

**Podak Co., Ltd. and Subsidiaries**  
**Consolidated Financial Statements with**  
**Independent Auditors' Review Report**  
**First Quarter of 2026 and 2025**

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## **Independent Auditors' Review Report**

To the Board of Directors of Podak Co., Ltd.:

### **Foreword**

We have reviewed the accompanying consolidated balance sheets of Podak Co., Ltd. and subsidiary (the "Group") as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. It is the management team's responsibility to prepare the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting", which has been endorsed and issued into effect by the Financial Supervisory Commission (FSC) of Republic of China, to present the consolidated financial position of the Group fairly, while our responsibility is to make a conclusion on the consolidated financial statements based on our review results.

### **Scope**

We conducted the review in accordance with Standards on Review Engagements 2410 "Review of Financial Information". The procedures to be carried out in reviewing the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of review work is obviously smaller than that of audit work, so we might not be able to detect all the material matters that could have been identified through audit work, hence we were unable to express an audit opinion.

### **Conclusion**

According to our review results, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, with a fair presentation of the Group's consolidated financial position as of March 31, 2026 and 2025, consolidated financial performance for the three months ended March 31, 2026 and 2025, and consolidated cash flows for three months ended March 31, 2026 and 2025.

The engagement partners on the audit resulting in this independent auditors' report are Wu, Cheng-Yen and Chen, Chun-Kuang.

KPMG

Taipei, Taiwan (Republic of China)

May 7, 2026

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

Podak Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

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

Unit: NTD thousand

| Assets   | March 31, 2026      |            | December 31, 2025 |            | March 31, 2025   |            | Liabilities and Equity   | March 31, 2026      |            | December 31, 2025 |            | March 31, 2025   |            |
|--|---------------------|------------|-------------------|------------|------------------|------------|--|---------------------|------------|-------------------|------------|------------------|------------|
|  | Amount              | %          | Amount            | %          | Amount           | %          |  | Amount              | %          | Amount            | %          | Amount           | %          |
| <b>Current assets:</b>   |                     |            |                   |            |                  |            | <b>Current liabilities:</b>  |                     |            |                   |            |                  |            |
| 1100 Cash and cash equivalents (Notes 6(1) and (18))   | \$ 480,388          | 25         | 377,192           | 19         | 382,810          | 19         | 2100 Short-term borrowings (Notes 6(9), (18) and (21))               | \$ 280,000          | 14         | 411,000           | 21         | 367,000          | 18         |
| 1172 Notes and accounts receivable (Notes 6(3), (18) and 7)                                      | 950,707             | 48         | 988,080           | 49         | 972,700          | 49         | 2170 Notes and accounts payable (Note 6(18))                         | 203,195             | 10         | 212,806           | 11         | 146,089          | 7          |
| 1200 Other receivables (Notes 6 (4) and (18))  | 8,422               | -          | 3,108             | -          | 41,215           | 2          | 2200 Other payables (Note 6(18))                                     | 42,261              | 2          | 42,770            | 2          | 189,544          | 10         |
| 1300 Inventories - merchandising business (Note 6(5))  | 235,744             | 12         | 340,032           | 17         | 290,186          | 15         | 2230 Current income tax liabilities (Note 4)                         | 34,171              | 2          | 16,238            | 1          | 38,054           | 2          |
| 1470 Other current assets (Note 7)   | 42,614              | 2          | 43,837            | 2          | 36,324           | 2          | 2280 Lease liabilities - current (Notes 6(10), (18) and (21))        | 2,125               | -          | 2,400             | -          | 2,550            | -          |
|  | <u>1,717,875</u>    | <u>87</u>  | <u>1,752,249</u>  | <u>87</u>  | <u>1,723,235</u> | <u>87</u>  | 2300 Other current liabilities                                       | <u>13,465</u>       | <u>1</u>   | <u>4,266</u>      | <u>-</u>   | <u>1,395</u>     | <u>-</u>   |
| <b>Non-current assets:</b>   |                     |            |                   |            |                  |            |  | <u>575,217</u>      | <u>29</u>  | <u>689,480</u>    | <u>35</u>  | <u>744,632</u>   | <u>37</u>  |
| 1521 Financial assets at fair value through other comprehensive income - non-current (Note 6(2)) | 15,000              | 1          | 15,000            | 1          | 15,000           | 1          | <b>Non-current liabilities:</b>                                      |                     |            |                   |            |                  |            |
| 1550 Investments accounted for using equity method (Note 6(6))                                   | 3,843               | -          | 3,971             | -          | 4,524            | -          | 2570 Deferred income tax liabilities (Note 4)                        | 32,261              | 2          | 32,261            | 2          | 28,979           | 2          |
| 1600 Property, plant and equipment (Notes 6(7) and 8)  | 217,560             | 12         | 218,811           | 12         | 230,945          | 12         | 2580 Lease liabilities - non-current (Notes 6(10), (18) and (21))    | 2,795               | -          | 3,165             | -          | 3,153            | -          |
| 1755 Right-of-use assets (Note 6(8))   | 4,844               | -          | 5,480             | -          | 5,621            | -          | 2640 Net defined benefit liability - non-current (Notes 4 and 6(11)) | 1,993               | -          | 2,039             | -          | 2,493            | -          |
| 1840 Deferred income tax assets (Note 4)   | 3,209               | -          | 3,209             | -          | 4,458            | -          |  | <u>37,049</u>       | <u>2</u>   | <u>37,465</u>     | <u>2</u>   | <u>34,625</u>    | <u>2</u>   |
| 1900 Other non-current assets  | 2,395               | -          | 2,436             | -          | 4,287            | -          | <b>Total liabilities (Note 6(20))</b>                                | <u>612,266</u>      | <u>31</u>  | <u>726,945</u>    | <u>37</u>  | <u>779,257</u>   | <u>39</u>  |
|  | <u>246,851</u>      | <u>13</u>  | <u>248,907</u>    | <u>13</u>  | <u>264,835</u>   | <u>13</u>  | <b>Equity attributable to owners of the parent:</b>                  |                     |            |                   |            |                  |            |
| <b>Total assets</b>  | <b>\$ 1,964,726</b> | <b>100</b> | <b>2,001,156</b>  | <b>100</b> | <b>1,988,070</b> | <b>100</b> | 3110 Share capital (Note 6(13))                                      | 562,430             | 29         | 562,430           | 28         | 562,430          | 28         |
|  |                     |            |                   |            |                  |            | 3200 Capital surplus (Note 6(13))                                    | 105,466             | 5          | 105,466           | 5          | 105,466          | 5          |
|  |                     |            |                   |            |                  |            | Retained earnings (Note 6(13)):                                      |                     |            |                   |            |                  |            |
|  |                     |            |                   |            |                  |            | 3310 Legal reserve   | 257,778             | 13         | 257,778           | 12         | 236,864          | 12         |
|  |                     |            |                   |            |                  |            | 3320 Special reserve   | 13,952              | 1          | 13,952            | 1          | 24,490           | 1          |
|  |                     |            |                   |            |                  |            | 3350 Unappropriated retained earnings                                | <u>422,524</u>      | <u>21</u>  | <u>350,802</u>    | <u>18</u>  | <u>288,928</u>   | <u>15</u>  |
|  |                     |            |                   |            |                  |            |  | <u>694,254</u>      | <u>35</u>  | <u>622,532</u>    | <u>31</u>  | <u>550,282</u>   | <u>28</u>  |
|  |                     |            |                   |            |                  |            | Other equity (Note 6(13)):   |                     |            |                   |            |                  |            |
|  |                     |            |                   |            |                  |            | 3400 Other equity  | (9,690)             | -          | (16,217)          | (1)        | (9,365)          | -          |
|  |                     |            |                   |            |                  |            | <b>Total equity (Note 6(20))</b>                                     | <u>1,352,460</u>    | <u>69</u>  | <u>1,274,211</u>  | <u>63</u>  | <u>1,208,813</u> | <u>61</u>  |
|  |                     |            |                   |            |                  |            | <b>Total liabilities and equity</b>                                  | <b>\$ 1,964,726</b> | <b>100</b> | <b>2,001,156</b>  | <b>100</b> | <b>1,988,070</b> | <b>100</b> |

(Please refer to the notes to the consolidated financial statements)

Chairman: Chia-Yu, Chen

Manager: Mao-Yang, Li

Accounting Officer: Chang-Kuo, Hsiao

**Podak Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**From January 1 to March 31, 2026 and 2025**

**Unit: NTD thousand**

|      |   | January 2026  |     | January 2025  |     |
|------|---|---------------|-----|---------------|-----|
|      |   | to March 2026 |     | to March 2025 |     |
|      |   | Amount        | %   | Amount        | %   |
| 4000 | <b>Operating revenue (Notes 6(15) and 7)</b>  | \$ 731,633    | 100 | 686,178       | 100 |
| 5000 | <b>Operating costs (Note 6(5))</b>  | 611,425       | 84  | 560,485       | 82  |
|      | <b>Gross profit</b>   | 120,208       | 16  | 125,693       | 18  |
| 5920 | Less: Realized loss on sales (Note 7)   | (130)         | -   | (130)         | -   |
|      | <b>Gross profit</b>   | 120,078       | 16  | 125,563       | 18  |
|      | <b>Operating expenses (Notes 6(10), (11), (16), 7 and 12):</b>  |               |     |               |     |
| 6100 | Selling expenses  | 30,423        | 4   | 34,265        | 5   |
| 6200 | General and administrative expenses   | 19,024        | 3   | 19,127        | 3   |
| 6450 | Expected credit impairment losses   | -             | -   | 52            | -   |
|      |   | 49,447        | 7   | 53,444        | 8   |
|      | <b>Net operating income</b>   | 70,631        | 9   | 72,119        | 10  |
|      | <b>Non-operating income and expenses (Note 6(17))</b>   |               |     |               |     |
| 7100 | Interest income   | 341           | -   | 414           | -   |
| 7010 | Other income (Note 7)   | 34            | -   | 683           | -   |
| 7020 | Other gains and losses  | 20,426        | 3   | 15,405        | 2   |
| 7050 | Finance costs   | (1,767)       | -   | (1,991)       | -   |
| 7770 | Share of profit or loss of associates accounted for using the equity method (Note 6(6))                 | 2             | -   | 2             | -   |
|      | <b>Total non-operating income and expenses</b>  | 19,036        | 3   | 14,513        | 2   |
|      | <b>Net income before tax from continuing operations</b>   | 89,667        | 12  | 86,632        | 12  |
| 7950 | <b>Less: Income tax expense (Notes 4 and 6(12))</b>   | 17,945        | 2   | 17,360        | 3   |
|      | <b>Net profit</b>   | 71,722        | 10  | 69,272        | 9   |
| 8300 | <b>Other comprehensive income:</b>  |               |     |               |     |
| 8310 | <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>         |               |     |               |     |
| 8360 | <b>Components of other comprehensive income that may subsequently be reclassified to profit or loss</b> |               |     |               |     |
| 8361 | Exchange differences on translation of foreign financial statements (Note 6(13))                        | 6,527         | 1   | 4,587         | 1   |
| 8300 | <b>Other comprehensive loss for the period, net of income tax</b>                                       | 6,527         | 1   | 4,587         | 1   |
|      | <b>Total comprehensive income</b>   | \$ 78,249     | 11  | 73,859        | 10  |
|      | <b>Earnings per share (NTD) (Note 6(14))</b>  |               |     |               |     |
|      | <b>Basic earnings per share (NTD)</b>   | \$ 1.28       |     | 1.23          |     |
|      | <b>Diluted earnings per share (NTD)</b>   | \$ 1.27       |     | 1.22          |     |

(Please refer to the notes to the consolidated financial statements)

Chairman: Chia-Yu, Chen

Manager: Mao-Yang, Li

Accounting Officer: Chang-Kuo, Hsiao

**Podak Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**From January 1 to March 31, 2026 and 2025**

Unit: NTD thousand

|   | Share capital     | Capital surplus | Retained earnings |                 |                                  | Other equity items  | Total equity     |
|---|-------------------|-----------------|-------------------|-----------------|----------------------------------|---|------------------|
|   |                   |                 | Legal reserve     | Special reserve | Unappropriated retained earnings | Exchange differences on translation of foreign financial statements |                  |
| <b>Balance on January 1, 2025</b>         | \$ 562,430        | 105,466         | 236,864           | 24,490          | 349,014                          | (13,952)  | 1,264,312        |
| Net profit                                | -                 | -               | -                 | -               | 69,272                           | -   | 69,272           |
| Other comprehensive income for the period | -                 | -               | -                 | -               | -                                | 4,587   | 4,587            |
| Total comprehensive income                | -                 | -               | -                 | -               | 69,272                           | 4,587   | 73,859           |
| Earnings appropriation and distribution:  |                   |                 |                   |                 |                                  |   |                  |
| Cash dividends on common stock            | -                 | -               | -                 | -               | (129,358)                        | -   | (129,358)        |
| <b>Balance on March 31, 2025</b>          | <b>\$ 562,430</b> | <b>105,466</b>  | <b>236,864</b>    | <b>24,490</b>   | <b>288,928</b>                   | <b>(9,365)</b>  | <b>1,208,813</b> |
| <b>Balance on January 1, 2026</b>         | \$ 562,430        | 105,466         | 257,778           | 13,952          | 350,802                          | (16,217)  | 1,274,211        |
| Net profit                                | -                 | -               | -                 | -               | 71,722                           | -   | 71,722           |
| Other comprehensive income for the period | -                 | -               | -                 | -               | -                                | 6,527   | 6,527            |
| Total comprehensive income                | -                 | -               | -                 | -               | 71,722                           | 6,527   | 78,249           |
| <b>Balance on March 31, 2026</b>          | <b>\$ 562,430</b> | <b>105,466</b>  | <b>257,778</b>    | <b>13,952</b>   | <b>422,524</b>                   | <b>(9,690)</b>  | <b>1,352,460</b> |

(Please refer to the notes to the consolidated financial statements)

Chairman: Chia-Yu, Chen

Manager: Mao-Yang, Li

Accounting Officer: Chang-Kuo, Hsiao

**Podak Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**From January 1 to March 31, 2026 and 2025**

**Unit: NTD thousand**

|   | <u>January 2026</u><br><u>to March 2026</u> | <u>January 2025</u><br><u>to March 2025</u> |
|---|---|---|
| <b>Cash flows from operating activities:</b>                                |   |   |
| <b>Net income before tax</b>  | \$ 89,667                                   | 86,632                                      |
| <b>Adjustments:</b>   |   |   |
| Adjustments to reconcile profit (loss)                                      |   |   |
| Depreciation expense  | 4,392                                       | 4,499                                       |
| Amortization expense  | 53  | 53  |
| Expected credit impairment losses   | -   | 52  |
| Interest expense  | 1,767                                       | 1,991                                       |
| Inventory valuation and obsolescence losses (gain on reversal of losses)    | (938)                                       | (2,262)                                     |
| Interest income   | (341)                                       | (414)                                       |
| Share of profit or loss of associates accounted for using the equity method | (2)   | (2)   |
| Realized loss from sale   | 130   | 130   |
| Total adjustments to reconcile profit (loss)                                | <u>5,061</u>                                | <u>4,047</u>                                |
| Changes in operating assets and liabilities:                                |   |   |
| Changes in operating assets:  |   |   |
| Notes and accounts receivable   | 37,373                                      | 96,853                                      |
| Other receivables   | (5,314)                                     | (38,440)                                    |
| Inventories   | 104,510                                     | 63,973                                      |
| Other current assets  | 1,223                                       | 7,297                                       |
| Total net changes in assets related to operating activities                 | <u>137,792</u>                              | <u>129,683</u>                              |
| Changes in operating liabilities:   |   |   |
| Notes and accounts payable  | (9,611)                                     | (81,201)                                    |
| Other payables  | (314)                                       | 3,363                                       |
| Other current liabilities   | 9,199                                       | 388   |
| Net defined benefit liability   | (46)  | (39)  |
| Total net changes in liabilities related to operating activities            | <u>(772)</u>                                | <u>(77,489)</u>                             |
| Total net changes in assets and liabilities related to operating activities | <u>137,020</u>                              | <u>52,194</u>                               |
| Total adjustments   | <u>142,081</u>                              | <u>56,241</u>                               |
| Cash inflow generated from operations                                       | 231,748                                     | 142,873                                     |
| Interest received   | 341   | 375   |
| Interest paid   | (1,937)                                     | (1,953)                                     |
| Income tax refunded (paid)  | (12)  | 14  |
| <b>Net cash inflows from operating activities</b>                           | <u>230,140</u>                              | <u>141,309</u>                              |
| <b>Cash flows from investing activities:</b>                                |   |   |
| Acquisition of property, plant and equipment                                | -   | (317)                                       |
| Increase in refundable deposits   | (12)  | (105)                                       |
| <b>Net cash used in investing activities</b>                                | <u>(12)</u>                                 | <u>(422)</u>                                |
| <b>Cash flows from financing activities:</b>                                |   |   |
| Decrease in short-term borrowings   | (131,000)                                   | (31,000)                                    |
| Repayment of principal portion of lease liabilities                         | (723)                                       | (930)                                       |
| <b>Net cash used in financing activities</b>                                | <u>(131,723)</u>                            | <u>(31,930)</u>                             |
| Effect of exchange rate changes on cash and cash equivalents                | 4,791                                       | 3,286                                       |
| Increase in cash and cash equivalents for the period                        | 103,196                                     | 112,243                                     |
| Cash and cash equivalents at beginning of period                            | 377,192                                     | 270,567                                     |
| Cash and cash equivalents at end of period                                  | <u>\$ 480,388</u>                           | <u>382,810</u>                              |

(Please refer to the notes to the consolidated financial statements)

Chairman: Chia-Yu, Chen

Manager: Mao-Yang, Li

Accounting Officer: Chang-Kuo, Hsiao

**Podak Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**First Quarter of 2026 and 2025**  
**(Unless otherwise stated, all amounts are in thousands of NTD)**

**1. Company History**

Podak Co., Ltd. (hereinafter referred to as the “Company”) was incorporated with the approval of the Ministry of Economic Affairs on August 14, 1987, with its registered address at 10th Floor, No. 129, Section 2, Zhongshan North Road, Taipei City. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are primarily engaged in the import and export trading of various motors, electronic components, and electrical machinery, as well as acting as an agent, bidding, and distributing for domestic and foreign manufacturers of the aforementioned products.

**2. Approval Date and Procedures of the Consolidated Financial Statements**

The consolidated financial statements were approved by the Board of Directors on May 7, 2026, and then issued.

**3. Application of New Standards, Amendments and Interpretations**

(1) Effect of adoption of new and amended standards and interpretations endorsed by the Financial Supervisory Commission (“FSC”)

The Group has adopted the newly amended IFRS Accounting Standards since January 1, 2026, which did not cause a significant impact on the consolidated financial statements.

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(2) New and revised standards and interpretations not yet endorsed by the FSC

The standards and interpretations that have been issued and revised by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC and may be relevant to the Group are as follows:

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

| New standards or amendments                                      | Major amendments   | Effective date announced by IASB   |
|--|--|--|
| IFRS 18<br>“Presentation and Disclosure in Financial Statements” | <p>The new standard brings three categories of income and expenses, two income statement subtotals and one single note on management-defined performance measures. (MPMs). The three amendments, combined with enhanced disaggregation guidance, set the stage for better and more consistent information for users and will affect all companies.</p> <ul style="list-style-type: none"> <li>• More structured income statements: Under the existing standard, companies use different formats to present their operating results, making it difficult for investors to compare different companies’ financial performance. The new standard adopts a more structured income statement, a new definition of operating profit subtotal, and a requirement that all income and expenses should be classified into three new different categories based on a company’s main operating activities.</li> <li>• MPMs: The new standard adopts a definition of MPMs and a requirement that companies should explain, in a single note to the financial statements, why each measure provides useful information, how it is calculated and how it is reconciled to amounts recognized in accordance with the IFRS Accounting Standards.</li> <li>• More disaggregated information: The new standard includes guidance on how companies can enhance the disaggregation of information in their financial statements. This includes guidance on whether the information should be included in the main financial statements or further disaggregated in the notes.</li> </ul> | <p>January 1, 2027</p> <p>Note: The Financial Supervisory Commission (FSC) issued a press release on September 25, 2025, announcing that Taiwan will adopt IFRS 18 in the fiscal year of 2028. If the Company has a need for early adoption, it may also elect to apply the standard in advance after the FSC endorses it.</p> |

The Group is currently evaluating the impact of the above standards and interpretations on the Group’s financial position and operating performance and will disclose relevant impacts when completing the evaluation.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

The Group does not expect that other new and revised standards that have not yet been endorsed will have a significant impact on the 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
- Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”

### 4. Summary of Material Accounting Policies

#### (1) Compliance statement

This consolidated financial statements has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Regulations”) and the IAS 34 “Interim Financial Reporting” endorsed and issued by the FSC. This consolidated financial statements does not include all necessary information to be disclosed in the entire annual consolidated financial statement prepared in accordance with the IFRS, IAS, Interpretations endorsed and issued by the FSC (hereinafter referred to as the “IFRS Accounting Standards endorsed by the FSC”).

Except as stated below, the significant accounting policies adopted in this consolidated financial statements are the same as those in the 2025 Consolidated Financial Statement. For relevant information, please refer to Note 4 to the 2025 Consolidated Financial Statement.

#### (2) Basis of consolidation

The principles for preparing the consolidated financial statements and the subsidiaries included in the consolidated financial statements are consistent with Note 4(3) to the 2025 Consolidated Financial Statement.

Subsidiaries in the consolidated financial statements include:

| Name of investor             | Name of subsidiary                 | Main business activities                           | Ownership (%)  |                   |                |
|------------------------------|------------------------------------|--|----------------|-------------------|----------------|
|                              |                                    |  | March 31, 2026 | December 31, 2025 | March 31, 2025 |
| The Company                  | Kai Ta International Limited       | Investing company                                  | 100%           | 100%              | 100%           |
| Kai Ta International Limited | Podak(H.K.) Co., Ltd.              | Import and export trading of electronic components | 100%           | 100%              | 100%           |
| Kai Ta International Limited | Podak International (SH) Co., Ltd. | Import and export trading of electronic components | 100%           | 100%              | 100%           |
| Kai Ta International Limited | Podak (SZ) Co., Ltd.               | Import and export trading of electronic components | 100%           | 100%              | 100%           |

## **Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)**

### **(3) Employee benefits**

Pension costs for defined benefit plans in interim periods are calculated using the pension cost rate actuarially determined as of the previous year's reporting date, based on the period from the beginning of the year to the end of the current period, and are adjusted for significant market fluctuations, significant curtailments, settlements, or other significant one-off events after that reporting date.

### **(4) Income tax**

The Group measures and discloses the income tax expense for the interim period in accordance with IAS 34 Appendix B12, "Interim Financial Reporting".

Income tax expense is measured by multiplying the net profit before tax for the interim reporting period by management's best estimate of the expected effective tax rate for the full year and is fully recognized as current income tax expense.

Income tax expense directly recognized in equity or other comprehensive income is measured based on the temporary differences between the carrying amount of the related assets and liabilities for financial reporting purposes and their tax bases, using the applicable tax rates when the assets are expected to be realized or the liabilities settled.

## **5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty**

When preparing these consolidated financial statements in accordance with the preparation criteria and IAS 34, "Interim Financial Reporting," as endorsed by the FSC, management must make judgments and estimates about the future (including climate-related risks and opportunities), which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from estimates.

During the preparation of the consolidated financial statement, the significant judgments made by the management in adopting the accounting policies of the Group and the main sources of estimation uncertainty are consistent with Note 5 to the 2025 Consolidated Financial Statement.

## **6. Details of Significant Accounts**

Except for the following, there is no significant difference between the description of significant accounting items in this consolidated financial statement and the 2025 Consolidated Financial Statement. For relevant information, please refer to Note 6 to the 2025 Consolidated Financial Statement.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

(1) Cash and cash equivalents

|  | <b>March 31,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|--|---------------------------|------------------------------|---------------------------|
| Cash   | \$ 927                    | 908                          | 730                       |
| Bank deposits  |                           |                              |                           |
| Checking deposit   | 91                        | 164                          | 197                       |
| Demand deposits  | 125,159                   | 138,207                      | 117,445                   |
| Time deposits  | -                         | -                            | 66,410                    |
| Foreign currency deposits  | 354,211                   | 237,913                      | 198,028                   |
| Cash and cash equivalents listed in<br>the consolidated statement of<br>cash flows | <b>\$ 480,388</b>         | <b>377,192</b>               | <b>382,810</b>            |

The original maturity dates of the Group's time deposits are all within three months, with high liquidity and minimal risk of changes in value.

(2) Financial assets at fair value through other comprehensive income

|  | <b>March 31,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|--|---------------------------|------------------------------|---------------------------|
| Equity instruments at fair value<br>through other comprehensive<br>income: |                           |                              |                           |
| Domestic unlisted stocks -<br>LumiSTAR Biotechnology, Inc.                 | <b>\$ 15,000</b>          | <b>15,000</b>                | <b>15,000</b>             |

A. These equity instrument investments held by the Group are long-term strategic investments and are not held for trading purposes, so they have been designated to be measured at fair value through other comprehensive income.

B. On March 22, 2024, the Group made a new investment of NTD 15,000 thousand in LumiSTAR Biotechnology, Inc. to create a differentiated competitive advantage within the industry.

C. Please refer to Note 6(18) for the information on the credit and the market risks.

D. The above financial assets have not been pledged as collateral.

(3) Notes and accounts receivable

|   | <b>March 31,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|---|---------------------------|------------------------------|---------------------------|
| Notes receivable from operating<br>activities | \$ 334                    | 146                          | 1,580                     |
| Accounts receivable                           |                           |                              |                           |
| - at amortized cost                           | 950,373                   | 987,934                      | 971,120                   |
| Accounts receivable, net                      | <b>\$ 950,707</b>         | <b>988,080</b>               | <b>972,700</b>            |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

The Group adopts a simplified approach to estimating the expected credit losses for all notes and accounts receivables, which are measured at lifetime expected credit losses. To this end, such notes and accounts receivables are grouped by common credit risk characteristics that represent a customer's ability to pay all amounts due as per the contract terms with forward-looking information incorporated, including macroeconomic and relevant industry information. An analysis of the expected credit losses for the Group's notes receivable and accounts receivable is as follows:

|                                | <b>March 31, 2026</b>   |  |  |
|--------------------------------|---|--|--|
|                                | <b>Carrying amount<br/>of notes and<br/>accounts receivable</b> | <b>Weighted<br/>average expected<br/>credit loss ratio</b> | <b>Allowance for<br/>lifetime expected<br/>credit losses</b> |
| Not past due                   | \$ 942,806  | 0%   | -  |
| Past due for less than 30 days | 7,901   | 0%   | -  |
|                                | <b><u>\$ 950,707</u></b>  |  | <b><u>-</u></b>  |

|                                | <b>December 31, 2025</b>                              |  |  |
|--------------------------------|---|--|--|
|                                | <b>Carrying amount<br/>of accounts<br/>receivable</b> | <b>Weighted<br/>average expected<br/>credit loss ratio</b> | <b>Allowance for<br/>lifetime expected<br/>credit losses</b> |
| Not past due                   | \$ 983,287  | 0%   | -  |
| Past due for less than 30 days | 4,762   | 0%   | -  |
| 31~60 days past due            | 31  | 0%   | -  |
|                                | <b><u>\$ 988,080</u></b>                              |  | <b><u>-</u></b>  |

|                                | <b>March 31, 2025</b>   |  |  |
|--------------------------------|---|--|--|
|                                | <b>Carrying amount<br/>of notes and<br/>accounts receivable</b> | <b>Weighted<br/>average expected<br/>credit loss ratio</b> | <b>Allowance for<br/>lifetime expected<br/>credit losses</b> |
| Not past due                   | \$ 951,349  | 0%   | -  |
| Past due for less than 30 days | 21,346  | 0%   | 47   |
| 31~60 days past due            | 5   | 100%   | 5  |
|                                | <b><u>\$ 972,700</u></b>  |  | <b><u>52</u></b>   |

The changes in the allowance for losses on the Group's notes and accounts receivable are as follows:

|                            | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|----------------------------|---------------------------------------|---------------------------------------|
| Opening balance            | \$ -                                  | -                                     |
| Impairment loss recognized | -                                     | 52                                    |
| Ending balance             | <b><u>\$ -</u></b>                    | <b><u>52</u></b>                      |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

The Company and its subsidiary, Podak (H.K.) Co., Ltd., have a recourse factoring agreement for accounts receivable with CTBC Bank, effective until September 30, 2026. Details of information related to accounts receivable factoring transactions with recourse as of March 31, 2026, December 31, 2025, and March 31, 2025, are as follows:

Unit: USD thousand

| Date              | Transaction company    | Purchaser | Amount of resale | Limit  | Advanced amount | Retention | Interest rate | Collateral             |
|-------------------|------------------------|-----------|------------------|--------|-----------------|-----------|---------------|------------------------|
| March 31, 2026    | Podak Co., Ltd.        | CTBC Bank | \$ 2,760         | 15,000 | -               | -         | -             | Promissory note 15,000 |
| "                 | Podak (H.K.) Co., Ltd. | "         | 1,274            | 3,000  | -               | -         | -             | Promissory note 3,000  |
| December 31, 2025 | Podak Co., Ltd.        | CTBC Bank | 3,942            | 15,000 | -               | -         | -             | Promissory note 15,000 |
| "                 | Podak (H.K.) Co., Ltd. | "         | 1,422            | 3,000  | -               | -         | -             | Promissory note 3,000  |
| March 31, 2025    | Podak Co., Ltd.        | CTBC Bank | 2,182            | 15,000 | -               | -         | -             | Promissory note 15,000 |
| "                 | Podak (H.K.) Co., Ltd. | "         | 367              | 3,000  | -               | -         | -             | Promissory note 3,000  |

#### (4) Other receivables

|   | March 31, 2026  | December 31, 2025 | March 31, 2025 |
|---|-----------------|-------------------|----------------|
| Other receivables - service fee           | \$ 1,598        | 2,368             | 4,156          |
| Other receivables - refundable tax amount | 6,304           | -                 | 11,865         |
| Others                                    | 520             | 740               | 25,194         |
|   | <u>\$ 8,422</u> | <u>3,108</u>      | <u>41,215</u>  |

For credit risk information, please refer to Note 6(18).

#### (5) Inventories

|   | March 31, 2026    | December 31, 2025 | March 31, 2025 |
|---|-------------------|-------------------|----------------|
| Inventories   | \$ 239,604        | 344,827           | 296,956        |
| Less: Allowance for market value decline and loss on obsolete and slow-moving inventories | (3,860)           | (4,795)           | (6,770)        |
| Inventories   | <u>\$ 235,744</u> | <u>340,032</u>    | <u>290,186</u> |

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's inventory had not been provided as a pledge.

The details of the Group's cost of goods sold are as follows:

|   | January 2026 to March 2026 | January 2025 to March 2025 |
|---|----------------------------|----------------------------|
| Cost of goods   | \$ 612,363                 | 562,747                    |
| Gain on reversal of inventory valuation and obsolescence losses | (938)                      | (2,262)                    |
|   | <u>\$ 611,425</u>          | <u>560,485</u>             |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

(6) Investments accounted for using equity method

The Group's investments accounted for using equity method on the reporting date are presented as follows:

|            | <b>March 31,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|------------|---------------------------|------------------------------|---------------------------|
| Associates | <b>\$ 3,843</b>           | <b>3,971</b>                 | <b>4,524</b>              |

In July 2021, the Group made a new investment in Podak Tien-Ho Technology Co., Ltd. and holds a 45% stake. The company is primarily engaged in international trade and the wholesale and retail of precision instruments. As of March 31, 2026, December 31, 2025, and March 31, 2025, the initial investment cost in this company was NTD 2,700 thousand. Please refer to Note 7 for related transaction information.

(7) Property, plant and equipment

|                 | <b>Land</b>       | <b>Buildings<br/>and<br/>structures</b> | <b>Transportation<br/>equipment</b> | <b>Office<br/>equipment</b> | <b>Computer and<br/>telecommunication<br/>equipment</b> | <b>Other<br/>equipment</b> | <b>Total</b>   |
|-----------------|-------------------|---|-------------------------------------|-----------------------------|---|----------------------------|----------------|
| March 31, 2026  | <u>\$ 105,946</u> | <u>92,940</u>                           | <u>3,932</u>                        | <u>772</u>                  | <u>912</u>  | <u>13,058</u>              | <u>217,560</u> |
| January 1, 2026 | <u>\$ 105,946</u> | <u>92,079</u>                           | <u>4,291</u>                        | <u>882</u>                  | <u>1,044</u>  | <u>14,569</u>              | <u>218,811</u> |
| March 31, 2025  | <u>\$ 105,946</u> | <u>95,683</u>                           | <u>5,986</u>                        | <u>838</u>                  | <u>1,187</u>  | <u>21,305</u>              | <u>230,945</u> |
| January 1, 2025 | <u>\$ 105,946</u> | <u>95,262</u>                           | <u>6,361</u>                        | <u>914</u>                  | <u>919</u>  | <u>23,522</u>              | <u>232,924</u> |

There were no significant additions, disposals, impairment losses, or reversals of impairment losses for the Group' property, plant, and equipment between January 1 and March 31, 2026, and 2025. Please refer to Note 12(1) for the depreciation amount for the current period. Other related information can be found in Note 6(7) to the 2025 consolidated financial statements.

Please refer to Note 8 for details of collateral for borrowings and financing limits as of March 31, 2026, December 31, 2025, and March 31, 2025.

(8) Right-of-use assets

|                  | <b>Buildings and<br/>structures</b> | <b>Transportation<br/>equipment</b> | <b>Total</b> |
|------------------|-------------------------------------|-------------------------------------|--------------|
| Carrying amount: |                                     |                                     |              |
| March 31, 2026   | <u>\$ 2,224</u>                     | <u>2,620</u>                        | <u>4,844</u> |
| January 1, 2026  | <u>\$ 2,580</u>                     | <u>2,900</u>                        | <u>5,480</u> |
| March 31, 2025   | <u>\$ 1,809</u>                     | <u>3,812</u>                        | <u>5,621</u> |
| January 1, 2025  | <u>\$ 2,212</u>                     | <u>4,302</u>                        | <u>6,514</u> |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

(9) Short-term borrowings

The details of the Group's short-term borrowings are as follows:

|                    | <b>March 31,<br/>2026</b>  | <b>December 31,<br/>2025</b> | <b>March 31,<br/>2025</b>    |
|--------------------|----------------------------|------------------------------|------------------------------|
| Secured bank loans | \$ 120,000                 | 120,000                      | 122,000                      |
| Credit borrowings  | 160,000                    | 291,000                      | 245,000                      |
| Total              | <b><u>\$ 280,000</u></b>   | <b><u>411,000</u></b>        | <b><u>367,000</u></b>        |
| Unused credit line | <b><u>\$ 499,900</u></b>   | <b><u>383,900</u></b>        | <b><u>427,900</u></b>        |
| Interest rate      | <b><u>1.945%-2.30%</u></b> | <b><u>1.78%-2.385%</u></b>   | <b><u>1.895%-2.2344%</u></b> |

Please refer to Note 8 for the Group's asset pledged as collateral for bank loans, Note 7 for the related explanation of joint guarantees by the Group's key management personnel, and Note 9(2) for the issuance of promissory notes as borrowing collateral. Please refer to Note 6(17) for interest expense.

(10) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows:

|             | <b>March 31,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|-------------|---------------------------|------------------------------|---------------------------|
| Current     | <b><u>\$ 2,125</u></b>    | <b><u>2,400</u></b>          | <b><u>2,550</u></b>       |
| Non-current | <b><u>\$ 2,795</u></b>    | <b><u>3,165</u></b>          | <b><u>3,153</u></b>       |

For maturity analysis, please refer to Note 6(18) Financial Instruments.

The amounts recognized in profit or loss are as follows:

|                                     | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Interest expense on lease liability | <b><u>\$ 25</u></b>                   | <b><u>27</u></b>                      |
| Expense of short-term leases        | <b><u>\$ 760</u></b>                  | <b><u>1,043</u></b>                   |

The amounts recognized in the statement of cash flows are as follows:

|                               | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|-------------------------------|---------------------------------------|---------------------------------------|
| Total cash outflow from lease | <b><u>\$ 1,483</u></b>                | <b><u>1,973</u></b>                   |

The Group leases buildings and structures as office premises and warehouses. The lease terms are typically one to three years, and the leases include options to extend for the same period at the end of the original contract term.

The Group leases transportation equipment for a term of five years. The leases provide the Group with options to purchase the leased assets at the end of the lease term.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

(11) Employee benefits

A. Defined benefit plan

As there were no significant market fluctuations, significant curtailments, settlements, or other significant one-off events after the end of the previous fiscal year, the Group adopted the pension cost actuarially determined as of December 31, 2025, and 2024, to measure and disclose pension costs for the interim period.

The details of the Group's expenses are as follows:

|                  | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|------------------|---------------------------------------|---------------------------------------|
| Selling expenses | \$ <b>8</b>                           | <b>11</b>                             |

B. Defined contribution plan

The pension expenses under the Group's defined contribution pension plan, which have been contributed to the Bureau of Labor Insurance, and fund companies approved by the Hong Kong Mandatory Provident Fund Schemes Authority and China's Ministry of Human Resources and Social Security, are as follows:

|                                     | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Selling expenses                    | \$ 411                                | 486                                   |
| General and administrative expenses | 627                                   | 842                                   |
| Total                               | <b>\$ 1,038</b>                       | <b>1,328</b>                          |

(12) Income tax

The details of the Group's income tax expenses are as follows:

|                                  | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|----------------------------------|---------------------------------------|---------------------------------------|
| Current income tax expense       |                                       |                                       |
| Recognized in the current period | \$ 17,945                             | 17,360                                |
| Income tax expense               | <b>\$ 17,945</b>                      | <b>17,360</b>                         |

The profit-seeking enterprise income tax returns filed by the Company up to 2023 have been approved by the tax authority.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

### (13) Capital and other equity items

Except as described below, there were no significant changes in the Group's share capital, capital, and other equity between January 1 and March 31, 2026, and 2025. Please refer to Note 6(13) to the 2025 consolidated financial statements for related information.

#### A. Retained earnings

According to the Company's Articles of Incorporation, the Group's net profit at the end of each fiscal year shall be distributed in the following order:

- Payment of taxes.
- Offsetting losses.
- Appropriation of 10% as legal reserve, except when the legal reserve has reached the total capital of the Group.
- Appropriation or reversal of special reserve in accordance with the law.
- The Group will consider the Company's environment and growth stage, respond to future capital needs and long-term financial plan, and, while maintaining a sound financial structure, use the remaining balance after appropriations in subparagraphs 1 to 4, together with prior years' accumulated unappropriated earnings, as the distributable amount for shareholders' dividends and bonuses, and appropriate 10% to 100% of the distributable amount. The Board of Directors will formulate an earnings distribution proposal and submit it to the shareholders' meeting for approval before distribution or change. The cash dividends distributed in the current year shall not be less than 30% of the total dividends. The Company may, upon a resolution passed by a majority of the directors present at a meeting attended by at least two-thirds of all directors, distribute all or part of the distributable dividends, bonuses, legal reserve, or capital surplus in cash and report to the shareholders' meeting.

The Company's Board of Directors resolved the cash dividend amount for the 2025 earnings distribution proposal on May 7, 2026, and the cash dividend amount for the 2024 earnings distribution proposal on March 4, 2025. The amounts regarding the dividends distributed to owners are as follows:

|   | <u>2025</u>    | <u>2024</u> |
|---|----------------|-------------|
| Dividends distributed to common shareholders<br>(NTD) |                |             |
| Cash  | <u>\$ 2.00</u> | <u>2.30</u> |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

### B. Other equity

|   | <b>Exchange<br/>differences on<br/>translation of<br/>foreign financial<br/>statements</b> |
|---|--|
| January 1, 2026   | \$ (16,217)  |
| Exchange differences arising from the translation of the financial statements of foreign operations | 6,527  |
| Balance on March 31, 2026   | <b>\$ (9,690)</b>  |
| January 1, 2025   | \$ (13,952)  |
| Exchange differences arising from the translation of the financial statements of foreign operations | 4,587  |
| Balance on March 31, 2025   | <b>\$ (9,365)</b>  |

### (14) Earnings per share

The calculation of the Group's basic earnings per share and diluted earnings per share is as follows:

|  | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Basic earnings per share</b>  |                                       |                                       |
| Net profit attributable to the parent company  | <b>\$ 71,722</b>                      | <b>69,272</b>                         |
| Weighted average number of outstanding ordinary shares (in thousands of shares)                          | <b>56,243</b>                         | <b>56,243</b>                         |
| <b>Basic earnings per share (NTD)</b>  | <b>\$ 1.28</b>                        | <b>1.23</b>                           |
| <b>Diluted earnings per share</b>  |                                       |                                       |
| Net profit attributable to ordinary equity holders of the parent company (adjusted for dilution)         | <b>\$ 71,722</b>                      | <b>69,272</b>                         |
| Weighted average number of outstanding ordinary shares (in thousands of shares)                          | 56,243                                | 56,243                                |
| Effect of employee compensation on dilutive potential ordinary shares                                    | 272                                   | 323                                   |
| Weighted average number of ordinary shares outstanding (adjusted for dilutive potential ordinary shares) | <b>56,515</b>                         | <b>56,566</b>                         |
| <b>Diluted earnings per share (NTD)</b>  | <b>\$ 1.27</b>                        | <b>1.22</b>                           |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

(15) Revenue from contracts with customers

A. Breakdown of income

| January 2026 to March 2026        |                   |                |                |                   |                |
|-----------------------------------|-------------------|----------------|----------------|-------------------|----------------|
|                                   | B1<br>segment     | B3<br>segment  | B4<br>segment  | Other<br>segments | Total          |
| Main regional markets:            |                   |                |                |                   |                |
| Taiwan                            | \$ 57,209         | 22,920         | 119,028        | 123,316           | 322,473        |
| China                             | 160,098           | 97,991         | -              | 32,368            | 290,457        |
| Other countries                   | 70,700            | -              | 47,032         | 971               | 118,703        |
|                                   | <b>\$ 288,007</b> | <b>120,911</b> | <b>166,060</b> | <b>156,655</b>    | <b>731,633</b> |
| Major products/<br>service lines: |                   |                |                |                   |                |
| Sales of electronic<br>components | <b>\$ 288,007</b> | <b>120,911</b> | <b>166,060</b> | <b>156,655</b>    | <b>731,633</b> |

| January 2025 to March 2025        |                   |                |               |                   |                |
|-----------------------------------|-------------------|----------------|---------------|-------------------|----------------|
|                                   | B1<br>segment     | B3<br>segment  | B4<br>segment | Other<br>segments | Total          |
| Main regional markets:            |                   |                |               |                   |                |
| Taiwan                            | \$ 48,826         | 16,803         | 88,951        | 72,790            | 227,370        |
| China                             | 199,978           | 146,219        | -             | 62,298            | 408,495        |
| Other countries                   | 40,897            | -              | 7,782         | 1,634             | 50,313         |
|                                   | <b>\$ 289,701</b> | <b>163,022</b> | <b>96,733</b> | <b>136,722</b>    | <b>686,178</b> |
| Major products/<br>service lines: |                   |                |               |                   |                |
| Sales of electronic<br>components | <b>\$ 289,701</b> | <b>163,022</b> | <b>96,733</b> | <b>136,722</b>    | <b>686,178</b> |

(16) Remuneration to employees and directors

The Company resolved to amend its Articles of Incorporation at the shareholders' meeting on June 25, 2025. According to the amended Articles, if there is an annual profit, 4% shall be appropriated as employee compensation and no more than 1.5% as director remuneration. However, if the Company has accumulated losses, the amount to offset the losses shall be reserved in advance. Of the aforementioned employee compensation, no less than 5% shall be allocated for distribution to entry-level employees. The recipients of the aforementioned employee compensation in the form of shares or cash include employees of subsidiaries who meet certain conditions.

According to the Company's Articles of Incorporation prior to the amendment, if there is an annual profit, 4% shall be appropriated as employee compensation and no more than 1.5% as director remuneration. However, if the Company has accumulated losses, the amount to offset the losses shall be reserved in advance. The recipients of the aforementioned employee compensation in the form of shares or cash include employees of subsidiaries who meet certain conditions.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

The amounts of the Company's employee compensation appropriated for the periods from January 1 to March 31, 2026 and 2025, were NTD 3,795 thousand (of which NTD 569 thousand was for entry-level employees) and NTD 3,654 thousand, respectively, and the amounts of director remuneration appropriated were NTD 1,423 thousand and NTD 1,370 thousand, respectively. These said amounts were estimated based on the Company's pre-tax net profit for the respective periods before deducting employee compensation and director remuneration, multiplied by the distribution percentages for employee compensation and director remuneration stipulated in the Company's Articles of Incorporation, and were reported as operating expenses for those periods. If there is a difference between the actual distribution amount in the following year and the estimated amount, it will be treated as a change in accounting estimate, and the difference will be recognized as profit or loss in the following year. If the Board of Directors resolves to distribute employee compensation in the form of shares, the number of shares for the stock compensation is calculated based on the closing price of the common stock on the day before the shareholders' meeting resolution.

For 2025 and 2024, the Company allocated NTD 7,602 thousand and NTD 11,063 thousand for employee compensation, respectively, with actual distributions of NTD 7,602 thousand and NTD 11,055 thousand; and director remuneration allocated amounted to NTD 2,851 thousand and NTD 4,149 thousand, with actual distributions of NTD 2,851 thousand and NTD 4,146 thousand, respectively. The difference between the allocated and distributed amounts for 2024 is treated as a change in accounting estimates, with the difference recognized in the profit or loss for 2025. Information on employee compensation and director/supervisor remuneration approved by the Board of Directors is available on the MOPS among other channels.

### (17) Non-operating income and expenses

#### A. Interest income

The details of interest revenue of the Group are as follows:

|                                    | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|------------------------------------|---------------------------------------|---------------------------------------|
| Interest income from bank deposits | \$ 341                                | 407                                   |
| Interest income - other            | -                                     | 7                                     |
|                                    | <b><u>\$ 341</u></b>                  | <b><u>414</u></b>                     |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

### B. Other income

The details of other income of the Group are as follows:

|                | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|----------------|---------------------------------------|---------------------------------------|
| Rental revenue | 18                                    | 18                                    |
| Others         | 16                                    | 665                                   |
|                | <b>\$ 34</b>                          | <b>683</b>                            |

### C. Other gains and losses

The details of other profits and losses of the Group are as follows:

|  | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|--|---------------------------------------|---------------------------------------|
| Foreign currency exchange gains (losses) | \$ 20,427                             | 15,768                                |
| Other losses                             | (1)                                   | (363)                                 |
|  | <b>\$ 20,426</b>                      | <b>15,405</b>                         |

### D. Finance costs

The details of finance costs of the Group are as follows:

|                  | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|------------------|---------------------------------------|---------------------------------------|
| Interest expense | <b>\$ 1,767</b>                       | <b>1,991</b>                          |

### E. Share of profit or loss of associates accounted for using the equity method

|  | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|--|---------------------------------------|---------------------------------------|
| Investment income recognized using the equity method | <b>\$ 2</b>                           | <b>2</b>                              |

## (18) Financial instruments

Except for the following, there is no significant change in the fair value of the financial instruments of the Group and the exposure to credit risk, liquidity risk and market risk due to financial instruments. For relevant information, please refer to Note 6(18) to the 2025 Consolidated Financial Statement.

### A. Credit risk

#### (A) Credit risk concentration

As of March 31, 2026, December 31, 2025, and March 31, 2025, 74%, 73%, and 72% of the Group's accounts receivable balances were composed of balances from three customer groups, respectively, indicating a significant concentration of credit risk for the Group. The Group's sales are concentrated in a few major customers. To reduce the credit risk of accounts receivable, the Group

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

continuously assesses the financial condition of its customers and requires them to provide collateral or guarantees when necessary. The Group regularly assesses the recoverability of accounts receivable and recognizes an allowance for doubtful accounts, and the total bad debt losses are within management's expectations.

### (B) Credit risk of receivables

Please refer to Note 6(3) for information on the credit risk exposed to notes and accounts receivable.

Other financial assets measured at amortized cost are other receivables.

The above are all financial assets with low credit risk, and therefore there is no significant amount of expected credit losses.

### B. Liquidity risk

The table below indicates the contractual maturity dates for financial liabilities, including estimated interest but excluding the effect of netting agreements.

|                                      | Carrying<br>amount | Contractual<br>cash flow | Within 6<br>months | 6-12<br>months | 1-2<br>years | 2-5<br>years | Over 5<br>years |
|--------------------------------------|--------------------|--------------------------|--------------------|----------------|--------------|--------------|-----------------|
| <b>March 31, 2026</b>                |                    |                          |                    |                |              |              |                 |
| Non-derivative financial liabilities |                    |                          |                    |                |              |              |                 |
| Secured bank loans                   | \$ 120,000         | 120,054                  | 120,054            | -              | -            | -            | -               |
| Unsecured bank loans                 | 160,000            | 160,654                  | 160,654            | -              | -            | -            | -               |
| Notes and accounts payable           | 203,195            | 203,195                  | 203,195            | -              | -            | -            | -               |
| Other payables                       | 42,261             | 42,261                   | 42,261             | -              | -            | -            | -               |
| Lease liabilities                    | 4,920              | 5,042                    | 1,349              | 849            | 1,832        | 1,012        | -               |
|                                      | <u>\$ 530,376</u>  | <u>531,206</u>           | <u>527,513</u>     | <u>849</u>     | <u>1,832</u> | <u>1,012</u> | <u>-</u>        |
| <b>December 31, 2025</b>             |                    |                          |                    |                |              |              |                 |
| Non-derivative financial liabilities |                    |                          |                    |                |              |              |                 |
| Secured bank loans                   | \$ 120,000         | 120,054                  | 120,054            | -              | -            | -            | -               |
| Unsecured bank loans                 | 291,000            | 292,065                  | 292,065            | -              | -            | -            | -               |
| Notes and accounts payable           | 212,806            | 212,806                  | 212,806            | -              | -            | -            | -               |
| Other payables                       | 42,770             | 42,770                   | 42,770             | -              | -            | -            | -               |
| Lease liabilities                    | 5,565              | 5,710                    | 1,441              | 1,041          | 1,813        | 1,415        | -               |
|                                      | <u>\$ 672,141</u>  | <u>673,405</u>           | <u>669,136</u>     | <u>1,041</u>   | <u>1,813</u> | <u>1,415</u> | <u>-</u>        |
| <b>March 31, 2025</b>                |                    |                          |                    |                |              |              |                 |
| Non-derivative financial liabilities |                    |                          |                    |                |              |              |                 |
| Secured bank loans                   | \$ 122,000         | 122,041                  | 122,041            | -              | -            | -            | -               |
| Unsecured bank loans                 | 245,000            | 245,944                  | 245,944            | -              | -            | -            | -               |
| Notes and accounts payable           | 146,089            | 146,089                  | 146,089            | -              | -            | -            | -               |
| Other payables                       | 189,544            | 189,544                  | 189,544            | -              | -            | -            | -               |
| Lease liabilities                    | 5,703              | 5,841                    | 1,445              | 1,182          | 1,663        | 1,551        | -               |
|                                      | <u>\$ 708,336</u>  | <u>709,459</u>           | <u>705,063</u>     | <u>1,182</u>   | <u>1,663</u> | <u>1,551</u> | <u>-</u>        |

The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

### C. Foreign exchange risk

The Group's financial assets and liabilities exposed to significant foreign exchange rate risk are as follows:

|                              | March 31, 2026   |               |         | December 31, 2025 |               |         | March 31, 2025   |               |         |           |
|------------------------------|------------------|---------------|---------|-------------------|---------------|---------|------------------|---------------|---------|-----------|
|                              | Foreign currency | Exchange rate | NTD     | Foreign currency  | Exchange rate | NTD     | Foreign currency | Exchange rate | NTD     |           |
| <u>Financial assets</u>      |                  |               |         |                   |               |         |                  |               |         |           |
| <u>Monetary items</u>        |                  |               |         |                   |               |         |                  |               |         |           |
| USD                          | \$               | 38,641        | 31.9950 | 1,236,304         | 36,702        | 31.4300 | 1,153,531        | 35,682        | 33.2050 | 1,184,810 |
| CNY                          |                  | 7,548         | 4.6290  | 34,525            | 6,117         | 4.4960  | 27,503           | 1,491         | 4.5730  | 6,819     |
| <u>Financial liabilities</u> |                  |               |         |                   |               |         |                  |               |         |           |
| <u>Monetary items</u>        |                  |               |         |                   |               |         |                  |               |         |           |
| USD                          | \$               | 5,882         | 31.9950 | 188,206           | 6,026         | 31.4300 | 189,401          | 4,049         | 33.2050 | 134,438   |
| EUR                          |                  | 6             | 36.7100 | 204               | -             | -       | -                | -             | -       | -         |
| CNY                          |                  | 3,670         | 4.6290  | 16,990            | 5,506         | 4.4960  | 24,755           | 2,857         | 4.5730  | 13,067    |

The Group's exchange rate risk mainly arises from cash and cash equivalents denominated in foreign currencies, accounts receivable, other receivables, accounts payable, and other payables, resulting in foreign exchange gains and losses during translation. On March 31, 2026, and 2025, when the NTD depreciated or appreciated by 1% against the USD, HKD, CNY, and JPY, with all other factors held constant, the net income after tax for the periods from January 1 to March 31, 2026, and 2025 would have increased or decreased by NTD 8,523 thousand and NTD 8,353 thousand, respectively. The analyses in the two periods are on the same basis.

With the wide variety of the Group's functional currencies, the information on the exchange gains or losses on monetary items is disclosed in an aggregate manner. The foreign exchange gains and losses (including realized and unrealized) for the periods from January 1 to March 31, 2026, and 2025, were NTD 20,427 thousand and NTD 15,768 thousand, respectively.

### D. Interest rate analysis

The exposure of the Group's financial assets and financial liabilities to interest rate risk is described in liquidity risk management in this note.

### E. Fair value information

The Group believes that, with the exception of financial liabilities designated at fair value through other comprehensive income upon initial recognition, the carrying amounts of its remaining financial assets and financial liabilities in the consolidated financial statements approximate their fair values.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

(A) Types and fair values of financial instruments

The Group's financial assets through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of various types of financial assets and financial liabilities are listed as follows (including fair value hierarchy information, but it is not required to disclose the information on the fair values of the financial instruments not measured at fair value with the carrying amounts being reasonable approximations of the fair values and lease liabilities):

|   | March 31, 2026     |            |          |               |               |
|---|--------------------|------------|----------|---------------|---------------|
|   | Carrying<br>amount | Fair value |          |               | Total         |
|   |                    | Level 1    | Level 2  | Level 3       |               |
| Financial assets at fair value through other comprehensive income |                    |            |          |               |               |
| Domestic unlisted stocks  | <u>\$ 15,000</u>   | <u>-</u>   | <u>-</u> | <u>15,000</u> | <u>15,000</u> |
| Financial assets measured at amortised cost                       |                    |            |          |               |               |
| Cash and cash equivalents   | 480,388            | -          | -        | -             | -             |
| Notes and Accounts receivable                                     | 950,707            | -          | -        | -             | -             |
| Other receivables   | <u>8,422</u>       | <u>-</u>   | <u>-</u> | <u>-</u>      | <u>-</u>      |
| Subtotal  | <u>1,439,517</u>   | <u>-</u>   | <u>-</u> | <u>-</u>      | <u>-</u>      |
| Financial liabilities at amortised cost                           |                    |            |          |               |               |
| Bank loans  | \$ 280,000         | -          | -        | -             | -             |
| Notes and accounts payable  | 203,195            | -          | -        | -             | -             |
| Other payables  | 42,261             | -          | -        | -             | -             |
| Lease liabilities   | <u>4,920</u>       | <u>-</u>   | <u>-</u> | <u>-</u>      | <u>-</u>      |
| Subtotal  | <u>530,376</u>     | <u>-</u>   | <u>-</u> | <u>-</u>      | <u>-</u>      |
| Total   | <u>\$ 530,376</u>  | <u>-</u>   | <u>-</u> | <u>-</u>      | <u>-</u>      |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

| December 31, 2025   |                    |            |         |         |        |
|---|--------------------|------------|---------|---------|--------|
|   | Carrying<br>amount | Fair value |         |         | Total  |
|   |                    | Level 1    | Level 2 | Level 3 |        |
| Financial assets at fair value through other comprehensive income |                    |            |         |         |        |
| Domestic unlisted stocks  | \$ 15,000          | -          | -       | 15,000  | 15,000 |
| Financial assets measured at amortised cost                       |                    |            |         |         |        |
| Cash and cash equivalents   | 377,192            | -          | -       | -       | -      |
| Notes and Accounts receivable                                     | 988,080            | -          | -       | -       | -      |
| Other receivables   | 3,108              | -          | -       | -       | -      |
| Subtotal  | 1,368,380          | -          | -       | -       | -      |
| Financial liabilities at amortised cost                           |                    |            |         |         |        |
| Bank loans  | \$ 411,000         | -          | -       | -       | -      |
| Notes and Accounts receivable                                     | 212,806            | -          | -       | -       | -      |
| Other payables  | 42,770             | -          | -       | -       | -      |
| Lease liabilities   | 5,565              | -          | -       | -       | -      |
| Subtotal  | 672,141            | -          | -       | -       | -      |
| Total   | \$ 672,141         | -          | -       | -       | -      |
| March 31, 2025  |                    |            |         |         |        |
|   | Carrying<br>amount | Fair value |         |         | Total  |
|   |                    | Level 1    | Level 2 | Level 3 |        |
| Financial assets at fair value through other comprehensive income |                    |            |         |         |        |
| Domestic unlisted stocks  | \$ 15,000          | -          | -       | 15,000  | 15,000 |
| Financial assets measured at amortised cost                       |                    |            |         |         |        |
| Cash and cash equivalents   | 382,810            | -          | -       | -       | -      |
| Notes and Accounts receivable                                     | 972,700            | -          | -       | -       | -      |
| Other receivables   | 41,215             | -          | -       | -       | -      |
| Subtotal  | 1,396,725          | -          | -       | -       | -      |
| Financial liabilities at amortised cost                           |                    |            |         |         |        |
| Bank loans  | \$ 367,000         | -          | -       | -       | -      |
| Notes and accounts payable  | 146,089            | -          | -       | -       | -      |
| Other payables  | 60,186             | -          | -       | -       | -      |
| Lease liabilities   | 5,703              | -          | -       | -       | -      |
| Subtotal  | 578,978            | -          | -       | -       | -      |
| Total   | \$ 578,978         | -          | -       | -       | -      |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

- (B) Quantitative information on the measurement of significant unobservable fair value inputs (Level 3)

The Group's fair value categorized as Level 3 are financial assets measured at fair value through other comprehensive income. As there are no quoted prices in an active market, reference is made to the valuation reports issued by the company's commissioned parties. Due to the practical inability to fully keep abreast of the relations between significant unobservable inputs and fair value, quantitative information is not disclosed.

- (C) Analysis of sensitivity of Level 3 fair values to reasonably possible alternative assumptions

The Group's measurements of fair values of financial instruments are considered reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as Level 3, if the valuation parameters change, the effect on the current profit or loss or other comprehensive income is as follows:

|   | Input                              | Increase<br>or<br>decrease | Changes in fair values<br>reflected in the current<br>profit or loss |                       | Changes in fair values<br>reflected in other<br>comprehensive income |                       |
|---|------------------------------------|----------------------------|--|-----------------------|--|-----------------------|
|   |                                    |                            | Favorable<br>change  | Unfavorable<br>change | Favorable<br>change  | Unfavorable<br>change |
| <b>March 31, 2026</b>   |                                    |                            |  |                       |  |                       |
| Financial assets at fair value through other comprehensive income |                                    |                            |  |                       |  |                       |
| Equity instruments investment in inactive market                  | Discount for lack of marketability | 1%                         | -  | -                     | 150  | (150)                 |
| <b>December 31, 2025</b>  |                                    |                            |  |                       |  |                       |
| Financial assets at fair value through other comprehensive income |                                    |                            |  |                       |  |                       |
| Equity instruments investment in inactive market                  | Discount for lack of marketability | 1%                         | -  | -                     | 150  | (150)                 |
| <b>March 31, 2025</b>   |                                    |                            |  |                       |  |                       |
| Financial assets at fair value through other comprehensive income |                                    |                            |  |                       |  |                       |
| Equity instruments investment in inactive market                  | Discount for lack of marketability | 1%                         | -  | -                     | 150  | (150)                 |

The favorable and unfavorable changes to the Group refer to the fluctuation of the fair values, and the fair values are determined with valuation techniques based on different levels of unobservable input parameters. If the fair value of a financial instrument is affected by more than one input, the above table only reflects the effect of a change in a single input and does not include the correlation and variability between inputs.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

(19) Financial risk management

There is no significant change in the financial risk management objectives and policies of the Group and those disclosed in Note 6(19) of the 2025 Consolidated Financial Statement.

(20) Capital management

The capital management objectives, policies and procedures of the Group are consistent with those disclosed in the 2025 Consolidated Financial Statement; there is no significant change in the aggregated quantitative information of the capital management items and those disclosed in the 2025 Consolidated Financial Statement. For relevant information, please refer to Note 6(20) of the 2025 Consolidated Financial Statement.

(21) Non-cash investing and financing transactions

The Group's non-cash investment and financing activities from January 1 to March 31, 2026 and 2025 are as follows:

A. Right-of-use assets obtained through leases are detailed in Note 6(8).

The reconciliation of liabilities from the Group's financing activities is as follows:

|   | January 1,<br>2026 | Cash<br>flow     | Changes in non-cash<br>items    |                             | March 31,<br>2026 |
|---|--------------------|------------------|---------------------------------|-----------------------------|-------------------|
|   |                    |                  | Changes in<br>lease<br>payments | Exchange<br>rate<br>changes |                   |
| Short-term borrowings                             | \$ 411,000         | (131,000)        | -                               | -                           | 280,000           |
| Lease liabilities                                 | 5,565              | (723)            | 25                              | 53                          | 4,920             |
| Liabilities from<br>financing activities<br>gross | <u>\$ 416,565</u>  | <u>(131,723)</u> | <u>25</u>                       | <u>53</u>                   | <u>284,920</u>    |

|   | January 1,<br>2025 | Cash<br>flow    | Changes in non-cash<br>items    |                             | March 31,<br>2025 |
|---|--------------------|-----------------|---------------------------------|-----------------------------|-------------------|
|   |                    |                 | Changes in<br>lease<br>payments | Exchange<br>rate<br>changes |                   |
| Short-term borrowings                             | \$ 398,000         | (31,000)        | -                               | -                           | 367,000           |
| Lease liabilities                                 | 6,600              | (930)           | 27                              | 6                           | 5,703             |
| Liabilities from<br>financing activities<br>gross | <u>\$ 404,600</u>  | <u>(31,930)</u> | <u>27</u>                       | <u>6</u>                    | <u>372,703</u>    |

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

### 7. Related Party Transactions

(1) Names of related parties and relationship

The related parties with transactions with the Group during the periods covered by the consolidated financial statements are as follows:

| Names of related parties           | Relationship with the Group       |
|------------------------------------|-----------------------------------|
| Gang Hui Co., Ltd.                 | The Group's other related parties |
| Podak Tien-Ho Technology Co., Ltd. | The Group's associates            |

(2) Significant transactions with related parties

A. Operating revenue

In July 2022, the Group sold a machine to its associate, Podak Tien-Ho Technology Co., Ltd. The loss from this downstream sales transaction was unrealized. The Group eliminated the unrealized loss based on its ownership percentage and recognized investment income of NTD 3,636 thousand, and recognized the realized loss and reversed the investment income period by period over the machine's useful life.

B. Receivables from related parties

The details of the Group's receivables from related parties are as follows:

| General ledger account | Type of related party | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|------------------------|-----------------------|----------------|-------------------|----------------|
| Note receivable        | Other related parties | <u>\$ 19</u>   | <u>-</u>          | <u>19</u>      |

C. Endorsement/Guarantee

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's key management personnel acted as joint guarantors for its borrowings. Please refer to Note 6(9) for information on obtaining and using credit lines.

D. Lease

One of other related parties, Gang Hui Co., Ltd., leased an office from the Group. The rental income for both periods from January 1 to March 31, 2026 and 2025, was NTD 9 thousand, and the unearned rent as of March 31, 2026, December 31, 2025, and March 31, 2025, was NTD 27 thousand, NTD 0, and NTD 27 thousand, respectively.

The Group leased parking spaces from one of other related parties, Gang Hui Co., Ltd. The rental expense for the periods from January 1 to March 31, 2026, and 2025, was NTD 14 thousand for both periods, and the prepaid rent as of March 31, 2026, December 31, 2025, and March 31, 2025, was NTD 48 thousand, NTD 5 thousand, and NTD 48 thousand, respectively.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

### (3) Transactions with key management personnel

The details of the Group's key management personnel compensation are as follows:

|                              | <b>January 2026<br/>to March 2026</b> | <b>January 2025<br/>to March 2025</b> |
|------------------------------|---------------------------------------|---------------------------------------|
| Short-term employee benefits | \$ 5,205                              | 4,923                                 |
| Retirement benefits          | 54                                    | 54                                    |
|                              | <b><u>\$ 5,259</u></b>                | <b><u>4,977</u></b>                   |

## 8. Pledged Assets

The details of the book values of the assets pledged by the Group as collateral are as follows:

| <b>Asset</b> | <b>Asset pledged as<br/>collateral</b> | <b>March 31,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|--------------|--|---------------------------|------------------------------|---------------------------|
| Land         | Borrowings                             | \$ 92,287                 | 92,287                       | 92,287                    |
| Land         | Purchase guarantees                    | 11,659                    | 11,659                       | 11,659                    |
| Buildings    | Borrowings                             | 27,982                    | 28,219                       | 28,930                    |
| Buildings    | Purchase guarantees                    | 4,115                     | 4,151                        | 4,259                     |
|              |  | <b><u>\$ 136,043</u></b>  | <b><u>136,316</u></b>        | <b><u>137,135</u></b>     |

## 9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) The sub-subsidiary, Podak (H.K.) Co., Ltd., provides a free warranty for a certain period from the date of product acceptance for some customers, with a joint guarantee from the Group. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's cumulative sales amounts were NTD 0 thousand, NTD 0 thousand, and NTD 32 thousand, respectively. Also, as of March 31, 2026, there was no instance of returns due to poor product quality.

(2)

A. Notes payable issued for accounts receivable factoring were as follows:

|     | <b>March 31,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|-----|---------------------------|------------------------------|---------------------------|
| USD | <b><u>\$ 18,000</u></b>   | <b><u>18,000</u></b>         | <b><u>18,000</u></b>      |

B. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group obtained loan limits and letter of guarantee limits, totaling NTD 850,000 thousand, NTD 865,000 thousand, and NTD 865,000 thousand, respectively, from banks using promissory notes of NTD 710,000 thousand, NTD 725,734 thousand, and NTD 725,000 thousand. As of March 31, 2026, December 31, 2025, and March 31, 2025, the outstanding balance of letters of guarantees issued was NTD 70,100 thousand. These guarantees are mainly for the Group's purchases from others, and the fair values of these letters of guarantees are equivalent to their contract values.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

### 10. Significant Disaster Loss: None.

### 11. Significant Events after the Balance Sheet Date: None.

### 12. Others

- (1) The employee benefits, depreciation, depletion, and amortization expenses by function is summarized as follows:

| By nature                        | By function | January 2026 to March 2026 |                    |        | January 2025 to March 2025 |                    |        |
|----------------------------------|-------------|----------------------------|--------------------|--------|----------------------------|--------------------|--------|
|                                  |             | Operating costs            | Operating expenses | Total  | Operating costs            | Operating expenses | Total  |
| Employee benefit expenses        |             |                            |                    |        |                            |                    |        |
| Wages and salaries               |             | -                          | 21,775             | 21,775 | -                          | 21,704             | 21,704 |
| Labour and health insurance fees |             | -                          | 1,236              | 1,236  | -                          | 1,229              | 1,229  |
| Pension costs                    |             | -                          | 1,046              | 1,046  | -                          | 1,339              | 1,339  |
| Other employee benefit expenses  |             | -                          | 494                | 494    | -                          | 515                | 515    |
| Depreciation expense             |             | -                          | 4,392              | 4,392  | -                          | 4,499              | 4,499  |
| Amortization expense             |             | -                          | 53                 | 53     | -                          | 53                 | 53     |

- (2) The Group' operations are not affected by seasonal or cyclical factors.

### 13. Supplementary Disclosures

- (1) Significant transactions information

From January 1 to March 31, 2026, the Group should re-disclose the relevant information of significant transactions in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers as follows:

- A. Loans to others: None.
- B. Endorsements/guarantees provided: None.
- C. Significant holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture).

Unit: NTD thousand

| Securities held by | Marketable securities type and name | Relationship with the securities issuer | Financial statement account                                       | End of the period |                 |                    |            | Remark |
|--------------------|-------------------------------------|---|---|-------------------|-----------------|--------------------|------------|--------|
|                    |                                     |   |   | Number of shares  | Carrying amount | Shareholding ratio | Fair value |        |
| The Company        | LumiSTAR Biotechnology, Inc.        | None                                    | Financial assets at fair value through other comprehensive income | 600,000           | 15,000          | 1.49%              | 15,000     |        |

- D. Purchases or sales of goods from or to related parties reaching NTD 100 million or 20% of paid-in capital or more: None.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

E. Receivables from related parties reaching NTD 100 million or 20% of paid-in capital or more:

Unit: NTD thousand

| Creditor    | Counterparty           | Relations                    | Balance of amounts receivable from related parties | Turnover rate (times) | Overdue amounts receivable from related parties |              | Amount of receivables from related parties subsequently recovered | Amount of allowance for impairment losses |
|-------------|------------------------|------------------------------|--|-----------------------|---|--------------|---|---|
|             |                        |                              |  |                       | Amount  | Action taken |   |   |
| The Company | Podak (H.K.) Co., Ltd. | The Company's sub-subsidiary | 103,621  | 3.12                  | -   |              | 15,220  | -   |

Note: This transaction has been eliminated in the preparation of the consolidated financial statements.

F. Business relationships and significant transactions between parent and subsidiaries:

| No. (Note 1) | Related party   | Transaction counterparty | Relationship to the counterparty (Note 2) | Intercompany transactions |         |                   | Percentage of consolidated total operating revenues or total assets |
|--------------|-----------------|--------------------------|---|---------------------------|---------|-------------------|---|
|              |                 |                          |   | Account                   | Amount  | Transaction terms |   |
| 0            | Podak Co., Ltd. | Podak (H.K.) Co., Ltd.   | 1   | Accounts receivable       | 103,621 | 90 to 150 days    | 5%  |
|              |                 | Podak (SZ) Co., Ltd.     | 1   | Sales revenue             | 84,962  | Note 3            | 12%   |
|              |                 |                          | 1   | Accounts receivable       | 94,319  | 90 to 150 days    | 5%  |
|              |                 |                          | 1   | Sales revenue             | 43,309  | Note 6            | 6%  |

Note 1: The number is filled in as follows:

1. Parent company is numbered 0.
2. Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

Note 2: The types of relationships with counterparties are indicated as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: Calculated at 95% of the end customer's selling price.

Note 4: Based on the relevant prices and payment dates agreed in the contract.

Note 5: Based on the cost of goods, plus a 4% markup as the purchase (selling) price.

Note 6: The selling price is calculated based on the quarterly quoted prices of the goods, plus a 5% gross profit. If a product's gross profit is less than 5%, the gross profit is shared equally. This excludes exceptional price and discount adjustments.

Note 7: The unrealized sales gross profit on the Company's sales to Podak (H.K.) Co., Ltd., Podak (SZ) Co., Ltd., and Podak International (SH) Co., Ltd. as of March 31, 2026, were NTD 4,646 thousand, NTD 730 thousand, and NTD 7 thousand, respectively. These transactions have been eliminated in the preparation of the consolidated financial statements.

(2) Information on investees:

Information on the Group's reinvestment for the period from January 1 to March 31, 2026, is as follows:

Unit: NTD thousand

| Name of investor | Investee Company                   | Location  | Main business activities                           | Initial investment amount |                              | Shares held as at the end of the period |               |                 | Net profit (loss) of the investee for the period | Investment income (loss) recognized by the Company for the period | Remark  |
|------------------|------------------------------------|-----------|--|---------------------------|------------------------------|---|---------------|-----------------|--|---|---|
|                  |                                    |           |  | Balance on March 31, 2026 | Balance on December 31, 2025 | Number of shares                        | Ownership (%) | Carrying amount |  |   |   |
| 0                | Kai Ta International Ltd.          | Mauritius | Investees  | 130,676                   | 130,676                      | 4,223,000                               | 100.00%       | 251,064         | (616)  | (616)   | Subsidiary of the Company   |
| 0                | Podak Tien-Ho Technology Co., Ltd. | Taiwan    | International trade                                | 2,700                     | 2,700                        | 270,000                                 | 45.00%        | 3,843           | 5  | (128)   | The investment income from the Company's investees recognized in the current period includes an investment loss of 130 thousand from downstream transactions.                   |
| 1                | Podak (H.K.) Co., Ltd.             | Hong Kong | Import and export trading of electronic components | 794                       | 794                          | 200,000                                 | 100.00%       | 73,730          | 157  | (170)   | The investment income from the Company's sub-subsidiaries recognized in the current period includes an investment loss from a downstream transaction during the current period. |

Note 1: 0: Represents the issuer.

1: The code for the issuer's investee, Kai Ta International Ltd.

Note 2: This transaction has been eliminated in the preparation of the consolidated financial statements.

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

(3) Information on investments in Mainland China:

A. Relevant information, such as the name and main business scope of investees in Mainland China:

Unit: NTD thousand

| Investee in Mainland China         | Main business activities | Paid-in capital | Investment method | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the period |                         | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026 | Net profit (loss) of the investee for the period | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the period | Book value of investments at the end of the period | Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026 | Remark  |
|------------------------------------|--------------------------|-----------------|-------------------|--|---|-------------------------|---|--|--|---|--|--|---|
|                                    |                          |                 |                   |  | Remitted to Mainland China  | Remitted back to Taiwan |   |  |  |   |  |  |   |
| Podak International (SH) Co., Ltd. | International trade      | 79,544          | (2)               | 79,544   | -   | -                       | 79,544  | (619)  | 100.00%  | (626)   | 89,278   | -  | The investment income from the Company's sub-subsidiaries recognized in the current period includes an investment loss from a downstream transaction during the current period. |
| Podak (SZ) Co., Ltd.               | International trade      | 44,376          | (2)               | 44,376   | -   | -                       | 44,376  | (153)  | 100.00%  | (137)   | 90,168   | -  | The investment income from the Company's sub-subsidiaries recognized in the current period includes an investment loss from a downstream transaction during the current period. |

B. Limitation on investment in Mainland China:

| Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA |
|---|--|---|
| 123,920   | 123,920  | 811,476   |

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Reinvestment in Mainland China through a third-area company, Kai Ta International Limited.
- (3) Others.

Note 2: In the investment income (loss) field for the current period:

- (1) If an entity is in the preparation stage without investment income or loss, it should be indicated.
- (2) The basis for recognizing investment income (loss) is the financial statements reviewed and attested by a CPA appointed by the parent company in Taiwan.

Note 3: This transaction has been eliminated in the preparation of the consolidated financial statements.

C. Significant transactions with investees in Mainland China:

Significant direct or indirect transactions between the Group and investees in China during the period from January 1 to March 31, 2026 (which have been eliminated in the preparation of the consolidated financial statements) are detailed in "Significant transactions information" and "Business relationships and significant transactions between parent and subsidiaries".

## Consolidated Financial Statements of Podak Co., Ltd. and Subsidiaries (Cont.)

### 14. Segment Information

(1) General information

The Group has identified four reportable segments based on factors, such as product type, resource utilization, customer type, distribution method, and operating activities: the Notebook Computers and Accessories segment (B1), the Desktop Computer Motherboards and Accessories segment (B3), and Network Communication and Accessories segment (B4), all of which sell electronic components and related electrical machinery products.

The Group's reportable segments are independent business units that provide different products and services. Each business unit requires different technologies, resources, and marketing strategies and is therefore managed separately. The reportable segments have managers who report directly to the chief operating decision-maker and communicate with them regularly to discuss the segments' operating activities, financial results, forecasts, or plans.

(2) Basis for measurement and reconciliation information of reportable segments

The Group does not allocate income tax expense (benefit) or non-recurring profit or loss to the reportable segments. In addition, not all profits or losses of the reportable segments include significant non-cash items other than depreciation and amortization. The total profit or loss of the Group's reportable segments is reconciled to the profit before tax from continuing operations of the enterprise.

|                       | January 2026 to March 2026 |                |                |                   |                                    |                |
|-----------------------|----------------------------|----------------|----------------|-------------------|------------------------------------|----------------|
|                       | B1<br>segment              | B3<br>segment  | B4<br>segment  | Other<br>segments | Adjustments<br>and<br>eliminations | Total          |
| Revenue               |                            |                |                |                   |                                    |                |
| Revenue from          |                            |                |                |                   |                                    |                |
| external customers    | \$ 288,007                 | 120,911        | 166,060        | 156,655           | -                                  | 731,633        |
| Inter-segment         |                            |                |                |                   |                                    |                |
| revenue               | -                          | -              | -              | -                 | -                                  | -              |
| Total revenue         | <u>\$ 288,007</u>          | <u>120,911</u> | <u>166,060</u> | <u>156,655</u>    | <u>-</u>                           | <u>731,633</u> |
| Segment income (loss) | <u>\$ 17,171</u>           | <u>22,809</u>  | <u>47,868</u>  | <u>2,226</u>      | <u>(407)</u>                       | <u>89,667</u>  |
|                       |                            |                |                |                   |                                    |                |
|                       | January 2025 to March 2025 |                |                |                   |                                    |                |
|                       | B1<br>segment              | B3<br>segment  | B4<br>segment  | Other<br>segments | Adjustments<br>and<br>eliminations | Total          |
| Revenue               |                            |                |                |                   |                                    |                |
| Revenue from          |                            |                |                |                   |                                    |                |
| external customers    | \$ 289,701                 | 163,022        | 96,733         | 136,722           | -                                  | 686,178        |
| Inter-segment         |                            |                |                |                   |                                    |                |
| revenue               | -                          | -              | -              | -                 | -                                  | -              |
| Total revenue         | <u>\$ 289,701</u>          | <u>163,022</u> | <u>96,733</u>  | <u>136,722</u>    | <u>-</u>                           | <u>686,178</u> |
| Segment income (loss) | <u>\$ 14,131</u>           | <u>22,441</u>  | <u>22,502</u>  | <u>29,597</u>     | <u>(2,039)</u>                     | <u>86,632</u>  |