

**AUDIX CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**WITH REPORT OF INDEPENDENT**  
**AUDITORS FOR THE YEARS ENDED**  
**DECEMBER 31, 2025 AND 2024**

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

# AUDIX CORPORATION AND SUBSIDIARIES

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## **REPRESENTATION LETTER**

### English Translation of the Representation Letter Originally Issued in Chinese

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

Very truly yours,

Audix Corporation

By

CHUNG, YUAN-KAI

Chairman

March 11, 2026



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## English Translation of Auditors' Report Originally Issued in Chinese

### **Report of Independent Auditors**

To Audix Corporation

#### **Opinion**

We have audited the accompanying consolidated balance sheets of Audix Corporation and its subsidiaries (the “Company and its subsidiaries”) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements including the summary of material accounting policies (collectively referred to “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2025 and 2024, and its consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Revenue Recognition

The Company and its subsidiaries recognized operating revenue-net sales revenue in the amount of NTD 4,192,384 thousand for the year ended December 31, 2025. The main business activities is the sales, manufacturing and testing of various electronic products involving various commercial terms. As whether the control of the merchandise is transferred and performance obligation is fulfilled. The timing of revenue recognition was material to the consolidated financial statements, we therefore considered this a key audit matter.

Our audit procedures included, but not limited to:

- i. Assessing and testing the design and operating effectiveness of internal controls around revenue recognition.
- ii. Evaluating the appropriateness of the accounting policy of revenue recognition.
- iii. Selecting samples to perform tests of details, performing tests of transaction detail which included reviewing vouchers of selected samples, such as shipping documents, customs export documents, customer acceptance documents and receipt documents to confirm the performance obligations were satisfied.
- iv. Conducting cutoff tests of sales revenue and sales discount within a certain period of time before and after the balance sheet date. Select samples to review the terms of transactions and vouch relevant transaction documents as evidence to confirm the revenue recognition.

We also considered the appropriateness of the disclosure of operating revenue in Notes 4 and 6.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- i. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.



- v. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2025 and 2024.

/s/ Yu Chien-Ju

/s/ Hsu, Hsin-Min

Ernst & Young, Taiwan  
March 11, 2026

### Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position and results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of consolidated financial statements originally issued in Chinese  
AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31,			
		2025		2024	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$1,085,033	12	\$996,940	10
Financial assets at fair value through profit or loss, current	4, 6(2)	210,473	2	277,817	3
Financial assets at amortized cost, current	4, 6(4)	2,921,070	31	3,431,665	36
Notes receivable, net	4, 5, 6(5), 6(16)	313,554	3	369,073	4
Accounts receivable, net	4, 5, 6(6), 6(16)	1,212,594	13	1,067,362	11
Accounts receivable due from related parties, net	4, 5, 6(6), 6(16), 7	53,987	1	52,248	1
Other receivables	4	111,269	1	225,413	2
Current tax assets	4, 5	53,853	1	-	-
Inventories, net	4, 5, 6(7)	460,751	5	474,033	5
Prepayments		114,898	1	97,893	1
Other current assets		19,591	-	23,338	-
Total current assets		<u>6,557,073</u>	<u>70</u>	<u>7,015,782</u>	<u>73</u>
Non-current assets					
Financial assets at fair value through profit or loss, noncurrent	4, 6(2)	441,870	5	497,967	5
Financial assets at fair value through other comprehensive income, noncurrent	4, 6(3)	119,959	1	84,742	1
Financial assets at amortized cost, noncurrent	4, 6(4)	840,470	10	622,502	7
Investments accounted for under the equity method	4, 6(8)	46,212	-	41,028	-
Property, plant and equipment	4, 6(9), 8	1,241,612	13	1,282,035	13
Right-of-use assets	4, 6(17)	51,737	1	56,151	1
Intangible assets	4, 6(10)	3,281	-	5,418	-
Deferred tax assets	4, 5, 6(21)	33,355	-	7,894	-
Refundable deposits		25,956	-	24,884	-
Net defined benefit assets, noncurrent	4, 5, 6(13)	6,608	-	1,999	-
Other non-current assets		225	-	224	-
Total non-current assets		<u>2,811,285</u>	<u>30</u>	<u>2,624,844</u>	<u>27</u>
Total assets		<u>\$9,368,358</u>	<u>100</u>	<u>\$9,640,626</u>	<u>100</u>

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese  
AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31,			
		2025		2024	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4, 6(11), 8	\$1,371,754	15	\$1,546,698	16
Contract liabilities, current	4, 6(15)	77,206	1	41,674	-
Accounts payable	4, 7	394,791	4	400,484	4
Other payables	4, 7	308,636	4	333,593	4
Current tax liabilities	4, 5, 6(21)	135,090	1	218,826	2
Current lease liabilities	4, 6(17)	5,350	-	5,891	-
Long-term liabilities, current portion	4, 6(12)	18,891	-	11,866	-
Other current liabilities		28,503	-	77,350	1
Total current liabilities		<u>2,340,221</u>	<u>25</u>	<u>2,636,382</u>	<u>27</u>
Non-current liabilities					
Long-term loans	4, 6(12), 8	890,132	10	927,333	10
Deferred tax liabilities	4, 5, 6(21)	25,666	-	24,709	-
Non-current lease liabilities	4, 6(17)	7,471	-	9,283	-
Total non-current liabilities		<u>923,269</u>	<u>10</u>	<u>961,325</u>	<u>10</u>
Total liabilities		<u>3,263,490</u>	<u>35</u>	<u>3,597,707</u>	<u>37</u>
Equity attributable to the parent company					
Capital	6(14)				
Common stock		1,055,956	11	1,055,956	11
Capital surplus	6(14)	181,895	2	181,895	2
Retained earnings	6(14)				
Legal reserve		1,171,716	13	1,114,725	12
Special reserve		30,092	-	30,092	-
Unappropriated earnings		3,116,753	33	3,046,871	32
Other components of equity	4, 6(14)				
Exchange differences on translation of foreign operations		97,240	1	189,877	2
Unrealized gains on financial assets measured at fair value through other comprehensive income		65,000	1	29,800	-
Total equity attributable to parent company		<u>5,718,652</u>	<u>61</u>	<u>5,649,216</u>	<u>59</u>
Non-controlling interests	6(14), 6(23)	386,216	4	393,703	4
Total equity		<u>6,104,868</u>	<u>65</u>	<u>6,042,919</u>	<u>63</u>
Total liabilities and equity		<u>\$9,368,358</u>	<u>100</u>	<u>\$9,640,626</u>	<u>100</u>

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

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

Item	Notes	2025		2024	
		Amount	%	Amount	%
Operating revenues	4, 6(15), 7				
Sales revenue		\$4,192,384	85	\$4,441,698	86
Service revenue		715,703	15	727,075	14
Total operating revenues		4,908,087	100	5,168,773	100
Operating costs	6(7), 6(18), 7				
Cost of sales		(3,110,903)	(63)	(3,289,835)	(64)
Cost of services		(402,154)	(8)	(407,975)	(8)
Total operating costs		(3,513,057)	(71)	(3,697,810)	(72)
Gross profit		1,395,030	29	1,470,963	28
Operating expenses	6(13), 6(17), 6(18), 7				
Selling and marketing expenses		(237,479)	(5)	(264,988)	(5)
General and administrative expenses		(317,029)	(6)	(344,375)	(7)
Research and development expenses		(89,822)	(2)	(105,816)	(2)
Expected credit impairment (losses) gains	4, 5, 6(16)	(105,914)	(2)	9,392	-
Total operating expenses		(750,244)	(15)	(705,787)	(14)
Net operating income		644,786	14	765,176	14
Non-operating income and expenses					
Interest income	4, 6(19)	161,584	3	186,972	4
Other income	6(19), 7	12,814	-	13,319	-
Other gains and losses	6(19), 7	43,139	1	61,078	1
Finance costs	4, 6(19)	(50,114)	(1)	(59,819)	(1)
Share of profit of associates and joint ventures	4, 6(8)	8,071	-	5,183	-
Total non-operating income and expenses		175,494	3	206,733	4
Income before income tax		820,280	17	971,909	18
Income tax expense	4, 5, 6(21)	(261,617)	(5)	(396,361)	(8)
Net income		558,663	12	575,548	10
Other comprehensive income	6(20)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation	4, 5, 6(13)	4,581	-	8,506	-
Unrealized gains (losses) on equity instruments investment at fair value through other comprehensive income		35,200	1	(46,200)	(1)
Income tax related to items that will not be reclassified subsequently	4, 6(21)	(916)	-	(400)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(91,640)	(2)	280,976	5
Total other comprehensive income		(52,775)	(1)	242,882	4
Total comprehensive income		\$505,888	11	\$818,430	14
Net income attributable to:					
Shareholders of the parent		\$545,591	12	\$561,805	10
Non-controlling interests		13,072	-	13,743	-
Comprehensive income attributable to:					
Shareholders of the parent		\$491,819	11	\$791,264	14
Non-controlling interests		14,069	-	27,166	-
Earnings per share-basic (in dollars)	6(22)	\$5.17		\$5.32	
Earnings per share-diluted (in dollars)	6(22)	\$5.15		\$5.30	

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

AUDIX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Equity attributable to the parent company							Total	Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings			Other Components of Equity				
				Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income			
Balance as of January 1, 2024		\$1,055,956	\$181,790	\$1,053,314	\$30,092	\$2,960,754	\$(77,676)	\$76,000	\$5,280,230	\$393,466	\$5,673,696
Appropriation and distribution of 2023 retained earnings	6(14)										
Legal reserve appropriated		-	-	61,411	-	(61,411)	-	-	-	-	-
Cash dividends		-	-	-	-	(422,383)	-	-	(422,383)	-	(422,383)
Profit for the year ended December 31, 2024		-	-	-	-	561,805	-	-	561,805	13,743	575,548
Other comprehensive income for the year ended December 31, 2024	4, 6(20)	-	-	-	-	8,106	267,553	(46,200)	229,459	13,423	242,882
Total comprehensive income for the year ended December 31, 2024		-	-	-	-	569,911	267,553	(46,200)	791,264	27,166	818,430
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	6(23)	-	105	-	-	-	-	-	105	(9,072)	(8,967)
Changes in non-controlling interests	6(14), 6(23)	-	-	-	-	-	-	-	-	(17,857)	(17,857)
Balance as of December 31, 2024		\$1,055,956	\$181,895	\$1,114,725	\$30,092	\$3,046,871	\$189,877	\$29,800	\$5,649,216	\$393,703	\$6,042,919
Balance as of January 1, 2025		\$1,055,956	\$181,895	\$1,114,725	\$30,092	\$3,046,871	\$189,877	\$29,800	\$5,649,216	\$393,703	\$6,042,919
Appropriation and distribution of 2024 retained earnings	6(14)										
Legal reserve appropriated		-	-	56,991	-	(56,991)	-	-	-	-	-
Cash dividends		-	-	-	-	(422,383)	-	-	(422,383)	-	(422,383)
Profit for the year ended December 31, 2025		-	-	-	-	545,591	-	-	545,591	13,072	558,663
Other comprehensive income for the year ended December 31, 2025	4, 6(20)	-	-	-	-	3,665	(92,637)	35,200	(53,772)	997	(52,775)
Total comprehensive income for the year ended December 31, 2025		-	-	-	-	549,256	(92,637)	35,200	491,819	14,069	505,888
Changes in non-controlling interests	6(14)	-	-	-	-	-	-	-	-	(21,556)	(21,556)
Balance as of December 31, 2025		\$1,055,956	\$181,895	\$1,171,716	\$30,092	\$3,116,753	\$97,240	\$65,000	\$5,718,652	\$386,216	\$6,104,868

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

Description	2025	2024
Cash flows from operating activities:		
Profit before tax	\$820,280	\$971,909
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	197,946	252,373
Amortization expense	4,164	3,730
Expected credit impairment losses (gains)	105,914	(9,392)
Net gains on financial assets at fair value through profit or loss	(17,405)	(7,214)
Interest expense	50,114	59,819
Interest income	(161,584)	(186,972)
Dividend income	(5,868)	(5,548)
Share of profit of associates and joint ventures	(8,071)	(5,183)
Losses on disposal of property, plant and equipment	1,411	534
Gains on lease modification	(1)	(285)
Changes in operating assets and liabilities:		
Notes receivable	55,536	(200,827)
Accounts receivable	(255,214)	838,804
Accounts receivable due from related parties	(1,739)	5,238
Other receivables	114,144	(67,231)
Inventories	13,282	73,063
Prepayments	(17,005)	2,411
Other current assets	3,747	70
Contract liabilities	35,532	2,685
Accounts payable	(5,693)	(723,101)
Other payables	(25,319)	(9,437)
Other current liabilities	(48,847)	(59,462)
Net defined benefit assets	(28)	(3,162)
Cash generated from operations	855,296	932,822
Income taxes paid	(424,626)	(317,484)
Net cash flows provided by operating activities	430,670	615,338
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(3,801,664)	(3,837,884)
Proceeds from disposal of financial assets at amortized cost	4,023,401	2,923,639
Acquisition of financial assets at fair value through profit or loss	(353,156)	(430,027)
Proceeds from disposal of financial assets at fair value through profit or loss	473,085	283,113
Acquisition of property, plant and equipment	(157,264)	(107,103)
Proceeds from disposal of property, plant and equipment	355	951
Increase in refundable deposits	(1,072)	-
Decrease in refundable deposits	-	7,280
Acquisition of intangible assets	(2,109)	(4,797)
Interest received	161,584	186,972
Dividends received	8,755	7,994
Net cash flows provided by (used in) investing activities	351,915	(969,862)
Cash flows from financing activities:		
Increase in short-term loans	8,317,351	7,678,948
Decrease in short-term loans	(8,492,295)	(7,474,634)
Proceeds from long-term loans	934,533	1,474,313
Repayments of long-term loans	(964,709)	(1,715,790)
Decrease in guarantee deposit received	-	(3,315)
Cash payments for the principal portion of the lease liability	(10,135)	(12,071)
Cash dividends paid	(422,383)	(422,383)
Interest paid	(49,409)	(62,833)
Change in non-controlling interests	(21,556)	(26,824)
Net cash flows used in financing activities	(708,603)	(564,589)
Effect of exchange rate changes on cash and cash equivalents	14,111	88,183
Net increase (decrease) in cash and cash equivalents	88,093	(830,930)
Cash and cash equivalents at beginning of period	996,940	1,827,870
Cash and cash equivalents at end of period	\$1,085,033	\$996,940

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese  
AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2025 and 2024  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and organization

AUDIX CORPORATION (the “Company”), established on August 7, 1980, was a distributor of semiconductor, LCM and other electronic information communication components. In December 1989, the Company expanded business in design, manufacturing and processing of precision molds and plastic injection products. After merging Audix Singapore (pte) Co., Ltd. on July 31, 1990, the Company included the distribution of electronic parts in its business profile. In 1991, the Company expanded its business in safety specification test and certification.

Since October 4, 1999, the Company had been listed on the Taipei Exchange. Since September 17, 2001, the Company has been approved by the Taiwan Stock Exchange (“TWSE”) to be listed on TWSE. The Company's registered address and main operating site is located at No. 8, Lane 120, Sec. 1, Neihu Rd., Taipei, Taiwan, R.O.C.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of AUDIX CORPORATION and its subsidiaries (the Group) for the years ended December 31, 2025 and 2024 were authorized for issue by the Board of Directors on March 11, 2026.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The amendments include:

- (i) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (ii) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (iii) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (iv) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(c) Annual Improvements to IFRS Accounting Standards – Volume 11

- (i) Amendments to IFRS 1
- (ii) Amendments to IFRS 7
- (iii) Amendments to Guidance on implementing IFRS 7
- (iv) Amendments to IFRS 9
- (v) Amendments to IFRS 10
- (vi) Amendments to IAS 7

(d) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (i) Clarify the application of the ‘own-use’ requirements.
- (ii) Permit hedge accounting if these contracts are used as hedging instruments.
- (iii) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Group.

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
d	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

#### (b) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

##### (i) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

##### (ii) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

##### (iii) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

#### (c) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (d) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- (i) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
- (ii) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- (iii) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (a)~(d), it is not practicable to estimate their impact on the Group at this point in time.

#### 4. Summary of Significant Accounting Policies

- (1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

- (2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee, and
- (c) The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee
- (b) Rights arising from other contractual arrangements
- (c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

If the Group loses control of a subsidiary, it:

- (a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) Derecognizes the carrying amount of any non-controlling interest;
- (c) Recognizes the fair value of the consideration received;
- (d) Recognizes the fair value of any investment retained;
- (e) Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- (f) Recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)		Note
			December 31, 2025	December 31, 2024	
The Company	TOYO KUNI ELECTRONICS CO., LTD.	Trading and agency of electronic components, etc.	100%	100%	
The Company	AUDIX HI-TECH INVESTMENT CO., LTD.	Electronic component trading and investment business, etc.	100%	100%	
The Company	AUDIX TECHNOLOGY CORPORATION	Safety standard test certification and electromagnetic compatibility test certification, and construction of anechoic chamber, etc.	100%	100%	
TOYO KUNI ELECTRONICS CO., LTD.	AHI ELECTRONICS WAREHOUSE (SHANGHAI) CO., LTD.	Sales of electronic components, etc.	100%	100%	
TOYO KUNI ELECTRONICS CO., LTD.	AHC WAREHOUSE & TRADING (SHENZHEN) CO., LTD.	Warehousing business, international trade, entrepot trade, intra-regional trade and business market consulting, etc.	100%	100%	
AUDIX HI-TECH INVESTMENT CO., LTD.	AUDIX TECHNOLOGY (XIAMEN) CO., LTD.	Manufacture and sales of transformers, coils, relays, anti-electromagnetic interference components, new electronic components, electronic special equipment and their spare parts, plastic molds and parts, etc.	100%	100%	
AUDIX HI-TECH INVESTMENT CO., LTD.	AUDIX TECHNOLOGY (WUJIANG) CO., LTD.	Production of new electronic components, new instrument components and materials and parts design and processing, software product development technical consultation and technical services, etc.	100%	100%	
AUDIX HI-TECH INVESTMENT CO., LTD.	AUDIX TECHNOLOGY (SHENZHEN) CO., LTD.	Inspection and testing services, etc.	100%	100%	

**AUDIX CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investor	Subsidiary	Main businesses	Percentage of ownership (%)		Note
			December 31, 2025	December 31, 2024	
AUDIX HI-TECH INVESTMENT CO., LTD.	AUDIX TECHNOLOGY (SHANGHAI) CO., LTD.	Design, production, microcontroller (microcomputer) electronic control board, engaged in integrated circuit block, electronic, motor, electrical product technology design, technical consultation and service, various types of engineering construction activities (except nuclear power plant construction and operation, water supply and drainage network), electronic special equipment, electronic measuring instruments and home-made products sales, etc.	100%	100%	
AUDIX TECHNOLOGY (SHENZHEN) CO., LTD.	AUDIX TESTING & MEASUREMENT CO., LTD.	Testing of electronic and electrical products and related technical consulting services, etc.	100%	100%	
AUDIX TECHNOLOGY (XIAMEN) CO., LTD.	YUKA PRECISION (WUJIANG) CO., LTD.	Production of new electronic components, molds and their parts, technical consultation and technical services for software product development, etc.	50%	50%	Note 1

Note 1: Although the Group has only 50% shareholding of YUKA PRECISION (WUJIANG) No., LTD., the Group has power over operation and financial decisions of YUKA PRECISION (WUJIANG) CO., LTD., Accordingly the Group determined that it has control over the subsidiary, YUKA PRECISION (WUJIANG) CO., LTD., and therefore the subsidiary has been incorporated in the consolidated group.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

#### (5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- (a) When the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (b) When the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

#### (6) Current and non-current distinction

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Group holds the asset primarily for the purpose of trading
- (c) The Group expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle
- (b) The Group holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) the Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

#### (7) Cash and cash equivalents

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

#### (8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

a. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. The Group's business model for managing the financial assets and
- B. The contractual cash flow characteristics of the financial asset.

***Financial assets measured at amortized cost***

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. Purchased or originated credit-impaired financial assets. For those financial assets, the group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- B. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

***Financial asset measured at fair value through other comprehensive income***

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- A. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
  - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

***Financial asset measured at fair value through profit or loss***

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- A. An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- B. The time value of money; and
- C. Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

#### c. Derecognition of financial assets

A financial asset is derecognized when:

- A. The rights to receive cash flows from the asset have expired
- B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

#### d. Financial liabilities and equity

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

##### Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

##### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- A. It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- B. On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- C. It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- A. It eliminates or significantly reduces a measurement or recognition inconsistency; or
- B. A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

#### ***Financial liabilities at amortized cost***

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

#### **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

#### e. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

#### (9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### (10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

- (a) Raw materials and merchandise – Purchase cost on a weighted average basis
- (b) Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

#### (11) Investments accounted for under the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

#### (12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and structures	5~50 years
Machinery and equipment	2~10 years
Transportation equipment	3~10 years
Office equipment	2~10 years
Other equipment	3~10 years

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### (13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

#### Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

#### Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

#### (14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

#### Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale
- (b) Its intention to complete and its ability to use or sell the asset
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development

A summary of the policies information applied to the Group's intangible assets is as follows:

Computer software : amortized on a straight-line basis over the estimated useful life (3 to 5 years).

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

#### (15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

#### (16) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

#### (17) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

#### Sale of goods

The Group manufactures and sells products. Revenue is recognized when the promised goods are shipped to the client and the customer gains control (that is, the customer's ability to dominate the use of the goods and achieve almost all the remaining benefits of the goods), the main goods are electronic components, etc., based on the price stated in the contract. Therefore, income is based on the price stated in the contract and deducts the estimated quantity discount amount. The Group uses the accumulated experience and estimates the change in value resulting from the quantity discount as expected, but its scope is limited to the portion of the cumulative amount of income that may not be significantly reversed when the uncertainty associated with the change in value is subsequently eliminated.

When the Group receives the Customer's consideration and expects to return part or all of the consideration to the Customer, it recognizes the refund liability at amounts received or receivable and not expected to be entitled to and updates the refund liability on each balance sheet date in response to changes in circumstances.

The credit period of the Group's sale of goods is from 30 to 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. The Group collect part of the price from the customer when the product has not been delivered. The Group is recognized as contract liabilities for its obligations to deliver products in the future.

#### Rendering of services

The Group's Service revenue mainly provides electronic product validation services, product design development and contracting projects. Product Verification Service is a performance obligation that is fulfilled at a certain point in time by completing the verification service agreed upon in the contract and after providing the certification report. Product design development and contract engineering services is in accordance with the contract to customize the product, with the Group's performance obligations gradually completed, the customer at the same time to obtain and consume the benefits provided by the Group's performance, therefore is a performance obligation gradually met over time. The Group collect part of the price from the customer when the product has not been delivered. The Group is recognized as contract liabilities for its obligations to deliver products in the future.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

#### (21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

##### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

##### Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

#### 5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

##### (1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

##### (a) Control without a majority of the voting rights in invested companies

The Company does not have majority of the voting rights in an invested company. However, after taking into consideration of factors such as percentage of the Company's shareholding relative percentage of shareholding owned by other shareholders, ownership distribution, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has control over the invested company. Please refer to Note 4 for further details.

##### (2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (a) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and expected salaries increase etc. Please refer to Note 6 for more details.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

#### (b) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

#### (c) Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

#### (d) Trade receivables—estimation of impairment loss

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2025	2024
Cash on hand	\$1,681	\$1,831
Checking and savings accounts	760,301	801,137
Time deposit (Note)	323,051	193,972
Total	<u>\$1,085,033</u>	<u>\$996,940</u>

Note : The contract will expire within 3 months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

(2) Financial assets at fair value through profit or loss

	As of December 31,	
	2025	2024
Mandatorily measured at fair value through profit or loss:		
Funds	\$54,672	\$82,722
Preferred Stocks	145,715	145,396
Bonds	451,956	547,666
Total	<u>\$652,343</u>	<u>\$775,784</u>
Current	\$210,473	\$277,817
Non-current	441,870	497,967
Total	<u>\$652,343</u>	<u>\$775,784</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income, noncurrent

	As of December 31,	
	2025	2024
Investments in equity instruments designated at fair value through other comprehensive income, noncurrent:		
Unlisted company's stocks	\$119,959	\$84,742

Financial assets at fair value through other comprehensive income were not pledged.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(4) Financial assets at amortized cost

	As of December 31,	
	2025	2024
Time deposits with original maturity exceeding 3 months	\$3,761,540	\$4,054,167
Current	\$2,921,070	\$3,431,665
Non-current	840,470	622,502
Total	<u>\$3,761,540</u>	<u>\$4,054,167</u>

The Group's financial assets at amortized cost are not pledged. Please refer to Note 6(16) for more details on loss allowance and Note 12 for more details on credit risk.

(5) Notes receivable, net

	As of December 31,	
	2025	2024
Notes receivable arising from operating activities	\$313,579	\$369,115
Less: loss allowance	(25)	(42)
Total	<u>\$313,554</u>	<u>\$369,073</u>

As of December 31, 2025 and 2024, the Group had discounted notes receivable with recourse rights in amount of \$153,468 thousand and \$259,530 thousand, respectively. Please refer to Note 6 (11) for more information on loans.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(16) for more details on loss allowance and Note 12 for more details on credit risk.

Please refer to Note 12 for more information on the Group's notes receivable transfer transactions.

(6) Accounts receivable and accounts receivable due from related parties, net

	As of December 31,	
	2025	2024
Accounts receivable	\$1,328,462	\$1,073,248
Less: loss allowance	(115,868)	(5,886)
Subtotal	<u>1,212,594</u>	<u>1,067,362</u>
Accounts receivable due from related parties	53,987	52,248
Total	<u>\$1,266,581</u>	<u>\$1,119,610</u>

Accounts receivable were not pledged.

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Accounts receivables are generally on 30-150 day terms. The total carrying amount as of December 31, 2025 and 2024 was \$1,382,449 thousand and \$1,125,496 thousand, respectively. Please refer to Note 6(16) for more details on loss allowance of accounts receivable for the years period ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk.

(7) Inventories

	As of December 31,	
	2025	2024
Merchandise	\$105,643	\$121,666
Raw materials	56,950	61,818
Work in process	176,865	154,051
Finished goods	121,293	136,498
Total	\$460,751	\$474,033

The cost of inventories recognized in expenses amounted to \$3,110,903 thousand and \$3,289,835 thousand for the years ended December 31, 2025 and 2024, respectively, including the gains of write-down of inventories \$4,457 thousand and \$10,565 thousand, respectively; loss on inventory scrapping amounted to \$13,167 thousand and \$12,504 thousand, respectively.

The Group recognized gain of writes-down of inventories for the year ended December 31, 2025 and 2024 as the slow-moving inventory had been gradually consumed, resulting in the reversal gains of the write-down of inventories.

The inventories were not pledged.

(8) Investments accounted for under the equity method

The following table lists the investments accounted for under the equity method of the Group:

Investee companies	As of December 31,			
	2025		2024	
	Carrying amount	% of ownership	Carrying amount	% of ownership
<u>Associate:</u>				
WAVEGIS TECHNOLOGY CO., LTD.	\$46,212	38.16	\$41,028	38.16

The Group's investments in this associate are not individually material and the aggregate financial information is as follows:

	For the years ended December 31,	
	2025	2024
Income from continuing operations	\$8,071	\$5,183
Total comprehensive income	\$8,071	\$5,183

**AUDIX CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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None of the aforementioned investments in associate were pledged, or with contingent liabilities or with capital commitments as of December 31, 2025 and 2024.

**(9) Property, plant and equipment**

	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Other Equipment	Construction in progress and equipment awaiting inspection	Total
Cost:								
As of January 1, 2025	\$282,503	\$1,744,216	\$1,923,800	\$31,207	\$55,853	\$1,045,968	\$5,985	\$5,089,532
Additions	-	4,168	25,510	592	2,153	18,962	105,879	157,264
Disposals	-	(1,068)	(89,492)	(3,471)	(5,901)	(28,249)	-	(128,181)
Reclassification	-	1,712	36,057	235	2,071	14,034	(54,109)	-
Effect of exchange rate changes	-	(1,502)	2,989	(28)	(83)	2,630	15	4,021
As of December 31, 2025	<u>\$282,503</u>	<u>\$1,747,526</u>	<u>\$1,898,864</u>	<u>\$28,535</u>	<u>\$54,093</u>	<u>\$1,053,345</u>	<u>\$57,770</u>	<u>\$5,122,636</u>
Cost:								
As of January 1, 2024	\$282,503	\$1,705,179	\$1,865,743	\$40,711	\$55,227	\$973,176	\$11,176	\$4,933,715
Additions	-	485	21,818	361	1,425	39,967	43,047	107,103
Disposals	-	(11,486)	(21,872)	(10,554)	(4,600)	(39,523)	-	(88,035)
Reclassification	-	207	7,075	171	2,662	38,504	(48,619)	-
Effect of exchange rate changes	-	49,831	51,036	518	1,139	33,844	381	136,749
As of December 31, 2024	<u>\$282,503</u>	<u>\$1,744,216</u>	<u>\$1,923,800</u>	<u>\$31,207</u>	<u>\$55,853</u>	<u>\$1,045,968</u>	<u>\$5,985</u>	<u>\$5,089,532</u>
Accumulated depreciation and impairment:								
As of January 1, 2025	\$-	\$1,130,749	\$1,667,152	\$28,436	\$44,545	\$936,615	\$-	\$3,807,497
Depreciation	-	33,660	78,665	1,247	4,893	67,560	-	186,025
Disposals	-	(1,068)	(87,922)	(3,345)	(5,845)	(28,235)	-	(126,415)
Effect of exchange rate changes	-	4,518	4,591	(7)	5	4,810	-	13,917
As of December 31, 2025	<u>\$-</u>	<u>\$1,167,859</u>	<u>\$1,662,486</u>	<u>\$26,331</u>	<u>\$43,598</u>	<u>\$980,750</u>	<u>\$-</u>	<u>\$3,881,024</u>
Accumulated depreciation and impairment:								
As of January 1, 2024	\$-	\$1,074,062	\$1,555,883	\$37,210	\$42,291	\$839,710	\$-	\$3,549,156
Depreciation	-	35,912	90,365	1,322	5,876	105,287	-	238,762
Disposals	-	(11,486)	(21,799)	(10,550)	(4,600)	(38,115)	-	(86,550)
Effect of exchange rate changes	-	32,261	42,703	454	978	29,733	-	106,129
As of December 31, 2024	<u>\$-</u>	<u>\$1,130,749</u>	<u>\$1,667,152</u>	<u>\$28,436</u>	<u>\$44,545</u>	<u>\$936,615</u>	<u>\$-</u>	<u>\$3,807,497</u>
Net carrying amount as of:								
December 31, 2025	<u>\$282,503</u>	<u>\$579,667</u>	<u>\$236,378</u>	<u>\$2,204</u>	<u>\$10,495</u>	<u>\$72,595</u>	<u>\$57,770</u>	<u>\$1,241,612</u>
December 31, 2024	<u>\$282,503</u>	<u>\$613,467</u>	<u>\$256,648</u>	<u>\$2,771</u>	<u>\$11,308</u>	<u>\$109,353</u>	<u>\$5,985</u>	<u>\$1,282,035</u>

Please refer to Note 8 for more details on property, plant and equipment under pledge.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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(10) Intangible assets

Net carrying amount as of intangible assets

	As of December 31,	
	2025	2024
Computer software	\$3,281	\$5,418

For the years ended December 31, 2025 and 2024, the Group's additions to intangible assets amounted to \$2,109 thousand and \$4,797 thousand, respectively.

Amortization expense of intangible assets were stated as follows:

	For the years ended December 31,	
	2025	2024
Operating expenses	\$4,164	\$3,730

(11) Short-term loans

	Interest rates (%)	As of December 31,	
		2025	2024
Notes receivable			
discounted	CNY0.52%~0.90%	\$153,468	\$259,530
Unsecured bank loans	USD4.07633%~5.75%	368,286	437,168
	NTD1.81%~1.93%	850,000	850,000
Total		\$1,371,754	\$1,546,698

As of December 31, 2025 and 2024, the Group's unused credit lines (including long-term and short-term) were \$5,291,365 thousand and \$5,951,574 thousand, respectively.

Please refer to Note 8 for more details on assets pledged as security for secured short-term loans.

(12) Long-term loans

Details of loan-term loans as of December 31, 2025 and 2024 were as follows:

Creditor	As of		Repayment
	December 31, 2025	Interest Rate (%)	
Hua Nan Commercial Bank– Secured loan	\$200,000	1.960%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
E.SUN Commercial Bank, Ltd.– Unsecured loan	200,000	1.960%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.

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Creditor	As of		Repayment
	December 31, 2025	Interest Rate (%)	
Taipei Fubon Commercial Bank Co., Ltd.– Unsecured loan	130,000	1.900%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Far Eastern International Bank Co., Ltd. – Unsecured loan	300,000	1.940%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Industrial Bank Co., Ltd.– Unsecured loan	624	3.60% (Note 1)	Repayable from August 17, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	164	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2026 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	7,191	3.60% (Note 1)	Repayable from August 30, 2024 to July 5, 2028 in 6 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	164	3.60% (Note 1)	Repayable from September 26, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	13,484	3.60% (Note 1)	Repayable from September 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	587	3.60% (Note 1)	Repayable from October 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	210	3.60% (Note 1)	Repayable from November 29, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	363	3.60% (Note 1)	Repayable from December 28, 2023 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	1,490	3.60% (Note 1)	Repayable from January 30, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	50	3.60% (Note 1)	Repayable from February 28, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	6,549	3.60% (Note 1)	Repayable from April 29, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	337	3.25% (Note 1)	Repayable from May 15, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	4,282	3.25% (Note 1)	Repayable from May 29, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	13,873	3.25% (Note 1)	Repayable from June 26, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	11,214	3.25% (Note 1)	Repayable from July 19, 2024 to July 19, 2027 in 3 installments every 12 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,011	3.25% (Note 1)	Repayable from July 25, 2024 to July 19, 2027 in 3 installments every 12 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	3,106	3.25% (Note 1)	Repayable from August 28, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,230	3.25% (Note 1)	Repayable from September 27, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,348	3.25% (Note 1)	Repayable from November 29, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	2,165	3.25% (Note 1)	Repayable from July 17, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.

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Creditor	As of		Repayment
	December 31, 2025	Interest Rate (%)	
Agricultural Bank of China., Ltd. – Unsecured loan	5,054	3.25% (Note 1)	Repayable from October 22, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,458	3.25% (Note 1)	Repayable from November 28, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,656	3.25% (Note 1)	Repayable from December 27, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,413	3.25% (Note 1)	Repayable from January 23, 2025 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Subtotal	\$909,023		
Less: current portion	(18,891)		
Total	\$890,132		

Note 1: It is a loan with government subsidy. The actual interest rate paid by the Group is 2.00%.

Creditor	As of		Repayment
	December 31, 2024	Interest Rate (%)	
Hua Nan Commercial Bank– Secured loan	\$400,000	1.895%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Hua Nan Commercial Bank– Secured loan	150,000	1.930%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Taipei Fubon Commercial Bank Co., Ltd.– Unsecured loan	300,000	1.970%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Industrial Bank Co., Ltd.– Unsecured loan	870	3.60% (Note 1)	Repayable from August 17, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	8,061	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2026 in 6 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	229	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	229	3.60% (Note 1)	Repayable from September 26, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	18,809	3.60% (Note 1)	Repayable from September 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	818	3.60% (Note 1)	Repayable from October 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	294	3.60% (Note 1)	Repayable from November 29, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	507	3.60% (Note 1)	Repayable from December 28, 2023 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	2,079	3.60% (Note 1)	Repayable from January 30, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.

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Creditor	As of		Repayment
	December 31, 2024	Interest Rate (%)	
Industrial Bank Co., Ltd.– Unsecured loan	70	3.60%	Repayable from February 28, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	9,085	3.60%	Repayable from April 29, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,455	3.25%	Repayable from May 15, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	4,267	3.25%	Repayable from May 29, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	13,823	3.25%	Repayable from June 26, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	11,196	3.25%	Repayable from July 19, 2024 to July 19, 2027 in 3 installments every 12 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,008	3.25%	Repayable from July 25, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	3,095	3.25%	Repayable from August 28, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,225	3.25%	Repayable from September 27, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,344	3.25%	Repayable from November 29, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	2,212	3.25%	Repayable from July 17, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	5,164	3.25%	Repayable from October 22, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,581	3.25%	Repayable from November 28, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,778	3.25%	Repayable from December 27, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Subtotal	<u>\$939,199</u>		
Less: current portion	<u>(11,866)</u>		
Total	<u><u>\$927,333</u></u>		

Note 1: It is a loan with government subsidy. The actual interest rate paid by the Group is 2.00%.

As of December 31, 2025 and 2024, the Group's unused credit lines on long-term loans were calculated with short-term loans. Please refer to Note 6(11) for more details.

Please refer to Note 8 for more details on assets pledged as security for secured loans.

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(13) Post-employment benefits

A. Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of other overseas subsidiaries are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were \$66,414 thousand and \$64,150 thousand, respectively.

B. Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

AUDIX CORPORATION AND SUBSIDIARIES

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The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandating, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19.

As of December 31, 2025 and 2024, the weighted average duration of welfare obligations is determined to be 6 years and 4 years, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Current service cost	\$-	\$-
Net interest (income) expense on the net defined benefit assets	(28)	120
Total	\$(28)	\$120

Changes in the defined benefit obligation and fair value of plan assets were as follows:

	As of December 31,	
	2025	2024
Defined benefit obligation	\$59,665	\$61,181
Plan assets at fair value	(66,273)	(63,180)
Net defined benefit assets	\$(6,608)	\$(1,999)

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Reconciliations of liability (asset) of the defined benefit plan was as follows:

	Present value of the defined benefit obligation	Fair value of the plan assets	Net defined benefit liability (asset)
As of January 1, 2024	\$68,661	\$(58,992)	\$9,669
Interest expense (income)	851	(731)	120
Subtotal	851	(731)	120
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in financial assumptions	(141)	-	(141)
Experience adjustments	(3,075)	-	(3,075)
Remeasurements of the defined benefit assets	-	(5,290)	(5,290)
Subtotal	(3,216)	(5,290)	(8,506)
Benefits paid	(5,115)	5,115	-
Contribution by employer	-	(3,282)	(3,282)
As of December 31, 2024	61,181	(63,180)	(1,999)
Interest expense (income)	850	(878)	(28)
Subtotal	850	(878)	(28)
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in financial assumptions	171	-	171
Experience adjustments	(102)	-	(102)
Remeasurements of the defined benefit assets	-	(4,650)	(4,650)
Subtotal	69	(4,650)	(4,581)
Benefits paid	(2,435)	2,435	-
Contribution by employer	-	-	-
As of December 31, 2025	\$59,665	\$(66,273)	\$(6,608)

The principal underlying actuarial assumptions were as follows:

	As of December 31,	
	2025	2024
Discount rate	1.18%	1.39%
Expected rate of salary increases	1.50%	1.50%

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A sensitivity analysis for significant assumption was shown below:

	For the years ended December 31,			
	2025		2024	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.5%	\$-	\$(368)	\$-	\$(445)
Discount rate decrease by 0.5%	2,917	-	2,013	-
Future salary increase by 0.5%	2,891	-	1,992	-
Future salary decrease by 0.5%	-	(369)	-	(446)

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(14) Equity

A. Common stock

As of December 31, 2025 and 2024, the Company's authorized and issued capital was \$2,500,000 thousand and \$1,055,956 thousand, respectively, each at a par value of \$10. Each with a voting right and the right to receive dividends.

B. Capital surplus

	As of December 31,	
	2025	2024
Additional paid-in capital	\$170,338	\$170,338
Difference between consideration and carrying amount of subsidiaries acquired or disposed	1,037	1,037
Gain on disposals of property, plant and equipment	487	487
Net assets from merger	10,028	10,028
Others	5	5
Total	\$181,895	\$181,895

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

According to the Company Act, the additional paid-in capital shall not be used except for offsetting the deficit of the Company. When a company incurs no loss, it may distribute the additional paid-in capital generated from the excess of the issuance price over the par value of share capital and donations. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

#### C. Retained earnings and dividend policy

According to the Company Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of all taxes and dues;
- (b) Offset prior years' operation losses (Includes adjustment of unallocated surplus amount);
- (c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve, but not when the accumulated statutory surplus reserve has reached the total paid-in capital of the company;
- (d) Set aside or reverse special reserve in accordance with law and regulations; in the case of special surplus reserves, the shortfalls in the provision of "net increase in fair value of investment real estate accumulated in the previous period" and "net deductions of other equity gains accumulated in the previous period" should be included in the amount of the special surplus reserve by the same amount from the undistributed surplus of the previous period before the distribution of the surplus, and if there is still a shortfall, the amount other than the net after-tax profit of the current period shall be added to the amount of the undistributed surplus in the current period. and
- (e) If there is surplus (hereinafter referred to as "current year earnings") and undistributed surpluses at the beginning of the same period (including adjustments to the amount of undistributed surpluses), the Board of Directors shall, in accordance with the dividend policy, formulate a surplus distribution proposal and request the shareholders' meeting to resolve the distribution of shareholders' dividends.

The shareholder dividend assigned in the preceding paragraph or all or part of the statutory surplus and capital accumulation as required by law shall be issued in cash; the board is authorized to report the dividend distribution to the shareholder's meeting upon adoption of a resolution by a majority voting of the directors present at a board meeting attended by two-thirds of the directors of the Company.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Company's dividend policy considers its current and future development plans, capital requirements, competitive conditions and changes in the industrial environment. The Company's surplus distribution case is prepared taking into account the interests of shareholders and the long-term financial planning of the Company. The total annual shareholder dividend of the Company shall not be less than 50% of the current annual surplus.

The surplus of the preceding item is distributed in the form of cash or stock. In response to the growth of electronic technology innovation, the Company is now entering a stable growth period. Cash dividend is preferred when distributing surplus. Stock dividends can also be distributed. However, the portion of cash dividends shall not be less than 50% of the dividends allocated in the current year.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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As of December 31, 2025, and 2024, special reserve set aside for the first-time adoption of TIFRS amounted to \$30,092 thousand.

Details of the 2025 and 2024 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on March 11, 2026 and May 29, 2025, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2025	2024	2025	2024
Legal reserve	\$54,926	\$56,991		
Common stock-cash dividend (Note)	443,502	422,383	\$4.2	\$4.0
Total	<u>\$498,428</u>	<u>\$479,374</u>		

The appropriation of 2025 unappropriated retained earnings have not yet been approved by the shareholders' meeting as of the reporting date. Information relevant to the Board of Directors' meeting resolutions and shareholders' meeting approval can be obtained from the "Market Observation Post System" on the website of the TWSE.

Note: The Company explicitly provided in its the Articles of Incorporation that the Board of Director may resolve the distributable dividends by special resolutions. On March 11, 2026 and March 6, 2025, the distributable dividend paid in cash has been resolved by the Board of Director, respectively.

Please refer to Note 6(18) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the years ended December 31,	
	2025	2024
Beginning balance	\$393,703	\$393,466
Net income attributable to non-controlling interest	13,072	13,743
Other comprehensive income, attributable to non-controlling interest:		
Exchange differences on translation of foreign financial statements	997	13,423
Cash dividend in subsidiaries	(21,556)	(17,857)
Changes in non-controlling interests	-	(9,072)
Ending balance	<u>\$386,216</u>	<u>\$393,703</u>

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(15) Operating revenues

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers		
Sale of goods	\$4,192,384	\$4,441,698
Rendering of services	715,703	727,075
Total	\$4,908,087	\$5,168,773

Analysis of revenue from contracts with customers during the years ended December 31, 2025 and 2024 were as follows:

(a) Disaggregation of revenue

For the years ended December 31, 2025:

	Product			Total
	Channel Business	Manufacture Business	Certification Business	
Sale of goods	\$1,631,630	\$2,531,070	\$29,684	\$4,192,384
Rendering of services	7,691	60,108	647,904	715,703
Total	\$1,639,321	\$2,591,178	\$677,588	\$4,908,087

Timing of revenue  
recognition:

At a point in time	\$1,639,321	\$2,591,178	\$677,588	\$4,908,087
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For the years ended December 31, 2024:

	Product			Total
	Channel Business	Manufacture Business	Certification Business	
Sale of goods	\$1,568,132	\$2,777,909	\$95,657	\$4,441,698
Rendering of services	7,377	68,345	651,353	727,075
Total	\$1,575,509	\$2,846,254	\$747,010	\$5,168,773

Timing of revenue  
recognition:

At a point in time	\$1,575,509	\$2,846,254	\$747,010	\$5,168,773
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AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Contract balances

Contract liabilities, current

	As of		
	December 31, 2025	December 31, 2024	January 1, 2024
Sale of goods	\$17,716	\$32,628	\$3,075
Rendering of services	59,490	9,046	35,914
Total	\$77,206	\$41,674	\$38,989

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
The opening balance transferred to revenue	\$32,047	\$39,406
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	68,023	40,884

(16) Expected credit impairment (losses) gains

	For the years ended December 31,	
	2025	2024
Operating expenses –Expected credit impairment (losses) / gains		
Notes receivable	\$17	\$30
Accounts receivable	(105,931)	9,362
Total	\$(105,914)	\$9,392

Please refer to Note 12 for more details on credit risk.

The credit risk for the Group's financial assets measured at amortized cost as of December 31, 2025 and 2024, was assessed as low (the same as the assessment result in the beginning of the period). Therefore, the expected credit loss was measured at an amount equal to twelve-month expected credit loss (loss rate 0%).

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group measures the loss allowance of its receivables (including notes receivable, accounts receivable and non-accrual loans) at an amount equal to lifetime expected credit loss. The assessment of the Group's loss allowance as of December 31, 2025 and December 31, 2024 was as follow:

A. The accounts receivable include financial difficulties of counterparties, whose accounts aging more than 365 days. As of December 31, 2025 and 2024, the non-accrual loan that was assessed individually amounted to \$6,174 thousand and \$6,152 thousand, respectively, with 100% of loss allowance appropriated.

B. As of December 31, 2025 and 2024, the total carrying amounts of the notes receivable amounted to \$313,579 thousand and \$369,115 thousand, respectively. Among them, notes receivable in the amount of \$5,072 thousand and \$8,337 thousand were provided for allowance for expected credit losses at 0.5% over 12 months, while the remaining notes receivable were provided for allowance for expected credit losses at 0%.

C. The remaining accounts receivable were divided into two groups, Group A and Group B, based on the customer's financial position and credit, and a provision matrix was used to measure loss allowance. The relevant information is as follows:

As of December 31, 2025

Group A	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying amount	\$161,815	\$83	\$374	\$1,855	\$2,027	\$659	\$-	\$-	\$166,813
Loss ratio		0%	0%	1%	1%	5%	0%	0%	
Lifetime expected credit loss	(243)	-	-	(19)	(20)	(33)	-	-	(315)
Subtotal	161,572	83	374	1,836	2,007	626	-	-	166,498
Group B	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying amount	\$979,906	\$7,875	\$54,714	\$22,425	\$21,831	\$2,781	\$34,847	\$91,257	\$1,215,636
Loss ratio		0%	1%	5%	10%	20%	50%	100%	
Lifetime expected credit loss	(2,465)	-	(547)	(1,121)	(2,183)	(556)	(17,424)	(91,257)	(115,553)
Subtotal	977,441	7,875	54,167	21,304	19,648	2,225	17,423	-	1,100,083
Accounts receivable (including related parties)									<u>\$1,266,581</u>

**AUDIX CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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As of December 31, 2024

<b>Group A</b>	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying amount	\$130,715	\$42	\$946	\$1,575	\$1,435	\$1,069	\$-	\$-	\$135,782
Loss ratio		0%	0%	1%	1%	5%	0%	0%	
Lifetime expected credit loss	(170)	-	-	(16)	(14)	(53)	-	-	(253)
Subtotal	130,545	42	946	1,559	1,421	1,016	-	-	135,529
<b>Group B</b>	Overdue of aging days								
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	Total
Gross carrying amount	\$951,434	\$18,576	\$5,996	\$5,847	\$6,998	\$693	\$170	\$-	\$989,714
Loss ratio		0%	1%	5%	10%	20%	50%	0%	
Lifetime expected credit loss	(4,357)	-	(60)	(292)	(700)	(139)	(85)	-	(5,633)
Subtotal	947,077	18,576	5,936	5,555	6,298	554	85	-	984,081
Accounts receivable (including related parties)									<u>\$1,119,610</u>

The movement in the provision for impairment of notes receivable and accounts receivable during the years ended December 31, 2025 and 2024 are as follows:

	Notes receivable	Accounts receivable	Overdue receivable	Total
Beginning balance as of January 1, 2025	\$42	\$5,886	\$6,152	\$12,080
(Reversal) addition for the current period	(17)	105,931	-	105,914
Effect of exchange rate changes	-	4,051	22	4,073
Ending balance as of December 31, 2025	<u>\$25</u>	<u>\$115,868</u>	<u>\$6,174</u>	<u>\$122,067</u>
Beginning balance as of January 1, 2024	\$72	\$14,795	\$5,943	\$20,810
Reversal for the current period	(30)	(9,362)	-	(9,392)
Effect of exchange rate changes	-	453	209	662
Ending balance as of December 31, 2024	<u>\$42</u>	<u>\$5,886</u>	<u>\$6,152</u>	<u>\$12,080</u>

(17) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings. The lease terms range from 1 to 50 years. The Group did not be imposed any restrictions in these lease contract.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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The Group's leases effect on the financial position, financial performance and cash flows were as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2025	2024
Land	\$45,096	\$48,293
Buildings	6,641	7,858
Total	\$51,737	\$56,151

During the years ended December 31, 2025 and 2024, the Group's additions to right-of-use assets amounted to \$7,535 thousand and \$11,485 thousand, respectively.

ii. Lease liabilities

	As of December 31,	
	2025	2024
Current	\$5,350	\$5,891
Non-current	7,471	9,283
Total	\$12,821	\$15,174

Please refer to Note 6(19)(D) for the interest expense on lease liabilities recognized during the years ended December 31, 2025 and 2024; refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2025 and 2024.

(b) Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2025	2024
Land	\$3,264	\$3,326
Buildings	8,657	10,285
Total	\$11,921	\$13,611

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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(c) Income and costs relating to leasing activities

	For the years ended December 31,	
	2025	2024
The expenses relating to short-term leases	\$3,785	\$4,928
The relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	1,051	1,176

(d) Cash outflow relating to leasing activities

The Group's total cash outflows for leases amounted to \$14,971 thousand and \$18,175 thousand for the years ended December 31, 2025 and 2024, respectively.

(e) Other information relating to leasing activities

Extension and termination options

Some of the Group's building and equipment rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Group as a lessor

	For the years ended December 31,	
	2025	2024
Rental income for operating leases		
Income relating to variable lease payments that are not depend on an index or a rate	\$6,946	\$7,771

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2025 and 2024 are as follow:

	As of December 31,	
	2025	2024
Less than one year	\$7,337	\$8,329
More than one year but less than two years	5,662	5,119
More than two years but less than three years	3,216	2,517
More than three years but less than four years	670	-
<b>Total</b>	<b>\$16,885</b>	<b>\$15,965</b>

(18) Summary statement of employee benefits, depreciation and amortization expenses by function were as follows:

By function  By feature	For the years ended December 31,					
	2025			2024		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Wages and salaries	\$634,217	\$278,282	\$912,499	\$685,658	\$320,303	\$1,005,961
Labor and health insurance	29,945	22,357	52,302	28,849	23,636	52,485
Pension	46,543	19,871	66,414	43,317	25,800	69,117
Director's remuneration	-	7,515	7,515	-	6,515	6,515
Depreciation	150,587	47,359	197,946	200,687	51,686	252,373
Amortization	-	4,164	4,164	-	3,730	3,730

According to the Articles of Incorporation of the Company, more than 2.5% and less than 5% of profit of the current year is distributable as employees' compensation (no less than 25% of the employee compensation herein shall be allocated as non-managerial employees) and no higher than 3% of profit of the current year is distributable as remuneration to directors. (Profit is defined as pre-tax profit before employees' compensation and directors' remuneration.) However, the Company's accumulated losses shall have been covered (including adjustments to undistributed surplus amounts). The aforementioned employee remuneration is paid in stock or cash, while the director remuneration can only be paid in cash. These two items shall be implemented by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, and shall report to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Company estimates employee Compensation and director remuneration based on profitability. For the year ended December 31, 2025, the employees' compensation and remuneration to directors were recognized as employee benefits expense at \$19,500 thousand and \$7,200 thousand, respectively. For the year ended March 11, 2026, the employee compensation and remuneration to directors were recognized as employee benefit expense at \$19,500 thousand and \$7,200 thousand, respectively. There were no significant differences between the estimate amount and the approved amount.

A resolution was approved through the Board of Directors' meeting held on March 6, 2025 to distribute \$20,017 thousand and \$6,300 thousand in cash as employees' compensation and remuneration to directors for the year of 2024, respectively. There were no significant differences between the amounts approved and the amounts recorded as expenses in the year of 2024.

(19) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2025	2024
Bank deposits	\$17,453	\$27,071
Financial assets measured at amortized cost	125,115	143,600
Subtotal	142,568	170,671
Financial assets measured at fair value through profit or loss	19,016	16,301
Total	\$161,584	\$186,972

B. Other income

	For the years ended December 31,	
	2025	2024
Rental income	\$6,946	\$7,771
Dividend income		
Financial assets mandatorily measured at fair value through profit or loss	5,868	5,548
Total	\$12,814	\$13,319

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Other gains and losses

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Losses on disposal of property, plant and equipment	\$(1,411)	\$(534)
Foreign exchange (losses) gains, net	(4,654)	22,943
Gains on financial assets at fair value through profit or loss, net (Note)	17,405	7,214
Gains on lease modification	1	285
Other gains and losses	31,798	31,170
Total	<u>\$43,139</u>	<u>\$61,078</u>

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss including valuation adjustment and foreign exchange net gain or loss.

D. Finance costs

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest on bank loans	\$48,751	\$57,654
Interest on notes receivable discounted	1,020	1,616
Interest on lease liabilities	343	549
Total	<u>\$50,114</u>	<u>\$59,819</u>

(20) Components of other comprehensive income

Other comprehensive income for the year ended December 31, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax effect	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit obligation	\$4,581	\$-	\$4,581	\$(916)	\$3,665
Unrealized gains on equity instruments investment at fair value through other comprehensive income	35,200	-	35,200	-	35,200
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(91,640)	-	(91,640)	-	(91,640)
Total other comprehensive income	<u>\$(51,859)</u>	<u>\$-</u>	<u>\$(51,859)</u>	<u>\$(916)</u>	<u>\$(52,775)</u>

AUDIX CORPORATION AND SUBSIDIARIES  
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Other comprehensive income for the year ended December 31, 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax effect	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit obligation	\$8,506	\$-	\$8,506	\$(400)	\$8,106
Unrealized losses on equity instruments investment at fair value through other comprehensive income	(46,200)	-	(46,200)	-	(46,200)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	280,976	-	280,976	-	280,976
Total other comprehensive income	<u>\$243,282</u>	<u>\$-</u>	<u>\$243,282</u>	<u>\$(400)</u>	<u>\$242,882</u>

(21) Income tax expense

The major components of income tax expense for the years ended December 31, 2025 and 2024 are as follows:

Income tax expense recognized in profit or loss

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current tax expense:		
Current income tax charge	\$288,429	\$389,927
Adjustments in respect of current income tax of prior periods	(1,392)	6,028
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	(25,420)	406
Total income tax expense	<u>\$261,617</u>	<u>\$396,361</u>

Income tax relating to components of other comprehensive income

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Remeasurements of defined benefit plans	\$(916)	\$(400)
Income tax relating to components of other comprehensive income	<u>\$(916)</u>	<u>\$(400)</u>

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Reconciliation between income tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2025	2024
Accounting profit before tax from continuing operations	\$820,280	\$971,909
Tax at the domestic rates applicable to profits in the country concerned	\$293,057	\$369,305
Corporate income surtax on undistributed earnings	4,527	6,516
Tax effect of revenues exempt from taxation	(125,819)	(127,971)
Income tax impact of allotment dividend income from investing in foreign subsidiaries	65,633	126,984
Tax effect of expenses not deductible for tax purpose	10	3,213
Adjustment of the current income tax of the previous year in the current year	(1,392)	6,028
Other income tax effects adjusted in accordance with the tax laws and regulations	25,601	12,286
Total income tax expense recognized in profit or loss	\$261,617	\$396,361

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2025:

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized loss on inventory valuation	\$4,156	\$(1,583)	\$-	\$2,573
Unrealized bad debt loss	2,558	27,224	-	29,782
Unrealized sales returns and allowances	14	(14)	-	-
Unrealized exchange gain	(764)	(35)	-	(799)
Unrealized exchange loss	1,166	(166)	-	1,000
Net defined benefit assets	(400)	(6)	(916)	(1,322)
Deferred tax income (expense)		\$25,420	\$(916)	
Deferred tax assets/(liabilities), net	\$6,730			\$31,234
Reflected in balance sheet as follows:				
Deferred tax assets	\$7,894			\$33,355
Deferred tax liabilities - temporary differences	\$1,164			\$2,121
Deferred tax liabilities - land appreciation tax	23,545			23,545
Deferred tax liabilities - total	\$24,709			\$25,666

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For the years ended December 31, 2024:

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized loss on inventory valuation	\$4,079	\$77	\$-	\$4,156
Unrealized bad debt loss	2,368	190	-	2,558
Unrealized sales returns and allowances	14	-	-	14
Unrealized exchange gain	(8,728)	7,964	-	(764)
Unrealized exchange loss	9,803	(8,637)	-	1,166
Net defined benefit assets	-	-	(400)	(400)
Deferred tax income (expense)		\$(406)	\$(400)	
Deferred tax assets/(liabilities), net	\$7,536			\$6,730
Reflected in balance sheet as follows:				
Deferred tax assets	\$16,264			\$7,894
Deferred tax liabilities - temporary differences	\$8,728			\$1,164
Deferred tax liabilities - land appreciation tax	23,545			23,545
Deferred tax liabilities - total	\$32,273			\$24,709

Unrecognized deferred tax liabilities related to investment subsidiaries

The Group has not recognized the relevant deferred tax liabilities for the income tax payable that may arise when the undistributed earnings of some foreign subsidiaries are repatriated. The Group has decided not to distribute such undistributed earnings of its subsidiaries in the foreseeable future. As of December 31, 2025 and 2024, the amounts of taxable temporary differences not recognized as deferred tax liabilities are \$4,933,639 thousand.

The assessment of income tax returns

As of December 31, 2025, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2023
Subsidiary- Audix Technology Corporation	Assessed and approved up to 2023

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(22) Earnings per share

Basic earnings per share is calculated by dividing net income for the year attributable to parent company of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income attributable to parent company of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<b>A. Earnings per share-basic</b>		
Net income attributable to parent company (in thousand NT\$)	<u>\$545,591</u>	<u>\$561,805</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>105,596</u>	<u>105,596</u>
Earnings per share-basic (NT\$)	<u>\$5.17</u>	<u>\$5.32</u>
<b>B. Earnings per share-diluted</b>		
Net income attributable to parent company (in thousand NT\$)	<u>\$545,591</u>	<u>\$561,805</u>
Net income attributable to parent company after dilution (in thousand NT\$)	<u>\$545,591</u>	<u>\$561,805</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	105,596	105,596
Effect of dilution:		
Employee compensation – stock (in thousands)	<u>347</u>	<u>350</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>105,943</u>	<u>105,946</u>
Earnings per share-diluted (NT\$)	<u>\$5.15</u>	<u>\$5.30</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial report date and the date the financial statements were authorized for issue.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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23. Changes in parent’s interest in subsidiaries

Acquisition of additional interest of a subsidiary

(1) AUDIX TESTING & MEASUREMENT CO., LTD.

On July 5, 2024, the Group acquired an additional 40.33% of the shares of AUDIX TESTING & MEASUREMENT CO., LTD. from Shenzhen Junhao Testing Technology Co., Ltd., increasing its ownership to 100%. A cash consideration of \$8,967 thousand was paid to the non-controlling interest shareholders. The carrying amount of AUDIX TESTING & MEASUREMENT CO., LTD.’s net assets (excluding goodwill on the original acquisition) was \$9,072 thousand. Following is a schedule of additional interest acquired in AUDIX TESTING & MEASUREMENT CO., LTD., including changes in non-controlling interests:

Cash consideration paid to non-controlling interests	\$(8,967)
Carrying amount of net assets of non-controlling interests	9,072
Differences recognized as additional paid-in capital in equity	\$105

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period was as follows:

Name and Relationship of the related parties

Name of related parties	Relationship
WAVEGIS TECHNOLOGY CO., LTD.	Associate
YUWA CO., LTD.	Other related parties
YUWA (VN) CO., LTD.	Other related parties
YUWA (HK) CO., LTD.	Other related parties
HONGBAO INVESTMENT CO., LTD.	Other related parties
HONGBAO FOUNDATION	Other related parties

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Significant transactions with the related parties

(1) Operating revenues

	For the years ended December 31,	
	2025	2024
Other related parties	\$188,704	\$191,614
Associate	2,773	2,528
Total	\$191,477	\$194,142

The sales prices to related parties were negotiated by both parties in reference to market prices; the collection periods of operating income to the above related parties were 60-150 days, while the collection periods to third parties were 30-150 days.

(2) Purchases

	For the years ended December 31,	
	2025	2024
Other related parties	\$651	\$1,654

The purchase prices to related parties were negotiated by both parties in reference to market prices; the payment periods of purchase to the above related parties were 30-90 days; while the payment periods to third parties were 30-105 days.

(3) Operating costs – manufacturing costs

	For the years ended December 31,	
	2025	2024
Other related parties	\$577	\$116

Operating costs – manufacturing expenses mainly include material requisition and repair and maintenance expense.

(4) Operating expenses

	For the years ended December 31,	
	2025	2024
Other related parties	\$6,437	\$6,154

Operating expenses mainly include technical know-how fees and donation fee.

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(5) Accounts receivable due from related parties

	As of December 31,	
	2025	2024
Other related parties		
YUWA CO., LTD.	\$38,441	\$50,505
YUWA (HK) CO., LTD.	13,177	-
Other	1,393	115
Associate	976	1,628
Total	<u>\$53,987</u>	<u>\$52,248</u>

(6) Accounts payable

	As of December 31,	
	2025	2024
Other related parties	<u>\$46</u>	<u>\$17</u>

(7) Other payables

	As of December 31,	
	2025	2024
Other related parties	<u>\$1,810</u>	<u>\$1,688</u>

(8) Rent income

	Location	Calculation and Collection of Rent	For the years ended December 31,	
			2025	2024
Other related parties	No. 8, Lane 120, Section 1, Neihu Road, Taipei City	Receipt by wire transfer on an annual basis	<u>\$34</u>	<u>\$34</u>

(9) Other gains and losses

	For the years ended December 31,	
	2025	2024
Other related parties	<u>\$148</u>	<u>\$1,095</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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(10) Key management personnel compensation

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$31,032	\$28,997
Post-employment benefits	376	318
Total	\$31,408	\$29,315

8. Pledged assets

The following assets of the Group pledged as collaterals:

Item	Carrying amount as of December 31,		Purpose
	2025	2024	
Notes receivable	\$153,468	\$259,530	Notes receivable discounted
Property, plant and equipment			Bank loans
Land	176,700	176,700	
Buildings	72,105	75,090	
Subtotal	248,805	251,790	
Refundable deposits	100	-	Guarantee of Oil Purchase
Total	\$402,373	\$511,320	

9. Significant contingencies and unrecognized contract commitments

As of December 31, 2025, the Group entrusted financial institutes to open guarantee the amount of request for financial related to custom tax guarantee for the amount of NT\$4,800 thousand and CNY\$2,000 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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12. Others

(1) Financial instruments

Financial assets

	As of December 31,	
	2025	2024
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	\$652,343	\$775,784
Financial assets at fair value through other comprehensive income	119,959	84,742
Financial assets at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	1,083,352	995,109
Notes receivable	313,554	369,073
Accounts receivable (including due from related parties)	1,266,581	1,119,610
Other receivables	111,269	225,413
Financial assets at amortized cost	3,761,540	4,054,167
Refundable deposits	25,956	24,884
Total	<u>\$7,334,554</u>	<u>\$7,648,782</u>

Financial liabilities

	As of December 31,	
	2025	2024
Financial liabilities at amortized cost:		
Short-term loans	\$1,371,754	\$1,546,698
Payables	703,427	734,077
Long-term loans (including current portion)	909,023	939,199
Lease liabilities	12,821	15,174
Total	<u>\$2,997,025</u>	<u>\$3,235,148</u>

(2) Financial risk management objectives

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

#### (3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprise currency risk and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

#### Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts are to hedge exchange rate fluctuation risk, the gain or loss made on the contracts from the fluctuation in exchange rates are expected to mostly offset gains or losses made on the hedged item. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2025 and 2024 is decreased/increased by \$6,414 thousand and \$4,775 thousand, respectively.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investment at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including loans with variable interest rates. At the balance sheet date, an increase or a decrease of 10 basis points of interest rate could cause the profit for the years ended December 31, 2025 and 2024 to decrease/increase by \$2,281 thousand and \$2,234 thousand, respectively.

#### (4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit of the Group subject to established policy, procedures and controls relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria, etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment and insurance.

As of December 31, 2025 and 2024, the top ten receivables from counter parties presented 54.75% and 46.66% of the total receivables of the Group, respectively. The credit concentration risk of the remaining receivables was insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than					Above	Total
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years	
As of December 31, 2025							
Loans	\$1,396,738	\$878,718	\$10,006	\$26,956	\$-	\$-	\$2,312,418
Payables	703,427	-	-	-	-	-	703,427
Lease liabilities	5,537	3,198	1,484	1,402	1,354	201	13,176
As of December 31, 2024							
Loans	\$1,563,529	\$895,062	\$24,422	\$9,696	\$26,085	\$-	\$2,518,794
Payables	734,077	-	-	-	-	-	734,077
Lease liabilities	6,119	3,067	2,631	1,208	1,208	1,410	15,643

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2025:

	Short-term loans	Long-term loans	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
As of January 1, 2025	\$1,546,698	\$939,199	\$15,174	\$-	\$2,501,071
Cash flows	(174,944)	(30,176)	(10,135)	-	(215,255)
Non-cash changes	-	-	7,782	-	7,782
As of December 31, 2025	<u>\$1,371,754</u>	<u>\$909,023</u>	<u>\$12,821</u>	<u>\$-</u>	<u>\$2,293,598</u>

Reconciliation of liabilities for the years ended December 31, 2024:

	Short-term loans	Long-term loans	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
As of January 1, 2024	\$1,342,384	\$1,180,676	\$19,271	\$3,315	\$2,545,646
Cash flows	204,314	(241,477)	(12,071)	(3,315)	(52,549)
Non-cash changes	-	-	7,974	-	7,974
As of December 31, 2024	<u>\$1,546,698</u>	<u>\$939,199</u>	<u>\$15,174</u>	<u>\$-</u>	<u>\$2,501,071</u>

(7) Fair values of financial instruments

A. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, receivables payables refundable deposits, guarantee deposits received, and lease liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without market quotations and bank loans are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

#### B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair value.

#### C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

### (8) Fair value measurement hierarchy

#### A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

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For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group did not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group assets and liabilities measured at fair value on a recurring basis was as follows:

As of December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	\$54,672	\$-	\$-	\$54,672
Preferred stocks	145,715	-	-	145,715
Bonds	451,956	-	-	451,956
Fair value through other comprehensive income				
Investments in equity instruments designated at fair value through other comprehensive income	-	115,000	4,959	119,959

As of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	\$82,722	\$-	\$-	\$82,722
Preferred stocks	145,396	-	-	145,396
Bonds	547,666	-	-	547,666
Fair value through other comprehensive income				
Investments in equity instruments designated at fair value through other comprehensive income	-	79,800	4,942	84,742

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Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

The movements during the period were as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2025	\$4,942
Effect of exchange rate translation	17
Ending balances as of December 31, 2025	\$4,959
	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2024	\$4,990
Transfer out of Level 3	(224)
Effect of exchange rate translation	176
Ending balances as of December 31, 2024	\$4,942

Total gains and losses recognized in profit or loss for the years ended December 31, 2025 and 2024 in the table above contain gains and losses related to assets on hand as at December 31, 2025 and 2024 in the amount of \$0 thousand.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy was as follows:

None.

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Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's finance department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	(In thousands)		
	As of December 31, 2025		
	Foreign currencies	Exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$38,676	31.43	\$1,215,586
JPY	99,578	0.2008	19,995
HKD	11,429	4.038	46,150
CNY	713	4.496	3,205
 <u>Financial liabilities</u>			
Monetary items:			
USD	18,269	31.43	574,189
JPY	32,350	0.2008	6,496
HKD	5,620	4.038	22,692
CNY	367	4.496	1,651

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	(In thousands)		
	As of December 31, 2024		
	Foreign currencies	Exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$35,935	32.785	\$1,178,127
JPY	86,695	0.2099	18,197
HKD	9,320	4.222	39,347
CNY	757	4.478	3,388
<u>Financial assets</u>			
Non-monetary items:			
USD	157	32.785	5,137
JPY	9,136	0.2099	1,918
<u>Financial liabilities</u>			
Monetary items:			
USD	21,526	32.785	705,724
JPY	22,411	0.2099	4,704
HKD	4,781	4.222	20,184
CNY	391	4.478	1,752

The Group's foreign currency transactions were denominated in multiple currency; therefore, the information of the foreign exchange gains (losses) of monetary assets and liabilities denominated by each currency was not applicable for disclosure. The Group's significant monetary financial assets and liabilities denominated in foreign currencies incurred foreign exchange (losses) gains of \$(4,654) thousand and \$22,943 thousand for the years ended December 31, 2025 and 2024, respectively.

The above information was disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(10) The information for notes receivable

The Group has entered into non-recourse factoring agreements with financial institutions for parts of notes receivable. In addition to transferring the contractual rights to the cash flow of these notes receivable, the Group is not required to bear the credit risk of non-collection (excluding for commercial disputes) in accordance with the terms of the agreements, meeting the criteria for derecognition of financial assets. The related transaction information is as follows:

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of December 31, 2025:

Clients	Sale amount	Amount advanced	Interest interval	Others
China				
Construction Bank Co., Ltd.	\$11,866	\$-	-%	Provide notes CNY 2,640,198.57 to Clients.

As of December 31, 2024:

None.

The Group's counterparties in the factoring of notes receivable maintain strong credit quality. Furthermore, the Group engages with multiple financial institutions to mitigate concentration risk, and the probability of default is assessed as remote.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

- A. Financings provided to others: Please refer to table 1.
- B. Endorsements/guarantees provided to others: None.
- C. Significant securities held: Please refer to table 2.
- D. Total purchases from or sales to related parties of at least NTD 100 million or 20 percent of the paid-in capital: Please refer to table 3.
- E. Receivables due from related parties amounting to at least NTD 100 million or 20 percent of the paid-in capital: None.
- F. Significant intercompany transactions between consolidated entities: Please refer to table 4.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Information on investees

A. Information about the invested company shall be disclosed to those who have significant influence or control directly or indirectly: Please refer to table 5.

(3) Information on investments in Mainland China

A. Names, main business, paid-in capital, method of investment, investment flows, percentage of ownership, share of profits (losses), carrying amount at the end of the period, accumulated inward remittance of earnings and the upper limit of investment: Please refer to table 6.

B. Significant direct or indirect transactions with the investee, its prices, terms of payment and unrealized gain or loss: Please refer to table 1, table 3 and table 4.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

(1) Channel Business: The department is mainly responsible for marketing electronic components.

(2) Manufacture Business: The department is responsible for the production of electronic components.

(3) Product Certification Business: The department is mainly responsible for services such as electronic product testing and certification.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on significant accounting policies information consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. Information on departmental equity, assets and liabilities

For the year ended December 31, 2025

	Channel Business	Manufacture Business	Product Certification Business	Other	Adjustment and elimination (Note 1)	Consolidated
Operating revenue						
External customer	\$1,639,321	\$2,591,178	\$677,588	\$-	\$-	\$4,908,087
Inter-segment	151,696	350,021	42,741	-	(544,458)	-
Total	<u>\$1,791,017</u>	<u>\$2,941,199</u>	<u>\$720,329</u>	<u>\$-</u>	<u>\$(544,458)</u>	<u>\$4,908,087</u>
Gross profit	\$208,449	\$941,116	\$245,465	\$-	\$-	\$1,395,030
Operating expenses	(121,596)	(477,555)	(104,567)	(46,526)	-	(750,244)
Operating income	<u>\$86,853</u>	<u>\$463,561</u>	<u>\$140,898</u>	<u>\$(46,526)</u>	<u>\$-</u>	<u>\$644,786</u>
Net income before income tax	<u>\$75,466</u>	<u>\$642,115</u>	<u>\$165,113</u>	<u>\$(62,414)</u>	<u>\$-</u>	<u>\$820,280</u>
Segment profit and loss	<u>\$70,933</u>	<u>\$489,481</u>	<u>\$131,840</u>	<u>\$(133,591)</u>	<u>\$-</u>	<u>\$558,663</u>
Segment assets						<u>\$9,368,358</u>
Segment liabilities						<u>\$3,263,490</u>

For the year ended December 31, 2024

	Channel Business	Manufacture Business	Product Certification Business	Other	Adjustment and elimination (Note 1)	Consolidated
Operating revenue						
External customer	\$1,575,509	\$2,846,254	\$747,010	\$-	\$-	\$5,168,773
Inter-segment	185,135	295,283	85,217	-	(565,635)	-
Total	<u>\$1,760,644</u>	<u>\$3,141,537</u>	<u>\$832,227</u>	<u>\$-</u>	<u>\$(565,635)</u>	<u>\$5,168,773</u>
Gross profit	\$208,768	\$1,006,220	\$255,975	\$-	\$-	\$1,470,963
Operating expenses	(148,523)	(409,465)	(114,567)	(33,232)	-	(705,787)
Operating income	<u>\$60,245</u>	<u>\$596,755</u>	<u>\$141,408</u>	<u>\$(33,232)</u>	<u>\$-</u>	<u>\$765,176</u>
Net income before income tax	<u>\$48,240</u>	<u>\$789,796</u>	<u>\$179,403</u>	<u>\$(45,530)</u>	<u>\$-</u>	<u>\$971,909</u>
Segment profit and loss	<u>\$47,836</u>	<u>\$583,881</u>	<u>\$142,776</u>	<u>\$(198,945)</u>	<u>\$-</u>	<u>\$575,548</u>
Segment assets						<u>\$9,640,626</u>
Segment liabilities						<u>\$3,597,707</u>

Note 1: Inter- segment income is eliminated upon consolidation.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Geographic information

Income from external customer:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Taiwan	\$456,114	\$450,496
Asia	4,451,973	4,718,277
Total	<u>\$4,908,087</u>	<u>\$5,168,773</u>

Revenue is classified on a customer country basis.

Non-current assets:

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Taiwan	\$556,580	\$522,371
Asia	772,839	848,340
Total	<u>\$1,329,419</u>	<u>\$1,370,711</u>

C. Major customers

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Customer A	<u>\$597,894</u>	<u>\$763,302</u>

Table 1: Financings provided to others

Unit: in Thousands of New Taiwan Dollars

No. (Note 1)	Lender	Counterparty	Account (Note 2)	Related party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 3)	Amount of loan	Reason for short- term financing	Loss allowance	Collateral		Limit of financing amount for individual counterparty (Note 4)	Limit of total financing amount (Note 4)
													Name	Value		
1	Audix Technology (Xiamen) Co., Ltd.	AHI Electronics Warehouse (Shanghai) Co., Ltd.	Other receivables	Yes	\$45,730	\$-	\$-	-	2	\$-	Financing for short- term operating funds	\$-	-	\$-	\$1,031,513	\$1,031,513

Note 1: The Company and its subsidiaries are coded as follows:

- (1) The Company is coded "0".
- (2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Items recorded include trade receivables from associates, receivables from related parties, shareholder transactions, prepayments, advances, and similar items. If these items are of a nature involving financing provided to others, fill in the field.

Note 3: The nature of financing shall be filled in for counterparties who have business transactions or the need for short-term financing.

- (1) Please fill in 1 for those who have business transaction.
- (2) Please fill in 2 for those who have the need for short-term financing.

Note 4: Audix Technology (Xiamen) Co., Ltd. has set a limit on the total amount of financing for companies that need short-term financing and individual counterparty:

- (1) The total amount of the loan shall not exceed 40% of the Company's net worth in the latest financial statements. The amount of loans to individual counterparty shall not exceed 20% of the Company's net worth in the latest financial statements.
- (2) If the parent company directly and indirectly holds 100% of the voting shares and is not engaged in financing between companies established in Taiwan, the amount of the loan is not subject to the restrictions in (1), but shall not exceed 40% of the Company's net worth in the latest financial statements.

Table 2: Significant securities held (not including subsidiaries, associates and joint ventures)

(In Thousands of NTD/ Foreign currency)

Held Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the issuer	Financial Statement Account	As of December 31, 2025				Remark
					Share/Units	Carrying Amount	Percentage of Ownership	Fair Value	
Audix Corporation	Preferred stock	Fubon Preferred Stock	-	Financial assets at fair value through profit or loss - current	195,000 Share	\$12,344	-	\$12,344	
Audix Corporation	Preferred stock	Fubon Preferred Stock-Share B	-	Financial assets at fair value through profit or loss - current	535,646 Share	33,049	-	33,049	
Audix Corporation	Preferred stock	Cathay Preferred Stock	-	Financial assets at fair value through profit or loss - current	888,000 Share	53,902	-	53,902	
Audix Corporation	Preferred stock	Cathay Preferred Stock-Share B	-	Financial assets at fair value through profit or loss - current	773,672 Share	46,420	-	46,420	
Audix Corporation	Fund	Janus Henderson US Short Duration Bond Fund	-	Financial assets at fair value through profit or loss - current	18,569 Share	12,354	-	12,354	
Audix Corporation	Stock	Locus Cell Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non current	5,000,000 Share	115,000	2.50%	115,000	
Audix Hi-tech Investment Co., Ltd.	Bond	AFRFIN bond	-	Financial assets at fair value through profit or loss - non current	-	USD 479	-	USD 479	
Audix Hi-tech Investment Co., Ltd.	Bond	ARAMCO bond	-	Financial assets at fair value through profit or loss - non current	-	USD 452	-	USD 452	
Audix Hi-tech Investment Co., Ltd.	Bond	BANK bond	-	Financial assets at fair value through profit or loss - non current	-	USD 373	-	USD 373	
Audix Hi-tech Investment Co., Ltd.	Bond	BMW bond	-	Financial assets at fair value through profit or loss - non current	-	USD 511	-	USD 511	
Audix Hi-tech Investment Co., Ltd.	Bond	BNP bond	-	Financial assets at fair value through profit or loss - non current	-	USD 409	-	USD 409	
Audix Hi-tech Investment Co., Ltd.	Bond	CITIGROUP bond	-	Financial assets at fair value through profit or loss - non current	-	USD 401	-	USD 401	
Audix Hi-tech Investment Co., Ltd.	Bond	CKINF bond	-	Financial assets at fair value through profit or loss - non current	-	USD 385	-	USD 385	
Audix Hi-tech Investment Co., Ltd.	Bond	CREDIT bond	-	Financial assets at fair value through profit or loss - non current	-	USD 412	-	USD 412	
Audix Hi-tech Investment Co., Ltd.	Bond	FOXCONN bond	-	Financial assets at fair value through profit or loss - non current	-	USD 1,753	-	USD 1,753	
Audix Hi-tech Investment Co., Ltd.	Bond	FUBON bond	-	Financial assets at fair value through profit or loss - non current	-	USD 407	-	USD 407	
Audix Hi-tech Investment Co., Ltd.	Bond	HONDA bond	-	Financial assets at fair value through profit or loss - non current	-	USD 406	-	USD 406	
Audix Hi-tech Investment Co., Ltd.	Bond	HSBC bond	-	Financial assets at fair value through profit or loss - non current	-	USD 1,251	-	USD 1,251	
Audix Hi-tech Investment Co., Ltd.	Bond	HYUNDAI bond	-	Financial assets at fair value through profit or loss - non current	-	USD 403	-	USD 403	
Audix Hi-tech Investment Co., Ltd.	Bond	MASDAR bond	-	Financial assets at fair value through profit or loss - non current	-	USD 409	-	USD 409	
Audix Hi-tech Investment Co., Ltd.	Bond	MERCEDES bond	-	Financial assets at fair value through profit or loss - non current	-	USD 923	-	USD 923	
Audix Hi-tech Investment Co., Ltd.	Bond	MITSUBISHI bond	-	Financial assets at fair value through profit or loss - non current	-	USD 358	-	USD 358	
Audix Hi-tech Investment Co., Ltd.	Bond	MIZUHO bond	-	Financial assets at fair value through profit or loss - non current	-	USD 845	-	USD 845	
Audix Hi-tech Investment Co., Ltd.	Bond	NSANY bond	-	Financial assets at fair value through profit or loss - non current	-	USD 393	-	USD 393	
Audix Hi-tech Investment Co., Ltd.	Bond	POSCO bond	-	Financial assets at fair value through profit or loss - non current	-	USD 411	-	USD 411	
Audix Hi-tech Investment Co., Ltd.	Bond	SCP bond	-	Financial assets at fair value through profit or loss - non current	-	USD 499	-	USD 499	
Audix Hi-tech Investment Co., Ltd.	Bond	STD bond	-	Financial assets at fair value through profit or loss - non current	-	USD 399	-	USD 399	
Audix Hi-tech Investment Co., Ltd.	Bond	SUCI bond	-	Financial assets at fair value through profit or loss - non current	-	USD 412	-	USD 412	
Audix Hi-tech Investment Co., Ltd.	Bond	SUMILF bond	-	Financial assets at fair value through profit or loss - non current	-	USD 375	-	USD 375	
Audix Hi-tech Investment Co., Ltd.	Bond	TSMC bond	-	Financial assets at fair value through profit or loss - non current	-	USD 502	-	USD 502	
Audix Hi-tech Investment Co., Ltd.	Bond	VERIZON bond	-	Financial assets at fair value through profit or loss - non current	-	USD 461	-	USD 461	
Audix Hi-tech Investment Co., Ltd.	Bond	VOLKSWAGEN bond	-	Financial assets at fair value through profit or loss - non current	-	USD 430	-	USD 430	

Note 1: Securities referred to in this Table are stocks, bonds, benefit certificates and securities derived from these items within the scope of IFRS No. 9, "Financial Instruments."

Note 2: The Company determines securities presented in this table based on the principle of materiality.

Table 3: Related party transactions with purchases or sales amount of at least NTD 100 million or 20% of the paid-in capital

(In Thousands of NTD/ Foreign currency)

Company Name	Related Party	Nature of Relationship	Transaction Details				Details of non-arm's length transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase /Sales	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Audix Corporation	Audix Technology (Xiamen) Co., Ltd.	Subsidiary	Purchases	\$168,979	23.98%	30 days	\$-	-	Accounts payable to related parties \$11,375	10.19%	(Note)
Audix Technology (Xiamen) Co., Ltd.	Audix Corporation	Parent company	Sales	RMB 38,539	7.59%	30 days	-	-	Accounts receivable due from related parties RMB 2,544	1.06%	(Note)
Yuka Precision (Wujiang) Co., Ltd.	YUWA CO., LTD.	Other related parties	Sales	RMB 37,082	40.83%	90 days	-	-	Accounts receivable due from related parties RMB 8,492	35.30%	

Note: The balance at the end of the period has been eliminated in the consolidated statement.

Table 4: Significant intercompany transactions between consolidated entities

(In Thousands of NTD)

No. (Note1)	Company Name	Counter-party	Nature of Relationship (Note2)	Intercompany Transactions			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note3)
	For the year ended December 31, 2025						
0	Audix Corporation	Toyo Kuni Electronics Co., Ltd.	1	Operating revenue	\$23,542	(Note 4)	0.48 %
0	Audix Corporation	AHI Electronics Warehouse (Shanghai) Co., Ltd.	1	Operating revenue	11,002	(Note 4)	0.22 %
0	Audix Corporation	Audix Technology (Xiamen) Co., Ltd.	1	Operating revenue	7,640	(Note 4)	0.16 %
0	Audix Corporation	Toyo Kuni Electronics Co., Ltd.	1	Purchases	7,804	(Note 5)	0.16 %
0	Audix Corporation	Audix Technology (Xiamen) Co., Ltd.	1	Purchases	168,979	(Note 5)	3.44 %
0	Audix Corporation	Toyo Kuni Electronics Co., Ltd.	1	Other income	6,350	-	0.13 %
0	Audix Corporation	Audix Hi-tech Investment Co., Ltd.	1	Other income	8,582	-	0.17 %
0	Audix Corporation	Audix Technology Corporation	1	Rental income	6,756	-	0.14 %
0	Audix Corporation	Toyo Kuni Electronics Co., Ltd.	1	Accounts receivable	11,309	-	0.12 %
0	Audix Corporation	AHI Electronics Warehouse (Shanghai) Co., Ltd.	1	Accounts receivable	9,883	-	0.11 %
0	Audix Corporation	Audix Technology (Xiamen) Co., Ltd.	1	Accounts payable	11,375	-	0.12 %
1	Toyo Kuni Electronics Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Operating revenue	90,932	(Note 4)	1.85 %
1	Toyo Kuni Electronics Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Accounts receivable	32,797	-	0.35 %
2	Audix Hi-tech Investment Co., Ltd.	Audix Technology (Xiamen) Co., Ltd.	3	Purchases	98,268	(Note 5)	2.00 %
2	Audix Hi-tech Investment Co., Ltd.	Audix Technology (Xiamen) Co., Ltd.	3	Accounts payable	33,691	-	0.36 %
3	Audix Technology Corporation	Audix Technology (Wujiang) Co., Ltd.	3	Operating revenue	5,427	(Note 4)	0.11 %
3	Audix Technology Corporation	Audix Technology (Shenzhen) Co., Ltd.	3	Operating revenue	18,857	(Note 4)	0.38 %
4	Audix Technology (Wujiang) Co., Ltd.	Audix Technology Corporation	3	Operating revenue	5,512	(Note 4)	0.11 %
4	Audix Technology (Wujiang) Co., Ltd.	Yuka Precision (Wujiang) Co., Ltd.	3	Rental income	26,110	-	0.53 %
5	Audix Technology (Xiamen) Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Operating revenue	64,739	(Note 4)	1.32 %
5	Audix Technology (Xiamen) Co., Ltd.	AHI Electronics Warehouse (Shanghai) Co., Ltd.	3	Operating revenue	10,736	(Note 4)	0.22 %
5	Audix Technology (Xiamen) Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Accounts receivable	32,224	-	0.34 %
6	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	AHI Electronics Warehouse (Shanghai) Co., Ltd.	3	Purchases	6,224	(Note5)	0.13 %

Note1: The numbers filled in represent:

(1) The company is "0".

(2) The subsidiaries are numbered in order starting from "1".

Note2: The following lists the three types of intercompany transactions (one transaction between parent company and subsidiary or between subsidiaries could be disclosed only once.)

(1) Transactions from parent company to subsidiary is "1".

(2) Transactions from subsidiary to parent company is "2".

(3) Transactions between subsidiaries is "3".

Note3: The percentage is divided by:

(1) Consolidated total assets if the transaction account belongs to balance sheet.

(2) Consolidated net revenue if the transaction account belongs to comprehensive income statement.

Note4: The terms and collection period of operating income to the above related parties are 60-150 days; while the terms for third party are 30-150 days.

Note5: The terms and payment period of purchase to the above related parties are 30-90 days;while the terms for third party are 30-105 days.

Note6: This table includes significant transactions for amounts over 0.1% of consolidated net revenue or consolidated total assets.

Table 5: Names, locations and related information of investees (not including information on investments in Mainland China)

(In Thousands of NTD)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance at The End of Period			Net Income (Losses) of Investee	Share of Profits (Losses) of Investee	Remark
				Ending balance	Beginning balance	Shares	Percentage of Ownership	Carrying Amount			
Audix Corporation	Audix Hi-tech Investment Co., Ltd.	Hong Kong	Electronic component trading and investment business, etc.	\$392,624	\$392,624	-	100%	\$4,945,607	\$474,930	\$474,930	Subsidiary (Note1)
Audix Corporation	Toyo Kuni Electronics Co., Ltd.	Hong Kong	Trading and agency of electronic components, etc.	356,990	356,990	-	100%	935,118	49,536	49,536	Subsidiary (Note1)
Audix Corporation	Audix Technology Corporation	Taiwan	Safety standard test certification and electromagnetic compatibility test certification, and construction of anechoic chamber, etc.	170,000	170,000	20,000,000	100%	426,851	89,608	89,608	Subsidiary (Note1)
Audix Corporation	Wavegis Technology CO., LTD.	Taiwan	Electrical and electronic product manufacturing, communication and information system planning, integration, application and construction, etc.	21,750	21,750	2,887,786	38.16%	46,212	22,724	8,071 (Note2)	Associate

Note1: Profits and losses resulting from intercompany transactions was eliminated in the consolidated statement.

Note2: It is the "Share of profit (loss) of associates and joint ventures" deducting the amortization of the difference between the investment cost and the net value of the acquired equity of \$600 thousand.

Table 6: Informations on investments in Mainland China

(In Thousands of NTD/ Foreign currency)

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Investment method	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee Company	Director Indirect Percentage of Ownership	Recognized in this period Investment profit and loss	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025	Remark
					Outflow	Inflow							
Yuka Precision (Wujiang) Co., Ltd.	Production of new electronic components, molds and their parts, technical consultation and technical services for software product development, etc.	\$314,300 (USD 10,000 thousand)	(Note 2)	\$-	\$-	\$-	\$-	\$26,145 (RMB 6,040 thousand)	50%	\$13,073 (RMB 3,020 thousand) (Note 3)	\$386,346 (RMB 85,931 thousand)	\$-	(Note 7)
Audix Technology (Shenzhen) Co., Ltd.	Inspection and testing services, etc.	66,003 (USD 2,100 thousand)	(Note 1)	-	-	-	-	19,800 (USD 636 thousand)	100%	19,800 (USD 636 thousand) (Note 3)	344,536 (USD 10,962 thousand)	250,618	(Note 4)
Audix Technology (Xiamen) Co., Ltd.	Manufacture and sales of transformers, coils, relays, anti-electromagnetic interference components, new electronic components, electronic special equipment and their spare parts, plastic molds and parts, etc.	941,643 (USD 29,960 thousand)	(Note 1)	139,392 (USD 4,435 thousand)	-	-	139,392 (USD 4,435 thousand)	371,305 (USD 11,927 thousand)	100%	371,305 (USD 11,927 thousand) (Note 3)	2,454,652 (USD 78,099 thousand)	2,722,624	(Note 4)
AHC Warehouse & Trading (Shenzhen) Co., Ltd.	Warehousing business, international trade, entrepot trade, intra-regional trade, and business market consultation, etc.	43,530 (HKD 10,780 thousand)	(Note 1)	-	-	-	-	6,787 (USD 218 thousand) (Note 3)	100%	6,787 (USD 218 thousand) (Note 3)	73,578 (USD 2,341 thousand)	-	(Note 5)
Audix Technology (Wujiang) Co., Ltd.	Production of new electronic components, new instrument components and materials and parts design and processing, software product development technical consultation and technical services, etc.	628,600 (USD 20,000 thousand)	(Note 1)	87,313 (USD 2,778 thousand)	-	-	87,313 (USD 2,778 thousand)	11,768 (USD 378 thousand)	100%	11,768 (USD 378 thousand) (Note 3)	749,040 (USD 23,832 thousand)	41,177	(Note 4)
Audix Testing & Measurement Co., Ltd.	Test of electronic and electrical products and related technical consulting services, etc.	13,488 (RMB 3,000 thousand)	(Note 2)	-	-	-	-	1,939 (RMB 448 thousand)	100%	1,939 (RMB 448 thousand) (Note 3)	26,131 (RMB 5,812 thousand)	-	(Note 6)
Audix Technology (Shanghai) Co., Ltd.	Design, production, microcontroller (microcomputer) electronic control board, engaged in integrated circuit block, electronic, motor, electrical product technology design, technical consultation and service, various types of engineering construction activities (except nuclear power plant construction and operation, water supply and drainage network), electronic special equipment, electronic measuring instruments and home-made products sales, etc.	66,003 (USD 2,100 thousand)	(Note 1)	-	-	-	-	3,362 (USD 108 thousand)	100%	3,362 (USD 108 thousand) (Note 3)	173,431 (USD 5,518 thousand)	20,055	(Note 4)
AHI Electronics Warehouse (Shanghai) Co., Ltd.	Sales of electronic components, etc.	55,003 (USD 1,750 thousand)	(Note 1)	-	-	-	-	6,880 (USD 221 thousand)	100%	6,880 (USD 221 thousand) (Note 3)	168,559 (USD 5,363 thousand)	-	(Note 5)

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit of Investment
\$226,705 ( USD 7,213 thousand )	\$1,813,825 ( USD 57,710 thousand )	\$3,662,921 (Note 8)

Note1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

Note2: Directly reinvesting in mainland companies by reinvesting in mainland companies. According to the regulations of the Investment Review Commission, the reinvestment behavior of investment enterprises in the mainland area does not need to apply to the Investment Review Commission. Therefore, such investment amounts are not included in the company's investment quota in mainland China calculate.

Note3: Investment income (loss) was recognised based on the financial statement audited by the parent company's independent auditors.

Note4: It is reinvested through Audix Hi-tech Investment Co., Ltd.

Note5: It is reinvested through Toyo Kuni Electronics Co., Ltd.

Note6: It is invested through Audix Technology (Shenzhen) Co., Ltd.

Note7: It was reinvested through Audix Technology (Xiamen) Co., Ltd.

Note8: According to the regulations of the Investment Review Committee of the Ministry of Economic Affairs, the upper limit on investment in mainland China is determined by 60% of the company's consolidated net worth.

Note9: For subsidiaries included in the consolidated financial statement, the related profits or losses and the ending balance were eliminated in the consolidated financial statement.