehensive income	-	-	-	-	-	742,711	(15,274)	-	727,437	69,432	796,869
Comprehensive income	-	-	-	-	2,081,561	742,711	(15,274)	-	2,808,998	223,426	3,032,424
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	248,287	-	(248,287)	-	-	-	-	-	-
Special reserve	-	-	-	262,037	(262,037)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,851,727)	-	-	-	(1,851,727)	-	(1,851,727)
Changes in shares of investment accounted for using equity method	-	(9,578)	-	-	-	-	-	-	(9,578)	9,578	-
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	194,781	194,781	-	194,781
Cancellation of restricted stock	(420)	(771)	-	-	-	-	-	1,191	-	-	-
Issuance of restricted stock	31,010	231,954	-	-	-	-	-	(262,964)	-	-	-
Balance at September 30, 2024	\$ 4,660,328	2,581,358	2,522,701	1,016,955	8,030,700	(258,439)	(31,079)	(366,541)	18,155,983	2,316,071	20,472,054
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	-	19,834,976
Profit	-	-	-	-	2,184,910	-	-	-	2,184,910	-	2,184,910
Other comprehensive income	-	-	-	-	-	(1,101,161)	(21,930)	-	(1,123,091)	-	(1,123,091)
Comprehensive income	-	-	-	-	2,184,910	(1,101,161)	(21,930)	-	1,061,819	-	1,061,819
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	256,150	-	(256,150)	-	-	-	-	-	-
Special reserve	-	-	-	(921,588)	921,588	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,963,008)	-	-	-	(1,963,008)	-	(1,963,008)
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	217,083	217,083	-	217,083
Cancellation of restricted stock	(1,910)	(12,663)	-	-	-	-	-	14,573	-	-	-
Issuance of restricted stock	56,210	393,867	-	-	-	-	-	(450,077)	-	-	-
Balance at September 30, 2025	\$ 4,711,748	3,894,162	2,778,851	95,367	9,397,978	(1,186,691)	(31,767)	(508,778)	19,150,870	-	19,150,870

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 nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,756,422	2,794,594
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,012,397	1,185,942
Amortization expense	35,411	53,528
Gain on reversal of expected credit loss	(7,794)	(14,425)
Interest expense	136,820	103,196
Net losses on financial assets and liabilities at fair value through profit or loss	236,290	454,125
Interest income	(337,168)	(427,708)
Compensation cost of share-based payment	217,083	194,781
Dividend income	(534)	(639)
Shares of loss of associates accounted for using equity method	7,537	-
Loss (Gain) on disposal of property, plant and equipment	15,622	(12,361)
Gain on disposal of right-of-use assets	(20)	(716)
Loss on disposal of unamortized expense	1	333
Total adjustments to reconcile profit	1,315,645	1,536,056
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	294,640	379,971
Notes and accounts receivable	(1,069,690)	(1,628,009)
Accounts receivable from related parties	25,180	(44,012)
Other receivables	45,937	117,611
Inventories	127,965	(201,594)
Other current assets	(69,400)	(23,389)
Other operating assets	(32,837)	30,992
Changes in operating assets	(678,205)	(1,368,430)
Financial liabilities at fair value through profit or loss	(467,904)	(992,339)
Notes and accounts payable	937,585	1,371,437
Accounts payable to related parties	29,944	-
Salaries payable	(298,882)	475,904
Other payables	(426,198)	(210,550)
Other payable to related parties	33,948	-
Refund liabilities	(395,874)	352,650
Other current liabilities	(264,817)	188,823
Other operating liabilities	(128,202)	86,297
Changes in operating liabilities	(980,400)	1,272,222
Total changes in operating assets and liabilities	(1,658,605)	(96,208)
Total adjustments	(342,960)	1,439,848
Cash inflow generated from operations	2,413,462	4,234,442
Interest received	337,168	427,708
Interest paid	(136,820)	(103,196)
Income taxes paid	(479,844)	(555,436)
Net cash flows from operating activities	2,133,966	4,003,518
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(38,315)	(24,349)
Increase (decrease) in financial assets measured at amortized cost	(47,151)	4,585
Acquisition of financial assets designated at fair value through profit or loss	(2,843)	(10,836)
Acquisition of investments accounted for using equity method	(109,026)	-
Acquisition of property, plant and equipment	(1,679,366)	(930,052)
Proceeds from disposal of property, plant and equipment	21,715	129,998
Increase in refundable deposits	(2,553)	(9,448)
Acquisition of intangible assets	-	(14)
Proceeds from disposal of intangible assets	-	21
Acquisition of investment properties	(584)	(57)
Acquisition of unamortized expense	(13,077)	(5,822)
Proceeds from disposal of unamortized expense	-	2,121
Dividends received	534	639
Net cash flows used in investing activities	(1,870,666)	(843,214)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	414,544	907,913
Increase in long-term borrowings	448,046	96,635
Repayments of long-term borrowings	(186,961)	-
Increase (decrease) in guarantee deposits received	(3,456)	3,487
Decrease in other payables to related parties	(255,088)	-
Payment of lease liabilities	(181,650)	(181,308)
Cash dividends	(1,963,008)	(1,851,727)
Net cash flows used in financing activities	(1,727,573)	(1,025,000)
Effect of exchange rate changes on cash and cash equivalents	(859,641)	500,340
Net increase (decrease) in cash and cash equivalents	(2,323,914)	2,635,644
Cash and cash equivalents at beginning of period	13,885,985	10,904,683
Cash and cash equivalents at end of period	\$ 11,562,071	13,540,327

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

September 30, 2025 and 2024

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

(1) Company history

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

The consolidated financial statements of the Company as of and for the nine months ended September 30, 2025, comprised the Company and subsidiaries (together referred to as “the Group”). The major business activities of the Group were the manufacture and sale of multi-function printers, scanners, digital camera modules, computer mice, keyboards, track pads, mobile phone accessories, consumer electronics products, shredders, amplifiers, speakers, audio systems and related parts, as well as other electronic components. Please refer to note 14 for further information.

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

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

Those consolidated financial statements were authorized for issuance by the board of directors on November 6, 2025.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

- Annual Improvements to IFRS Accounting Standards—Volume 11
 - Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> 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 Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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

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

(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, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

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

(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
			September 30, 2025	December 31, 2024	September 30, 2024	
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 %	(note 1)
The Company	Destiny Technology Holding Co., Ltd. (Destiny BVI.)	Holding company	100.00 %	100.00 %	100.00 %	(note 1)
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 %	(note 1)
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 %	(note 1)
The Company	Primax AE (Cayman) Holdings Ltd. (Primax AE)	Holding company	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax Electronics (Singapore) Pte. Ltd. (Primax Singapore)	Sale of computer peripherals and mobile device components	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax Security Technology Inc. (Primax Security)	Sale of computer peripherals and mobile device components	100.00 %	100.00 %	100.00 %	(note 1)
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 %	(note 1)
Primax HK	Primax Electronics (Chongqing) Corp., Ltd. (PCQ1)	Production of computer peripheral products	100.00 %	100.00 %	100.00 %	(note 1)
Primax Tech.	Polaris Electronics Inc. (Polaris)	Sale and purchase of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	(note 1)
Destiny BVI.	Destiny Electronic Corp. (Destiny Beijing)	R&D of computer peripherals and business devices	100.00 %	100.00 %	100.00 %	(note 1)
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 %	(note 1) (note 3)
Diamond	Tymphany Worldwide Enterprises Ltd. (TWEL)	Holding company	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
			September 30, 2025	December 31, 2024	September 30, 2024	
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 %	77.01 %	(note 4)
TWEL	Tymphany Acoustic Technology (Singapore) Pte. Ltd. (TYM Singapore)	R&D, design, and sale of various speaker accessories, speakers, and their components, as well as holding business	100.00 %	100.00 %	100.00 %	
Tymphany Huizhou	Tymphany Acoustic Technology HK Ltd. (TYM Acoustic HK)	R&D, design, and sale of various speaker accessories, speakers, and their components, as well as holding business	100.00 %	100.00 %	100.00 %	
Tymphany Huizhou	Dongguan Tymphany Acoustic Technology Co., Ltd. (Tymphany Dongguan)	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	
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 %	(note 1)
TYM Acoustic HK	TYP Enterprise, inc. (TYP)	Market development of and customer service for speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany HK Ltd. (TYM HK)	Holding company; sale of, market development of and customer service for various speaker accessories, speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology Limited (TYAT)	R&D and design of various speaker accessories as well as speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology (Thailand) Co., Ltd (TYTH)	Manufacturing and sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	(note 1) (note 3)
TYM HK	TYMPHANY LOGISTICS, INC (TYML)	Sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	
Tymphany Dongguan	Dong Guan Dong Cheng Tymphany Acoustic Technology Co., Ltd. (TYDC)	Manufacturing, R&D, design, and sale of various speaker accessories, speakers, and their components	- %	- %	- %	(note 2)

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

Note 2: TYDC was merged into Tymphany Dongguan in June 2024.

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

Note 4: 1 share of Tymphany Huizhou was originally owned by natural person and was repurchased by TWEL in July 2025.

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

(c) Employee benefits

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

(d) Income taxes

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

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

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

(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, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

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

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

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

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

(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, 2024. Please refer to note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 2,011	2,921	3,214
Demand accounts and checking deposits	5,308,013	10,020,352	8,182,694
Time deposits	6,252,047	3,666,026	4,556,446
Repurchase agreement	-	196,686	797,973
	<u>\$ 11,562,071</u>	<u>13,885,985</u>	<u>13,540,327</u>

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

(i) Details of financial instruments were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Mandatorily measured at FVTPL:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 269,753	293,655	178,315
Foreign exchange swap contracts	77,083	-	59,173
Non-derivative financial assets			
Equities unlisted in foreign markets	24,467	23,373	22,567
	<u>\$ 371,303</u>	<u>317,028</u>	<u>260,055</u>
Current	\$ 346,836	293,655	237,488
Non-current	24,467	23,373	22,567
	<u>\$ 371,303</u>	<u>317,028</u>	<u>260,055</u>

(Continued)

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

	September 30, 2025	December 31, 2024	September 30, 2024
Financial liabilities held-for-trading:			
Derivative instrument not used for hedging			
Forward exchange contracts	\$ (388,681)	(134,130)	(664,186)
Foreign exchange swap contracts	(193,681)	(333,774)	(27,473)
	<u>\$ (582,362)</u>	<u>(467,904)</u>	<u>(691,659)</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 edge accounting, as of September 30, 2025, December 31 and September 30, 2024:

September 30, 2025				
Derivative financial instruments	Nominal amount (in thousands)		Maturity date	Predetermined rate
Forward exchange contracts – buy CZK/ sell EUR	EUR	12,500	October 23, 2025~ November 20, 2025	24.265~24.330
Forward exchange contracts – buy USD / sell TWD	USD	596,850	October 16, 2025~ April 27, 2026	28.042~32.275
Forward exchange contracts – buy TWD / sell USD	USD	18,000	October 20, 2025~ January 23, 2026	29.007~30.159
Forward exchange contracts – buy CNY/ sell USD	USD	398,500	October 9, 2025~ November 4, 2025	7.0885~7.1393
Forward exchange contracts – buy USD/ sell THB	USD	23,000	October 22, 2025~ December 11, 2025	31.720~32.480
Forward exchange contracts – buy EUR/ sell HKD	EUR	2,500	October 16, 2025	9.1033~9.174
Forward exchange contracts – buy HKD/ sell USD	USD	13,000	October 3, 2025	7.7931
Forward exchange contracts – buy USD/ sell CZK	USD	1,000	October 23, 2025	20.550
Forward exchange swap contracts – swap in TWD/ swap out USD	USD	395,000	October 16, 2025~ April 23, 2026	28.790~32.013

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

December 31, 2024

Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts — buy CZK/ sell USD	USD 8,000	January 9, 2025~ February 19, 2025	23.900~24.100
Forward exchange contracts — buy CZK/ sell EUR	EUR 6,000	February 19, 2025	25.130~25.203
Forward exchange contracts — buy USD / sell TWD	USD 596,850	January 2, 2025~ July 21, 2025	30.803~32.498
Forward exchange contracts — buy TWD / sell USD	USD 23,000	January 2, 2025~ January 17, 2025	32.445~32.682
Forward exchange contracts — buy CNY/ sell USD	USD 377,000	January 2, 2025~ July 21, 2025	7.1735~7.2812
Forward exchange contracts — buy USD/ sell THB	USD 31,500	January 16, 2025~ February 27, 2025	34.070~34.570
Forward exchange swap contracts — swap in TWD/ swap out USD	USD 390,000	January 13, 2025~ June 20, 2025	31.325~32.230

September 30, 2024

Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts — buy HKD / sell USD	USD 8,000	October 30, 2024	7.7777
Forward exchange contracts — buy CZK/ sell USD	USD 13,000	October 30, 2024	22.410
Forward exchange contracts — buy CZK/ sell EUR	EUR 3,500	October 18, 2024	25.032
Forward exchange contracts — buy USD / sell TWD	USD 638,000	October 11, 2024~ March 28, 2025	30.803~32.626
Forward exchange contracts — buy TWD / sell USD	USD 74,500	October 4, 2024~ December 18, 2024	31.768~32.348
Forward exchange contracts — buy CNY/ sell USD	USD 664,500	October 8, 2024~ November 19, 2024	6.9715~7.1125
Forward exchange contracts — buy USD/ sell CNY	USD 196,500	October 8, 2024~ October 15, 2024	6.9900~7.0038
Forward exchange contracts — buy USD/ sell THB	USD 23,000	October 24 2024~ November 25, 2024	32.600~34.140
Forward exchange swap contracts — swap in TWD/ swap out USD	USD 372,000	October 11, 2024~ March 27, 2025	31.325~32.230

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

(c) Financial assets at FVOCI

	September 30, 2025	December 31, 2024	September 30, 2024
Equity investments at FVOCI			
Stocks unlisted in domestic markets	\$ 250	250	14,258
Stocks listed in domestic markets (note)	19,801	25,042	-
Equities unlisted in foreign markets	<u>318,530</u>	<u>296,904</u>	<u>285,102</u>
Total	<u><u>\$ 338,581</u></u>	<u><u>322,196</u></u>	<u><u>299,360</u></u>

Note: Changing Information Technology Inc. was listed on the OTC market from October 2024.

- (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 for the nine months ended September 30, 2025 and 2024.
- (iii) The Group did not provide any of the aforementioned financial assets as collateral.

(d) Financial assets at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits	<u>\$ 72,800</u>	<u>25,649</u>	<u>25,649</u>
Annual interest rates	<u>1.5%~1.65%</u>	<u>1.65%</u>	<u>1.65%</u>
Maturity date	<u>2025.11.03~2026.07.10</u>	<u>2025.07.10</u>	<u>2025.07.10</u>

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

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

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

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 144	-	-
Accounts receivable	12,214,112	10,793,426	12,894,057
Accounts receivable – related parties	-	109,306	114,618
Less: allowance for doubtful accounts	<u>(40,025)</u>	<u>(50,874)</u>	<u>(55,335)</u>
Total	<u><u>\$ 12,174,231</u></u>	<u><u>10,851,858</u></u>	<u><u>12,953,340</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:

	September 30, 2025		
	Carrying amounts of notes and accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 11,366,084	0.01%	607
0 to 30 days past due	775,932	1.30%	10,070
31 to 60 days past due	25,524	2.94%	751
61 to 90 days past due	2,312	5.71%	132
91 to 180 days past due	11,957	7.89%	944
181 to 360 days past due	9,852	50.00%	4,926
More than 361 days past due	<u>22,595</u>	100.00%	<u>22,595</u>
	<u><u>\$ 12,214,256</u></u>		<u><u>40,025</u></u>

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

	December 31, 2024		
	Carrying amounts of notes and accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 9,380,684	0.03%	3,069
0 to 30 days past due	1,400,255	1.50%	20,998
31 to 60 days past due	88,570	2.77%	2,455
61 to 90 days past due	101	4.95%	5
91 to 180 days past due	3,986	8.00%	319
181 to 360 days past due	5,676	10.00%	568
More than 361 days past due	<u>23,460</u>	100.00%	<u>23,460</u>
	<u>\$ 10,902,732</u>		<u>50,874</u>
	September 30, 2024		
	Carrying amounts of notes and accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 11,654,675	0.09%	10,326
0 to 30 days past due	1,233,214	1.29%	15,933
31 to 60 days past due	80,796	4.07%	3,285
61 to 90 days past due	795	4.28%	34
91 to 180 days past due	15,295	16.31%	2,495
181 to 360 days past due	1,276	50%	638
More than 361 days past due	<u>22,624</u>	100%	<u>22,624</u>
	<u>\$ 13,008,675</u>		<u>55,335</u>

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

	For the nine months ended September 30	
	2025	2024
Balance on January 1	\$ 50,874	67,416
Impairment losses reversed	(7,794)	(14,425)
Effect of exchange rate changes	<u>(3,055)</u>	<u>2,344</u>
Balance on September 30	<u>\$ 40,025</u>	<u>55,335</u>

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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 September 30, 2025, December 31 and September 30, 2024, the details of transferred accounts receivable which conformed to the criteria for derecognition were as follows:

September 30, 2025						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 1,697,672	-	1,527,904	169,768	4.68%~5.07%	-
Bank of Taiwan	-	-	-	-	-	NT\$ 367,200
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 1,697,672</u>	<u>-</u>	<u>1,527,904</u>	<u>169,768</u>		
December 31, 2024						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 2,028,391	218,261	1,607,291	421,100	4.86%~5.21%	-
Bank of Taiwan	156,808	-	141,127	15,681	5.32%~5.33%	NT\$ 367,200
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 2,185,199</u>	<u>218,261</u>	<u>1,748,418</u>	<u>436,781</u>		
September 30, 2024						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 1,458,356	1,080,048	232,472	1,225,884	5.38%~5.94%	-
Bank of Taiwan	-	-	-	-	-	NT\$ 297,000
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 1,458,356</u>	<u>1,080,048</u>	<u>232,472</u>	<u>1,225,884</u>		

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

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

(f) Other receivables

	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables - factoring of accounts receivable	\$ 169,768	436,781	1,225,884
Other receivables - tax refund receivable	407,182	459,079	383,352
Other receivables - others	104,174	101,273	121,097
Other receivable - related parties	3,058	-	-
Less: allowance for doubtful accounts	<u>(16,086)</u>	<u>(17,107)</u>	<u>(16,944)</u>
	<u>\$ 668,096</u>	<u>980,026</u>	<u>1,713,389</u>

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

	For the nine months ended September 30	
	2025	2024
Balance on January 1	\$ 17,107	16,278
Effect of exchange rate changes	<u>(1,021)</u>	666
Balance on September 30	<u>\$ 16,086</u>	<u>16,944</u>

(g) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 3,169,281	3,080,743	2,984,508
Semi-finished goods and work in process	2,529,919	2,516,621	1,988,309
Finished goods and merchandise	<u>3,776,517</u>	<u>4,006,318</u>	<u>3,225,174</u>
	<u>\$ 9,475,717</u>	<u>9,603,682</u>	<u>8,197,991</u>

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 September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Gains (losses) on inventory valuation and disposal of inventories	\$ (83,997)	6,277	(122,706)	78,032
Unallocated manufacturing overhead resulting from the actual production being lower than the normal capacity	(10,105)	(21,329)	(37,989)	(54,180)
Gains (losses) on physical inventories	<u>(2,771)</u>	<u>38</u>	<u>(3,846)</u>	<u>(458)</u>
	<u>\$ (96,873)</u>	<u>(15,014)</u>	<u>(164,541)</u>	<u>23,394</u>

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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 cost of sales.

(h) Investments accounted for using equity method

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

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>	
Carrying amount of individually insignificant associates' equity	\$ <u>134,292</u>	<u>31,900</u>	<u>-</u>	
	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Attributable to the Group:				
Losses	\$ (246)	-	(7,537)	-
Other comprehensive income	<u>903</u>	<u>-</u>	<u>903</u>	<u>-</u>
Comprehensive income	<u>\$ 657</u>	<u>-</u>	<u>(6,634)</u>	<u>-</u>

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

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

(i) Material non-controlling interests of subsidiaries

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

Name of subsidiaries	Main operation place Business/Registered Country	Proportion of Ownership and Voting Rights Held by Non-controlling Interests				
		September 30, 2025	December 31, 2024	September 30, 2024		
Tymphony Huizhou and its subsidiaries	Hong Kong and China/Cayman Is.	-	%	-	%	22.99 %

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

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

	September 30, 2024	
Current assets	\$ 13,199,992	
Non-current assets	5,407,767	
Current liabilities	(7,949,148)	
Non-current liabilities	(584,359)	
Net assets	<u>\$ 10,074,252</u>	
Non-controlling interests	<u>\$ 2,316,071</u>	
	For the three months ended September 30 2024	For the nine months ended September 30 2024
Operating revenue	<u>\$ 5,705,863</u>	<u>15,224,362</u>
Profit	\$ 280,000	669,829
Other comprehensive income	31,485	302,008
Comprehensive income	<u>\$ 311,485</u>	<u>971,837</u>
Profit attributable to non-controlling interests	<u>\$ 64,372</u>	<u>153,994</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 71,611</u>	<u>223,426</u>

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

	For the nine months ended September 30 2024
Cash flows from operating activities	\$ 876,743
Cash flows from investing activities	186,856
Cash flows used in financing activities	(155,439)
Effect of exchange rate changes	<u>226,045</u>
Net increase in cash and cash equivalents	<u>\$ 1,134,205</u>
Dividends paid to non-controlling interests	<u>\$ -</u>

The Group's subsidiary, TWEL, entered into an agreement with the minority shareholders of Tymphany Huizhou to acquire their equity, for a total price of CNY \$304,587 thousand, based on a resolution decided during its board meeting held on June 18, 2024. The relevant procedures have completed in December 2024. After the acquisition, TWEL's shareholding in Tymphany Huizhou increased from 77.01% to 100%. Please refer to 6(i) of the consolidated financial statements for the year ended December 31, 2024.

(j) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group for the nine months ended September 30, 2025 and 2024, were as follows:

	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2025	\$ 1,224,979	6,517,084	7,427,973	869,683	1,631,368	17,671,087
Additions	8,593	23,483	180,397	65,255	1,243,136	1,520,864
Disposals	-	(2,251)	(244,708)	(96,248)	(207)	(343,414)
Reclassifications	-	69,495	265,042	8,862	(369,424)	(26,025)
Effect of changes in exchange rate	<u>(5,957)</u>	<u>(302,004)</u>	<u>(361,156)</u>	<u>(39,007)</u>	<u>(22,222)</u>	<u>(730,346)</u>
Balance on September 30, 2025	<u>\$ 1,227,615</u>	<u>6,305,807</u>	<u>7,267,548</u>	<u>808,545</u>	<u>2,482,651</u>	<u>18,092,166</u>
Balance on January 1, 2024	\$ 1,080,192	6,213,055	7,443,940	1,151,325	994,455	16,882,967
Additions	122,784	10,304	152,727	19,248	687,463	992,526
Disposals	-	(69,021)	(698,690)	(129,153)	-	(896,864)
Reclassifications	-	26,405	226,895	(12,526)	(291,768)	(50,994)
Effect of changes in exchange rate	<u>27,241</u>	<u>293,841</u>	<u>327,408</u>	<u>53,256</u>	<u>18,333</u>	<u>720,079</u>
Balance on September 30, 2024	<u>\$ 1,230,217</u>	<u>6,474,584</u>	<u>7,452,280</u>	<u>1,082,150</u>	<u>1,408,483</u>	<u>17,647,714</u>

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

	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Depreciation and impairments loss:						
Balance on January 1, 2025	\$ -	2,855,447	6,070,518	658,386	-	9,584,351
Depreciation	-	237,268	484,826	67,295	-	789,389
Disposals	-	(2,251)	(206,532)	(93,546)	-	(302,329)
Reclassifications	-	436	(10,256)	(925)	-	(10,745)
Effect of changes in exchange rate	-	(148,746)	(315,967)	(32,135)	-	(496,848)
Balance on September 30, 2025	<u>\$ -</u>	<u>2,942,154</u>	<u>6,022,589</u>	<u>599,075</u>	<u>-</u>	<u>9,563,818</u>
Balance on January 1, 2024	\$ -	2,481,245	5,834,955	825,858	-	9,142,058
Depreciation	-	233,090	625,126	102,301	-	960,517
Disposals	-	(62,731)	(595,637)	(112,551)	-	(770,919)
Reclassifications	-	(19)	(21,831)	(12,209)	-	(34,059)
Effect of changes in exchange rate	-	105,662	248,706	38,434	-	392,802
Balance on September 30, 2024	<u>\$ -</u>	<u>2,757,247</u>	<u>6,091,319</u>	<u>841,833</u>	<u>-</u>	<u>9,690,399</u>
Carrying amounts:						
Balance on January 1, 2025	<u>\$ 1,224,979</u>	<u>3,661,637</u>	<u>1,357,455</u>	<u>211,297</u>	<u>1,631,368</u>	<u>8,086,736</u>
Balance on September 30, 2025	<u>\$ 1,227,615</u>	<u>3,363,653</u>	<u>1,244,959</u>	<u>209,470</u>	<u>2,482,651</u>	<u>8,528,348</u>
Balance on January 1, 2024	<u>\$ 1,080,192</u>	<u>3,731,810</u>	<u>1,608,985</u>	<u>325,467</u>	<u>994,455</u>	<u>7,740,909</u>
Balance on September 30, 2024	<u>\$ 1,230,217</u>	<u>3,717,337</u>	<u>1,360,961</u>	<u>240,317</u>	<u>1,408,483</u>	<u>7,957,315</u>

- (i) The unamortized deferred revenue of equipment subsidy amounted to \$411,437, \$527,320 and \$536,354 were classified as long-term deferred revenue, as of September 30, 2025, December 31 and September 30, 2024, respectively.
- (ii) As of September 30, 2025, December 31 and September 30, 2024, the Group has started the construction of Jhubei Factory in 2022, with the total costs of \$1,627,227, \$1,239,257 and \$1,024,529, respectively. For the three and nine months ended September 30, 2025 and 2024, the capitalized borrowing costs of \$3,077, \$747, \$8,653 and \$2,155, respectively, related to the construction of the said factory, had been calculated using a capitalization rate between 1.1% to 1.225%.
- (iii) The Group provided the aforementioned property, plant and equipment as collateral; please refer to note 8.

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

(k) Right-of-use assets

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

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance on January 1, 2025	\$ 258,337	2,530,871	67,772	3,207	2,860,187
Additions	-	52,447	1,370	-	53,817
Disposals	-	(8,122)	(7,277)	-	(15,399)
Lease modification	-	5,719	-	-	5,719
Effect of changes in exchange rates	<u>(15,420)</u>	<u>7,346</u>	<u>1,456</u>	<u>35</u>	<u>(6,583)</u>
Balance on September 30, 2025	<u>\$ 242,917</u>	<u>2,588,261</u>	<u>63,321</u>	<u>3,242</u>	<u>2,897,741</u>
Balance on January 1, 2024	\$ 245,823	2,549,113	56,507	-	2,851,443
Additions	-	129,386	14,853	1,585	145,824
Disposals	-	(178,937)	(5,236)	-	(184,173)
Lease modification	-	26,536	-	-	26,536
Effect of changes in exchange rates	<u>10,049</u>	<u>27,798</u>	<u>1,039</u>	<u>23</u>	<u>38,909</u>
Balance on September 30, 2024	<u>\$ 255,872</u>	<u>2,553,896</u>	<u>67,163</u>	<u>1,608</u>	<u>2,878,539</u>
Depreciation:					
Balance on January 1, 2025	\$ 32,107	1,006,112	35,726	732	1,074,677
Depreciation	4,529	180,047	11,572	931	197,079
Disposals	-	(8,122)	(5,189)	-	(13,311)
Effect of changes in exchange rates	<u>(2,013)</u>	<u>8,614</u>	<u>623</u>	<u>(30)</u>	<u>7,194</u>
Balance on September 30, 2025	<u>\$ 34,623</u>	<u>1,186,651</u>	<u>42,732</u>	<u>1,633</u>	<u>1,265,639</u>
Balance on January 1, 2024	\$ 24,571	908,268	27,073	-	959,912
Depreciation	4,627	182,929	11,132	413	199,101
Disposals	-	(126,702)	(3,481)	-	(130,183)
Effect of changes in exchange rates	<u>1,046</u>	<u>12,326</u>	<u>639</u>	<u>4</u>	<u>14,015</u>
Balance on September 30, 2024	<u>\$ 30,244</u>	<u>976,821</u>	<u>35,363</u>	<u>417</u>	<u>1,042,845</u>
Carrying amounts:					
Balance on January 1, 2025	<u>\$ 226,230</u>	<u>1,524,759</u>	<u>32,046</u>	<u>2,475</u>	<u>1,785,510</u>
Balance on September 30, 2025	<u>\$ 208,294</u>	<u>1,401,610</u>	<u>20,589</u>	<u>1,609</u>	<u>1,632,102</u>
Balance on January 1, 2024	<u>\$ 221,252</u>	<u>1,640,845</u>	<u>29,434</u>	<u>-</u>	<u>1,891,531</u>
Balance on September 30, 2024	<u>\$ 225,628</u>	<u>1,577,075</u>	<u>31,800</u>	<u>1,191</u>	<u>1,835,694</u>

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

(l) Investment property

	<u>Land</u>	<u>Buildings and other equipment</u>	<u>Right-of-use assets – Land</u>	<u>Total</u>
Carrying amounts:				
Balance on January 1, 2025	\$ <u>16,249</u>	<u>606,849</u>	<u>22,133</u>	<u>645,231</u>
Balance on September 30, 2025	\$ <u>16,249</u>	<u>547,178</u>	<u>20,364</u>	<u>583,791</u>
Balance on January 1, 2024	\$ <u>16,249</u>	<u>611,600</u>	<u>21,666</u>	<u>649,515</u>
Balance on September 30, 2024	\$ <u>16,249</u>	<u>609,913</u>	<u>22,079</u>	<u>648,241</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the nine months ended September 30, 2025 and 2024. Please refer to 6(l) of the consolidated financial statements for the year ended December 31, 2024 for other related information.
- (ii) The fair value of the investment property was not significantly different from those disclosed in note 6(l) of the consolidated financial statements for the year ended December 31, 2024.
- (iii) The Group provided the aforementioned investment property as collateral; please refer to note 8.

(m) Intangible assets

	<u>Goodwill</u>	<u>Customer Relationships</u>	<u>Technology</u>	<u>Trademarks, Patents and Copyrights</u>	<u>Total</u>
Carrying amounts:					
Balance on January 1, 2025	\$ <u>2,019,526</u>	<u>-</u>	<u>-</u>	<u>708</u>	<u>2,020,234</u>
Balance on September 30, 2025	\$ <u>2,007,186</u>	<u>-</u>	<u>-</u>	<u>196</u>	<u>2,007,382</u>
Balance on January 1, 2024	\$ <u>2,007,891</u>	<u>1,740</u>	<u>1,013</u>	<u>2,945</u>	<u>2,013,589</u>
Balance on September 30, 2024	\$ <u>2,013,526</u>	<u>-</u>	<u>-</u>	<u>850</u>	<u>2,014,376</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2025 and 2024. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2024 for other related information.
- (ii) The Group did not provide any of the aforementioned intangible assets as collateral.

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(n) Short-term borrowings

The details of short-term borrowings were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unsecured bank loans	\$ 1,842,915	1,441,489	1,574,473
Secured bank loans	-	-	158,255
	<u>\$ 1,842,915</u>	<u>1,441,489</u>	<u>1,732,728</u>
Unused credit lines	<u>\$ 24,336,537</u>	<u>26,856,603</u>	<u>25,691,447</u>
Annual interest rates	<u>2.40%~2.50%</u>	<u>2.81%~5.34%</u>	<u>3.00%~5.84%</u>

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

(o) Long-term borrowings

September 30, 2025				
	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,359,133
	THB	3.81%	2027	90,918
Less: current portion				(432,486)
				<u>\$ 1,017,565</u>
Unused credit lines				<u>\$ 1,460,364</u>
December 31, 2024				
	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,085,087
	THB	4.20%	2027	105,721
Less: current portion				(258,430)
				<u>\$ 932,378</u>
Unused credit lines				<u>\$ 2,288,622</u>
September 30, 2024				
	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 707,979
	THB	4.19%	2027	\$ 107,448
Less: current portion				(204,098)
				<u>\$ 611,329</u>
Unused credit lines				<u>\$ 2,199,807</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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- (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.
- (p) Lease liabilities

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

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ <u>248,392</u>	<u>232,639</u>	<u>236,310</u>
Non-current	\$ <u>1,317,949</u>	<u>1,457,202</u>	<u>1,501,619</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>12,257</u>	<u>12,783</u>	<u>37,836</u>	<u>38,414</u>
Expenses relating to short-term leases and leases of low-value assets	\$ <u>18,291</u>	<u>16,838</u>	<u>45,038</u>	<u>53,998</u>

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

	For the nine months ended September 30	
	2025	2024
Rental paid in operating activities	\$ (45,038)	(53,998)
Interest on lease liabilities paid in operating activities	(37,836)	(38,414)
Payment made on lease liabilities in financing activities	(181,650)	(181,308)
Total cash outflow for leases	\$ <u>(264,524)</u>	<u>(273,720)</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.

(Continued)

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

(q) Operating lease

There were no significant changes in operating lease for the nine months ended September 30, 2025 and 2024. Please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(r) Employee benefits

(i) Defined benefit plans

There was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

(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.

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Defined benefit plans	\$ 49	176	147	530
Defined contribution plans	96,639	98,432	305,014	294,484
Total	<u>\$ 96,688</u>	<u>98,608</u>	<u>305,161</u>	<u>295,014</u>

(s) 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.

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

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Income tax expense	<u>\$ 169,718</u>	<u>208,867</u>	<u>571,512</u>	<u>559,039</u>

(Continued)

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

- (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 did not recognize the current tax expense related to the top-up tax for the nine months ended September 30, 2025.

(t) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the nine months ended September 30, 2025 and 2024. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2024.

(i) Ordinary shares

As of September 30, 2025, December 31 and September 30, 2024, the nominal ordinary shares both amounted to \$5,500,000. Par value of each share is \$10 (dollars), which means in total there were 550,000 thousand authorized common shares, of which 471,175 thousand shares, 465,745 thousand shares and 466,033 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding were as follows:

	Ordinary shares (in thousands of shares)	
	For the nine months ended September 30	
	2025	2024
Balance on January 1	465,745	462,974
Issuance of restricted stock	5,621	3,101
Cancellation of restricted stock	(191)	(42)
Balance on September 30	471,175	466,033

(Continued)

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

(ii) Capital surplus

The balances of capital surplus were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Additional paid-in capital	\$ 1,489,398	1,281,568	1,224,765
Employee stock options	259,401	259,401	259,401
Restricted employee stock options	647,125	473,751	546,064
Long-term stock investments	<u>1,498,238</u>	<u>1,498,238</u>	<u>551,128</u>
	<u>\$ 3,894,162</u>	<u>3,512,958</u>	<u>2,581,358</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 23, 2025 and May 24, 2024, the shareholders' meeting resolved to distribute the 2024 and 2023 earnings, respectively. The distributions for 2024 and 2023 were NT 4.2(dollars) and NT 4(dollars) per share, which amounted to \$1,963,008 and \$1,851,727, respectively.

(u) Share-based payment

Except for the following disclosure, there were no significant changes on share-based payment for the nine months ended September 30, 2025 and 2024. Please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2024 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.

(Continued)

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

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 thousand shares in August 2025.

Expenses attributable to share-based payment were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Restricted stock	<u>\$ 82,557</u>	<u>68,372</u>	<u>217,083</u>	<u>194,781</u>

(v) 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		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Profit attributable to owners of parent	<u>\$ 711,689</u>	<u>772,904</u>	<u>2,184,910</u>	<u>2,081,561</u>
Weighted-average number of ordinary shares (thousand shares)	<u>460,566</u>	<u>456,002</u>	<u>459,155</u>	<u>454,981</u>
Basic earnings per share (NT dollars)	<u>\$ 1.55</u>	<u>1.70</u>	<u>4.76</u>	<u>4.58</u>

(ii) Diluted earnings per share

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Profit attributable to owners of parent	<u>\$ 711,689</u>	<u>772,904</u>	<u>2,184,910</u>	<u>2,081,561</u>
Weighted-average number of ordinary shares (diluted) (thousand shares)	<u>464,940</u>	<u>462,247</u>	<u>465,161</u>	<u>462,354</u>
Diluted earnings per share (NT dollars)	<u>\$ 1.53</u>	<u>1.67</u>	<u>4.70</u>	<u>4.50</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Weighted-average number of ordinary shares (diluted) (thousand shares)

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Weighted-average number of ordinary shares on September 30 (basic)	460,566	456,002	459,155	454,981
Estimated effect of employee stock bonuses	1,033	823	1,258	1,097
Effect of restricted stock	3,341	5,422	4,748	6,276
Weighted-average number of ordinary shares on September 30 (diluted)	<u>464,940</u>	<u>462,247</u>	<u>465,161</u>	<u>462,354</u>

(w) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 5,988,029	9,247,633	15,235,662
Service rendered	99,810	543,582	643,392
	<u>\$ 6,087,839</u>	<u>9,791,215</u>	<u>15,879,054</u>
	For the three months ended September 30, 2024		
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 6,129,820	9,069,227	15,199,047
Service rendered	242,710	566,778	809,488
	<u>\$ 6,372,530</u>	<u>9,636,005</u>	<u>16,008,535</u>
	For the nine months ended September 30, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 17,786,294	26,117,576	43,903,870
Service rendered	218,894	1,116,186	1,335,080
	<u>\$ 18,005,188</u>	<u>27,233,762</u>	<u>45,238,950</u>

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

	For the nine months ended September 30, 2024		
	Computer Peripherals	Non-computer Peripherals	Total
	Goods sold	\$ 17,883,480	25,558,839
Service rendered	416,152	1,166,850	1,583,002
	\$ 18,299,632	26,725,689	45,025,321

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
	Mainland China	\$ 5,248,856	7,016,996	16,917,725
Europe	3,542,210	3,029,056	8,961,734	8,513,435
America	4,953,328	4,502,217	14,627,064	13,886,120
Other	2,134,660	1,460,266	4,732,427	3,034,783
	\$ 15,879,054	16,008,535	45,238,950	45,025,321

(ii) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Notes and accounts receivable (including related parties)	\$ 12,214,256	10,902,732	13,008,675
Less: allowance for impairment	(40,025)	(50,874)	(55,335)
	\$ 12,174,231	10,851,858	12,953,340
Contract liabilities (classified as other current liabilities)	\$ 489,419	620,796	593,167

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 nine months ended September 30, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$338,731 and \$282,354, 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.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(x) Employee's and directors' remuneration

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

Details of remuneration to employees and directors were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Employee remuneration	\$ 27,439	27,074	81,206	74,585
Directors' remuneration	13,720	13,538	40,603	37,293
	\$ 41,159	40,612	121,809	111,878

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

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

	2024		
	Actual earnings distributed	Accrued in the financial statement	Difference
Employee remuneration—Cash	\$ 89,503	89,503	-
Director's remuneration	44,752	44,752	-

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	2023		
	Actual earnings distributed	Accrued in the financial statement	Difference
Employee remuneration–Cash	\$ 89,330	89,330	-
Director’s remuneration	44,665	44,665	-

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

(y) Other income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Government grants	\$ 856	4,465	4,450	23,041
Rent income	14,398	15,379	44,820	45,641
Dividend income	534	639	534	639
Other	378	240	728	633
	\$ 16,166	20,723	50,532	69,954

(z) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Net income (losses) on financial assets/liabilities measured at FVTPL	\$ 582,636	(238,954)	(236,290)	(454,125)
Foreign currency exchange gains (losses), net	(544,548)	260,729	521,251	618,850
Net gains (losses) on disposal of property, plant and equipment	(1,025)	(30)	(15,622)	12,361
Net gains on disposal of right-of-use assets	20	7	20	716
Other	10,411	68,883	23,650	9,247
	\$ 47,494	90,635	293,009	187,049

(aa) 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, 2024 for further information.

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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
September 30, 2025						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,842,915	1,846,699	1,846,699	-	-	-
Notes and accounts payable (including related parties)	14,315,003	14,315,003	14,315,003	-	-	-
Other payables (including related parties)	2,320,653	2,320,653	2,320,653	-	-	-
Salaries payable	1,558,292	1,558,292	1,558,292	-	-	-
Lease liabilities	1,566,341	1,745,290	292,277	259,823	541,145	652,045
Refund liabilities	2,096,797	2,096,797	2,096,797	-	-	-
Long-term borrowings	1,450,051	1,479,638	450,636	607,985	421,017	-
Guarantee deposits	35,149	35,149	-	-	-	35,149
Derivative financial liabilities:	582,362	-	-	-	-	-
Outflow	-	20,359,177	20,359,177	-	-	-
Inflow	-	(19,776,815)	(19,776,815)	-	-	-
	<u>\$ 25,767,563</u>	<u>25,979,883</u>	<u>23,462,719</u>	<u>867,808</u>	<u>962,162</u>	<u>687,194</u>
December 31, 2024						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,441,489	1,444,191	1,444,191	-	-	-
Notes and accounts payable	13,347,474	13,347,474	13,347,474	-	-	-
Other payables (including related parties)	3,132,446	3,132,446	3,132,446	-	-	-
Salaries payable	1,857,174	1,857,174	1,857,174	-	-	-
Lease liabilities	1,689,841	1,904,031	281,000	262,724	594,267	766,040
Refund liabilities	2,492,671	2,492,671	2,492,671	-	-	-
Long-term borrowings	1,190,808	1,225,353	276,048	412,598	536,707	-
Guarantee deposits	38,605	38,605	-	-	-	38,605
Derivative financial liabilities:	467,904	-	-	-	-	-
Outflow	-	14,728,441	14,728,441	-	-	-
Inflow	-	(14,260,537)	(14,260,537)	-	-	-
	<u>\$ 25,658,412</u>	<u>25,909,849</u>	<u>23,298,908</u>	<u>675,322</u>	<u>1,130,974</u>	<u>804,645</u>
September 30, 2024						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,732,728	1,747,079	1,747,079	-	-	-
Notes and accounts payable	13,506,560	13,506,560	13,506,560	-	-	-
Other payables	2,828,348	2,828,348	2,828,348	-	-	-
Salaries payable	1,786,041	1,786,041	1,786,041	-	-	-
Lease liabilities	1,737,929	1,963,972	286,000	259,489	617,773	800,710
Refund liabilities	2,591,666	2,591,666	2,591,666	-	-	-
Long-term borrowings	815,427	841,427	218,246	314,622	308,559	-
Guarantee deposits	36,992	36,992	-	-	-	36,992
Derivative financial liabilities:	691,659	-	-	-	-	-
Outflow	-	8,716,491	8,716,491	-	-	-
Inflow	-	(8,024,832)	(8,024,832)	-	-	-
	<u>\$ 25,727,350</u>	<u>25,993,744</u>	<u>23,655,599</u>	<u>574,111</u>	<u>926,332</u>	<u>837,702</u>

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

(ii) Currency risk

1) Exposure to foreign currency risk

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

	September 30, 2025			December 31, 2024			September 30, 2024			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
Financial assets										
Monetary items										
USD:CN¥	\$	566,491	7.1055	17,260,405	596,855	7.1884	19,565,506	665,475	7.0074	21,062,953
USD:HKD		238,133	7.7828	7,255,678	288,110	7.7625	9,444,524	316,778	7.7705	10,026,328
USD:TWD		424,236	30.4690	12,926,051	416,525	32.7810	13,654,121	400,022	31.6510	12,661,099
EUR:CZK		17,729	24.3129	633,634	10,939	25.3083	375,405	7,102	25.1788	251,063
USD:CZK		5,550	20.7260	169,103	12,992	24.1680	425,891	18,364	22.5470	581,239
USD:THB		116,914	32.2550	3,562,239	43,186	34.1070	1,415,668	55,472	32.4030	1,755,730
EUR:HKD		12,925	9.1292	461,940	8,033	8.1265	275,676	6,051	8.6789	213,909
CZK:HKD		100,927	0.3755	148,363	72,774	0.3211	98,681	70,507	0.3447	98,992
Financial liabilities										
Monetary items										
USD:CN¥	\$	196,423	7.1055	5,984,799	220,977	7.1884	7,243,857	254,445	7.0074	8,053,425
USD:HKD		204,720	7.7828	6,237,614	261,439	7.7625	8,570,232	283,047	7.7705	8,958,707
USD:TWD		601,095	30.4690	18,314,749	516,467	32.7810	16,930,317	511,539	31.6510	16,190,735
EUR:CZK		6,137	24.3129	219,336	5,508	25.3083	189,024	3,557	25.1788	125,744
USD:THB		125,637	32.2550	3,828,022	66,750	34.1070	2,188,122	74,792	32.4030	2,367,249
EUR:HKD		15,912	9.1292	568,695	8,335	8.1265	286,041	5,839	8.6789	206,414
USD:CZK		1,673	20.7260	50,975	836	24.1680	27,404	1,280	22.5470	40,513

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, CN¥, HKD, CZK and THB against the USD; the HKD against CZK; as well as HKD and CZK against the EUR, as of September 30, 2025 and 2024, would have increased or decreased the net profit before tax by \$360,661 and \$535,426, 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 nine months ended September 30, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(544,548), \$260,729, \$521,251 and \$618,850, respectively.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(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 \$3,919 and \$10,573 for the nine months ended September 30, 2025 and 2024, 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 nine months ended September 30 2025	For the nine months ended September 30 2024
	Other comprehensive income before tax	Other comprehensive income before tax
<u>Price of securities at the reporting date</u>		
Increasing 10%	\$ 33,858	29,936
Decreasing 10%	\$ (33,858)	(29,936)

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(v) Fair value

1) Kinds of financial instruments and fair value

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

	September 30, 2025				
	Carrying amounts	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	<u>\$ 371,303</u>	-	-	371,303	371,303
Financial assets at FVOCI – non-current	<u>\$ 338,581</u>	19,801	-	318,780	338,581
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 11,562,071				
Financial assets at amortized cost – current	72,800				
Notes and accounts receivable	12,174,231				
Other receivables	668,096				
Refundable deposits	<u>130,954</u>				
Total	<u>\$ 24,608,152</u>				
Financial liabilities at FVTPL – current	<u>\$ 582,362</u>	-	-	582,362	582,362
Financial liabilities measured at amortized cost:					
Borrowings	\$ 3,292,966				
Notes and accounts payable (including related parties)	14,315,003				
Other payables (including related parties)	2,320,653				
Salaries payable	1,558,292				
Lease liabilities	1,566,341				
Refund liabilities	2,096,797				
Guarantee deposits	<u>35,149</u>				
Total	<u>\$ 25,185,201</u>				

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

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

	September 30, 2024				
	Carrying amounts	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ <u>260,055</u>	-	-	260,055	260,055
Financial assets at FVOCI – non-current	\$ <u>299,360</u>	-	-	299,360	299,360
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 13,540,327				
Financial assets at amortized cost – current	25,649				
Notes and accounts receivable (including related parties)	12,953,340				
Other receivables	1,713,389				
Refundable deposits	<u>131,853</u>				
Total	\$ <u>28,364,558</u>				
Financial liabilities at FVTPL – current	\$ <u>691,659</u>	-	-	691,659	691,659
Financial liabilities measured at amortized cost :					
Borrowings	\$ 2,548,155				
Notes and accounts payable	13,506,560				
Other payables	2,828,348				
Salaries payable	1,786,041				
Lease liabilities	1,737,929				
Refund liabilities	2,591,666				
Guarantee deposits	<u>36,992</u>				
Total	\$ <u>25,035,691</u>				

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

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

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

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

The Group uses the following methods in determining the fair value of its financial instruments with a quoted price in an active market:

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

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

- a) The fair value of derivative instruments is based on quoted prices. When quoted prices are unavailable, the fair value is estimated on the basis of the contract's spot exchange rate and swap point.
- b) Financial assets at FVTPL – non-derivative financial assets and Financial assets at FVOCI without an active market are investments in domestic or foreign non-listed stock. The estimated fair value is based on the market approach of comparable business and adjusted for the lack of liquidity. When prices are unavailable, the fair value is estimated on the basis of unadjusted prior trade prices.

- 3) In the nine months ended September 30, 2025 and 2024, there were no transfers between Levels.

- 4) Reconciliation of Level 3 fair values

	<u>For the nine months ended September 30, 2025</u>			<u>For the nine months ended September 30, 2024</u>		
	<u>FVTPL</u>	<u>FVOCI</u>	<u>Total</u>	<u>FVTPL</u>	<u>FVOCI</u>	<u>Total</u>
Balance on January 1	\$ (150,876)	297,154	146,278	(600,683)	290,285	(310,398)
Recognized in profit or loss	(236,290)	-	(236,290)	(454,125)	-	(454,125)
Recognized in other comprehensive income	-	(16,689)	(16,689)	-	(15,274)	(15,274)
Acquisition /disposal	176,107	38,315	214,422	623,204	24,349	647,553
Balance on September 30	<u>\$ (211,059)</u>	<u>318,780</u>	<u>107,721</u>	<u>(431,604)</u>	<u>299,360</u>	<u>(132,244)</u>

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

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

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationships between significant unobservable inputs and fair value</u>
Financial assets at FVOCI – equity investment without an active market	(note 1)	(note 1)	(note 1)
Financial assets and liabilities at FVTPL – non-derivative financial assets	(note 1)	(note 1)	(note 1)

(Continued)

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

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationships between significant unobservable inputs and fair value</u>
Financial assets and liabilities at FVTPL— derivative instruments not used for hedging	(note 2)	(note 2)	(note 2)

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

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

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

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

(ab) 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, 2024.

(ac) 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, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(ac) of the consolidated financial statements for the year ended December 31, 2024 for further details.

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

(ad) Changes of liabilities from financing activities

Reconciliation of liabilities arising from financing activities was as follows:

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Effect of changes in exchange rate</u>	<u>Changes in lease payments</u>	<u>September 30, 2025</u>
Short-term borrowings	\$ 1,441,489	414,544	(13,118)	-	1,842,915
Long-term borrowings	1,190,808	261,085	(1,842)	-	1,450,051
Lease liabilities	1,689,841	(181,650)	722	57,428	1,566,341
Guarantee deposits	38,605	(3,456)	-	-	35,149
Other payables to related parties	<u>255,088</u>	<u>(255,088)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities from financing activities	<u>\$ 4,615,831</u>	<u>235,435</u>	<u>(14,238)</u>	<u>57,428</u>	<u>4,894,456</u>

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Effect of changes in exchange rate</u>	<u>Changes in lease payments</u>	<u>September 30, 2024</u>
Short-term borrowings	\$ 756,252	907,913	68,563	-	1,732,728
Long-term borrowings	707,979	96,635	10,813	-	815,427
Lease liabilities	1,784,590	(181,308)	16,993	117,654	1,737,929
Guarantee deposits	<u>33,505</u>	<u>3,487</u>	<u>-</u>	<u>-</u>	<u>36,992</u>
Total liabilities from financing activities	<u>\$ 3,282,326</u>	<u>826,727</u>	<u>96,369</u>	<u>117,654</u>	<u>4,323,076</u>

(ae) Supplementary information of cash flow

	<u>For the nine months ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Acquisition of property, plant and equipment	\$ 1,520,864	992,526
Decrease (increase) in payables on equipment	<u>158,502</u>	<u>(62,474)</u>
Decrease in cash	<u>\$ 1,679,366</u>	<u>930,052</u>

	<u>For the nine months ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Disposal of property, plant and equipment	\$ 41,085	125,945
Gain (Loss) on disposal of property, plant and equipment	(15,622)	12,361
Decrease in other receivables	-	8,160
Decrease in equipment subsidy	(3,748)	(1,484)
Decrease in advance payment	<u>-</u>	<u>(14,984)</u>
Increase in cash	<u>\$ 21,715</u>	<u>129,998</u>

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

(7) Related-party transactions:

(a) Names and relationship of the related parties

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

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

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

(b) Significant transactions with related parties

(i) Sales

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

	<u>Sales</u>				<u>Accounts receivable from related parties</u>		
	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>		<u>September 30,</u>	<u>December</u>	<u>September 30,</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>31, 2024</u>	<u>2024</u>
Other related parties	\$ -	140,705	-	387,956	-	84,126	114,618
Associates	(18)	-	6,292	-	-	25,180	-
	<u>\$ (18)</u>	<u>140,705</u>	<u>6,292</u>	<u>387,956</u>	<u>-</u>	<u>109,306</u>	<u>114,618</u>

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

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

(ii) Purchase

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

	<u>Purchase</u>				<u>Accounts payable to related parties</u>		
	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>		<u>September 30,</u>	<u>December</u>	<u>September 30,</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>31, 2024</u>	<u>2024</u>
Associates	<u>\$ 28,675</u>	<u>-</u>	<u>70,787</u>	<u>-</u>	<u>29,944</u>	<u>-</u>	<u>-</u>

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

(iii) Receivables and payables on behalf of associates

Other receivables arising from fees paid on behalf of associates by the Group amounted to \$3,058 as of September 30, 2025. There was no such transaction as of September 30, 2024.

Other payables arising from fees collected by the Group on behalf of associates amounted to \$33,948 as of September 30, 2025. There was no such transaction as of September 30, 2024.

(iv) Acquisition of equity

TWEL, which is held by the Company through its subsidiary, Diamond, resolved to acquire Tymphany Huizhou's equity held by minority shareholders, based on a resolution passed during its board meeting held in 2024. The transaction price was determined through negotiation between both parties, and a certified public accountant has been engaged to render an opinion regarding the appropriateness of the transaction price. Please refer to note 6(i) of the consolidated financial statements for the year ended December 31, 2024. The outstanding balances were as follows:

	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Counter party:	Other payables	Other payables	Other payables
	to related	to related	to related
	parties	parties	parties
Tom Zilvervlood	\$ -	178,909	-
Tuskany	-	55,009	-
Huizhou Bo-Chuang	-	21,170	-
	<u>\$ -</u>	<u>255,088</u>	<u>-</u>

(v) Cash capital increase

For information relating to the Group's participation in its associates' cash capital increase for the nine months ended September 30, 2025, please refer to note 6(h).

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 54,353	62,066	206,355	229,582
Post-employment benefits	475	520	1,545	1,455
Share-based payments	41,016	27,565	104,892	81,344
	<u>\$ 95,844</u>	<u>90,151</u>	<u>312,792</u>	<u>312,381</u>

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

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Other non-current assets – restricted assets	Guarantee letters issued by bank	<u>\$ 3,414</u>	<u>3,414</u>	<u>3,414</u>
Property, plant and equipment	Loan collateral	<u>\$ 1,801,720</u>	<u>1,902,889</u>	<u>1,908,834</u>
Investment property	Loan collateral	<u>\$ 541,246</u>	<u>597,921</u>	<u>600,830</u>

(9) Commitments and contingencies:

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

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

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Guarantee letters	<u>\$ 29,476</u>	<u>40,736</u>	<u>85,776</u>

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

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Sales of accounts receivable	<u>\$ 405,286</u>	<u>408,176</u>	<u>336,564</u>
Long-term borrowings	<u>\$ 1,800,400</u>	<u>1,800,400</u>	<u>1,800,400</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(d) The aggregate unpaid amounts of contracts pertaining to the purchase of equipment were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	\$ 784,069	1,338,721	988,172

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

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

By item	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	938,921	1,162,148	2,101,069	931,190	1,238,433	2,169,623
Labor and health insurance	42,281	63,988	106,269	38,487	59,386	97,873
Pension	50,462	46,226	96,688	53,707	44,901	98,608
Others	5,636	54,292	59,928	20,134	46,365	66,499
Depreciation	230,357	90,158	320,515	285,385	86,026	371,411
Amortization	1,904	9,539	11,443	3,061	11,473	14,534

By item	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	2,619,864	3,376,777	5,996,641	2,629,899	3,444,956	6,074,855
Labor and health insurance	122,495	202,880	325,375	114,127	177,962	292,089
Pension	158,997	146,164	305,161	160,929	134,085	295,014
Others	31,210	157,456	188,666	45,605	129,675	175,280
Depreciation	711,630	274,838	986,468	896,816	262,802	1,159,618
Amortization	5,693	29,718	35,411	11,857	41,671	53,528

Note: Excluding the depreciation of the investment property (classified as other gains and losses) amounted to \$25,929 and \$26,324 for the nine months ended September 30, 2025 and 2024, respectively.

(b) Seasonality of Operation

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

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(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	765,125	761,725	629,185	4.5%	Short-term loan to other parties	-	Operating capital	-	-	-	2,077,357	2,077,357
2	TYM HK	"	"	"	33,182	-	-	5.5%	"	-	"	-	-	-	402,151	402,151

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

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

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	PCH2	The subsidiary of Primax HK and Primax Tech.	5,745,261	331,820	304,690	-	-	1.59 %	15,320,696	Y	N	Y
"	"	Primax Singapore	Subsidiary	5,745,261	2,700,000	2,700,000	440,820	-	14.10 %	15,320,696	Y	N	N
1	Tymphony Huizhou	TYM Acoustic HK	"	2,572,412	4,977	4,570	-	-	0.05 %	4,287,353	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 September 30, 2025 (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	-	148,262	2.75	148,262	
	Grove Ventures II, L.P.	-	"	-	105,017	3.28	105,017	

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

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

(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)	(10,608,569)	(36) %	60 days	Price agreed by both sides	The same as general selling	2,979,811	33%	Note 1
"	PCH2	The subsidiary of Primax HK	Purchase	12,657,530	52 %	"	"	The same as general purchasing	(8,684,646)	(58)%	Note 1
"	PKS1	"	Purchase	1,423,748	5 %	"	"	"	(517,588)	(3)%	Note 1
"	PCQ1	"	Purchase	4,828,913	18 %	"	"	"	(2,906,857)	(19)%	Note 1
"	Polaris	The subsidiary of Primax Tech.	(Sale)	(2,434,541)	(8) %	90 days	"	The same as general selling	205,113	2%	Note 1
"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	5,651,090	23 %	60 days	"	The same as general purchasing	(2,036,734)	(14)%	Note 1
Primax Singapore	The Company	Parent	Purchase	10,608,569	99 %	"	"	"	(2,979,811)	(92)%	Note 1
PCH2	"	The parent of Primax Cayman	(Sale)	(12,657,530)	(95) %	"	"	The same as general selling	8,684,646	96%	Note 1
PKS1	"	"	(Sale)	(1,423,748)	(100) %	"	"	"	517,588	100%	Note 1
PCQ1	"	"	(Sale)	(4,828,913)	(81) %	"	"	"	2,906,857	90%	Note 1
Primax Thailand	"	The parent of Primax Singapore	(Sale)	(5,651,090)	(99) %	"	"	"	2,036,734	98%	Note 1
Polaris	"	The parent of Primax Tech.	Purchase	2,434,541	100 %	90 days	"	The same as general purchasing	(205,113)	(100)%	Note 1
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	(Sale)	(3,516,308)	(62) %	60 days	"	The same as general selling	2,131,382	76%	Note 1
"	TYM HK	The subsidiary of TYM Acoustic HK	(Sale)	(1,422,280)	(25) %	"	"	"	327,062	12%	Note 1
"	TYM Acoustic Europe	"	(Sale)	(113,526)	(2) %	"	"	"	48,128	2%	Note 1
"	TYTH	"	(Sale)	(225,463)	(4) %	"	"	"	160,663	6%	Note 1
Tymphony Dongguan	TYM HK	"	Purchase	143,400	8 %	"	"	The same as general purchasing	(39,970)	(7)%	Note 1
"	"	"	(Sale)	(315,816)	(14) %	"	"	The same as general selling	35,161	9%	Note 1
"	TYM Acoustic Europe	"	(Sale)	(302,740)	(13) %	"	"	"	80,714	22%	Note 1
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	(Sale)	(1,553,773)	(69) %	"	"	"	223,972	60%	Note 1
TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	1,851,648	23 %	"	"	The same as general purchasing	(657,672)	(16)%	Note 1
"	Tymphony Huizhou	Parent	Purchase	3,516,308	43 %	"	"	"	(2,131,382)	(51)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	1,553,773	19 %	"	"	"	(223,972)	(5)%	Note 1
"	TYTH	Subsidiary	Purchase	1,542,048	19 %	"	"	"	(699,256)	(17)%	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)	
TYM Acoustic Europe	TYM Acoustic HK	Parent	(Sale)	(1,851,648)	(100) %	60 days	Price agreed by both sides	The same as general selling	657,672	100%	Note 1
"	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	113,526	7 %	"	"	The same as general purchasing	(48,128)	(11)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	302,740	20 %	"	"	"	(80,714)	(19)%	Note 1
TYM HK	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	1,422,280	33 %	"	"	"	(327,062)	(21)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	315,816	7 %	"	"	"	(35,161)	(2)%	Note 1
"	"	"	(Sale)	(143,400)	(3) %	"	"	The same as general selling	39,970	3%	Note 1
"	TYTH	The subsidiary of TYM Acoustic HK	Purchase	2,646,739	62 %	"	"	The same as general purchasing	(702,307)	(46)%	Note 1
TYTH	TYM HK	"	(Sale)	(2,646,739)	(62) %	"	"	The same as general selling	702,307	50%	Note 1
"	TYM Acoustic HK	Parent	(Sale)	(1,542,048)	(36) %	"	"	"	699,256	50%	Note 1
"	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	225,463	6 %	"	"	The same as general purchasing	(160,663)	(7)%	Note 1

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

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Allowance for bad debts
					Amount	Action taken		
The Company	Primax Singapore	Subsidiary	2,979,811 (note 5)	6.75	-	-	783,175	-
"	Polaris	The subsidiary of Primax Tech.	205,113 (note 5)	16.27	-	-	205,113	-
"	PCH2	The subsidiary of Primax HK	672,960 (note 2&5)	4.05	-	-	40,211	-
PCH2	The Company	The parent of Primax Cayman	8,684,646 (note 5)	1.94	-	-	1,525,125	-
"	Primax Thailand	The subsidiary of Primax Singapore	310,474 (note 5)	(note3)	-	-	2,686	-
PKS1	The Company	The parent of Primax Cayman	517,588 (note 5)	3.93	-	-	107,419	-
PCQ1	"	"	2,906,857 (note 5)	2.11	-	-	108,977	-
Primax Thailand	"	The parent of Primax Singapore	2,036,734 (note 5)	6.30	-	-	876,554	-
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	2,131,382 (note 5)	2.52	-	-	-	-
"	TYM HK	The subsidiary of TYM Acoustic HK	327,062 (note 5)	2.16	-	-	60,938	-
"	TYTH	"	160,663 (note 5)	2.04	-	-	26	-

(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		
Tymphony Dongguan	TYM Acoustic HK	The subsidiary of TYM Acoustic HK	223,972 (note 5)	2.84	-	-	91,928	-
TYM Acoustic Europe	"	Parent	657,672 (note 5)	3.92	-	-	253,484	-
TYM HK	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	39,970 (note 5)	2.99	-	-	15,362	-
"	"	"	118,230 (note 5)	(note3)	-	-	-	-
"	TYM Acoustic HK	Parent	481,653 (note 5)	(note3)	-	-	-	-
"	TYTH	The subsidiary of TYM Acoustic HK	139,669 (note 5)	(note3)	-	-	35,730	-
TYM Acoustic HK	Tymphony Huizhou	Parent	11,669 (note 5)	5.71	-	-	-	-
"	"	"	450,805 (note 5)	(note3)	-	-	-	-
"	TWEL	The parent of Tymphony Huizhou	629,185 (note 5)	(note4)	-	-	-	-
"	"	"	4,734 (note 5)	(note3)	-	-	-	-
TYAT	TYM HK	The subsidiary of TYM Acoustic HK	367,852 (note 5)	(note3)	-	-	95,063	-
TYTH	"	"	702,307 (note 5)	6.79	-	-	228,518	-
"	TYM Acoustic HK	Parent	699,256 (note 5)	3.24	-	-	463,129	-

Note 1: Amounts were collected as of October 17, 2025.

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 nine months ended September 30, 2025 was \$1,654,369, which was written off with related cost of goods sold, and not regarded as sales for the Company.

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

Note 4: The other receivables arise from intercompany loans.

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

(vi) Business relationships and significant intercompany transactions:

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of consolidated total operating revenues or total assets
				Account name	Amount	Trading terms	
0	The Company	Primax Singapore	Subsidiary	Sale	10,608,569	Price agreed by both sides	23.45 %
"	"	"	"	Accounts Receivable	2,979,811	60 days	6.05 %
"	"	PCH2	The subsidiary of Primax HK	Purchase	12,657,530	Price agreed by both sides	27.98 %
"	"	"	"	Accounts Payable	8,684,646	60 days	17.64 %
"	"	"	"	Accounts Receivable	672,960	"	1.37 %
"	"	PKS1	"	Purchase	1,423,748	Price agreed by both sides	3.15 %
"	"	"	"	Accounts Payable	517,588	60 days	1.05 %
"	"	PCQ1	"	Purchase	4,828,913	Price agreed by both sides	10.67 %

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

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of consolidated total operating revenues or total assets
				Account name	Amount	Trading terms	
0	The Company	PCQ1	The subsidiary of Primax HK	Accounts Payable	2,906,857	60 days	5.90 %
"	"	Polaris	The subsidiary of Primax Tech.	Sale	2,434,541	Price agreed by both sides	5.38 %
"	"	"	"	Accounts Receivable	205,113	90 days	0.42 %
"	"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	5,651,090	Price agreed by both sides	12.49 %
"	"	"	"	Accounts Payable	2,036,734	60 days	4.14 %
1	PCH2	"	"	Other Receivable	310,474	(note 2)	0.63 %
2	Tymphony Huizhou	TYM Acoustic HK	Subsidiary	Sale	3,516,308	Price agreed by both sides	7.77 %
"	"	"	"	Accounts Receivable	2,131,382	60 days	4.33 %
"	"	"	"	Other Payable	450,805	(note 2)	0.92 %
"	"	"	"	Accounts Payable	11,669	60 days	0.02 %
"	"	TYM HK	The subsidiary of TYM Acoustic HK	Sale	1,422,280	Price agreed by both sides	3.14 %
"	"	"	"	Accounts Receivable	327,062	60 days	0.66 %
"	"	TYM Acoustic Europe	"	Sale	113,526	Price agreed by both sides	0.25 %
"	"	TYTH	"	Sale	225,463	"	0.50 %
"	"	"	"	Accounts Receivable	160,663	60 days	0.33 %
3	Tymphony Dongguan	TYM HK	"	Purchase	143,400	Price agreed by both sides	0.32 %
"	"	"	"	Sale	315,816	"	0.70 %
"	"	"	"	Accounts Payable	39,970	60 days	0.08 %
"	"	"	"	Other Payable	118,230	(note 2)	0.24 %
"	"	TYM Acoustic Europe	"	Sale	302,740	Price agreed by both sides	0.67 %
"	"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	Sale	1,553,773	"	3.43 %
"	"	"	"	Accounts Receivable	223,972	60 days	0.45 %
4	TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	1,851,648	Price agreed by both sides	4.09 %
"	"	"	"	Accounts Payable	657,672	60 days	1.34 %
"	"	TYTH	"	Purchase	1,542,048	Price agreed by both sides	3.41 %
"	"	"	"	Accounts Payable	699,256	60 days	1.42 %
"	"	TYM HK	"	Service Expense	706,786	Price agreed by both sides	1.56 %
"	"	"	"	Other Payable	481,653	(note 2)	0.98 %

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

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of consolidated total operating revenues or total assets
				Account name	Amount	Trading terms	
4	TYM Acoustic HK	TWEL	The parent of Tymphony Huizhou	Other Receivable	629,185	(note 3)	1.28 %
"	"	"	"	Other Receivable	4,734	(note 2)	0.01 %
5	TYM HK	TYAT	The subsidiary of TYM Acoustic HK	Other Payable	367,852	"	0.75 %
"	"	"	"	Service Expense	836,408	Price agreed by both sides	1.85 %
"	"	TYTH	"	Other Receivable	139,669	60 days	0.28 %
"	"	"	"	Purchase	2,646,739	Price agreed by both sides	5.85 %
"	"	"	"	Accounts Payable	702,307	60 days	1.43 %
"	"	TYP	"	Service Expense	146,768	Price agreed by both sides	0.32 %

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

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

Note 3: The other receivables arise from intercompany loans.

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

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	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	8,269,698	235,537	367,290	Note 3
"	Primax Tech.	Cayman Islands	Holding company	897,421	897,421	285,067	100.00	3,186,867	36,917	80,214	Note 3
"	Destiny BVI	Virgin Island	Holding company	30,939	30,939	1,050	100.00	(14,805)	(4,257)	(4,257)	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	15,135	345	345	Note 3
"	Diamond	Cayman Islands	Holding company	4,759,198	4,759,198	156,050	100.00	9,810,608	468,964	473,006	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	23,548	2,238	2,238	Note 3
"	Primax AE	Cayman Islands	Holding company	1,431,540	1,431,540	48,200	100.00	68,883	(3,122)	(3,122)	Note 3
"	Primax Singapore	Singapore	Sale of computer peripherals and mobile device components	1,181,150	1,181,150	40,100	100.00	618,362	20,271	(2,393)	Note 3
"	Primax Security	Taiwan	Sale of computer peripherals and mobile device components	200	200	20	100.00	184	(9)	(9)	Note 3
	Total			10,229,498	10,229,498			21,978,480	756,884	913,312	

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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 September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
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	636,119	18,123	18,123	Note 3 Note 5
Primax Cayman	Primax HK	Hong Kong	Holding company and customer service	1,737,164	1,737,164	446,817	100.00	8,344,287	236,953	236,953	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	463,401	7,823	7,823	Note 3
Diamond	TWEL	Cayman Islands	Holding company	4,953,350	4,953,350	279,191	100.00	9,847,528	469,527	469,527	Note 3
Primax AE	AIC	Cayman Islands	Holding company	1,356,995	1,356,995	30	37.00	-	(127,596)	-	Note 4
TWEL	TYM Singapore	Singapore	R&D, design, and sales of various speaker accessories as well as speakers and their components and holding business	16,000	-	500	100.00	14,902	(330)	(330)	Note 3
"	MBTH	Thailand	Manufacturing of plastic products	43,849	31,900	760	40.00	36,907	(18,843)	(7,537)	Note 4
"	SKRI	Canada	R&D of microphones	97,077	-	493	10.60	97,385	(92,560)	-	Note 4
Tymphony Huizhou	TYM Acoustic HK	Hong Kong	R&D, design, and sales of various speaker accessories as well as speakers and their components and holding business	1,592,954	1,592,954	418,090	100.00	3,462,261	207,221	207,221	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	670,252	6,698	6,698	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	82,293	3,035	3,035	Note 3
"	TYM UK	United Kingdom	R&D and design of various speaker accessories as well as speakers and their components	15,631	15,631	400	100.00	50,373	4,168	4,168	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	1,012,067	(76,080)	(76,080)	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	476,270	14,548	14,548	Note 3
"	TYTH	Thailand	Manufacturing and sales of various speaker accessories, speakers, and their components	725,091	725,091	7,789	100.00	756,389	19,894	19,894	Note 3 Note 5

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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 September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
TYM HK	TYML	USA	Sales of various speaker accessories, speakers, and their components	6,628	6,628	200	100.00	7,217	(738)	(738)	Note 3

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

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

Note 3: The subsidiary of the Company.

Note 4: The associate of the Company.

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

(c) Information on investment in Mainland China:

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of Investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2025 (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	1,912,231	Indirect investment through Primax Cayman and Primax Tech.	1,801,000	-	-	1,672,731	105,613	100%	105,613	7,996,435	-
Destiny Beijing	R&D of computer peripheral and business devices	37,880	Indirect investment through Destiny BVI.	34,420	-	-	31,992	(4,257)	100%	(4,257)	(14,809)	-
PKS1	Production of computer peripheral products	220,588	Indirect investment through Primax Cayman	65,562	-	-	60,938	(13,071)	100%	(13,071)	191,332	-
PCQ1	"	818,295	"	655,620	-	-	609,380	178,920	100%	178,920	2,738,472	-
Tymphony Huizhou	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	1,623,123	Indirect investment through Diamond	5,113,836	-	-	4,753,164	508,150	100%	508,150	8,574,706	-
Tymphony Dongguan	"	152,345	"	16,391	-	-	15,235	142,427	100%	142,427	1,428,356	-

Note 1: The above information on the exchange rate was as follows: HKD:TWD 3.9149 ; USD:TWD 30.4690; CNY:TWD 4.2881.

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

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

(ii) Limitation on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	7,593,629	9,336,134	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.

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

The above investment income (losses) in Mainland China, except for PCH2, was reviewed by the Company's auditors. Tymphany Huizhou and Tymphany Dongguan were reviewed by other auditors, and other information related to subsidiaries came from financial reports prepared by the investees, not reviewed by auditors.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of the consolidated financial statements for the nine months ended September 30, 2025, are disclosed in “ Information on significant transactions”, and “ Business relationships and significant intercompany transactions”.

(14) Segment information:

For the three and nine months ended September 30, 2025 and 2024, 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, 2024 for the further information.

The Group’s segment financial information was as follows:

	For the three months ended September 30, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 6,087,839	9,791,215	15,879,054
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 6,087,839</u>	<u>9,791,215</u>	<u>15,879,054</u>
Profit before tax from segments reported	<u>\$ 426,660</u>	<u>454,747</u>	<u>881,407</u>
	For the three months ended September 30, 2024		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 6,372,530	9,636,005	16,008,535
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 6,372,530</u>	<u>9,636,005</u>	<u>16,008,535</u>
Profit before tax from segments reported	<u>\$ 461,137</u>	<u>585,006</u>	<u>1,046,143</u>

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

	For the nine months ended September 30, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 18,005,188	27,233,762	45,238,950
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 18,005,188</u>	<u>27,233,762</u>	<u>45,238,950</u>
Profit before tax from segments reported	<u>\$ 1,117,135</u>	<u>1,639,287</u>	<u>2,756,422</u>
	For the nine months ended September 30, 2024		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 18,299,632	26,725,689	45,025,321
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 18,299,632</u>	<u>26,725,689</u>	<u>45,025,321</u>
Profit before tax from segments reported	<u>\$ 1,259,407</u>	<u>1,535,187</u>	<u>2,794,594</u>