

DIMERCO DATA SYSTEM CORPORATION**Financial Statements**

**With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

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

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Independent Auditors' Report

To the Board of Directors of Dimerco Data System Corporation:

Opinion

We have audited the financial statements of Dimerco Data System Corporation(" the Company"), which comprise the balance sheet as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the 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 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 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to notes 4(p), 5 and 6(t) for disclosures related to revenue recognition.

Description of key audit matter:

When Dimerco Data System Corporation ("the Company") is unable to reasonably measure the result of performance obligations of service contracts pertaining to software design which met the criteria to recognize revenue over time, the service revenue is recognized by considering the recoverability of incurred costs. The Company recognizes service revenue within the amount of incurred costs when the incurred costs are likely to be recovered before the acceptance by the client. At the time the work performed is accepted by the client and confirmed by the responsible department, the service revenue for the period is recognized based on the difference between the total contract price and the accumulated recognized service revenue. As the timing of service revenue recognition is affected by the accuracy of the audit conducted by the responsible department, thus, the service revenue recognition in the aforementioned manner is considered to be a key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed are to understand and test whether the internal controls of the sales and collection cycle are properly implemented; to obtain the details of software development service contracts, to verify the contract price and randomly check the consistency between the incurred costs and the supporting documents; as well as to select sales transactions upon the acceptance of software development from a period of time before and after the reporting date to determine whether the revenue is recognized in the correct period.

Other Matter

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the Standards on Auditing of 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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.
2. 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 the financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors' report are Huang, Tsai-Chuan and Huang, Po-Shu.

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2026

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

DIMERCO DATA SYSTEM CORPORATION

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	Assets					21xx	Liabilities and Equity				
	Current assets:						Current liabilities:				
1100	Cash and cash equivalents (note 6(a))	\$ 1,432,069	29	1,114,567	24	2130	Current contract liabilities (note 6(t))	1,019,096	20	1,051,094	22
1110	Financial assets at fair value through profit or loss - current (note 6(b))	1,143	-	-	-	2170	Accounts payable (note 7)	331,965	6	357,563	8
1120	Financial assets at fair value through other comprehensive income - current (note 6(c))	129,317	3	128,369	3	2200	Other payables (notes 6(o) and (u))	384,036	8	347,961	7
1136	Current financial assets at amortized cost, net (notes 6(d) and 8)	7,870	-	5,337	-	2230	Current tax liabilities	85,042	2	85,025	2
1140	Contract assets - current (note 6(t))	446,014	9	417,015	9	2280	Current lease liabilities (note 6(m))	2,220	-	-	-
1150	Notes receivable (notes 6(e) and (t))	310	-	439	-	2300	Other current liabilities (note 6(l))	78,637	2	79,119	2
1170	Accounts receivable (notes 6(e) and (t))	60,199	1	77,542	2		Total current liabilities	1,900,996	38	1,920,762	41
1197	Finance lease receivable (note 6(f))	-	-	1,226	-	25xx	Non-current liabilities:				
130x	Inventories (note 6(g))	1,061,611	21	1,202,126	25	2570	Deferred tax liabilities (note 6(p))	66	-	338	-
1410	Prepayments	46,717	1	26,015	-	2580	Non-current lease liabilities (note 6(m))	2,966	-	-	-
1478	Refundable deposits	335,281	7	293,159	6	2640	Net defined benefit liabilities - non-current (note 6(o))	21,358	-	23,225	-
1479	Other current assets	4,027	-	3,779	-	2670	Other non-current liabilities (notes 6(l) and (r))	229,575	5	134,941	3
	Total current assets	3,524,558	71	3,269,574	69		Total non-current liabilities	253,965	5	158,504	3
15xx	Non-current assets:					2xxx	Total liabilities	2,154,961	43	2,079,266	44
1550	Investments accounted for under equity method (note 6(h))	8,942	-	11,217	-		Equity (notes (q) and (r)):				
1600	Property, plant and equipment (notes 6(i) and 8)	974,055	20	977,358	21	3110	Ordinary shares	781,761	16	762,435	16
1755	Right-of-use assets (note 6(j))	5,152	-	-	-	3200	Capital surplus	406,930	8	363,914	8
1760	Investment property, net (notes 6(k), (n) and 8)	437,165	9	439,811	10	3300	Retained earnings:				
1821	Intangible assets, net	888	-	3,195	-	3310	Legal reserve	515,293	10	452,604	10
1840	Deferred income tax assets (note 6(p))	12,524	-	12,944	-	3320	Special reserve	8,565	-	8,565	-
1915	Prepayments for equipment	938	-	1,228	-	3350	Retained earnings	1,135,309	23	1,021,269	22
1920	Refundable deposits	2,593	-	5	-			1,659,167	33	1,482,438	32
	Total non-current assets	1,442,257	29	1,445,758	31	3400	Other equity interest:				
						3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	83,347	2	82,399	1
						3491	Other equity—unearned compensation	(119,351)	(2)	(55,120)	(1)
								(36,004)	-	27,279	-
						3xxx	Total equity	2,811,854	57	2,636,066	56
1xxx	Total assets	\$ 4,966,815	100	4,715,332	100	2-3xxx	Total liabilities and equity	\$ 4,966,815	100	4,715,332	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

DIMERCO DATA SYSTEM CORPORATION**Statements of Comprehensive Income****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenues (note 6(t))	\$ 3,405,089	100	3,156,462	100
5000	Operating costs (notes 6(g), (i), (o), (r), (u) and 7)	<u>2,057,954</u>	<u>60</u>	<u>1,924,791</u>	<u>61</u>
5900	Gross profit from operations	<u>1,347,135</u>	<u>40</u>	<u>1,231,671</u>	<u>39</u>
6000	Operating expenses (notes 6(i), (j), (o), (r), (u) and 7):				
6100	Selling expenses	99,509	3	95,687	3
6200	Administrative expenses	246,844	7	226,608	7
6300	Research and development expenses	<u>228,835</u>	<u>7</u>	<u>209,323</u>	<u>7</u>
	Total operating expenses	<u>575,188</u>	<u>17</u>	<u>531,618</u>	<u>17</u>
6900	Net operating income	<u>771,947</u>	<u>23</u>	<u>700,053</u>	<u>22</u>
7000	Non-operating income and expenses (notes 6(c), (h), (k), (m), (n) and (v)):				
7100	Interest income	15,644	-	14,810	1
7010	Other income	17,036	1	46,241	2
7020	Other gains and losses	(7,395)	-	8,527	-
7050	Finance costs	(181)	-	(2)	-
7060	Share of gain of associates and joint ventures accounted for under equity method	<u>(2,275)</u>	<u>-</u>	<u>4,186</u>	<u>-</u>
	Total non-operating income and expenses	<u>22,829</u>	<u>1</u>	<u>73,762</u>	<u>3</u>
7900	Net income before tax	794,776	24	773,815	25
7950	Less: Income tax expenses (note 6(p))	<u>162,528</u>	<u>5</u>	<u>154,650</u>	<u>5</u>
	Net income	<u>632,248</u>	<u>19</u>	<u>619,165</u>	<u>20</u>
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss (note 6(q)):				
8311	Gain (losses) on remeasurements of defined benefit plans	1	-	7,529	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	948	-	(4,209)	-
8349	Less: income tax related to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>1,506</u>	<u>-</u>
8300	Other comprehensive income (loss), net of tax	<u>949</u>	<u>-</u>	<u>1,814</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 633,197</u>	<u>19</u>	<u>620,979</u>	<u>20</u>
	Earnings per share (in New Taiwan dollars) (note 6(s)):				
9710	Basic earnings per share	<u>\$ 8.57</u>		<u>8.44</u>	
9810	Diluted earnings per share	<u>\$ 8.31</u>		<u>8.22</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

DIMERCO DATA SYSTEM CORPORATION**Statements of Changes in Equity****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

				Retained earnings		Unappropriated earnings	Total	Total other equity interest			Total equity
				Legal reserve	Special reserve			Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	Total other equity interest	
	Ordinary shares	Capital surplus									
Balance at January 1, 2024	\$ 762,895	401,597		391,744	2,335	881,042	1,275,121	86,608	(95,173)	(8,565)	2,431,048
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-		60,860	-	(60,860)	-	-	-	-	-
Special reserve appropriated	-	-		-	6,230	(6,230)	-	-	-	-	-
Cash dividends of ordinary share	-	-		-	-	(419,570)	(419,570)	-	-	-	(419,570)
Cash dividends from capital surplus	-	(38,143)		-	-	-	-	-	-	-	(38,143)
Net income	-	-		-	-	619,165	619,165	-	-	-	619,165
Other comprehensive income	-	-		-	-	6,023	6,023	(4,209)	-	(4,209)	1,814
Total comprehensive income	-	-		-	-	625,188	625,188	(4,209)	-	(4,209)	620,979
Remuneration costs of restricted stock for employees	-	-		-	-	1,699	1,699	-	40,053	40,053	41,752
Cancellation of restricted stock for employees	(460)	460		-	-	-	-	-	-	-	-
Balance at December 31, 2024	762,435	363,914		452,604	8,565	1,021,269	1,482,438	82,399	(55,120)	27,279	2,636,066
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-		62,689	-	(62,689)	-	-	-	-	-
Cash dividends of ordinary share	-	-		-	-	(457,329)	(457,329)	-	-	-	(457,329)
Cash dividends from capital surplus	-	(38,143)		-	-	-	-	-	-	-	(38,143)
Net income	-	-		-	-	632,248	632,248	-	-	-	632,248
Other comprehensive income	-	-		-	-	1	1	948	-	948	949
Total comprehensive income	-	-		-	-	632,249	632,249	948	-	948	633,197
Share-based payments	20,000	80,485		-	-	-	-	-	(100,485)	(100,485)	-
Remuneration costs of restricted stock for employees	-	-		-	-	-	-	-	36,254	36,254	36,254
Expected forfeited dividends of restricted stock for employees	-	-		-	-	1,809	1,809	-	-	-	1,809
Cancellation of restricted stock for employees	(674)	674		-	-	-	-	-	-	-	-
Balance at December 31, 2025	<u>\$ 781,761</u>	<u>406,930</u>		<u>515,293</u>	<u>8,565</u>	<u>1,135,309</u>	<u>1,659,167</u>	<u>83,347</u>	<u>(119,351)</u>	<u>(36,004)</u>	<u>2,811,854</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

DIMERCO DATA SYSTEM CORPORATION**Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	2025	2024
Cash flows from operating activities:		
Net income before tax	\$ 794,776	773,815
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation	23,089	16,157
Amortization	4,976	5,629
Net gain on financial assets or liabilities at fair value through profit or loss	(143)	(314)
Interest expense	181	2
Interest income	(15,644)	(14,810)
Dividend income	(7,965)	(9,100)
Share-based payments	38,063	41,752
Share of loss (profit) of associates accounted for under equity method	2,275	(4,186)
Gain on disposal of property, plant and equipment	-	(32)
Total adjustments to reconcile profit	<u>44,832</u>	<u>35,098</u>
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Contract assets	(28,999)	(46,941)
Notes receivable	129	(262)
Accounts receivable	17,343	41,699
Inventories	140,515	(79,580)
Prepayments	(20,702)	2,565
Other current assets	(248)	(1,976)
Total changes in operating assets, net	<u>108,038</u>	<u>(84,495)</u>
Net changes in operating liabilities:		
Contract liabilities	(31,998)	171,196
Accounts payable	(25,598)	(150,606)
Other payables	36,075	26,360
Provisions	(16,570)	(7,655)
Other current liabilities	(503)	23,660
Net defined benefit liability	(1,866)	(1,736)
Total changes in operating liabilities, net	<u>(40,460)</u>	<u>61,219</u>
Total changes in operating assets / liabilities, net	<u>67,578</u>	<u>(23,276)</u>
Total adjustments	<u>112,410</u>	<u>11,822</u>
Cash provided by operating activities	907,186	785,637
Interest income received	15,644	14,810
Payments of interest	(181)	(2)
Income tax paid	(162,363)	(145,315)
Net cash provided by operating activities	<u>760,286</u>	<u>655,130</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(19,627)
Acquisition of financial assets at amortized cost	(2,533)	-
Proceeds from disposal of financial assets at amortized cost	-	23,552
Acquisition of financial assets designated at fair value through profit or loss	(1,000)	-
Proceeds from disposal of financial assets designated at fair value through profit or loss	-	2,510
Acquisition of property, plant and equipment	(15,298)	(147,625)
Proceeds from disposal of property, plant and equipment	-	238
Increase in refundable deposits	(44,710)	(50,458)
Acquisition of intangible assets	(2,669)	(6,329)
Decrease in long-term finance lease receivables	1,226	2,686
Increase in prepayments for equipment	-	(1,228)
Dividends received	7,965	9,100
Net cash used in investing activities	<u>(57,019)</u>	<u>(187,181)</u>
Cash flows from financing activities:		
Decrease in guarantee deposits received	(1,148)	(421)
Payment of lease liabilities	(1,518)	-
Cash dividends paid	(495,472)	(457,713)
Proceeds from issuance of restricted shares for employees	115,500	-
Payments for cancellation of restricted shares for employees	(3,127)	(2,190)
Net cash used in financing activities	<u>(385,765)</u>	<u>(460,324)</u>
Net increase in cash and cash equivalents	317,502	7,625
Cash and cash equivalents at beginning of period	1,114,567	1,106,942
Cash and cash equivalents at end of period	<u>\$ 1,432,069</u>	<u>1,114,567</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

DIMERCO DATA SYSTEM CORPORATION (the Company) was incorporated in November 1981 as a company limited by shares under the laws of the Republic of China (ROC). The Company is registered at 8F, N. 151, Xing'ai Rd., Taipei City. The Company is mainly engaged in the design, development and sales of various computer software, the agency and sales of computer hardware equipment, computer data processing services, computer information consulting business and computer leasing, etc.

The Company was approved as a listed company by the Securities and Futures Regulatory Commission of the Ministry of Finance on August 16, 1999, and officially listed for trading on October 15, 1999.

(2) Approval date and procedures of the financial statements

The financial statements were approved by the Board of Directors and published on March 10, 2026.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards – Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 (Note)

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Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material policies

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and IFRS Accounting Standards endorsed by the FSC.

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been prepared on a historical cost basis, unless otherwise stated (Refer to the summary on significant accounting policies).

(ii) Functional and reporting currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

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(c) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- (i) an investment in equity securities designated as at fair value through other comprehensive income;
- (ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- (iii) qualifying cash flow hedges to the extent that the hedges are effective.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company 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.

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Notes to the Financial Statements

(e) Cash and cash equivalents

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

Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequently to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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Notes to the Financial Statements

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, on initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, long-term financial lease receivable, and refundable deposit).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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Notes to the Financial Statements

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company considers a financial asset to be in default when the financial asset is more than 1 years past due or the borrower is unlikely to pay its credit obligations to the Company in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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The gross carrying amount of a financial asset is written off (either partially or in full) when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

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5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories consists of all necessary costs incurred in bringing the inventories to a condition and location ready for sale or production and is calculated using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit or loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Company's share of losses equals or exceeds its interests in an associate, it discontinues recognizing further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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Notes to the Financial Statements

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	5~55 years
Transportation equipment	5 years
Office equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Intangible assets

The Company's intangible assets are primarily computer software. Amortization is measured at cost less accumulated amortization and any accumulated impairment losses, and is recognized in profit or loss on a straight-line basis over the estimated useful lives(1~3 years) of intangible assets from the date that they are available for use.

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Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the changes are accounted for as changes in accounting estimates.

(l) Leases

At inception of a contract, the Company assesses whether a 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.

(i) As a lessee

When the Company is the lessee, recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by using the impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

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The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents its right-of-use assets that do not meet the definition of investment and its lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize the right-of-use assets and lease liabilities for its short-term leases that have a lease term of 12 months or less and leases of low-value assets, including its office equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines, at lease commencement, whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

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The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of rental income.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred income tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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Notes to the Financial Statements

(o) Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(i) Sale of goods

The Company sells and purchases computer hardware equipment and recognizes revenue when control of the products has been transferred. The control of the products has been transferred when the products are delivered to the customer, the Company is no longer engaged in the management of the products and does not maintain effective control over the products the customer accepts the products according to the sales contract or there is objective evidence that all acceptance terms have been met.

At the time of sale, the Company renders the standard warranty stated in the agreement, which is recognized as a provision for warranty liabilities.

A receivable is recognized when the goods are delivered, as this is the point in time that the Company has the unconditional right to receive the consideration.

(i) Services

The Company provides software design, system maintenance, installation and integration services, and recognizes revenue in the accounting period in which the services are rendered. For the performance obligations gradually met over time, the revenue is recognized based on the proportion of actual services provided to the total services to be provided as of the reporting date, which is determined by the actual number of labor hours relative to the expected total number of hours. However, if the Company cannot reasonably measure the result of the performance obligation, but the Company expects to recover the incurred cost of meeting the performance obligation, in such cases, the Company only recognizes the revenue within the scope of the incurred cost before reasonably measuring the result of the performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

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Notes to the Financial Statements

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss.

Remeasurements of the net defined benefit liability (asset), which comprise (1) actuarial gains and losses, (2) the return on plan assets (excluding interest) and (3) the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company can reclassify the amounts recognized in other comprehensive income to retained earnings.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Share-based payment

Restricted stock for employees is based on the fair value of equity instruments on grant day and the best estimate of the number of shares expected to be vested. The expenses are recognized on a straight-line basis over the vesting period, and other equity is adjusted at the same time (Unearned compensation of employees). If vested at grant date, the expense is recognized in full at the same date. When the Company issues the restricted stock for employees, the date on which the number of shares subscribed by employees is confirmed shall be the grant date.

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When the Company issues restricted stock for employees, it shall recognize other equity (Unearned compensation of employees) on the grant date, and adjust the capital reserve - restricted stock for employees. If the restricted stock for employees is issued for compensation, and it is agreed that the price shall be returned when the employee leaves the Company, the relevant receivable shall be recognized. If the employee leaves the Company within the vesting period and does not need to return the dividends received, the expenses shall be recognized when the dividend is declared and the retained earnings and capital reserves - restricted stock for employees shall be adjusted at the same time.

The Company revises on each balance sheet date the estimated number of vested restricted stock for employees. If the original estimate is revised, the effect is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to the capital reserve – restricted stock for employees.

When employees are required to pay consideration to acquire restricted employee shares, and such shares must be returned by the employees if they leave the Company during the vesting period, the Company must also refund the consideration paid. In accordance with the FSC Q&A, for restricted employee shares granted on or after October 11, 2024, the consideration paid by employees shall be recognized as a liability on the grant date. For restricted employee shares granted before October 10, 2024, the portion of the consideration paid by employees who are expected to leave the Company during the vesting period shall be recognized as a liability on the grant date, while the portion attributable to employees expected to ultimately vest shall be recognized as ‘Capital surplus – restricted employee shares.’

(r) **Income tax**

Income tax expenses include both current taxes and deferred income taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred income taxes shall be recognized in profit or loss.

Current taxes include tax payables or receivables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) Temporary differences arising from equity investments in subsidiaries or joint ventures where there is a high probability that such temporary differences will not reverse.
- (iii) Initial recognition of goodwill.

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Deferred income tax are measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities may be offset against each other if the following criteria are met:

- (i) The entity has the legal right to settle tax assets and liabilities on a net basis; and
- (ii) The taxing of deferred income tax assets and liabilities fulfill one of the below scenarios:
 - 1) levied by the same taxing authority; or
 - 2) levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

A deferred income tax asset should be recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. Such deferred tax assets shall also be reevaluated at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(s) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. The number of share outstanding is decreased when the Company repurchases treasury stock. The weighted average number of common shares outstanding is adjusted retroactively for the increase in common shares outstanding from stock issuance arising from the capitalization of retained earnings, or additional paid in capital.

Dilutive potential ordinary shares comprise restricted stock for employees as well as employee compensation not yet approved by the Board of Directors. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

When computing diluted earnings per share with regards to employee bonuses in the form of stock, the closing price at the balance sheet date is used as the basis of computation in the number of shares to be issued. When computing diluted earnings per share prior to the following year's Board of Directors the effect of dilution from these potential stocks is taken into consideration.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

(t) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company). Operating results of the operating segment are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. It has been identified that the Company has only one reportable segment.

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

In preparing these financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

Revenue recognition of software design

When the Company cannot reliably estimate the result of a software design service contract, contract revenue is recognized only to the extent that contract costs incurred are expected to be recovered, and contract costs are recognized as expenses in the period in which they are incurred. If the total contract cost is likely to exceed the total contract revenue, all anticipated losses are immediately recognized as expenses. Because the results of the contract cannot be reliably estimated, the revenue calculation may vary from each period.

There are no major assumptions and estimation uncertainties that might have a significant risk of resulting in a material adjustment within the next financial year.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 56	59
Checks and demand deposits in banks	82,190	37,266
Time deposits	397,145	229,830
Cash equivalents	952,678	847,412
Cash and cash equivalents per statements of cash flow	<u><u>\$ 1,432,069</u></u>	<u><u>1,114,567</u></u>

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DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

Time deposits with the maturity date within 3 months that are held for the purpose of meeting short-term cash commitments rather than for investment, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value are classified under cash and cash equivalents.

Please refer to note 6(w) for the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Company.

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

	December 31, 2025	December 31, 2024
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Domestic listed open-end fund	\$ 1,143	-

Please refer to note 6(v) for the gains or losses on financial assets and liabilities remeasured at fair value through profit or loss.

As of December 31, 2025 and 2024, the Company did not provide the financial assets as collateral.

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

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income:		
Domestic listed stock	\$ 129,317	128,369

(i) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for strategic purposes.

For the years ended December 31, 2025 and 2024, the dividends of \$7,965 thousand and \$9,100 thousand, respectively, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized.

No equity investments were disposed for the years ended December 31, 2025 and 2024, and there were no transfers of any cumulative gain or loss related to these investments within equity.

(ii) For credit risk and market risk, please refer to note 6(w).

(iii) The Company did not provide the financial assets as collateral.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

(d) Financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
Time deposits	<u>\$ 7,870</u>	<u>5,337</u>
Interest rate (%)	<u>1.285~1.505</u>	<u>1.285</u>

(i) The Company has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(ii) For credit risk, please refer to note 6(w) °

(iii) The Company's financial assets measured at amortized cost were pledged as collateral, please refer to note 8.

(e) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 310	439
Accounts receivable	63,015	80,358
Less: allowance for impairment	<u>2,816</u>	<u>2,816</u>
	<u>\$ 60,509</u>	<u>77,981</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information, including macroeconomic and relevant industry information. The expected credit losses were determined as follows:

	December 31, 2025		
	Gross carrying amount	Weighted- average expected credit loss rate	Loss allowance provision
Current	\$ 41,541	-	-
1 to 30 days past due	21,309	-	-
31 to 60 days past due	475	-	-
	<u>\$ 63,325</u>		<u>-</u>

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted- average expected credit loss rate	Loss allowance provision
Current	\$ 57,149	-	-
1 to 30 days past due	20,923	-	-
31 to 60 days past due	1,202	-	-
61 to 90 days past due	1,523	-	-
	<u><u>\$ 80,797</u></u>		<u><u>-</u></u>

The movement in the allowance for accounts receivable was as follows:

	2025	2024
Balance at end of the period (balance at beginning of the period)	<u><u>\$ 2,816</u></u>	<u><u>2,816</u></u>

The Company does not hold any collateral for the collectible amounts.

(f) Finance lease receivable

A maturity analysis of lease payments, which reflects the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2024
Less than one year	\$ 1,257
Total lease payments receivable	1,257
Unearned finance income	(31)
Present value of lease payments receivable	<u><u>\$ 1,226</u></u>
Current	<u><u>\$ 1,226</u></u>
Non-current	<u><u>-</u></u>

During the lease term, the implied interest rate of the lease is determined on the contract date and does not change. As of December 31, 2024, the implied interest rate of finance lease is 5.00% per annum, respectively. No such circumstances existed as of December 31, 2025.

The loss allowance of finance lease receivable should be measured according to the expected credit loss during its existence. By the reporting date, there was no overdue and uncollected finance lease receivable. In addition, considering the counterparty's past default record and the future development of the leasing target industry, the Company believed that the above finance lease receivable had not been impaired.

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DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(g) Inventories

The components of the Company's inventories were as follows:

	December 31, 2025	December 31, 2024
Merchandise inventory	\$ <u>1,061,611</u>	<u>1,202,126</u>

The Company's inventories were not provided as pledged assets.

The inventory recognized as cost of goods sold and expenses in 2025 and 2024 were \$1,433,258 thousand and \$1,320,421 thousand, respectively. Except for operating costs arising from the ordinary sale of inventories, other gains and losses directly recorded under operating cost were as follows:

	2025	2024
Gain from recovery of loss on decline in market value of inventory	\$ <u>(1,763)</u>	<u>(13)</u>

(h) Investments accounted for under the equity method

(i) Associates

The financial information for investments accounted for using the equity method that are individually insignificant to the Company was as follows:

	December 31, 2025	December 31, 2024
Carrying amount of individually insignificant associates' equity	\$ <u>8,942</u>	<u>11,217</u>
	<u>2025</u>	<u>2024</u>
Attributable to the Company:		
Profit (loss) from continuing operations	\$ (2,275)	4,186
Other comprehensive income	-	-
Total comprehensive income	\$ <u>(2,275)</u>	<u>4,186</u>

(ii) Collateral

As of December 31, 2025 and 2024, the Company did not provide any investment accounted for using the equity method as collaterals.

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Total</u>
Cost and deemed cost:					
Balance as of January 1, 2025	\$ 710,685	307,929	4,073	26,344	1,049,031
Additions	-	2,559	-	12,739	15,298
Disposals	-	(1,523)	(576)	(2,138)	(4,237)
Reclassification	-	290	-	-	290
Balance as of December 31, 2025	<u>\$ 710,685</u>	<u>309,255</u>	<u>3,497</u>	<u>36,945</u>	<u>1,060,382</u>
Balance as of January 1, 2024	\$ 581,194	238,800	7,742	17,334	845,070
Additions	64,845	67,286	-	15,494	147,625
Disposals	-	(784)	(3,669)	(6,484)	(10,937)
Reclassification	64,646	2,627	-	-	67,273
Balance as of December 31, 2024	<u>\$ 710,685</u>	<u>307,929</u>	<u>4,073</u>	<u>26,344</u>	<u>1,049,031</u>
Depreciation:					
Balance as of January 1, 2025	\$ -	60,360	2,935	8,378	71,673
Depreciation	-	10,471	627	7,793	18,891
Disposals	-	(1,523)	(576)	(2,138)	(4,237)
Balance as of December 31, 2025	<u>\$ -</u>	<u>69,308</u>	<u>2,986</u>	<u>14,033</u>	<u>86,327</u>
Balance as of January 1, 2024	\$ -	64,263	5,487	10,347	80,097
Depreciation	-	8,395	911	4,515	13,821
Disposals	-	(784)	(3,463)	(6,484)	(10,731)
Reclassification	-	(11,514)	-	-	(11,514)
Balance as of December 31, 2024	<u>\$ -</u>	<u>60,360</u>	<u>2,935</u>	<u>8,378</u>	<u>71,673</u>
Carrying value:					
December 31, 2025	<u>\$ 710,685</u>	<u>239,947</u>	<u>511</u>	<u>22,912</u>	<u>974,055</u>
December 31, 2024	<u>\$ 710,685</u>	<u>247,569</u>	<u>1,138</u>	<u>17,966</u>	<u>977,358</u>
January 1, 2024	<u>\$ 581,194</u>	<u>174,537</u>	<u>2,255</u>	<u>6,987</u>	<u>764,973</u>

(i) As of December 31, 2025 and 2024, the Company's property, plant and equipment were provided as pledged assets for the short-term borrowing facilities; please refer to note 8.

(ii) Reclassification

In 2024, due to its operational needs, the Company transferred its investment property that was no longer leased to others to its own use, and leased out the office building that was originally used by itself to a third party, resulting in the amounts of \$124,619 thousand and \$45,832 thousand to be reclassified from investment properties to property, plant, and from property, plant, and equipment to investment properties, respectively.

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(j) Right-of-use assets

The Company leases assets including transportation equipment. Information about leases for which the Company as a lessee is presented below:

	Transportation equipment
Cost:	
Balance at January 1, 2025	\$ -
Additions	<u>6,704</u>
Balance at December 31, 2025	<u><u>\$ 6,704</u></u>
Depreciation:	
Balance at January 1, 2025	\$ -
Depreciation	<u>1,552</u>
Balance at December 31, 2025	<u><u>\$ 1,552</u></u>
Carrying value:	
January 1, 2025	<u>\$ -</u>
December 31, 2025	<u><u>\$ 5,152</u></u>

As of December 31, 2024, there were no rightofuse assets recognized.

(k) Investment property

	Land	Buildings	Total
Cost or deemed cost:			
Balance at January 1, 2025 (Balance at December 31, 2025)	<u>\$ 343,364</u>	<u>150,733</u>	<u>494,097</u>
Balance at January 1, 2024	\$ 408,010	153,360	561,370
Reclassification	<u>(64,646)</u>	<u>(2,627)</u>	<u>(67,273)</u>
Balance at December 31, 2024	<u><u>\$ 343,364</u></u>	<u><u>150,733</u></u>	<u><u>494,097</u></u>
Depreciation and impairment loss:			
Balance at January 1, 2025	\$ -	54,286	54,286
Depreciation	<u>-</u>	<u>2,646</u>	<u>2,646</u>
Balance at December 31, 2025	<u><u>\$ -</u></u>	<u><u>56,932</u></u>	<u><u>56,932</u></u>
Balance at January 1, 2024	\$ -	40,436	40,436
Depreciation	<u>-</u>	<u>2,336</u>	<u>2,336</u>
Reclassification	<u>-</u>	<u>11,514</u>	<u>11,514</u>
Balance at December 31, 2024	<u><u>\$ -</u></u>	<u><u>54,286</u></u>	<u><u>54,286</u></u>

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Carrying value:			
Balance at December 31, 2025	\$ <u>343,364</u>	<u>93,801</u>	<u>437,165</u>
Balance at December 31, 2024	\$ <u>343,364</u>	<u>96,447</u>	<u>439,811</u>
Balance at January 1, 2024	\$ <u>408,010</u>	<u>112,924</u>	<u>520,934</u>
Fair value:			
Balance at December 31, 2025			\$ <u>461,735</u>
Balance at December 31, 2024			\$ <u>461,735</u>
Balance at January 1, 2024			\$ <u>523,700</u>

Investment property is commercial property that is leased to third parties. Each of the lease agreement contains an initial noncancellable period of 1~5 years. Subsequent renewals are negotiated with the lessee, and no contingent rents are charged. Please refer to note 6(n) for further information.

The investment properties of the Company are situated in Neihu District, Taipei City, and Lingya District, Kaohsiung City. The Company expected the future economic benefits of the investment property in Neihu District, Taipei City to decrease due to the decline in the store value where the investment property was located. As a result, an impairment loss of \$11,750 thousand was recognized for the year ended December 31, 2022. After an assessment was made, no additional impairment loss should be recognized for the years ended December 31, 2025 and 2024.

The fair value of investment property is based on a valuation by an independent appraiser who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The parameters used in the fair value valuation technique belong to the third level of the hierarchy. The fair value valuation is performed using the income approach.

The yield rates used for the investment property in Neihu District were 2.14% for 2025 and 2024, respectively. For the investment property in Lingya District, the yield rate used was 1.98% for 2025 and 2024.

As of December 31, 2025 and 2024, the Company's investment property was pledged as collateral for the short-term borrowing facilities; please refer to note 8.

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(l) Provisions

The warranty provisions of the Company are as follows:

	2025	2024
Beginning balance at January 1	\$ 153,141	160,796
Provisions made during the year	27,611	36,329
Provisions used during the year	(24,795)	(17,333)
Provisions reversal during the year	(19,386)	(26,651)
Ending balance at December 31	<u><u>\$ 136,571</u></u>	<u><u>153,141</u></u>
Current	\$ 35,880	35,859
Non-current	100,691	117,282
	<u><u>\$ 136,571</u></u>	<u><u>153,141</u></u>

Provisions were estimated based on the historical data on warranties on merchandise and services, which are mainly associated with the Company's sales of goods and services. The Company expects to incur the liability within the warranty period.

(m) Lease liabilities

The Company's lease liabilities were as follow:

	December 31, 2025
Current	<u><u>\$ 2,220</u></u>
Non-current	<u><u>\$ 2,966</u></u>

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

The amounts recognized in profit or loss were as follows:

	2025
Interest on lease liabilities	<u><u>\$ 82</u></u>

The amounts recognized in the statement of cash flows for the Company was as follows:

	2025
Total cash outflow for leases	<u><u>\$ 1,600</u></u>

the Company leases transportation equipment, with lease terms of 3 years.

(n) Operating leases

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(k) for the information of investment property.

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DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

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

	December 31, 2025	December 31, 2024
Less than one year	\$ 6,959	13,524
One to two years	7,454	13,275
Two to three years	7,523	13,275
Three to four years	7,523	13,367
Four to five years	7,571	3,986
More than five years	<u>63,402</u>	<u>2,110</u>
Total undiscounted lease payments	<u>\$ 100,432</u>	<u>59,537</u>

Rental income from investment properties was \$11,107 thousand and \$12,826 thousand for the years ended December 31, 2025 and 2024, respectively.

(o) Employee benefits

(i) Defined benefit plans

The following table shows a reconciliation between the present value of the defined benefit obligation and the fair value of plan assets:

	December 31, 2025	December 31, 2024
The present value of the defined benefit obligations	\$ 126,410	119,875
Fair value of plan assets	<u>(105,052)</u>	<u>(96,650)</u>
The net defined benefit liability	<u>\$ 21,358</u>	<u>23,225</u>

The Company established the pension fund account for the defined benefit plan in Bank of Taiwan. The plan, under the Labor Standards Law, provides benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labors. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$105,052 thousand at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labors.

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

2) Movements in present value of the defined benefit obligations

The movements in present value of the Company's defined benefit obligation were as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit obligation at January 1	\$ 119,875	120,550
Current service costs	-	79
Current interest	1,798	1,493
Remeasurements of the net defined benefit liability		
Actuarial profits - Financial assumptions change	1,040	(59)
Actuarial Loss - Experience adjustments	5,675	257
Benefits paid by the plan	(1,978)	(2,445)
Defined benefit obligation at December 31	<u><u>\$ 126,410</u></u>	<u><u>119,875</u></u>

3) Movement of the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 96,650	88,060
Interest revenue	1,466	1,101
Return on plan assets (Except for the amount included in net interest)	6,716	7,727
Employer allocates	2,198	2,207
Benefits paid by the plan	(1,978)	(2,445)
Fair value of plan assets, December 31	<u><u>\$ 105,052</u></u>	<u><u>96,650</u></u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Current service cost	\$ -	79
Net interest on the defined benefit liability	332	392
	<u><u>\$ 332</u></u>	<u><u>471</u></u>
	<u>2025</u>	<u>2024</u>
Operating costs	\$ 206	290
Selling expenses	18	27
Administration expenses	25	36
Research and development expenses	83	118
Total	<u><u>\$ 332</u></u>	<u><u>471</u></u>

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

5) Actuarial assumptions

The following were the Company's principal actuarial assumptions at the reporting dates:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Discount rate	1.375 %	1.500 %
Future salary increases rate	2.750 %	2.750 %

The Company expects to make contributions of \$2,216 thousand to its defined benefit plans in the following year starting from the reporting date of 2025.

The weighted average duration of the defined benefit plan is 6.6 years.

6) Sensitivity analysis

As of December 31, 2025 and 2024, the present value of defined benefit obligation impact was as follow:

	The impact on defined benefit obligation	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2025		
Discount rate	\$ (2,066)	2,125
Future salary increase rate	2,061	(2,014)
December 31, 2024		
Discount rate	(2,174)	2,238
Future salary increase rate	2,173	(2,122)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There were no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Company's pension costs under the defined contribution plan were \$19,582 thousand and \$18,029 thousand for the years ended December 31, 2025 and 2024, respectively. Payments were made to the Bureau of the Labor Insurance.

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(iii) Short-term employee benefit liabilities

	December 31, 2025	December 31, 2024
Compensated absence liabilities	\$ 21,406	19,786

(p) Income tax

(i) Income tax expenses

The amount of income tax were as follows:

	2025	2024
Current income tax expense		
Current period incurred	\$ 162,215	153,362
Adjustment for prior periods	165	343
	<u>162,380</u>	<u>153,705</u>
Origination and reversal of temporary differences	148	945
Income tax expenses	\$ 162,528	154,650

The Company had not recognized income tax directly in equity. The amount of income tax recognized in other comprehensive income was as follows:

	2025	2024
Items subsequently not reclassified to profit or loss:		
Remeasurement of defined benefit plans	\$ -	(1,506)

Reconciliation of income tax expenses and profit before income tax were as follows:

	2025	2024
Profit before income tax	\$ 794,776	773,815
Income tax using the Company's domestic tax rate	\$ 158,955	154,763
Tax exempted income	(1,621)	(1,820)
Adjustments according to tax law	450	(905)
Adjustments for prior years income tax	165	343
Additional tax on undistributed earnings	4,579	2,269
Total	\$ 162,528	154,650

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(ii) Deferred tax assets and liabilities — Recognized

Changes in the amount of deferred tax assets were as follows:

Deferred tax assets:

	Defined benefit pension plans	Unpaid leave	Allowance for bad debt	Allowance for inventory valuation	Unrealized exchange loss	Impairment loss	Total
Balance at January 1, 2025	\$ 4,774	3,957	1,226	705	-	2,282	12,944
Recognized in profit or loss	(373)	324	37	(352)	-	(56)	(420)
Balance at December 31, 2025	<u>\$ 4,401</u>	<u>4,281</u>	<u>1,263</u>	<u>353</u>	<u>-</u>	<u>2,226</u>	<u>12,524</u>
Balance at January 1, 2024	\$ 6,627	3,670	1,138	708	576	2,338	15,057
Recognized in profit or loss	(347)	287	88	(3)	(576)	(56)	(607)
Recognized in other comprehensive income	(1,506)	-	-	-	-	-	(1,506)
Balance at December 31, 2024	<u>\$ 4,774</u>	<u>3,957</u>	<u>1,226</u>	<u>705</u>	<u>-</u>	<u>2,282</u>	<u>12,944</u>

Deferred tax liabilities:

	Unrealized exchange gain
Balance at January 1, 2025	\$ 338
Recognized in profit or loss	(272)
Balance at December 31, 2025	<u>\$ 66</u>
Balance at January 1, 2024	\$ -
Recognized in profit or loss	338
Balance at December 31, 2024	<u>\$ 338</u>

(iii) Examination and Approval

The ROC income tax authorities have examined the Company's income tax returns through 2023.

(q) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the total value of authorized ordinary shares amounted to \$968,000 thousand, with a par value of \$10 per share. both of which amounted to 96,800 thousand shares, with 78,176 thousand shares and 76,243 thousand shares were issued as of December 31, 2025 and 2024, respectively. All issued shares were paid up upon issuance.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024, the reconciliation of outstanding shares of the Company was as follows (excluding the unvested restricted stock for employees) :

	Unit: thousand shares	
	2025	2024
Balance at January 1	76,243	76,289
Issuance of restricted stock for employees	2,000	-
Repurchase of restricted stock for employees	(67)	(46)
Balance at December 31	78,176	76,243
Restricted stock for employees	(2,943)	(2,870)
Balance at December 31	<u>75,233</u>	<u>73,373</u>

At the stockholders' meeting on May 27, 2025, the Company decided to issue 2,000 thousand new shares of restricted stock for employees with the par value of \$10 per share, at the price of \$57.75 per share, totaling \$115,500 thousand, it was filed to the competent authority for effective date on November 28, 2025, and the base date was set at December 29, 2025. The company registration was completed on February 5, 2026.

For the years ended December 31, 2025 and 2024, the Company respectively repurchased 67 thousand shares and 46 thousand shares of restricted stock for employee as some of the holders of restricted stock for employees did not meet the vesting criteria. The foregoing repurchased shares were cancelled and approved by the Board of Directors. The company registrations were also completed.

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Share capital	\$ 115,716	153,859
Treasury share transactions	2,466	2,466
Difference between consideration and carrying amount of subsidiaries at disposal	497	497
Restricted stock for employees	<u>288,251</u>	<u>207,092</u>
	<u>\$ 406,930</u>	<u>363,914</u>

In accordance with the ROC Company Act, realized capital reserves can only be reclassified as share capital or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and treasury share transactions. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital reserves to be reclassified under share capital shall not exceed 10% of the actual share capital amount.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

(iii) Retained earnings

According to the earnings distribution policy of the Company's Articles of Incorporation, if there is net profit after tax for the current period, the Company should first offset the accumulated loss, appropriate 10% of the remaining amount as legal reserve, unless the accumulated legal reserve has reached the paid-in capital, provide or reverse special earnings in accordance with relevant laws or regulations or as requested by authorities in charge. The remainder, together with the undistributed balance at the beginning of the period (including the adjustment of the undistributed earnings amount), the Board of Directors shall draw up an earnings distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of dividends and bonuses to the shareholders.. The aforementioned distribution by cash shall be authorized by a majority vote of the Board of Directors with at least two thirds of the directors present, and shall be reported to the stockholder's meeting.

According to the dividend payment policy stipulated in the Company's Articles of Incorporation, in consideration of the current and future development plans, the investment environment, capital requirements, domestic and overseas competition, and the interests of shareholders, no less than 70% of accumulated distributable earnings for the current year shall be paid in dividends. However, when the accumulated distributable earnings are less than 10% of the paid-in capital stock, the distribution is not mandatory. The cash dividend shall not be less than 10% of the total dividend.

1) Legal reserve

According to the Company Act, 10% of net income after tax should be set aside as legal reserve until it is equal to authorized capital. If the Company experienced profit for the year, the distribution of the statutory earnings reserve, either by new shares or by cash, shall be decided at the shareholders meeting, and the distribution amount is limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

2) Special reserve

In accordance with Ruling issued by the Financial Supervisory Commission, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

3) Earnings distribution

The amounts of cash dividends on the 2024 and 2023 earnings distribution were approved during the board meeting on March 4, 2025 and March 7, 2024. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Amount per share (NT dollars)	Amount	Amount per share (NT dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 6.0	<u>457,329</u>	5.5	<u>419,570</u>

On March 4, 2025, and March 7, 2024, the Company's Board of Directors resolved to distribute cash from capital surplus amounting to \$38,143 thousand, respectively.

On March 10, 2026, the Company's Board of Directors resolved to appropriate the 2025 earnings as follows:

	2025	
	Amount per share (NT dollars)	Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 6.0	<u>468,977</u>

On March 10, 2026, the Company's Board of Directors resolved to distribute cash from capital surplus amounting to \$39,081 thousand.

(iv) Other equities (net of tax)

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Employee unearned compensation	Total
Balance at January 1, 2025	\$ 82,399	(55,120)	27,279
Unrealized losses from financial assets measured at fair value through other comprehensive income	948	-	948
Share-based payment transaction	-	36,254	36,254
Issuance of employee restricted stock	-	(100,485)	(100,485)
Balance at December 31, 2025	<u>\$ 83,347</u>	<u>(119,351)</u>	<u>(36,004)</u>

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Employee unearned compensation	Total
Balance at January 1, 2024	\$ 86,608	(95,173)	(8,565)
Unrealized losses from financial assets measured at fair value through other comprehensive income	(4,209)	-	(4,209)
Share-based payment transaction	-	40,053	40,053
Balance at December 31, 2024	<u>\$ 82,399</u>	<u>(55,120)</u>	<u>27,279</u>

(r) Share-based payment

During the shareholders' meeting of the Company held on May 27, 2025 and May 31, 2023, and the extraordinary shareholders' meeting of the Company held on September 9, 2021, the Company respectively decided to issue 2,000 thousand new shares of restricted stock for employees. The restricted stock for employees was subsequently granted on December 27, 2025, November 8, 2023 and October 4, 2021, and the fair market value was \$50.24 per share, \$44.59 per share and \$26.45 per share, respectively.

Employees who were rewarded with the above-mentioned restricted stock for employees may acquire such shares at 50% of market price on the date of issuance, and are entitled to 50% of the vested shares after two and four years of service in the Company, respectively, from the date of acquisition.

The restrictions on the restricted stock for employee before the vesting conditions are met after subscription are as follows:

- (i) The employee shall not sell, pledge, transfer, donate, create or otherwise dispose of the new restricted stock for employee.
- (ii) Restricted stock for employees has the right to participate in dividend distribution and current subscription, and such rights are not limited by the vesting period, and the stock dividend will be transferred to the employee's individual account from the trust account free of charge after the issuance date.
- (iii) After the issuance of restricted stock for employee, employees shall immediately deliver them to the trustee or custodian as agreed, and shall not request the return of restricted stock for employees from the trustee or custodian bank for any reason or in any way before the vesting conditions are met.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

If an employee fails to meet the vesting conditions, the Company will repurchase the restricted stock for employee granted to the employee at the original issue price and subsequently cancel such shares. As of December 31, 2025 and 2024, the Company accrued the repurchase price of the unvested shares amounting to \$126,927 thousand and \$14,554 thousand, respectively, which were recorded under other non-current liabilities. For the years ended December 31, 2025 and 2024, a total of 67 thousand shares and 46 thousand shares, respectively, were repurchased respectively due to service termination of employees who did not meet the vesting conditions, and the repurchase price was \$3,127 thousand and \$2,190 thousand, respectively. The Company recognized compensation costs of \$36,254 thousand and \$40,053 thousand for the years ended December 31, 2025 and 2024, respectively, and charged the fair value of cash dividends and stock dividends distributed to employees who might leave the Company during the vesting period as compensation costs amounting to \$1,809 thousand and \$1,699 thousand, respectively, for the years ended December 31, 2025 and 2024.

The information on the quantity of the restricted stock for employee is as follows:

	2025	2024
Balance at January 1	2,870	2,925
Granted during the year	2,000	-
Vested during the year	(1,860)	(9)
Forfeited during the year	(67)	(46)
Balance at December 31	<u><u>2,943</u></u>	<u><u>2,870</u></u>

(s) Earnings per share

The calculation of the Company's basic and diluted earnings per share were as follows:

(i) Basic earnings per share

	2025	2024
Profit attributable to ordinary shareholders of the Company	<u>\$ 632,248</u>	<u>619,165</u>
Weighted average number of ordinary shares	<u>73,744</u>	<u>73,371</u>
Total basic earnings per share	<u><u>\$ 8.57</u></u>	<u><u>8.44</u></u>

(ii) Diluted earnings per share

	2025	2024
Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 632,248</u>	<u>619,165</u>
Weighted average number of ordinary shares (basic)	73,744	73,371
Effect of dilutive potential ordinary shares		
Restricted stock for employees	1,633	1,338
Employee compensation	664	631
Weighted average number of ordinary shares used for calculation of diluted earnings per share	<u>76,041</u>	<u>75,340</u>
Total diluted earnings per share	<u><u>\$ 8.31</u></u>	<u><u>8.22</u></u>

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2025</u>	<u>2024</u>
Major products/services lines:		
Computer equipment sale revenue	\$ 1,803,441	1,685,830
Service revenue	<u>1,601,648</u>	<u>1,470,632</u>
	<u>\$ 3,405,089</u>	<u>3,156,462</u>
Timing of revenue recognition		
Products transferred at a point in time	\$ 1,803,441	1,685,830
Services transferred over time	<u>1,601,648</u>	<u>1,479,632</u>
	<u>\$ 3,405,089</u>	<u>3,165,462</u>

(ii) Contract balance

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Notes receivable	\$ 310	439	177
Accounts receivable	63,015	80,358	122,057
Less: allowance for impairment	<u>(2,816)</u>	<u>(2,816)</u>	<u>(2,816)</u>
Total	<u>\$ 60,509</u>	<u>77,981</u>	<u>119,418</u>
Contract assets — Software design service	\$ 332,301	310,032	278,517
Contract assets — Maintenance service	116,524	109,794	94,368
Less: allowance for impairment	<u>(2,811)</u>	<u>(2,811)</u>	<u>(2,811)</u>
Total	<u>\$ 446,014</u>	<u>417,015</u>	<u>370,074</u>
Contract liabilities — Hardware trading	\$ 734,993	804,933	629,947
Contract liabilities — Software design service	212,305	203,861	221,151
Contract liabilities — Maintenance service	<u>71,798</u>	<u>42,300</u>	<u>28,800</u>
Total	<u>\$ 1,019,096</u>	<u>1,051,094</u>	<u>879,898</u>

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

The contract liabilities are mainly due to advance receipts, wherein the Company will recognize revenue when the performance obligations are satisfied. The amount of revenue recognized for the years ended December 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$980,937 thousand and \$688,658 thousand, respectively.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

(u) Remuneration to employees and directors

On May 27, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. In accordance with the amended Articles of Incorporation, if the Company realizes a profit for the year, 7.50% shall be allocated for employee remuneration (of which not less than 1% shall be for entry-level employees) and not more than 3.75% shall be allocated for directors' and supervisors' remuneration. However, if the Company has accumulated losses, the profit shall first be offset against such losses. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, include employees of the subsidiaries who met certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given year, then, should contribute 7.5% of the profit as employee remuneration, and not more than 3.75% as directors' remuneration. However, if the Company has accumulated losses, the profit shall first be offset against such losses. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, include employees of the subsidiaries who met certain specific requirements.

For the years ended December 31, 2025 and 2024, the Company estimated its employee remuneration amounting to \$67,164 thousand and \$65,393 thousand, and directors' remuneration amounting to \$33,582 thousand and \$32,696 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or operating expenses during 2025 and 2024. Related information would be available at the Market Observation Post System website. The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2025 and 2024.

(v) Non-operating income and expenses

(i) Interest income

	2025	2024
Interest income from bank deposits	\$ 6,806	7,395
Other interest income		
Interest income on lease receivable	31	127
Interest income on short-term notes	8,807	7,288
Total other interest income	8,838	7,415
Total Interest income	<u><u>\$ 15,644</u></u>	<u><u>14,810</u></u>

(ii) Other income

	2025	2024
Rent income	\$ 11,107	12,826
Dividend income	7,965	9,100
Others	(2,036)	24,315
Total other income	<u><u>\$ 17,036</u></u>	<u><u>46,241</u></u>

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(iii) Other gains and losses

	2025	2024
Foreign exchange gains (losses)	\$ (7,288)	8,181
Gains on financial assets (liabilities) at fair value through profit or loss	143	314
Gains on disposals of property, plant and equipment	-	32
Others	(250)	-
Other gains and losses, net	<u><u>\$ (7,395)</u></u>	<u><u>8,527</u></u>

(iv) Finance costs

	2025	2024
Interest on bank loans	\$ -	2
Interest on lease liabilities	82	-
Other finance costs	99	-
Finance cost	<u><u>\$ 181</u></u>	<u><u>2</u></u>

(w) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

Most of the Company's customers are domestic financial and insurance institutions, however, transactions are not significantly concentrated with a single customer. In order to reduce the credit risk on the accounts receivable, the Company regularly evaluates the likelihood of accounts receivable recovery and provides an allowance for loss, which is within the expectation of the management. As of December 31, 2025 and 2024, all accounts receivable are from Taiwan.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
December 31, 2025					
Non-derivative financial liabilities					
Accounts payable	\$ 331,965	331,965	331,965	-	-
Other payables	384,036	384,036	384,036	-	-
Lease liabilities	5,186	5,309	2,303	3,006	-
Deposits received	<u>1,957</u>	<u>1,957</u>	<u>-</u>	<u>-</u>	<u>1,957</u>
	<u>\$ 723,144</u>	<u>723,267</u>	<u>718,304</u>	<u>3,006</u>	<u>1,957</u>
December 31, 2024					
Non-derivative financial liabilities					
Accounts payable	\$ 357,563	357,563	357,563	-	-
Other payables	347,961	347,961	347,961	-	-
Deposits received	<u>3,105</u>	<u>3,105</u>	<u>-</u>	<u>2,707</u>	<u>398</u>
	<u>\$ 708,629</u>	<u>708,629</u>	<u>705,524</u>	<u>2,707</u>	<u>398</u>

The Company does not expect the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's financial assets and liabilities exposed to significant currency risk was as follows:

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
December 31, 2025			
Financial assets:			
Monetary items:			
USD	\$ 1,543	31.4300	48,510
HKD	\$ 1,083	4.0380	4,374
December 31, 2024			
Financial assets:			
Monetary items:			
USD	\$ 3,438	32.7850	112,718

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents that are denominated in foreign currency. A weakening or strengthening 1% appreciation or depreciation of the NTD against the USD and HKD as of December 31, 2025 and 2024, would not have significant impact to the net profit after tax while all other factors remain unchanged. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary item

Since the Company is affected by foreign currency fluctuation from USD and HKD. For the years ended December 31, 2025 and 2024, foreign exchange gains (losses) (including realized and unrealized portion) amounted to \$(7,288) thousand and \$8,181 thousand.

(iv) Interest rate analysis

Please refer to the note on liquidity risk management for the interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure of the interest rate on non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the management of the Company's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 1%, the Company's net income before tax would have increase or decrease by \$716 thousand and \$328 thousand for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remain constant. This is mainly due from the Company's cash in bank, cash equivalents and restricted time deposits at floating rate.

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(v) Information of fair value

1) Categories and fair value of financial instruments

The Company's financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities (including information on the fair value hierarchy, except for financial instruments whose carrying amount is a reasonable approximation of fair value and lease liabilities, for which fair value disclosures are not required under applicable regulations) are presented as follows:

December 31, 2025					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Open-end fund	\$ 1,143	1,143	-	-	1,143
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	129,317	129,317	-	-	129,317
Total	\$ 130,460	130,460	-	-	130,460
December 31, 2024					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 128,369	128,369	-	-	128,369

2) Valuation techniques for financial instruments measured at fair value— Non-derivative financial instruments

If the quoted prices in active markets are available, the market price is established as the fair value. The market prices amounted by Over the Counter are the benchmarks of the fair value of equity instruments and liability instruments trading in active markets.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

3) Fair value hierarchy

The Company used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair value levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs, other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

There was no transfers among the different levels of fair value hierarchy.

(x) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

This note has the information on risk exposure and the objectives, policies and process of risk measurement and management. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective note in the accompanying parent company only financial statements.

(ii) Risk management framework

The Company's main financial instruments include equity and debt instrument investment, accounts receivable, accounts payable, borrowings and lease liabilities. The financial management department of the Company provides services for the business units, coordinates the operation of the domestic financial market, and supervises and manages financial risks related to the operation of the Company by analyzing the internal risk reports of the risks according to the level and scope of risks. Such risks include market risk (foreign exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk. The Financial Management Department is required to submit quarterly reports to the Board of Directors of the Company.

(Continued)

DIMERCO DATA SYSTEM CORPORATION**Notes to the Financial Statements****(iii) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash in banks and investments securities.

To mitigate credit risk, the Company's management regularly assesses credit limits and other monitoring procedures to ensure appropriate action is taken for overdue receivables. Additionally, the Company reviews the recoverable amount of receivables on the balance sheet date to ensure adequate provision for impairment. The management believes that the Company's credit risk has been significantly reduced.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of the expected cash flows on operating expenses and financial liabilities. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company has unused short-term bank facilities of \$1,000,000 thousand and \$1,050,000 thousand, as of December 31, 2025 and 2024, respectively.

(v) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate, and equity prices which will affect the Company's income or the value of its holding of financial instrument. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing the return.

The Company did not enter into any derivative contracts, hence did not give rise to financial assets or liabilities.

(y) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. Capital consists of ordinary shares, capital surplus and retained earnings of the Company. The Board of Directors monitors the return on capital, as well as the level of dividends to ordinary shareholders.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

The Company's debt-to-adjusted-capital ratio at the end of the reporting period was as follows:

	December 31, 2025	December 31, 2024
Total liabilities	\$ 2,154,961	2,079,266
Less: cash and cash equivalents	1,432,069	1,114,567
Net debt	<u>\$ 722,892</u>	<u>964,699</u>
Total equity	<u>\$ 2,811,854</u>	<u>2,636,066</u>
Debt-to-capital ratio	<u>25.71 %</u>	<u>36.60 %</u>

As of December 31, 2025, there was no changes in the Company's approach of capital management.

(z) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes Acquisition right-of-use assets	December 31, 2025
Deposits received	\$ 3,105	(1,148)	-	1,957
Lease liabilities	-	(1,518)	6,704	5,186
Total liabilities from financing activities	<u>\$ 3,105</u>	<u>(2,666)</u>	<u>6,704</u>	<u>7,143</u>

	January 1, 2024	Cash flows	December 31, 2024
Deposits received	\$ 3,526	(421)	3,105
Total liabilities from financing activities	<u>\$ 3,526</u>	<u>(421)</u>	<u>3,105</u>

(7) Related-party transactions

(a) Names and relationship with related parties

In these financial statements, the related parties having transactions with the Company are listed as below:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Dimwave Fintech Ltd. (Dimwave Fintech)	Associates

(b) Significant transactions with related parties

(i) Purchases

	2025	2024
Associates :		
Dimwave Fintech Ltd.	\$ -	<u>37,248</u>

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

The purchase price and payment term with related party was not significantly different from normal transactions.

(ii) Maintenance service

The maintenance service provided by the related party, recorded under operating cost, is as follows:

	<u>2025</u>	<u>2024</u>
Associates :		
Dimwave Fintech Ltd.	\$ <u>2,122</u>	<u>6,189</u>

(iii) Payables to related parties

<u>Account</u>	<u>Type of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable	Associates :		
	Dimwave Fintech Ltd.	\$ <u>991</u>	<u>2,563</u>

(c) Key management personnel transactions

The compensation of the key management personnel comprised the following:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 60,132	55,594
Post-employment benefits	<u>135</u>	<u>135</u>
	\$ <u>60,267</u>	<u>55,729</u>

(8) Assets Pledged as security

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant, and equipment	Bank loan facilities	\$ 816,892	822,507
Investment property	Bank loan facilities	391,984	394,030
Financial assets at amortized cost - current	Performance bond	<u>2,870</u>	<u>5,337</u>
		\$ <u>1,211,746</u>	<u>1,221,874</u>

(9) Commitments and contingencies: None.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(12) Other

The following is a summary statement of employee benefits, depreciation and amortization expensed by function:

By item	Year ended December 31, 2025			Year ended December 31, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	383,987	388,159	772,146	331,590	363,364	694,954
Labor and health insurance	27,205	17,209	44,414	24,704	15,671	40,375
Pension	12,481	7,433	19,914	11,291	7,209	18,500
Directors' remuneration	-	35,226	35,226	-	34,010	34,010
Others	10,044	10,592	20,636	9,441	9,652	19,093
Depreciation (Note)	2,140	18,303	20,443	2,171	11,650	13,821
Amortization	82	4,894	4,976	-	5,629	5,629

Note: The amount did not include the depreciation expenses for investment property recognized under contra-accounts to other income amounted to \$2,646 thousand and \$2,336 thousand for the years ended December 31, 2025 and 2024, respectively.

The Company's number of employees for the years ended December 31, 2025 and 2024 and additional information on employee benefits are as follows :

	2025	2024
Number of employees	447	424
Number of directors who were not employees	4	4
The average employee benefit	\$ 1,935	1,840
The average salaries and wages	\$ 1,743	1,655
The adjustments to the average salaries and wages	5.32 %	
Supervisor remuneration	\$ -	-

The Company's salary and remuneration policy (including directors, supervisor, managers and employees) are as follows:

(i) Director', independent director' and supervisors' remuneration policy

The remuneration of the directors, independent director' and supervisors' of the Company is in accordance with the Articles of Incorporation. The remuneration of directors is determined by the Board of Directors based on the directors' participation and contribution to the Company's operations, as well as the standards of the industry. The independent directors are entitled to a fixed monthly remuneration; however, they are not entitled to remuneration to board of directors.

(ii) Managers' and employees' remuneration policy

The salary remuneration policy for managers and employees shall be in accordance with the Articles of Incorporation and with reference to the usual standards of the industry, and taking into account the reasonableness of their duties, personal performance, the Company's operating performance and future risks, the salaries shall be appointed and adjusted from time to time in accordance with the Company's "Salary Grade Table". The year-end bonuses is based on the annual performance.

(Continued)

DIMERCO DATA SYSTEM CORPORATION

Notes to the Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: None.
- (iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Maximum investment in 2025	Notes
				Number of shares	Book value	Holding percentage	Market value		
The Company	UPAMC Quality Low Volatility Multi-Asset Fund	—	Financial assets at fair value through profit or loss	100	1,143	- %	1,143	-	
The Company	Dimerco Express Corporation	—	Financial assets at fair value through profit or loss	1,432	114,534	1.00 %	114,534	-	
The Company	E.Sun Financial Holding Company, Ltd.	—	Financial assets at fair value through profit or loss	438	14,783	- %	14,783	-	

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Address	Scope of business	Original cost		Ending balance			Maximum investment amount in 2025	Net income of investee	Investment income (losses)	Notes
				December 31, 2025	December 31, 2024	Shares	Percentage of ownership	Book value				
The Company	Dimwave Fintech Ltd.	Taiwan	Sale of computer hardware equipment and design, development and sales of computer software	5,700	5,700	600	30.00 %	8,942	5,700	(7,583)	(2,275)	

(c) Information on investment in mainland China: None

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

(14) Segment information

(a) General information

The Company has three reporting segments, namely the hardware department, the software department, and other departments. The hardware department provides services for trading of computer hardware equipment. The software department offers services such as enterprise software design and system maintenance.

The reporting segments of the Company are strategic business units, aimed at providing different products and services. Since each strategic business unit requires different technologies and marketing strategies, they need to be managed separately.

(b) Information on income and loss, assets, liabilities, basis of measurement, and the reconciliation for reportable segments

The Company uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes operating profit, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are consistent with those described in note 4 "Significant Accounting Policies".

The Company treated intersegment sales and transfers as third-party transactions. They are measured at market price.

Information on reportable segments and reconciliation for the Company is as follows:

	2025			
	<u>Taiwan</u>	<u>Software</u>	<u>Others</u>	<u>Total</u>
Revenue:				
Revenue from external customers	\$ <u>2,430,065</u>	<u>941,083</u>	<u>33,941</u>	<u>3,405,089</u>
Reportable segment profit or loss	\$ <u>490,146</u>	<u>416,537</u>	<u>(134,736)</u>	771,947
Non-operating income and expenses				22,829
Net income before tax				\$ <u>794,776</u>
Reportable segment assets and liabilities (note)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

DIMERCO DATA SYSTEM CORPORATION
Notes to the Financial Statements

	2024			
	<u>Hardware equipment</u>	<u>Software</u>	<u>Others</u>	<u>Total</u>
Revenue:				
Revenue from external customers	\$ <u><u>2,299,425</u></u>	<u><u>826,855</u></u>	<u><u>30,182</u></u>	<u><u>3,156,462</u></u>
Reportable segment profit or loss	\$ <u><u>468,678</u></u>	<u><u>346,088</u></u>	<u><u>(114,713)</u></u>	700,053
Non-operating income and expenses				73,762
Net income before tax				\$ <u><u>773,815</u></u>
Reportable segment assets and liabilities (note)	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Note: As the information on segment assets and liabilities was not provided to the chief operating decision maker, the information on segment assets and liabilities is not disclosed.

(c) Geographic information

The Company operates domestically.

(d) Information about major customers

For the years ended, December 31, 2025 and 2024, there were no customers whose sales revenue accounted for more than 10% of the total revenue reported on the Company's comprehensive income statement.

Dimerco Data System Corporation
Statement of cash and cash equivalents
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Petty cash		\$ <u>56</u>
Bank deposits	Demand deposits	75,878
	Checking deposits	607
	Foreign currency deposits	
	USD42 thousand, @31.430	1,331
	HKD1,083 thousand, @4.038	<u>4,374</u>
	Subtotal	<u>82,190</u>
Time deposits	\$350,000 thousand, interest rate 1.52%~1.53%; Maturity date: January 21, 2026 to February 26, 2026	350,000
	USD1,500 thousand, interest rate 3.77%~3.98%; Maturity date: February 24, 2026 to March 4, 2026	<u>47,145</u>
	Subtotal	<u>397,145</u>
Cash equivalents	Commercial paper with repurchase agreement (Maturity date: January 9, 2026 to March 11, 2026)	<u>952,678</u>
		<u><u>\$ 1,432,069</u></u>

Dimerco Data System Corporation

Statement of financial assets measured at fair value through other comprehensive income - current

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name of financial assets	Description	Number of shares (thousand shares)	Par value	Amount	Rate (%)	Acquisition cost	Fair value		Note
							Unit price	Amount	
Stock:									
Dimerco Express Corporation	-	1,432	\$ -	-	-	43,190	80.00	114,534	
E.SUN Financial Holding Company, Ltd.	-	438	-	-	-	2,780	33.75	14,783	
				\$ -		45,970		129,317	

Dimerco Data System Corporation
Statement of accounts receivable
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Customer</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non-related parties:			
International Integrated Systems, Inc.	Arising from operating activities	\$ 16,845	
TransGlobe Life Insurance Inc.	"	10,910	
Taiwan Family Mart Co., Ltd.	"	8,242	
Others (amount individually less than 5%)	"	<u>27,018</u>	
		63,015	
Less: Allowance for impairment		<u>2,816</u>	
		<u><u>\$ 60,199</u></u>	

Statement of inventories

<u>Item</u>	<u>Amount</u>		<u>Note</u>
	<u>Cost</u>	<u>Net realizable value</u>	
Merchandise	\$ 1,063,377	<u><u>1,731,612</u></u>	Market value is determined by net realizable value
Less: allowance for inventory valuation	<u>1,766</u>		
	<u><u>\$ 1,061,611</u></u>		

Dimerco Data System Corporation
Statement of prepayments
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Advance payment		\$ 45,324	
Others		<u>1,393</u>	
		<u><u>\$ 46,717</u></u>	

Dimerco Data System Corporation

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Company</u>	<u>Balance Beginning of period</u>		<u>Increase</u>		<u>Decrease</u>		<u>Balance End of period</u>			<u>Market value or Book value</u>		<u>Pledged as collateral</u>	<u>Note</u>
	<u>Shares (in thousands)</u>	<u>Amount</u>	<u>Shares (in thousands)</u>	<u>Amount</u>	<u>Shares (in thousands)</u>	<u>Amount (Note 1)</u>	<u>Shares (in thousands)</u>	<u>Ownership (%)</u>	<u>Amount</u>	<u>Unit Price</u>	<u>Gross Price</u>		
Dimwave Fintech Ltd.	600	\$ <u><u>11,217</u></u>	-	<u><u>-</u></u>	-	<u><u>2,275</u></u>	600	30.000	<u><u>8,942</u></u>	-	<u><u>7,983</u></u>	None	

Note 1: It represented the share of loss from the associates

Dimerco Data System Corporation
Statement of accounts payable
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Company	Description	Amount	Note
Related parties:			
Dimwave Fintech Ltd.	Arising from operating activities	\$ <u>991</u>	
Non-related parties:			
MetaAge Corporation	Arising from operating activities	\$ 154,928	
BestCom Infotech Corp.	"	77,829	
Zero One Technology Co., Ltd.	"	35,673	
Others (amount individually less than 5%)	"	<u>62,544</u>	
		<u>330,974</u>	
		\$ <u>331,965</u>	

Statement of other payables

Company	Description	Amount
Non-related parties:		
	Salary and accrued bonus payable	244,704
	Remuneration to employees and directors	100,746
	Unpaid leave payable	21,406
	Others (amount individually less than 5%)	<u>17,180</u>
		\$ <u>384,036</u>

Dimerco Data System Corporation
Statement of other current liabilities
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Value added tax payable		\$ 36,862	
Provisions-Current		35,880	
Temporary receipts		2,618	
Others (amount individually less than 5%)		<u>3,277</u>	
		<u><u>\$ 78,637</u></u>	

Statement of other non-current liabilities

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Payables under share based payment for employees		\$ 126,927	
Provisions-Non current		100,691	
Others (amount individually less than 5%)		<u>1,957</u>	
		<u><u>\$ 229,575</u></u>	

Dimerco Data System Corporation
Statement of operating revenue
For the year ended December 31, 2025

<u>Item</u>	<u>Quantity (in unit)</u>	<u>Amount</u>	<u>Note</u>
Trading of merchandise	-	\$ <u>1,803,441</u>	
Service revenue:			
Software design service revenue	-	733,207	
Professional service revenue	-	384,365	
Hardware maintenance revenue	-	243,170	
Software maintenance revenue	-	206,932	
Internet data center	-	33,941	
Others	-	<u>33</u>	
		<u>1,601,648</u>	
		<u>\$ 3,405,089</u>	

Note: The amount was net of sales returns and allowances.

Dimerco Data System Corporation
Statement of operating costs
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Cost of goods for merchandise:	\$	
Beginning inventory	1,205,655	
Add: inventory purchased	1,280,928	
Other	10,052	
Less: Ending inventory	<u>1,063,377</u>	
Cost of goods sold for merchandise		<u>1,433,258</u>
Cost of service		
Direct labor	418,171	
Maintenance expenses	201,714	
Professional expenses	750	
Other	<u>5,824</u>	
Cost of service		<u>626,459</u>
Gain from recovery of loss on decline in market value of inventory		<u>(1,763)</u>
Operating costs	\$	<u><u>2,057,954</u></u>

Dimerco Data System Corporation
Statement of selling expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salaries		\$ 73,785	
Entertainment expenses		9,901	
Others		15,823	
		<u>\$ 99,509</u>	

Statement of administrative expenses

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salaries		\$ 154,739	
Depreciation		14,761	
Professional expenses		20,125	
Others		57,219	
		<u>\$ 246,844</u>	

Dimerco Data System Corporation
Statement of research and development expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salaries		\$ 194,861	
Others		<u>33,974</u>	
		<u><u>\$ 228,835</u></u>	

For statement of changes in property, plant and equipment, please refer to note 6(i).

For statement of changes in accumulated depreciation of property, plant and equipment, please refer to note 6(i).

For statement of changes in investment property, please refer to note 6(k).

For statement of changes in accumulated depreciation of investment property, please refer to note 6(k).

For statement of other income, please refer to note 6(v).

For statement of other gain and losses, net, please refer to note 6(v).

For statement of finance cost, please refer to note 6(v).