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**PCHOME ONLINE INC. AND SUBSIDIARIES
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
December 31, 2025 AND 2024**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

PCHOME ONLINE INC. AND SUBSIDIARIES AND SUBSIDIARIES
December 31, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
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Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of PChome Online Inc. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2025 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of PChome Online Inc. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, PChome Online Inc. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
PChome Online Inc.
By

Hung-Tze Jan, Chairman
March 5, 2026

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of PChome Online Inc.

Opinion

We have audited the accompanying consolidated balance sheet of PChome Online Inc. and subsidiaries (the "Group") as at December 31, 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit 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 consolidated financial statements section of our report. We are independent of the Group 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 for our opinion.

Key audit matters

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

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Key Audit Matter – Impairment assessment of goodwill relating to investments in subsidiaries

Description

Refer to Note 4(19) for the accounting policy on impairment of non-financial assets and Notes 5(2) and 6(13) for significant accounting estimates and the goodwill impairment assessment. The Group has recognized significant goodwill arising from acquisitions. In determining the recoverable amount using the value-in-use method, management's assessment involves various assumptions that require significant judgment and are inherently complex and subject to high uncertainty. We therefore determined the impairment assessment of goodwill to be a key audit matter.

How our audit addressed the matter

Our audit procedures performed included, among others:

1. Understanding management's process for assessing goodwill impairment, evaluating the reasonableness of the impairment model, and assessing the identification of cash-generating units (CGUs);
2. Comparing management's prior forecasts with actual results to assess the reliability of management's estimates;
3. Evaluating key assumptions used in the impairment model, including expected growth rates and discount rates, which included:
 - (1) verifying model parameters and calculation formulas;

- (2) comparing expected growth rates with historical performance and external economic and industry forecasts; and
- (3) involving our internal valuation specialists to assess the valuation model and key assumptions (including discount rates) used in the value-in-use calculations, and performing reperformance and recalculations.

Key Audit Matter – Reasonableness of purchase price allocation for the acquisition

Description

Refer to Note 4(31) for the accounting policy on business combinations and Notes 6(8) and 6(13) for the accounting treatment and purchase price allocation (PPA).

On September 30, 2025, a subsidiary of the Group, 21st Financial Technology Co., Ltd. (JP), acquired 65% of the preferred shares of MPI Inc. for NT\$1,893,360 thousand (JPY 9.2 billion).

Following the subscription, the subsidiary obtained 65% of the voting rights and control, and the transaction was assessed as a business combination. The consideration and the recognized intangible assets are material, and the determination of the fair value of the acquiree's identifiable net assets and the identification and allocation of intangible assets are based on management's assessments and involve significant judgment. We therefore determined the reasonableness of the PPA to be a key audit matter.

How our audit addressed the matter

Our audit procedures performed included, among others:

1. Obtained an understanding of the recent business environment, focusing on the latest trends in the relevant sales market, by making inquiries to the managements and reviewing minutes and related documents of the Board of Directors' meetings;
2. Reviewed identification of intangible assets, fair value measurement of identifiable intangible assets, discount rates and the reasonableness of goodwill calculation in the purchase price allocation report prepared by external experts;

3. Involved valuation specialists to assess the reasonableness of the Benchmarked the discount rate range which is used in determining the recoverable amount against certain market data and industry research; and performed sensitivity analysis over key assumptions used in the model to evaluate the potential impact on the recoverable amounts; and
4. Obtained the expected future cash flows, confirmed the consistency of the expected future cash flows with the business plans approved by managements, conducted comparative analysis with order status from key customers, and conducted comparative analysis with historical results including sales growth rate, gross profit rate and expense increase rate, to evaluate reasonableness of assumptions used by management in estimating the expected future cash flows.

Other matter – The prior financial statements were audited by other auditors

The consolidated financial statements of the Group for the year ended December 31, 2024, were audited by other auditors who expressed an unmodified opinion on those statements on March 12, 2025.

Other matter – Parent company only financial reports

We and other auditors have audited the parent company only financial statements of PChome Online Inc. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion with other matter paragraph and other auditors have issued an unmodified opinion, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is

necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Wendy Liang

Bruce Cheng

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 5, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars)

ASSETS		2025.12.31		2024.12.31		LIABILITIES AND EQUITY		2025.12.31		2024.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets:						Current Liabilities:					
1100	Cash and cash equivalents (Note 6(1))	\$ 4,131,880	13	3,580,237	14	2100	Short-term borrowings (Note 6(15))	\$ 4,125,458	13	2,518,969	9
1136	Financial assets measured at amortized cost (Note 6(4))	1,169,038	4	-	-	2130	Current contract liabilities (Note 6(25))	409,304	1	427,793	2
1170	Accounts and notes receivable, net (Notes 6(5) and 7)	4,388,673	13	3,226,126	12	2170	Accounts and notes payable (Note 7)	3,182,316	10	3,138,716	12
1200	Other receivables (Notes 6(5) and 7)	3,659,460	11	1,310,767	5	2200	Other payables (Note 7)	1,011,532	3	1,022,103	4
1300	Inventories (Note 6(6))	1,711,433	5	2,151,385	8	2230	Current tax liabilities	110,599	-	100,676	-
1476	Other current financial assets (Notes 6(14) and 8)	1,197,106	3	1,015,148	4	2280	Current lease liabilities (Notes 6(19) and 7)	526,017	2	467,511	2
1479	Other current assets, others	272,995	1	353,043	1	2300	Other current liabilities (Note 6(16))	6,718,834	20	2,423,323	9
		16,530,585	50	11,636,706	44	2320	Long-term liabilities, current portion (Notes 6(17) and 7)	539,584	2	1,857,062	7
								16,623,644	51	11,956,153	45
Non-Current Assets:						Non-Current Liabilities:					
1510	Non-current financial assets at fair value through profit or loss (Note 6(2))	675,943	2	459,924	2	2500	Non-current financial liabilities at fair value through profit or loss (Note 6(18))	692,519	2	-	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(3))	475,118	1	715,960	3	2540	Long-term borrowings (Notes 6(17), 7 and 8)	3,222,579	10	2,648,186	10
1550	Investments accounted for using equity method (Note 6(7))	208,953	1	259,462	1	2550	Provisions	83,142	-	82,150	-
1600	Property, plant and equipment (Notes 6(10) and 8)	1,503,882	5	1,871,523	7	2570	Deferred tax liabilities (Note 6(21))	147,964	1	13,634	-
1755	Right-of-use assets (Note 6(11))	3,542,581	11	3,821,800	14	2580	Non-current lease liabilities (Notes 6(19) and 7)	3,355,282	10	3,688,374	14
1780	Intangible assets (Note 6(13))	7,793,595	23	5,683,900	22	2670	Other non-current liabilities, others	56,563	-	38,956	-
1840	Deferred tax assets (Note 6(21))	317,298	1	249,018	1		Total liabilities	24,181,693	74	18,427,453	69
1930	Long-term receivables (Note 6(5))	1,505,500	5	1,067,074	4		Equity Attributable to Stockholders of the Parent (Note 6(22)):				
1980	Other non-current financial assets (Notes 6(14) and 8)	310,835	1	615,709	2	3110	Ordinary share	2,056,470	6	1,439,529	5
1990	Other non-current assets, others	50,985	-	54,940	-	3200	Capital surplus	6,951,273	21	5,052,998	20
		16,384,690	50	14,799,310	56	3350	Accumulated deficit	(1,488,997)	(4)	(570,795)	(2)
						3400	Other equity interest	(610,780)	(2)	59,036	-
						3500	Treasury shares	(210,502)	(1)	(210,502)	(1)
							Total equity attributable to owners of parent	6,697,464	20	5,770,266	22
						36XX	Non-controlling interests (Notes 6(9) and 6(22))	2,036,118	6	2,238,297	9
							Total equity	8,733,582	26	8,008,563	31
Total assets		\$ 32,915,275	100	26,436,016	100		Total liabilities and equity	\$ 32,915,275	100	26,436,016	100

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars, except for Loss per Share Amount)

		2025		2024	
		Amount	%	Amount	%
4111	Sales revenue	\$ 37,447,697	102	38,127,965	102
4170	Less: Sales returns	589,220	2	564,917	2
	Operating revenue, net (Notes 6(25) and 7)	<u>36,858,477</u>	<u>100</u>	<u>37,563,048</u>	<u>100</u>
5000	Operating costs (Notes 6(6), 7 and 12)	<u>31,926,627</u>	<u>87</u>	<u>32,675,549</u>	<u>87</u>
	Gross profit from operations	<u>4,931,850</u>	<u>13</u>	<u>4,887,499</u>	<u>13</u>
	Operating expenses (Notes 6(23), (26), 7 and 12):				
6100	Selling expenses	3,402,627	9	3,426,304	10
6200	Administrative expenses	995,281	3	740,174	2
6300	Research and development expenses	553,347	2	530,136	1
6450	Reversal of expected credit loss (Note 6(5))	514,954	1	544,625	1
	Total operating expenses	<u>5,466,209</u>	<u>15</u>	<u>5,241,239</u>	<u>14</u>
	Net operating loss	<u>(534,359)</u>	<u>(2)</u>	<u>(353,740)</u>	<u>(1)</u>
	Non-operating income and expenses (Notes 6(4), (5), (15), (19), (20), (27) and 7):				
7100	Interest income	50,593	-	47,347	-
7010	Other income	164,941	-	174,996	-
7020	Other gains and losses	(205,491)	-	(21,993)	-
7050	Finance costs	(123,960)	-	(161,826)	-
7060	Share of profit on investment accounted for using equity method	6,555	-	2,709	-
	Total non-operating income and expenses	<u>(107,362)</u>	<u>-</u>	<u>41,233</u>	<u>-</u>
	Loss from continuing operations before tax	<u>(641,721)</u>	<u>(2)</u>	<u>(312,507)</u>	<u>(1)</u>
7950	Less: Income tax expenses (Note 6(21))	<u>172,808</u>	<u>-</u>	<u>115,584</u>	<u>-</u>
	Net Loss	<u>(814,529)</u>	<u>(2)</u>	<u>(428,091)</u>	<u>(1)</u>
	Other comprehensive (loss) income:				
	Items that may not be reclassified subsequently to profit or loss				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Gains on remeasurements of defined benefit plans	3,012	-	6,913	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income (Notes 6(3) and (28))	(46,683)	-	(179,679)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(21))	(602)	-	(1,383)	-
	Items that may not be reclassified subsequently to profit or loss	<u>(44,273)</u>	<u>-</u>	<u>(174,149)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign statements	84,183	-	1,210	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	<u>84,183</u>	<u>-</u>	<u>1,210</u>	<u>-</u>
	Other comprehensive income (loss), net of tax	<u>39,910</u>	<u>-</u>	<u>(172,939)</u>	<u>-</u>
8500	Total comprehensive loss	<u>\$ (774,619)</u>	<u>(2)</u>	<u>(601,030)</u>	<u>(1)</u>
	Loss attributable to:				
8610	Loss attributable to owners of parent	\$ (920,612)	(2)	(576,325)	(1)
8620	Profit, attributable to non-controlling interests	106,083	-	148,234	-
		<u>\$ (814,529)</u>	<u>(2)</u>	<u>(428,091)</u>	<u>(1)</u>
	Comprehensive income attributable to:				
8710	Comprehensive loss, attributable to owners of parent	\$ (927,947)	(2)	(722,791)	(1)
8720	Comprehensive income, attributable to non-controlling interests	153,328	-	121,761	-
		<u>\$ (774,619)</u>	<u>(2)</u>	<u>(601,030)</u>	<u>(1)</u>
	Earnings per share (Note 6(24))				
9750	Basic earnings per share (in New Taiwan Dollars)	<u>\$ (4.62)</u>		<u>(4.08)</u>	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent														
	Share capital	Retained Earnings					Other Equity Interest				Total Equity Attributable to Owners of Parent	Non-Controlling Interests	Total Equity		
		Ordinary Capital	Capital Surplus	Legal Reserve	Unappropriated Retained Earnings (Accumulated Deficits)	Exchange Differences on Translation of Foreign Financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others	Treasury shares	Total Equity Attributable to Owners of Parent				Non-Controlling Interests	Total Equity
Balance at January 1, 2024	\$ 1,439,529	5,560,918	54,113	(557,796)	(26,794)	237,826	-	(210,502)	6,497,294	2,056,165	8,553,459				
Net (Loss) profit	-	-	-	(576,325)	-	-	-	-	(576,325)	148,234	(428,091)				
Other comprehensive (loss) income	-	-	-	5,530	1,672	(153,668)	-	-	(146,466)	(26,473)	(172,939)				
Total comprehensive (loss) income	-	-	-	(570,795)	1,672	(153,668)	-	-	(722,791)	121,761	(601,030)				
Appropriation and distribution of retained earnings:															
Legal reserve used to offset against accumulated deficit (Note 6(22))	-	-	(54,113)	54,113	-	-	-	-	-	-	-				
Other changes in capital surplus:															
Capital surplus used to offset against accumulated deficit (Note 6(22))	-	(503,683)	-	503,683	-	-	-	-	-	-	-				
Changes in ownership interests in subsidiaries (Note 6(22))	-	(4,237)	-	-	-	-	-	-	(4,237)	(3,369)	(7,606)				
Share-based payment transactions (Note 6(23))	-	-	-	-	-	-	-	-	-	66,056	66,056				
Changes in non-controlling interests (Note 6(22))	-	-	-	-	-	-	-	-	-	(2,316)	(2,316)				
Balance at December 31, 2024	1,439,529	5,052,998	-	(570,795)	(25,122)	84,158	-	(210,502)	5,770,266	2,238,297	8,008,563				
Net (Loss) profit	-	-	-	(920,612)	-	-	-	-	(920,612)	106,083	(814,529)				
Other comprehensive (loss) income	-	-	-	2,410	37,293	(47,038)	-	-	(7,335)	47,245	39,910				
Total comprehensive (loss) income	-	-	-	(918,202)	37,293	(47,038)	-	-	(927,947)	153,328	(774,619)				
Capital increase by cash (Note 6(22))	616,941	1,850,824	-	-	-	-	-	-	2,467,765	-	2,467,765				
Changes in ownership interests in subsidiaries (Note 6(22))	-	47,451	-	-	10,899	-	-	-	58,350	136,747	195,097				
Change in business acquisition (Notes 6(8) and 6(22))	-	-	-	-	-	-	-	-	-	239,740	239,740				
Share-based payment transactions (Note 6(23))	-	-	-	-	-	-	-	-	-	107,991	107,991				
Changes in non-controlling interests (Note 6(22))	-	-	-	-	-	-	-	-	-	(5,745)	(5,745)				
Redemption liability recognised as other equity (Note 6(8))	-	-	-	-	-	-	(670,970)	-	(670,970)	(834,240)	(1,505,210)				
Balance at December 31, 2025	\$ 2,056,470	6,951,273	-	(1,488,997)	23,070	37,120	(670,970)	(210,502)	6,697,464	2,036,118	8,733,582				

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED 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 (used in) operating activities:		
Net loss before tax	\$ (641,721)	(312,507)
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation expense (Notes 6(10), (11) and 12)	753,048	800,154
Amortization expense (Notes 6(13) and 12)	130,508	117,722
Reversal of expected credit loss (Note 6(5))	514,954	544,625
Net loss on financial assets measured at fair value through profit or loss (Note 6(27))	(37,033)	790
Interest expense (Note 6(27))	123,960	161,826
Interest income (Note 6(27))	(50,593)	(47,347)
Dividend income (Note 6(27))	(4,141)	(4,829)
Share-based payment transactions (Note 6(23))	107,991	66,056
Share of profit of subsidiaries, affiliates and joint ventures accounted for using equity method (Note 6(7))	(6,555)	(2,709)
Loss (gain) on disposal of property, plant and equipment (Notes 6(27) and 7)	86,853	(901)
Loss on disposal of intangible assets	-	10
Loss on disposal of investments (Note 6(27))	26,896	-
Loss (gain) on lease modification (Note 6(19))	3,314	(437)
Impairment loss on financial assets (Note 6(7))	45,048	-
Gain on sublease of right-of-use assets (Notes 6(12), (19) and (27))	(11,077)	-
Total adjustments to reconcile profit (loss)	<u>1,683,173</u>	<u>1,634,960</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts and notes receivable	(2,017,265)	(673,780)
Other receivables	1,471,478	416,025
Inventories	439,952	(398,221)
Other current assets	185,895	16,942
Other financial assets	(181,908)	10,019
Total changes in operating assets	<u>(101,848)</u>	<u>(629,015)</u>
Changes in operating liabilities:		
Contract liabilities	(19,122)	(92,191)
Accounts and notes payable	(64,660)	(32,744)
Other payables	(376,495)	(219,428)
Other current liabilities	(1,307,483)	192,572
Other non-current liabilities	17,607	17,872
Total changes in operating liabilities	<u>(1,750,153)</u>	<u>(133,919)</u>
Total changes in operating assets and liabilities	<u>(1,852,001)</u>	<u>(762,934)</u>
Total adjustments	<u>(168,828)</u>	<u>872,026</u>
Cash flows (used in) generated from operations	(810,549)	559,519
Interest received	50,593	46,286
Dividends received	16,282	22,883
Interest paid	(123,436)	(161,088)
Income taxes paid	(156,579)	(202,503)
Net cash flows from (used in) operating activities	<u>(1,023,689)</u>	<u>265,097</u>
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(36,056)
Acquisition of financial assets at fair value through profit or loss	-	(30,715)
Acquisition of financial assets at amortised cost	(1,169,038)	-
Net cash flow from acquisition of subsidiary (Note 6(8))	(1,271,026)	-
Acquisition of property, plant and equipment (Note 6(31))	(41,072)	(577,183)
Proceeds from disposal of property, plant and equipment (Notes 6(10) and 7)	1,063	5,644
Acquisition of intangible assets (Note 6(13))	(6,822)	(54,544)
Other financial assets	314,936	127,002
Other non-current assets	6,965	(5,420)
Acquisition of subsidiary (Note 6(31))	(92,508)	(152,659)
Net cash flows used in investing activities	<u>(2,257,502)</u>	<u>(723,931)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings (Note 6(31))	1,606,489	(436,048)
Proceeds from issuance of bonds (Note 6(18))	710,010	-
Increase in long-term borrowings (Note 6(31))	1,985,932	4,235,220
Repayments of long-term borrowings (Note 6(31))	(2,729,017)	(3,474,719)
Payment of lease liabilities (Note 6(31))	(511,811)	(539,671)
Capital increase by cash (Note 6(22))	2,467,765	-
Change in non-controlling interests (Note 6(22))	178,454	(2,316)
Net cash flows from (used in) financing activities	<u>3,707,822</u>	<u>(217,534)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>125,012</u>	<u>(6,715)</u>
Net increase (decrease) in cash and cash equivalents	<u>551,643</u>	<u>(683,083)</u>
Cash and cash equivalents at beginning of the year	<u>3,580,237</u>	<u>4,263,320</u>
Cash and cash equivalents at end of year	<u>\$ 4,131,880</u>	<u>3,580,237</u>

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

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PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. History and Organization

PChome Online Inc. (the Company) was incorporated on July 14, 1998. The primary business scope of the Company and its subsidiaries (together referred to as the Group) includes software design, digital information supply, data processing, and wholesaling and retailing of office machinery, equipment, and information software.

On August 30, 2004, the Board of Directors of the Taipei Exchange approved the Company's application for stock listing, and it became officially listed and traded on January 25, 2005.

2. Approval Date and Procedures of the Consolidated Financial Statements

These consolidated financial statements were authorized for issuance by the Board of Directors on March 5, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS[®]") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

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(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027(Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

Except for the compliance statement, basis of preparations, and basis of consolidation, the principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit assets (liabilities) recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

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PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

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B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
The Company	Linktel Inc.	Type II Telecommunications Business	100.00%	100.00%	
"	PChome US Inc.	E-commerce platform	91.97%	91.97%	
"	PChome Online International Co., Ltd.	International trade and investment activities	100.00%	100.00%	
"	PChome (Thailand) Co., Ltd.	E-commerce platform	66.25%	66.25%	
"	PChome Travel Inc.	Travel agency business	100.00%	100.00%	
"	PChome Holding Inc.	Investment activities	- %	100.00%	Note 2
"	PChome Express Co., Ltd.	Transportation and logistics	100.00%	100.00%	
"	Chunghwa PChome Fund 1 Co., Ltd.	Investment activities	50.00%	50.00%	
"	Cornerstone Ventures Co., Ltd.	Investment activities	51.00%	51.00%	Note 3
"	PChome CB Co., Ltd.	Investment activities	62.67%	65.23%	Note 4
"	MITCH CO., LTD.	Clothing sales	100.00%	100.00%	
"	YunTan Technology Inc.	Information processing and provision of electronic information	- %	59.94%	Note 1
"	21st Financial Technology Co., Ltd	Financial technology services and indirect investment activities	- %	43.66%	Notes 1&5
"	21st Financial Technology Co., Ltd (JP)	Financial technology services and indirect investment activities	41.63%	- %	Note 1
"	PChome Data Technology Co., Ltd.	Information processing and provision of electronic information	100.00%	100.00%	
"	PIN Technology Inc.	"	100.00%	100.00%	Note 6
"	EC Global Limited	Investment activities	- %	100.00%	Note 7
"	PChome eBay Co., Ltd.	Information processing and provision of electronic information	65.00%	65.00%	
PChome eBay Co., Ltd.	PChome Store Inc.	Internet services	100.00%	100.00%	
"	ECOSMOS PTE. LTD.	Information processing and provision of electronic information	100.00%	100.00%	
"	21st Financial Technology Co., Ltd	Financial technology services and indirect investment activities	- %	1.41%	Notes 1&5
"	21st Financial Technology Co., Ltd (JP)	Financial technology services and indirect investment activities	1.30%	- %	Note 1
PChomeStore Inc.	Linkark Co., Ltd	International trade	78.00%	- %	Notes 8
PChome Online International Co., Ltd.	PChome Online (HK) Ltd.	Information service and indirect investment activities	100.00%	100.00%	
PChome CB Co., Ltd.	PChome CBS Co., Ltd.	Internet services	100.00%	100.00%	
"	PChome CB Pte. Ltd.	Investment activities	100.00%	100.00%	
"	Air Supply Logistic Co., Ltd.	Warehousing Service	100.00%	100.00%	
PChome CB Pte. Ltd.	PChome Bibian Inc.	E-commerce cross-border services	100.00%	100.00%	
YunTan Technology Inc.	Einsure Insurance broker Inc.	Insurance brokers	100.00%	100.00%	
21st Financial Technology Co., Ltd.(JP)	21st Century Digital Technology Co., Ltd.	Financial technology services	100.00%	100.00%	Note 1
"	Pi Mobile Technology Inc.	Online payment processing services	99.49%	99.49%	"
"	Cherri Tech, Inc.	Financial technology services and indirect investment activities	100.00%	100.00%	"
"	MPI Inc.	Investment activities	65.00%	- %	Note 9
"	YunTan Technology Inc.	Information processing and provision of electronic information	100.00%	- %	Note 1
21st Century Digital Technology Co., Ltd.	Fan7 Tour Co., Ltd.	Travel agency business	- %	100.00%	Note 11
"	Lianju Asset Management Co., Ltd.	Financial Institution Creditor's Right (Money) Purchase	100.00%	100.00%	
Pi Mobile Technology Inc.	Pay and Link Inc.	Electronic payment business	- %	100.00%	Note 10
Cherri Tech, Inc.	Japan Cherri KK	Financial technology services	90.00%	90.00%	
MPI Inc.	Payment for, Inc.	Payment solution	100.00%	- %	Note 9

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Note 1: In order to integrate the resources of the Group, the investment structure within the Group was restructured.

- (1) 21st Financial Technology Co., Ltd. transferred the shares of 21st Century Digital Technology Co., Ltd., Pi Mobile Technology Inc., Cherri Tech Inc., on December 31, 2024 to 21st Financial Technology Co., Ltd. (JP).
- (2) The restructuring of 21st Financial Technology Co., Ltd. was completed on April 30, 2025. 21st Financial Technology Co., Ltd. has distributed its shares in 21st Financial Technology Co., Ltd. (JP) to all its shareholders according to their respective shareholding ratios. As a result, all the shareholders of 21st Financial Technology Co., Ltd. now directly hold shares in 21st Financial Technology Co., Ltd. (JP) in the same proportions, and the Company directly holds a 43.66% stake in 21st Financial Technology Co., Ltd. (JP).
- (3) 21st Financial Technology Co., Ltd. (JP) issued new shares through an employee stock option plan on October 3, 2025, resulting in a decrease of the consolidated company's ownership percentage from 43.66% to 43.38%.
- (4) 21st Financial Technology Co., Ltd. (JP) issued a cash capital increase for new shares on November 28, 2025, resulting in a decrease of the consolidated company's ownership percentage from 43.38% to 42.73%.
- (5) All shareholders of YunTan Technology Inc. shall receive 0.7011 shares of newly issued common stock of 21st Financial Technology Co., Ltd. (JP) for every common share held in YunTan Technology Inc. The share exchange was completed on December 1, 2025, resulting in an increase of the consolidated company's ownership percentage from 42.73% to 43.06%.
- (6) 21st Financial Technology Co., Ltd. (JP) issued shares for the exercise of employee stock options on December 23, 2025, resulting in a decrease of the consolidated company's ownership percentage from 43.06% to 41.63%.

Note 2: The subsidiary was dissolved and liquidated on May 23, 2025.

Note 3: The subsidiary was dissolved on November 14, 2024.

Note 4: The subsidiary issued a cash capital increase for new shares on November 14, 2025, resulting in a decrease of the consolidated company's ownership percentage from 65.23% to 62.67%.

Note 5: The subsidiary was liquidated on December 4, 2025.

Note 6: The subsidiary was dissolved on December 25, 2024.

Note 7: The subsidiary was dissolved and liquidated on May 20, 2025.

Note 8: PChomeStore Inc. established Linkark Co., Ltd on June 18, 2025 and issued new shares through a cash capital increase on July 15, 2025, all of which were subscribed by external

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shareholders, resulting in a decrease in the consolidated company's ownership percentage from 100% to 78%.

Note 9: The Group acquired the subsidiary through business combinations in the third quarter of 2025. The related information is provided in Note 6(8).

Note 10: The subsidiary was dissolved and liquidated on April 16, 2025.

Note 11: The subsidiary was dissolved and liquidated on June 4, 2025.

C. List of subsidiaries which are not included in the consolidated financial statements: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise,
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;

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- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

- A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- B. Time deposits within three months that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
- (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
- (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will

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flow to the Group and the amount of the dividend can be measured reliably.

- (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
- (b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest that are not part of the financial technology subgroup are subsequently measured at initial invoice amount as the effect of discounting is immaterial. On the other hand, financial technology subgroup initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognised in profit or loss.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

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(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) – lease receivables

Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

- A. At commencement of the lease term, the lessor should record a finance lease in the balance sheet as ‘lease receivables’ at an amount equal to the gross investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as ‘unearned finance income of finance lease’.
- B. The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.
- C. Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognises the Group’s share of change in equity of the associate in ‘capital

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surplus' in proportion to its ownership.

- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

(a) Transportation equipment	4 ~ 8 years
(b) Storage equipment	3 ~ 15 years
(c) Furniture and office equipment	3 ~ 7 years
(d) Leasehold improvements	1 ~ 15 years

(17) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate;
- (c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

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

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The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(18) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 5 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

- C. Intangible assets, mainly trademarks, licenses, concessions, and customer relations, are amortised on a straight-line basis over their estimated useful lives of 9 ~ 15 years.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

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(20) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:
 - (a) Hybrid (combined) contracts; or
 - (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
 - (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- C. If the credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognised in other comprehensive income in the circumstances other than avoiding accounting mismatch or recognising in profit or loss for loan commitments or financial guarantee contracts.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

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(24) Provisions

Provisions (including decommissioning etc.) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive

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obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(26) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at fair value of the liability to pay for those services, and are recognised as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled at the settlement date, with any changes in fair value recognised in profit or loss.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(28) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(29) Revenue recognition

A. Sale of goods

- (a) Revenue from sales of goods is generated through online channels and is recognized when the products are delivered or have reached the customer.
- (b) The Group grants its customers the right to return the product. Therefore, the Group reduces revenue by the amount of expected returns and recognizes a refund liability and a right to the returned goods (under other current assets). Accumulated experience is used to estimate such returns at the time of sale using expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. At each reporting date, the Group reassesses the validity of the assumptions and updates the estimated amount of expected returns.

B. Services

The Group provides platform and management services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as

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a proportion of the total services to be provided. The proportion of services provided is determined based on the work performed to date as a proportion of the total work which should be performed.

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 the management.

C. Interest revenue from installment transactions

The Group runs the business of selling installments. The amount of the sales price exceeds cash sales has been recognized as unrealized interest revenue, and it has been recognized periodically as interest revenue from installment transactions using the interest method.

(30) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(31) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for

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allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Judgment regarding control of affiliates

As of December 31, 2025 and 2024, the Group held less than half of the voting rights of 21st Financial Technology Co., Ltd (JP) and 21st Financial Technology Co., Ltd. However, considering that it obtained more than half of the directors of 21st Financial Technology Co., Ltd (JP) and 21st Financial Technology Co., Ltd., plus that the of other shareholders in previous shareholders' meeting indicated that the Group had the actual ability to direct relevant activities, the Group considers 21st Financial Technology Co., Ltd (JP) and 21st Financial Technology Co., Ltd. as its subsidiaries.

(2) Critical accounting estimates and assumptions

A. Impairment of accounts receivable and other receivables

The Group measures loss allowance for accounts receivable and other receivables in accordance with the simplified approach prescribed under IFRS 9, i.e. the loss allowance is measured at an amount equal to lifetime expected credit losses. In measuring expected credit losses, the Group groups customers based on shared credit risk characteristics, with reference to historical credit loss experience, and adjusts such experience by reasonable and supportable forward-looking information in order to determine the expected loss rates for different aging buckets. As of December 31, 2025, the Group recognised accounts receivable and other receivables, net of impairment loss, amounting to \$8,048,133.

B. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Uncertainty regarding the recoverable amount can affect the assessment of whether goodwill is impaired. Please refer to Note 6(13) for the information of goodwill impairment.

C. Assessment of redemption liability

The Group assesses the redemption liability based on the subsidiaries' expected future financial performance, the Group's financial condition, the pricing mechanism stipulated in the shareholders' agreement, and the expected timing of any settlement. The related purchase

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obligation is measured at fair value and recognized as a redemption liability. As of December 31, 2025, the carrying amount of the redemption liability, presented under other current liabilities, was \$1,466,446.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 2,046	1,086
Checking accounts	31,181	31,329
Savings accounts	3,875,460	2,761,691
Foreign currency deposits	14,695	47,889
Time deposits	204,500	734,020
Cash equivalents		
Third-party payment	<u>3,998</u>	<u>4,222</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 4,131,880</u>	<u>3,580,237</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. As at December 31, 2025 and 2024, the Group's restricted cash and cash equivalents amounting to \$1,417,198 and \$1,530,875, are classified as other current financial assets and other non-current financial assets. Please refer to Note 6(14) for details
- C. Please refer to Note 6(28) for the interest analysis and sensitivity analysis of the financial assets and liabilities of the Group.

(2) Non-current financial assets at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Mandatorily measured at fair value through profit or loss:		
Non derivative financial assets		
Common stocks	\$ 1,123	1,108
Preferred stocks	621,286	376,664
Simple Agreement for Future Equity (SAFE)	<u>53,534</u>	<u>82,152</u>
Total	<u>\$ 675,943</u>	<u>459,924</u>

- A. The Group holds preferred stocks issued by domestic and foreign unlisted companies, all of which are non-cumulative preferred stocks with shareholder voting rights, and the dividends are paid at the agreed annual rate, which is adjusted and reset periodically in accordance with the agreed period. Most of the shares have the liquidation preference. According to the ranking order of the preferred stocks, if the targets must be liquidated while the Group holds their preferred stocks, the

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Group will have the opportunity to get the dividends which are same as the investment amount.

- B. The Simple Agreement for Future Equity (SAFE) held by the Group will be converted into preferred stocks when certain conditions stated in the agreements are met.
- C. For the information on the price risk please refer to Note 6(28).
- D. Abovementioned financial assets measured at fair value through profit or loss had not been pledged as collateral.

(3) Non-current financial assets at fair value through other comprehensive income

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income:		
Stocks unlisted on domestic and foreign markets - common stock	\$ 475,118	482,220
Stocks unlisted on domestic and foreign markets - preferred stock	-	233,740
Total	\$ 475,118	715,960

- A. The Group holds these equity instruments for long-term strategic purposes, and not for trading. As such, they are designated as measured at fair value through other comprehensive income. The fair value of these investments approximated their carrying amounts as of December 31, 2025 and 2024.
- B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ (46,683)	(179,679)

- C. For the relevant information about preferred stocks that are held by the Group, please refer to Note 6(2).
- D. For the market price risk, credit risk and market risk, please refer to Note 6(28).
- E. There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the years ended December 31, 2025 and 2024.
- F. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$475,118 and \$715,960, respectively.

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G. Abovementioned financial assets at fair value through other comprehensive income of the Group had not pledged as collateral.

(4) Financial assets at amortised cost

	December 31, 2025	December 31, 2024
Current items:		
Time deposits with maturities of three months to one year	\$ 1,169,038	-

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	2025	2024
Interest income	\$ 7,335	-

B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$1,169,038 and \$0, respectively.

C. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Accounts and notes receivable, other receivables and long-term receivables

	December 31, 2025	December 31, 2024
Trade receivable - measured as amortized cost	\$ 6,950,894	2,102,707
Trade receivable - measured at fair value through other comprehensive income	-	3,005,165
Other receivables - measured as amortized cost	3,412,767	1,134,166
Finance lease receivable - Rental expense	147,696	196,566
Finance lease receivable - Merchandise	104,297	90,200
Less: Allowance for impairment losses	(214,756)	(167,708)
Less: Unrealized interest revenue	(847,265)	(757,129)
	\$ 9,553,633	5,603,967
Current	\$ 8,048,133	4,536,893
Non-current	1,505,500	1,067,074
	\$ 9,553,633	5,603,967

A. The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all notes receivable, trade receivables, other receivables, finance lease receivable, and long-term receivables. To measure the expected credit losses, all notes receivable, trade receivables, other receivables, finance lease receivable, and long-term receivables have been grouped based on shared credit risk characteristics and the days past due, as

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well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The expected credit losses except for 21st Century Digital Technology Co., Ltd. were determined as follows:

	December 31, 2025		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Allowance for expected credit losses</u>
	Current	\$ 4,306,760	0%~0.0001%
Less than 180 days past due	6,241	10%	255
Over 181 days past due	<u>11,381</u>	25%~100%	<u>4,037</u>
	<u>\$ 4,324,382</u>		<u>4,443</u>

	December 31, 2024		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Allowance for expected credit losses</u>
	Current	\$ 1,806,775	0%~0.00003%
Less than 180 days past due	3,456	10%	13
Over 181 days past due	<u>8,053</u>	25%~100%	<u>7,602</u>
	<u>\$ 1,818,284</u>		<u>7,619</u>

Disregarding any held collateral or other credit enhancements, the maximum exposure to credit risk for the Group's accounts receivable, excluding 21st Century Digital Technology Co., Ltd., as at December 31, 2025 and 2024 were \$4,319,939 and \$1,810,665, respectively.

The expected credit losses of the Group's subsidiary, 21st Century Digital Technology Co., Ltd., were determined as follows:

	December 31, 2025		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Allowance for expected credit losses</u>
	Current	\$ 4,852,416	0%~2.98%
Less than 180 days past due	546,930	2.98%~100%	38,540
Over 181 days past due	<u>44,661</u>	12.30%~100%	<u>31,822</u>
	<u>\$ 5,444,007</u>		<u>210,313</u>

	December 31, 2024		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Allowance for expected credit losses</u>
	Current	\$ 3,496,615	0%~2.97%
Less than 180 days past due	415,403	2.97%~88.79%	28,589
Over 181 days past due	<u>41,373</u>	12.15%~100%	<u>31,145</u>
	<u>\$ 3,953,391</u>		<u>160,089</u>

Disregarding any held collateral or other credit enhancements, the maximum exposure to credit

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risk for 21st Century Digital Technology Co., Ltd.'s accounts receivable as at December 31, 2025 and 2024 were \$5,233,694 and \$3,793,302, respectively.

- B. The Group recognized interest income in profit or loss of \$2,501 and \$2,309 for the years ended December 31, 2025 and 2024, respectively.
- C. The Group adopts the assumption under IFRS 9 that is, the default occurs when the contract payments are past due over 90 days.
- D. The Group adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- E. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (a) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (b) The disappearance of an active market for that financial asset because of financial difficulties;
 - (c) Default or delinquency in interest or principal repayments;
 - (d) Adverse changes in national or regional economic conditions that are expected to cause a default.
- F. The Group writes off the amount of a financial asset when it is deemed uncollectible after all recovery procedures have been exhausted. However, the Group will continue to pursue legal measures to protect its rights as a creditor.
- G. The movement in the allowance for notes and trade receivable, other receivables and long-term receivables was as follows:

	2025	2024
Balance at January 1	\$ 167,708	138,480
Group recognized through business combination	3,256	-
Impairment losses recognized	514,954	544,625
Amounts written off as uncollectible	(471,162)	(515,397)
Balance at December 31	<u>\$ 214,756</u>	<u>167,708</u>

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H. The Group entered into an agreement with different financial institutions to sell its accounts receivable. Under the agreement, the Group will guarantee all receivables that cannot be recovered (whether deferred payment or breach the contract) during a specified period. The Group retains all the risks and rewards of such receivables and does not qualify for derecognition of financial assets. As of reporting date, the carrying amounts of transferred receivables and related financial liabilities were as follows:

December 31, 2025					
Purchaser	Foreclosed amount	Credit line	Amount advanced paid (under short-term and long-term borrowings)	Range of interest Rate	Collateral
KGI Bank	\$ 423,636	400,000	250,000	2.96%	Promissory notes
Far Eastern International Bank	2,041,451	2,000,000	1,711,738	3.10%	Pledged deposits and promissory notes
O-Bank	84,041	200,000	77,330	2.73%	Promissory notes
SinoPac Bank	425,068	300,000	233,250	2.59%	Promissory notes
CTBC Bank	1,058,411	1,000,000	1,000,000	2.50%	Promissory notes

December 31, 2024					
Purchaser	Foreclosed amount	Credit line	Amount advanced paid (under short-term and long-term borrowings)	Range of interest Rate	Collateral
KGI Bank	\$ -	650,000	-	-%	Promissory notes
Far Eastern International Bank	1,516,879	1,680,000	1,376,051	3.10%	Pledged deposits and promissory notes
CMI Credit Ltd.	1,121	1,159	1,159	4.62%	Promissory notes
Hotai Finance Co., Ltd.	93,752	500,000	94,340	2.99%	Promissory notes
O-Bank	100,994	200,000	98,639	2.83%	Promissory notes
SinoPac Bank	93,319	300,000	89,750	2.59%	Promissory notes
CTBC Bank	1,199,100	1,000,000	1,000,000	2.45%	Promissory notes

As of December 31, 2025 and 2024, the Group provided promissory notes of \$3,900,000 and \$3,780,000 guarantee the performance of the above contracts with repurchase agreements to those companies and banks undertaking the sale of the accounts receivable.

I. In addition, part of the accounts receivable of the Group are installment payments of goods received from the distributors, and the parties agree to proceed by the agreed terms of the agreement with respect to the payment of all the formalities and expenses associated with the assignment of the debt. The sale of accounts receivable is a non-recourse transaction, and the seller is not liable for the performance of the debtor's obligations after the transaction is completed.

(6) Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$ 1,722,769	2,160,717
Less: Allowance for inventory valuation and obsolescence losses	(11,336)	(9,332)
	\$ 1,711,433	2,151,385

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The cost of inventories recognised as expense for the period:

	2025	2024
Cost of goods sold	\$ 31,822,537	32,586,488
Interest cost	98,210	85,916
Loss on decline (gain from price recovery) in market value of inventory	2,011	(1,787)
Loss on physical inventory	2,060	2,843
Loss on disposal of scrap	1,809	2,089
	\$ 31,926,627	32,675,549

The allowance for inventory valuation and obsolescence loss was due to the decline of inventory to net realizable value or obsolescence, which was recognized as cost of goods sold for the year ended December 31, 2025.

The factors that caused the net realizable value of inventories to be lower than the cost no longer exist, resulting in the net realizable value of inventory to increase and be recognized as profit or loss on inventory for the year ended December 31, 2024.

As of December 31, 2025 and 2024, the inventories of the Group were not pledged as collateral.

(7) Investments accounted for using equity method

	2025	2024
At January 1	\$ 259,462	274,872
Addition of investments accounted for using equity method	6,555	2,709
Share of profit or loss of investments accounted for using equity method	(12,140)	(18,054)
Impairment loss on investments accounted for using the equity method	(45,048)	-
Changes in other equity items	124	(65)
At December 31	\$ 208,953	259,462
	December 31, 2025	December 31, 2024
Associates	\$ 208,953	259,462

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A. Associates

The basic information of the associates that are material to the Group is as follows:

Company name	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights	
			December 31, 2025	December 31, 2024
Rakuya International Info. Co. Ltd.	Real estate business, and internet information rental service	Taiwan	26.47%	26.47%
UPN Information Co., Ltd.	Investment activities	Cayman Islands	40.00%	40.00%

B. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2025 and 2024, the carrying amount of the Group's individually immaterial associates amounted to \$208,953 and \$259,462, respectively.

	Years ended December 31,	
	2025	2024
Profit or loss for the period from continuing operations	\$ 44,961	39,907
Other comprehensive income, net of tax	311	(164)
Total comprehensive income	<u>\$ 45,272</u>	<u>39,743</u>

C. Impairment loss

As of December 31, 2025 and 2024, the Group performed impairment tests on goodwill of certain investments accounted for using the equity method and recognized impairment losses of \$45,048 and \$0, respectively.

D. Collateral

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

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(8) Acquisition of additional equity interest in a subsidiary

A. Our subsidiary, 21st Century Financial Technology Co., Ltd., in response to the group's development strategy, aims to integrate resources from both parties and strengthen the group layout in financial services to enhance competitiveness and business advantages. On September 30, 2025, it acquired 929 shares of 65% preferred stock issued by MPI Inc. for a cash consideration of \$1,893,360 (JPY 9.2 billion) and became a subsidiary of the group from that date. In the future, based on contractual provisions, it will acquire the remaining outstanding shares of MPI Inc. The purchase obligation is measured at fair value and recognized as a redeem liability. The fair value measurement takes into account MPI Inc.'s expected financial performance and financial condition, the pricing mechanism outlined in the shareholders' agreement, and the anticipated timing of payment of redeem liability. As of December 31, 2025, the fair value of the redeem liability was \$1,466,446 (JPY 7,313,946 thousand).

B. Assets acquired and liabilities assumed

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date:

Cash and cash equivalents	\$	622,334
Accounts receivable		3,634,518
Other current assets		302,391
Property, plant and equipment		1,140
Intangible assets		14,984
Acquisition of identifiable assets-customer relations		401,782
Deferred tax assets		77,271
Other non-current financial assets		10,112
Short term borrowings		(411,600)
Accounts payable		(4,036,128)
Other payables		(132,962)
Contract liabilities		(61,470)
Tax payable		(11,010)
Other current liabilities		(17,967)
Deferred tax liabilities		(135,280)
Fair value of net identifiable assets	\$	<u>258,115</u>

C. Goodwill

Goodwill recognized from the acquisition is as follows:

Consideration transferred in cash	\$	1,893,360
Non-controlling interests (measured based on the proportionate share of identifiable net assets)		239,740
Less: Fair value of identifiable assets		<u>(258,115)</u>
Goodwill	\$	<u>1,874,985</u>

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- D. The goodwill was primarily generated based on the expected future benefits of the data financial service technology owned by Payment for, Inc. The provisional fair value of the identifiable intangible assets acquired (including trademarks and licenses) is \$401,782 (equivalent to JPY 1,952,295 thousand). The final valuation of these assets is still pending.
- E. The fair value of the non-controlling interests of MPI Inc. is estimated using the income approach and the option pricing model:
- (1) Assumed discount rate is 12.8%.
 - (2) Assumed terminal value based on the free cash flow Gordon growth model.
 - (3) Assumption adjustments that market participants may consider when estimating the fair value of MPI Inc.'s non-controlling interests due to lack of control or lack of marketability.
- F. The Group acquired MPI Inc. on September 30, 2025. Assuming MPI Inc. had been consolidated from January 1, 2025, the Group's operating revenue and loss before income tax would have been \$37,328,892 and \$616,466, respectively.

(9) Material non-controlling interests of subsidiaries

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

Subsidiaries	Main operating place	Proportion of non controlling interests and voting rights	
		2025	2024
PChome eBay Co., Ltd.	Taiwan	35.00%	35.00%
Chunghwa PChome Fund 1 Co., Ltd.	Taiwan	50.00%	50.00%
21st Financial Technology Co., Ltd (Note)	Cayman Islands	-	54.93%
21st Financial Technology Co., Ltd. (JP) (Note)	Japan	57.07%	-

Note: The restructuring of 21st Financial Technology Co., Ltd. was completed on April 30, 2025, resulting in significant changes in subsidiaries with non-controlling interests. For more information, please refer to Note 4(3).

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Intragroup transactions were not eliminated in this information.

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A. PChome eBay Co., Ltd. and its subsidiaries' collective financial information:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 1,197,973	1,326,852
Non-current assets	79,275	82,309
Current liabilities	(662,069)	(770,406)
Non-current liabilities	(13,565)	-
Net assets	<u>\$ 601,614</u>	<u>638,755</u>
Non-controlling interests	<u>\$ 210,360</u>	<u>223,564</u>
	<u>2025</u>	<u>2024</u>
Operating revenue	<u>\$ 598,380</u>	<u>886,442</u>
Net profit	<u>\$ 80,781</u>	<u>151,044</u>
Other comprehensive income (loss)	<u>1,386</u>	<u>(82)</u>
Total comprehensive income	<u>\$ 82,167</u>	<u>150,962</u>
Profit attributable to non-controlling interests	<u>\$ 28,274</u>	<u>52,866</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 28,759</u>	<u>52,837</u>

B. Chunghwa PChome Fund 1 Co., Ltd.'s collective financial information:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 35,478	46,243
Non-current assets	470,050	459,925
Current liabilities	(1,012)	(918)
Net assets	<u>\$ 504,516</u>	<u>505,250</u>
Non-controlling interests	<u>\$ 252,258</u>	<u>252,625</u>
	<u>2025</u>	<u>2024</u>
Net loss	<u>\$ (734)</u>	<u>(11,806)</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss	<u>\$ (734)</u>	<u>(11,806)</u>
Loss attributable to non-controlling interests	<u>\$ (367)</u>	<u>(5,903)</u>
Comprehensive loss attributable to non-controlling interests	<u>\$ (367)</u>	<u>(5,903)</u>

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C. 21st Financial Technology Co., Ltd.'s collective financial information:

	December 31, 2024
Current assets	\$ 4,964,923
Non-current assets	3,611,207
Current liabilities	(4,700,713)
Non-current liabilities	(911,240)
Net assets	\$ 2,964,177
Non-controlling interests	\$ 1,661,619
	2024
Operating revenue	\$ 2,048,895
Net profit	\$ 214,482
Other comprehensive loss	(46,742)
Total comprehensive income	\$ 167,740
Profit attributable to non-controlling interests	\$ 108,598
Comprehensive income attributable to non-controlling interests	\$ 82,555

D. 21st Financial Technology Co., Ltd. (JP)'s collective financial information:

	December 31, 2025
Current assets	\$ 10,112,445
Non-current assets	6,084,152
Current liabilities	(10,859,808)
Non-current liabilities	(3,377,782)
Net assets	\$ 1,959,007
Non-controlling interests	\$ 1,154,370
	2025
Operating revenue	\$ 2,252,527
Net profit	\$ 189,739
Other comprehensive income	191,631
Total comprehensive income	\$ 381,370
Profit attributable to non-controlling interests	\$ 111,507
Comprehensive income attributable to non-controlling interests	\$ 112,543

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(10) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024 were as follows:

	<u>Transportation equipment</u>	<u>Storage equipment</u>	<u>Furniture and office equipment</u>	<u>Leasehold improvements</u>	<u>Testing equipment</u>	<u>Total</u>
Cost:						
Balance at January 1, 2025	\$ 98,745	1,444,582	922,783	590,805	59,301	3,116,216
Acquired from business combinations	-	-	8,199	-	-	8,199
Additions	-	928	12,020	22,977	1,279	37,204
Obsolescence	-	-	(17,161)	(9,002)	-	(26,163)
Disposals	-	(101,076)	(61,352)	(67)	-	(162,495)
Reclassification	-	-	3,198	21,445	(27,353)	(2,710)
Effect of changes in foreign exchange rates	-	-	(121)	(336)	-	(457)
Balance at December 31, 2025	<u>\$ 98,745</u>	<u>1,344,434</u>	<u>867,566</u>	<u>625,822</u>	<u>33,227</u>	<u>2,969,794</u>
Balance at January 1, 2024	\$ 98,745	566,755	921,557	474,348	551,414	2,612,819
Additions	-	529,478	24,850	8,313	9,318	571,959
Obsolescence	-	-	(7,890)	(916)	-	(8,806)
Disposals	-	-	(37,207)	(439)	-	(37,646)
Reclassification	-	348,349	21,269	109,673	(501,431)	(22,140)
Effect of changes in foreign exchange rates	-	-	204	(174)	-	30
Balance at December 31, 2024	<u>\$ 98,745</u>	<u>1,444,582</u>	<u>922,783</u>	<u>590,805</u>	<u>59,301</u>	<u>3,116,216</u>
Depreciation and impairment loss:						
Balance at January 1, 2025	\$ 64,400	122,137	796,212	261,944	-	1,244,693
Acquired from business combinations	-	-	7,059	-	-	7,059
Depreciation for the year	12,107	161,251	63,221	73,489	-	310,068
Obsolescence	-	-	(17,161)	(9,002)	-	(26,163)
Disposals	-	(8,058)	(60,962)	(20)	-	(69,040)
Reclassification	-	-	(359)	57	-	(302)
Effect of changes in foreign exchange rates	-	-	(56)	(347)	-	(403)
Balance at December 31, 2025	<u>\$ 76,507</u>	<u>275,330</u>	<u>787,954</u>	<u>326,121</u>	<u>-</u>	<u>1,465,912</u>
Balance at January 1, 2024	\$ 52,223	30,319	744,524	193,931	-	1,020,997
Depreciation for the year	12,177	91,818	92,240	69,150	-	265,385
Obsolescence	-	-	(7,890)	(916)	-	(8,806)
Disposals	-	-	(32,666)	(237)	-	(32,903)
Reclassification	-	-	(138)	138	-	-
Effect of changes in foreign exchange rates	-	-	142	(122)	-	20
Balance at December 31, 2024	<u>\$ 64,400</u>	<u>122,137</u>	<u>796,212</u>	<u>261,944</u>	<u>-</u>	<u>1,244,693</u>
Carrying amounts:						
Balance at December 31, 2025	<u>\$ 22,238</u>	<u>1,069,104</u>	<u>79,612</u>	<u>299,701</u>	<u>33,227</u>	<u>1,503,882</u>
Balance at January 1, 2024	<u>\$ 46,522</u>	<u>536,436</u>	<u>177,033</u>	<u>280,417</u>	<u>551,414</u>	<u>1,591,822</u>
Balance at December 31, 2024	<u>\$ 34,345</u>	<u>1,322,445</u>	<u>126,571</u>	<u>328,861</u>	<u>59,301</u>	<u>1,871,523</u>

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The Group purchased relevant equipment for operation in 2025. For relevant significant contracts, please refer to Note 9(3). As of December 31, 2025 and 2024, the property, plant and equipment were pledged as collateral, please refer to Note 8.

(11) Right-of-use assets

The cost and depreciation of the right-of-use assets of the Group for the years ended December 31, 2025 and 2024 were as follows:

	Buildings	Machinery and equipment	Transportation equipment	Total
Cost:				
Balance at January 1, 2025	\$ 5,447,713	44,228	12,036	5,503,977
Additions	212,027	22,718	2,480	237,225
Decrease	(386,372)	-	-	(386,372)
Reclassification	5,336	-	-	5,336
Effect of changes in foreign exchange rates	(1,719)	-	-	(1,719)
Balance at December 31, 2025	<u>\$ 5,276,985</u>	<u>66,946</u>	<u>14,516</u>	<u>5,358,447</u>
Balance at January 1, 2024	\$ 6,121,392	44,228	6,452	6,172,072
Additions	127,687	-	5,584	133,271
Decrease	(538,035)	-	-	(538,035)
Reclassification	(260,322)	-	-	(260,322)
Effect of changes in foreign exchange rates	(3,009)	-	-	(3,009)
Balance at December 31, 2024	<u>\$ 5,447,713</u>	<u>44,228</u>	<u>12,036</u>	<u>5,503,977</u>
Accumulated depreciation:				
Balance at January 1, 2025	\$ 1,642,541	33,171	6,465	1,682,177
Depreciation for the year	427,945	11,755	3,280	442,980
Decrease	(313,459)	-	-	(313,459)
Reclassification	5,336	-	-	5,336
Effect of changes in foreign exchange rates	(1,168)	-	-	(1,168)
Balance at December 31, 2025	<u>\$ 1,761,195</u>	<u>44,926</u>	<u>9,745</u>	<u>1,815,866</u>
Balance at January 1, 2024	\$ 1,627,945	22,114	3,874	1,653,933
Depreciation for the year	521,121	11,057	2,591	534,769
Decrease	(503,786)	-	-	(503,786)
Effect of changes in foreign exchange rates	(2,739)	-	-	(2,739)
Balance at December 31, 2024	<u>\$ 1,642,541</u>	<u>33,171</u>	<u>6,465</u>	<u>1,682,177</u>
Carrying amounts:				
Balance at December 31, 2025	<u>\$ 3,515,790</u>	<u>22,020</u>	<u>4,771</u>	<u>3,542,581</u>
Balance at January 1, 2024	<u>\$ 4,493,447</u>	<u>22,114</u>	<u>2,578</u>	<u>4,518,139</u>
Balance at December 31, 2024	<u>\$ 3,805,172</u>	<u>11,057</u>	<u>5,571</u>	<u>3,821,800</u>

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The Group leased buildings as warehouses from Chunghwa Post Co., Ltd. in February 2023. The lease term is 15 years, and rental fee will be adjusted yearly based on the Price Index of the year.

The Group has subleased its leased buildings under finance leases since January 2024. Relevant right-of-use assets have been written off and the lease receivables have been recognized (under other receivables) due to the sublease.

(12) Leasing arrangements – lessor

A. The Group subleases a portion of the leased buildings. Rental contracts are typically made for periods between 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The information on profit and loss accounts relating to lease contracts is as follows:

	2025	2024
Gain on sublease of right-of-use assets	\$ 11,077	-
Finance income on net investment in the lease	9,652	11,112
	\$ 20,729	11,112

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2025	December 31, 2024
Within 1 year	\$ 251,990	188,573
1-2 years	3	98,193
	\$ 251,993	286,766

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Undiscounted lease payments	\$ 251,990	3	188,573	98,193
Unearned finance income	(4,852)	-	(5,202)	(538)
Net investment in the lease	\$ 247,138	3	183,371	97,655

E. The Group has no overdue lease receivables from the lessee, and the amount of loss arising from credit risk is assessed to be insignificant.

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(13) Intangible assets

	2025				
	Software	Goodwill	Concession	Others	Total
At January 1					
Cost	\$ 298,502	5,011,342	501,290	309,483	6,120,617
Accumulated amortisation and impairment	(185,324)	-	(176,130)	(75,263)	(436,717)
	<u>\$ 113,178</u>	<u>5,011,342</u>	<u>325,160</u>	<u>234,220</u>	<u>5,683,900</u>
Opening net book amount as at January 1	\$ 113,178	5,011,342	325,160	234,220	5,683,900
Additions – acquired from business combinations	14,984	1,874,985	-	401,782	2,291,751
Additions – acquired separately	6,822	-	-	-	6,822
Reclassifications	383	-	-	-	383
Amortisation charge	(37,265)	-	(54,194)	(39,049)	(130,508)
Net exchange differences	(371)	(48,287)	2	(10,097)	(58,753)
Closing net book amount as at December 31	<u>\$ 97,731</u>	<u>6,838,040</u>	<u>270,968</u>	<u>586,856</u>	<u>7,793,595</u>
At December 31					
Cost	\$ 312,471	6,838,040	501,290	700,938	8,352,739
Accumulated amortisation and impairment	(214,740)	-	(230,322)	(114,082)	(559,144)
	<u>\$ 97,731</u>	<u>6,838,040</u>	<u>270,968</u>	<u>586,856</u>	<u>7,793,595</u>
	2024				
	Software	Goodwill	Concession	Others	Total
At January 1					
Cost	\$ 205,854	5,011,342	501,290	309,483	6,027,969
Accumulated amortisation and impairment	(157,546)	-	(121,936)	(46,224)	(325,706)
	<u>\$ 48,308</u>	<u>5,011,342</u>	<u>379,354</u>	<u>263,259</u>	<u>5,702,263</u>
Opening net book amount as at January 1	\$ 48,308	5,011,342	379,354	263,259	5,702,263
Additions – acquired separately	54,544	-	-	-	54,544
Reclassifications	(10)	-	-	-	(10)
Reclassifications	44,825	-	-	-	44,825
Amortisation charge	(34,489)	-	(54,194)	(29,039)	(117,722)
Closing net book amount as at December 31	<u>\$ 113,178</u>	<u>5,011,342</u>	<u>325,160</u>	<u>234,220</u>	<u>5,683,900</u>
At December 31					
Cost	\$ 298,502	5,011,342	501,290	309,483	6,120,617
Accumulated amortisation and impairment	(185,324)	-	(176,130)	(75,263)	(436,717)
	<u>\$ 113,178</u>	<u>5,011,342</u>	<u>325,160</u>	<u>234,220</u>	<u>5,683,900</u>

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A. On September 30, 2025, the Group obtained the amounts of \$1,874,985, arising from the acquisition of Payment for, Inc., in goodwill. Please refer to the Note 6(8) for relevant information.

B. Cash generating units of goodwill apportioned to the consolidated company

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
PChome CB Co., Ltd.	\$ 99,358	99,358
Yun Tan Technology Inc.	15,161	15,161
Cherri Tech Inc.	1,482,473	1,482,473
21st Financial Technology Co., Ltd.	-	3,414,350
21st Financial Technology Co., Ltd. (JP)	3,414,350	-
Payment for, Inc	1,826,698	-
Total	<u>\$ 6,838,040</u>	<u>5,011,342</u>

Since April 30, 2025, 21st Financial Technology Co., Ltd. has distributed its shares in 21st Financial Technology Co., Ltd. (JP) to all its shareholders according to their respective shareholding percentages. Please refer to Note 4(3) for other related information.

C. Goodwill impairment

According to IAS 36, the impairment test for goodwill acquired by a business combination should be conducted at least annually. The impairment test involves allocating goodwill to cash generating units that are expected to benefit from the consolidated synergy and assessing whether the impairment of goodwill is required to be included in the calculation of the value-in-use of each cash-generating unit and the carrying amount of net assets.

According to the equity valuation analysis report issued by experts commissioned by the merged company in 2025 and 2024, the recoverable amount of each cash-generating unit is still greater than the book value, so no impairment has been recognized.

The recoverable amount of each cash-generating unit is determined based on value in use assessed by independent valuers, with value in use calculated using cash flow projections prepared by management. The key assumptions used in estimating value in use are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	10.62%~20.22%	4.74%~23.28%
Sustainable Growth Rate	1.68%~2.00%	1.68%~3.30%

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(14) Other current financial assets and other non-current financial assets

The other current financial assets and other non-current financial assets of the Group were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Restricted bank deposits	\$ 634,774	930,359
Trust accounts	782,424	600,516
Guarantee deposits paid	90,743	99,982
	<u>\$ 1,507,941</u>	<u>1,630,857</u>
Current	\$ 1,197,106	1,015,148
Non-current	<u>310,835</u>	<u>615,709</u>
	<u>\$ 1,507,941</u>	<u>1,630,857</u>

A. Time deposits that do not meet the definition of cash equivalents are recognized as restricted bank deposits.

B. For special trust accounts, please refer to Note 9(4).

C. The assets of the Group had been pledged as collateral. Please refer to Note 8.

(15) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank loans	\$ 1,142,985	759,623
Secured bank loans	2,883,168	1,564,440
Other short-term loans	-	95,499
Short-term notes and bills payable	99,305	99,407
	<u>\$ 4,125,458</u>	<u>2,518,969</u>
Unused short-term credit line	<u>\$ 4,866,189</u>	<u>5,381,476</u>
Range of interest rates	<u>1.47%~3.10%</u>	<u>1.02%~4.62%</u>

A. For details of the pledged assets as collateral for bank borrowings, please refer to Note 8.

B. For details of the Group's guaranteed bank and other borrowings arising from the alienation of claims receivable, please refer to Note 6(5) for relevant explanations.

C. For details of guarantees provided by related parties, please refer to Note 7.

D. Interest expense recognised in profit or loss amounted to \$75,596 and \$85,298 for the years ended December 31, 2025 and 2024, respectively.

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(16) Other current liabilities

	December 31, 2025	December 31, 2024
Receipts under custody-online payment processing service	\$ 5,085,923	2,030,224
Redemption of liabilities (Note 6(8))	1,466,446	-
Current refund liabilities	33,389	29,705
Others-shopping credits	133,076	363,394
	\$ 6,718,834	2,423,323

A. Agreements were entered into between the Group and its online sellers for entrusting the Group to collect sellers' online transaction payments. Collections were accounted for as payables to the sellers.

B. Current refund liabilities were expected to be paid to customers due to their right to refund the goods.

(17) Long-term borrowings

The details were as follows:

	December 31, 2025			
	Currency	Rate	Maturity year	
Unsecured bank loans	NTD	1.63%~2.07%	2026~2030	\$ 535,957
Secured bank loans	NTD	1.63%~2.94%	2026~2028	3,226,206
Less: current portion				(539,584)
Total				\$ 3,222,579
Unused long-term credit lines				\$ 730,000
	December 31, 2024			
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	1.57%~2.79%	2025~2030	\$ 1,368,220
Secured bank loans	NTD	1.63%~2.93%	2025~2028	2,958,309
Loans from related parties	NTD	2.75%	2025	178,719
Less: current portion				(1,857,062)
Total				\$ 2,648,186
Unused long-term credit lines				\$ 1,036,000

A. For information on assets pledged as security for bank borrowings, please refer to Note 8.

B. For information on secured loans or other borrowings arising from factoring of receivables, please refer to Note 6(5).

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- C. In the year 2023, the Company entered into a syndicated loan agreement with multiple financial institutions, and the aforementioned syndicated loan was repaid in full in February 2025.
- D. In the year 2024, the subsidiary, 21st Century Technology Co., Ltd., entered into a syndicated loan agreement with multiple financial institutions. According to the terms of the agreement, during the loan period, the subsidiary is required to maintain certain financial ratios in its annual and second-quarter financial statements, including the current ratio, debt-to-asset ratio, tangible net worth, interest coverage ratio, reserve coverage ratio, and bad asset ratio. The subsidiary has not violated any terms of the syndicated loan agreement with the aforementioned financial institutions.
- E. The Company was the joint guarantor of the unsecured bank loans of the following subsidiaries, PChome Express Co., Ltd, PChome Bibian Inc., and Pi Mobile Technology Inc., Ltd. as of December 31, 2025 and 2024. For the information about guarantees and endorsements for other parties, please refer to Note 13(1).
- F. For details of loans and guarantees provided by related parties, please refer to Note 7.
- G. To comply with the requirements of the loan agreements with the banks, the Group proactively applied its capital surplus to offset accumulated deficits in 2026.

(18) Financial liabilities at fair value through profit or loss

The subsidiary of the Company, 21st Financial Technology Co., Ltd. (JP), has issued private unsecured convertible bonds with the following information:

	<u>December 31, 2025</u>
Non-current liabilities:	
Financial liabilities measured at fair value through profit or loss	
Convertible bonds	\$ 710,010
Valuation adjustments	812
Effect of foreign exchange	(18,303)
	\$ 692,519

21st Financial Technology Co., Ltd. (JP) resolved at the Board of Directors meeting to issue private unsecured convertible bonds on July 24, 2025. The total issuance amounted to \$710,010 (JPY 3,450,000 thousand), with a coupon rate of 2.5%, and an issuance period of 3 years. The outstanding period is from August 25, 2025 to August 24, 2028.

The conversion price of convertible bonds is adjusted according to the pricing model in the terms of the bonds. The actual conversion price and timing shall be determined based on the company's subsequent capital market plans. According to the contract provisions, bondholders may, on the third anniversary of the issuance of these convertible corporate bonds, request the company to redeem the bonds they hold at the principal amount plus accrued interest, or to request conversion.

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On the issuance date, 21st Financial Technology Co., Ltd. (JP) designated convertible corporate bonds as financial liabilities measured at fair value through profit or loss, and recorded them under “Non-current financial liabilities at fair value through profit or loss”.

For the year ended December 31, 2025, the Group has recognised the changes in fair value amounting to \$812, and it is not attributable to the changes in credit risk of the liabilities.

(19) Lease liabilities

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current	\$ 526,017	467,511
Non-current	\$ 3,355,282	3,688,374

A. Please refer to Note 6(28) for the maturity analysis.

B. The amounts recognized in profit or loss were as follows:

	<u>2025</u>	<u>2024</u>
Interests on lease liabilities	\$ 50,609	52,941
Gain on sublease of right-of-use assets	\$ 11,077	-
Expenses relating to short-term leases	\$ 29,891	50,309
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ 4,090	9,959
(Loss) gain on lease modification	\$ (3,314)	437

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

	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	\$ 596,401	652,880

D. The Group leases buildings for its office space and warehouses. The leases of office space typically make for a period between 1 to 3 years, and of warehouses for a period between 3 to 15 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

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E. The Group leases certain warehouses with lease terms of no more than 12 months and leases low-value assets such as other equipment. Payments of lease commitments for short-term leases are as follows:

	2025	2024
Payments of lease commitments for short-term leases	\$ 33,981	60,268

(20) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 12,758	15,673
Fair value of plan assets	(63,645)	(61,843)
Net defined benefit liability	\$ (50,887)	(46,170)

The Group makes defines benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years or service and average salary for the six months prior to retirement.

(a) Composition of plan assets

The Group 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 Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local bank.

The Group's pension reserve account in Bank of Taiwan amounted to \$63,645 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 Labor.

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(b) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

	2025	2024
Defined benefit obligation at January 1	\$ 15,673	20,350
Current service costs and interest	314	380
Remeasurement on the net defined benefit liabilities (assets)		
— Actuarial loss (gain) from experience adjustments	605	(1,900)
— Actuarial loss (gain) arising from changes in financial assumptions	378	(265)
Pension fund contribution	(2,712)	-
Paid pension	(1,500)	-
Past service costs and gain on settlements	-	(2,892)
Defined benefit obligation at December 31	\$ 12,758	15,673

(c) Movements of defined benefit plan assets

The Group's movements in present value of defined benefit obligations for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Fair value of plan assets at January 1	\$ 61,843	55,322
Interest income	1,244	1,045
Remeasurement on the net defined benefit liabilities (assets)		
— Return on plan assets (excluding interest income)	3,995	4,748
Pension fund contribution	(2,358)	-
Paid pension	(1,500)	-
Contribution made	421	728
Defined benefit obligation at December 31	\$ 63,645	61,843

(d) Expenses recognized in profit or loss

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

	2025	2024
Past service costs	\$ (354)	(2,892)
Net interest of net defined benefit assets	(930)	(664)
	\$ (1,284)	(3,556)

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(e) Actuarial assumptions

The following are the Group's principal actuarial assumptions of Present Value of defined benefit obligations:

	2025	2024
Discount rate	1.750%	2.000%
Future salary increase rate	3.000%	3.000%

The expected allocation payment made by the Group to the defined benefit plans for the one-year period after the reporting date was \$0.

The weighted average duration of the defined benefit plans is 13.51 years.

(f) When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions, including discount rate and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

(g) Sensitivity analysis

As of December 31, 2025 and 2024, the changes in the principal actuarial assumptions will impact on the present value of the defined benefit obligation were as follows:

	Influences of defined benefit obligations	
	Increase 0.25%	Decrease 0.25%
December 31, 2025		
Discount rate	(378)	391
Future salary increase rate	379	(368)
December 31, 2024		
Discount rate	(515)	535
Future salary increase rate	521	(504)

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. In practice, changes of assumptions may link to each other. The method used in the sensitivity analysis is consistent with the calculation of Net defined benefit liabilities in the balance sheets.

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

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B. Defined contribution plans

The Group 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 these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation to pay.

For the years ended December 31, 2025 and 2024, the Group set aside \$83,584 and \$88,104, respectively, under the pension plan to the Bureau of the Labor Insurance.

(21) Income tax

A. Income tax expense recognized in profit or loss

The amounts of income tax expense for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Current income tax expense:		
Current period	\$ 141,605	133,728
5% surtax on unappropriated earnings	19,612	19,315
Adjustment for prior periods	2,232	(8,584)
	163,449	144,459
Deferred tax expense:		
Origination and reversal of temporary differences	9,359	(28,875)
Income tax expense	\$ 172,808	115,584

The amounts of income tax expense recognized in other comprehensive income for the years ended December 31, 2025 and 2024, were as follows:

	2025	2024
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	\$ (602)	(1,383)

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The reconciliation of income tax and loss before tax was as follows:

	2025	2024
Net loss before income tax	\$ (641,721)	(312,507)
Income tax using the domestic tax rate of each company	\$ (28,735)	7,721
Expenses disallowed by tax regulation	17,113	3,223
Tax exempt income by tax regulation	(23,695)	(53,297)
Temporary differences not recognised as deferred tax assets	217,165	147,206
Taxable loss not recognised as deferred tax assets	(30,884)	-
Prior year income tax under (over) estimation	2,232	(8,584)
5% surtax on unappropriated earnings	19,612	19,315
Total	\$ 172,808	115,584

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Deductible temporary differences	\$ 63,375	64,831
Loss carry-forwards	1,564,450	1,374,327
	\$ 1,627,825	1,439,158

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to be deducted from the net income of the previous ten years before income tax is assessed. Deferred tax assets have not been recognized in respect of these items because it is not probable that the Group will have sufficient taxable income in the future to utilize these temporary differences.

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As of December 31, 2025, the Group had loss carry-forwards with expiry years are as follows:

Year of Occurrence	Operating Loss Carry Forwards	Year of Expiration
2016	\$ 14,777	2026
2017	922,246	2027
2018	2,058,181	2028
2019	194,888	2029
2020	387,587	2030
2021	506,619	2031
2022	1,005,605	2032
2023	1,061,401	2033
2024	881,880	2034
2025	1,063,898	2035
	<u>\$ 8,097,082</u>	

- (b) The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2025 and 2024, the amounts of temporary difference unrecognised as deferred tax liabilities were \$414,699 and \$73,827, respectively.

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(c) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 are as follows:

	Others
Deferred Tax Liabilities:	
Balance at January 1, 2025	\$ 13,634
Debited income statement	1,931
Debited other comprehensive income	602
Acquired from business combinations	135,280
Currency translation differences	(3,483)
Balance at December 31, 2025	\$ 147,964
Balance at January 1, 2024	\$ 10,954
Debited income statement	1,297
Debited other comprehensive income	1,383
Balance at December 31, 2024	\$ 13,634

	Bad debt Expense	Others	Total
Deferred Tax Assets:			
Balance at January 1, 2025	\$ 175,084	73,934	249,018
Debited (credited) income statement	2,014	(9,442)	(7,428)
Acquired from business combinations	-	77,271	77,271
Currency translation differences	-	(1,563)	(1,563)
Balance at December 31, 2025	\$ 177,098	140,200	317,298
Balance at January 1, 2024	\$ 159,338	59,508	218,846
Debited income statement	15,746	14,426	30,172
Balance at December 31, 2024	\$ 175,084	73,934	249,018

C. The Company's tax returns for the years through 2021 were examined and approved by the Taipei National Tax Administration.

(22) Capital and other equity

A. Issuance of common stock

As of December 31, 2025 and 2024, the total value of nominal ordinary shares both amounted to \$2,500,000. The face value of each share is \$10 (in dollars). There were 205,647 thousand ordinary shares and 143,953 thousand ordinary shares issued, respectively (including the issuance of the employee restricted shares amounting to 319 thousand shares as of December 31, 2025 and 2024.) All issued shares were had been fully paid upon issuance.

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On September 17, 2021, the Board of Directors resolved to issue 10,000 thousand ordinary shares at a private placement at a price of \$106.65 (in dollars) per share, with a par value of \$10 (in dollars) per share. The capital increase date was set at October 1, 2021, and 9,377 thousand shares were issued. The relevant registration changes have been completed.

On January 9, 2025, the Board of Directors resolved to issue 61,694 thousand ordinary shares at a private placement at a price of \$40 (in dollars) per share, with a par value of \$10 (in dollars) per share. The capital increase date was set at January 23, 2025, and 61,694 thousand shares were fully issued. The relevant registration changes have been completed.

The transfer of the aforementioned privately offered common shares, along with any subsequent gratis allotment of shares, is subject to the provisions stipulated under Article 43-8 of the Securities Exchange Act. Furthermore, a declaration for the supplementary public offering and listing on the over-the-counter market shall only be initiated after a period of three years from the date of delivery of the privately offered common shares, in compliance with the relevant regulations and laws.

B. Capital Surplus

The balances of additional paid-in capital were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Share capital	\$ 4,965,493	3,114,669
Conversion premium	119,798	119,798
Difference between consideration and carrying amount of subsidiaries acquired or disposed	1,211,314	1,211,314
Changes in equity of subsidiaries	518,859	471,408
Changes in equity of investment in associates and joint ventures accounted for using the equity method	3,934	3,934
Issuance of convertible bonds	129,737	129,737
Share based payment transactions — treasury stock	2,138	2,138
Total	<u>\$ 6,951,273</u>	<u>5,052,998</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

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C. Retained earnings

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficit, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve. However, this restriction is not applied when the legal reserve has reached the paid-in capital of the Company; In addition, according to the operation needs of the Company and the provisions of laws and regulations, if there is a balance of the special surplus reserve, priority may be given to the distribution of dividends of the special shares of the current year. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the board of directors and submitted to the shareholders for approval.

The Company may explicitly stipulate in the Articles of Incorporation to authorize the distributable dividends and bonuses in whole or at least 20% of total dividends distributed may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto, a report of such distribution shall be submitted to the shareholders.

The Board of Directors of the Company resolved not to distribute dividends for 2024 and 2023 on March 25, 2025 and March 19, 2024, respectively. The offsetting of deficit for 2024 and 2023 were approved in the shareholders' meetings on June 25, 2025 and June 19, 2024, respectively. Relevant information is available on the Market Observation Post System website.

In accordance with the Company Act, in case the loss incurred by a company aggregates to one half of its paid-in capital, the Board of Directors should report it at the latest shareholders' meeting.

D. Treasury shares

On March 16, 2021, the Board of Directors of the Company resolved to repurchase its ordinary shares from the centralized securities exchange market, in order to transfer to employees, at a price between \$60 (in dollars) and \$110 (in dollars) per share, in accordance with the requirements under section 28(2) of the Securities and Exchange Act. As of December 31, 2025, a total of 1,230 thousand shares have been bought back at a total cost of \$108,254, of which 351 thousand shares were transferred to employees in 2021, amounting to \$30,892. The cost does not exceed the upper limit amount of \$108,440 approved by the Board of Directors.

On May 11, 2022, the Board of Directors of the Company resolved to repurchase its ordinary shares from the centralized securities exchange market, in order to transfer to employees, at a price between \$70 (in dollars) and \$125 (in dollars) per share, in accordance with the requirements under section 28(2) of the Securities and Exchange Act. As of December 31, 2025, a total of 1,900 thousand shares have been bought back at a total cost of \$133,140. The cost does not exceed the upper limit amount of \$286,781 approved by the Board of Directors.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and should not hold any shareholder rights before their transfer.

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E. Other equity, net of tax

	Exchange difference on translation of statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others	Total
Balance at January 1, 2025	\$ (25,122)	84,158	-	59,036
Exchange differences on foreign operations	37,293	-	-	37,293
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(47,038)	-	(47,038)
Changes in ownership interests in subsidiaries	10,899	-	-	10,899
Change in issuance of redeem liability	-	-	(670,970)	(670,970)
Balance at December 31, 2025	<u>\$ 23,070</u>	<u>37,120</u>	<u>(670,970)</u>	<u>(610,780)</u>
Balance at January 1, 2024	\$ (26,794)	237,826	-	211,032
Exchange differences on foreign operations	1,672	-	-	1,672
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(153,668)	-	(153,668)
Balance at December 31, 2024	<u>\$ (25,122)</u>	<u>84,158</u>	<u>-</u>	<u>59,036</u>

E. Non-controlling Interests

	2025	2024
Balance at January 1	\$ 2,238,297	2,056,165
Share of non-controlling interests		
Acquired from business combinations	239,740	-
Gain for the year ended December 31	106,083	148,234
Foreign currency translation differences for foreign operations	46,890	(462)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	355	(26,011)
Changes in ownership interests in subsidiaries	136,747	(3,369)
Changes in non-controlling interests-dividends declared to subsidiaries	(35,000)	(2,316)
Changes in non-controlling interests-subsidiaries employee stock option exercised	29,255	-
Change in issuance of redeem liability	(834,240)	-
Share-based payment transactions	107,991	66,056
Balance at December 31	<u>\$ 2,036,118</u>	<u>2,238,297</u>

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(23) Share-based payment

A. The Group's share-based payment arrangements for the years ended December 31, 2025 and 2024:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2022.9.1	55,000	6	Note 1
Employee stock options	2023.4.1	5,174,363	10	Note 2
Employee stock options	2024.9.1	189,131	10	Note 3
Employee stock options	2024.12.20	15,000	10	Note 3
Employee stock options	2025.12.30	457,896	10	Note 4

Note 1: The Group provides 25% of its shares as employee stock options after the first year of service rendered by its employees, wherein an average of 2.08% of the shares can be realized monthly from the second to fourth year of their service. The subsidiary's shares became fully vested on March 28, 2025, pursuant to the resolution of its Board of Directors.

Note 2: The vesting conditions dictate that the share options granted to the directors and employees of the Group will be fully vested at the rate of one-half, one-third, or one-fourth each year over two, three, or four years, respectively, contingent upon the employees' continued service from the vesting commencement date and the fulfillment of either market or non-market performance conditions. However, regardless of whether these share options have vested or been exercised, any vested options will be forfeited or exercised shares must be sold back to the Group at the original exercise price of USD 0.0001 if the directors or employees who were granted these options leave the Group within four years from the grant date. Therefore, these share options do not fully vest until the potential forfeiture or buy-back period has expired despite that other vesting conditions have been fulfilled. The related share-based payment expenses should be recognized over the longer of the vesting period (which includes both the service period and the anticipated period for meeting the performance conditions) and the potential forfeiture or buy-back period.

Note 3: The vesting conditions dictate that the share options granted to the directors and employees of the Group will be fully vested at the rate of one-fourth each year over four years contingent upon the employees' continued service from the vesting commencement date. However, regardless of whether these share options have vested or been exercised, any vested options will be forfeited or exercised shares must be sold back to the Group at the original exercise price of USD 0.0001 if the directors or employees who were granted these options leave the Group within four years from the grant date. Therefore, these share options do not fully vest until the potential forfeiture or buy-back period has expired despite that other vesting conditions have been fulfilled. The related share-based payment expenses should be recognized over the longer of the vesting period and the potential forfeiture or buy-back period.

Note 4: Part of share options granted to the directors and employees of the Group were vested

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immediately on the grant date and the vesting conditions of remaining share options dictate that the share options granted to the directors and employees of the Group will be fully vested at the rate of one-half each year over two years contingent upon the employees' continued service from the vesting commencement date and the fulfillment of non-market performance conditions. However, regardless of whether these share options have vested or been exercised, any vested options will be forfeited or exercised shares must be sold back to the Group at the original exercise price of USD\$0.0001 if the directors or employees who were granted these options leave the Group within two years from the grant date. Therefore, these share options do not fully vest until the potential forfeiture or buy-back period has expired despite that other vesting conditions have been fulfilled. The related share-based payment expenses should be recognized over the longer of the vesting period and the potential forfeiture or buy-back period.

All the share-based payment arrangements above are settled by equity.

B. Details of the share-based payment arrangements are as follows

	2025		2024	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	5,433,494	USD 0.0001~ NTD 10	5,229,363	USD 0.0001~ NTD 10
Options granted	457,896	USD 0.0001	204,131	USD 0.0001
Options exercised	(2,923,518)	USD 0.0001~ NTD 10	-	-
Options expired	-	-	-	-
Options outstanding at December 31	2,967,872	USD 0.0001	5,433,494	USD 0.0001~ NTD 10
Options exercisable at December 31	2,967,872	USD 0.0001	5,433,494	USD 0.0001~ NTD 10

C. The weighted-average stock price of stock options at exercise dates for the year ended December 31, 2025 was USD 0.0001~NTD 10 (in dollars).

D. As of December 31, 2025 and 2024, the range of exercise prices of stock options outstanding were USD 0.0001 and USD 0.0001~NTD 10 (in dollars), respectively, and the weighted-average remaining contractual periods were both 6.53 years.

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E. The fair value of stock options granted on grant date is measured using the Black-Scholes or Monte Carlo Simulation option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock options	2022.9.1	NTD 14.19	NTD 10	21.89%	6	3.58%	1.02%	NTD 14.19
Employee stock options	2023.4.1	USD 1.31	USD 0.0001	45.85%~45.88%	7 or 10	3.34%	3.43%~3.55%	USD 0.3524~1.0368
Employee stock options	2024.9.1	USD 1.29	USD 0.0001	43.16%	7	3.16%	3.84%	USD 1.0339
Employee stock options	2024.12.20	USD 1.22	USD 0.0001	43.03%	7	3.16%	4.52%	USD 0.9778
Employee stock options	2025.12.30	USD 4.29	USD 0.0001	41.63%	6.13	3.58%	3.86%	USD 4.2681

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

B. Expenses and liabilities resulted from share-based payments

The incurred expenses from share-based payments transactions for the years ended December 31, 2025 and 2024, were as follows:

	2025	2024
Salary expenses	\$ 107,991	66,056

(24) Earnings per share

For the years ended December 31, 2025 and 2024, the Company's calculations of basic and diluted loss per share are as follows:

	2025	2024
Loss attributable to common stockholders of the Company	\$ (920,612)	(576,325)
Weighted-average number of ordinary shares (thousand shares)	\$ 199,150	141,174
Basic earnings per share (New Taiwan Dollars)	\$ (4.62)	(4.08)

Due to the net loss after tax of the Group for the years ended December 31, 2025 and 2024, when calculating the potential items of diluted earnings per share, it will have an anti-dilutive effect. Therefore, the diluted earnings per share is excluded.

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(25) Revenue from contracts with customers

A. Disaggregation of revenue

	2025	2024
Revenue from electronic commerce	\$ 34,996,785	35,707,203
Revenue from non-electronic commerce	1,861,692	1,855,845
	\$ 36,858,477	37,563,048

For details on accounts receivable and allowance for impairment, please refer to Note 6(5).

B. Contract balances

	December 31, 2025	December 31, 2024
Contract liabilities – advance receipts	\$ 103,702	93,750
Contract liabilities – top-up	188,187	187,997
Contract liabilities – advertisement	21,658	45,741
Contract liabilities – others	95,757	100,305
	\$ 409,304	427,793

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 \$404,028 and \$519,984, respectively.

(26) Remunerations to employees, directors and supervisors

In accordance with the Articles the Company should contribute 1%~15% of the profit as employees' compensation and less than 1.5% as directors' and supervisors' remuneration when there is profit for the year. Of the amount to be contributed as employees' compensation, at least 30% must be used for salary adjustments or distributed as compensation to junior employees. However, if the Company has accumulated deficit, the profit shall be reserved to offset against the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

No remunerations to employees, directors and supervisors were accrued by the Company due to net loss after tax for the year ended December 31, 2025 and 2024. Relevant information is available on the Market Observation Post System website.

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(27) Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

	2025	2024
Interest income from bank deposits	\$ 44,168	44,335
Other interest income	6,425	3,012
	\$ 50,593	47,347

B. Other income

The details of other income were as follows:

	2025	2024
Gain on reversal of bad debts	\$ 41,298	27,570
Income from insurance claim	-	17,000
Government grants	784	16,491
Dividend income	4,141	4,829
Other income, others	118,718	109,106
	\$ 164,941	174,996

C. Other gains and losses, net

The details of other gains and losses were as follows:

	2025	2024
(Losses) gains on disposal of property, plant and equipment	\$ (86,853)	901
Gains (losses) on current financial assets at fair value through profit or loss	37,845	(790)
Losses on current financial liabilities at fair value through profit or loss	(812)	-
Liquidated damages	(2)	(2,273)
Losses on disposal of investments	(26,896)	-
Foreign currency exchange (losses) gains	(60,628)	2,991
Gain on sublease of right-of-use assets	11,077	-
Impairment losses on financial assets	(45,048)	-
Others	(34,174)	(22,822)
	\$ (205,491)	(21,993)

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D. Finance costs

The details of finance cost were as follows:

	Years ended December 31,	
	2025	2024
Interest expenses on borrowings	\$ 55,717	99,272
Interest expenses on lease liabilities	50,609	52,941
Others	17,634	9,613
	\$ 123,960	161,826

(28) Financial instruments

A. Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Balance at December 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	\$ 4,125,458	4,206,510	2,225,387	1,981,123	-	-	-
Financial liabilities measured at fair value through profit or loss	692,519	692,519	692,519	-	-	-	-
Accounts and notes payable	3,182,316	3,182,316	3,182,316	-	-	-	-
Other payables	1,011,532	1,011,532	486,222	525,310	-	-	-
Receipts under custody	5,085,923	5,085,923	5,085,923	-	-	-	-
Lease liability	3,881,299	3,882,460	262,683	264,091	355,599	847,639	2,152,448
Long-term borrowings	3,762,163	3,889,369	284,744	293,673	1,832,855	1,478,097	-
	\$ 21,741,210	21,950,629	12,219,794	3,064,197	2,188,454	2,325,736	2,152,448
Balance at December 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$ 2,518,969	2,518,969	2,188,969	330,000	-	-	-
Accounts and notes payable	3,138,716	3,138,716	3,138,716	-	-	-	-
Other payables	1,022,103	1,022,103	942,971	79,132	-	-	-
Receipts under custody	2,030,224	2,030,224	2,030,224	-	-	-	-
Lease liability	4,155,885	4,155,885	253,996	213,515	443,641	812,612	2,432,121
Long-term borrowings	4,505,248	4,505,248	1,683,120	173,942	1,052,317	1,595,466	403
	\$ 17,371,145	17,371,145	10,237,996	796,589	1,495,958	2,408,078	2,432,524

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

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B. Currency risk

(a) Currency risk exposure

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

	December 31, 2025			December 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 3,944	31.41	123,870	1,445	32.79	47,379
JPY	517,669	0.2005	103,793	137,452	0.2099	28,865
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	-	-	-	0	32.79	5
JPY	970,000	0.2005	194,485	-	-	-

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, other receivables, and accounts payable that are denominated in foreign currency. A 5% appreciation or depreciation of the NTD against the USD and JPY as of December 31, 2025 and 2024, would have increased or decreased loss before tax by \$1,657 and \$3,812, respectively. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the years ended December 31, 2025 and 2024.

Due to the variety of functional currency, the Group disclosed the foreign currency gain or loss on monetary items aggregately. For the years ended December 31, 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized) were \$(60,628) and \$2,991, respectively.

(c) Interest analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of financial assets and liabilities on the reporting date.

If the interest rate had increased or decreased by 0.1%, the Group's loss before tax would have increased or decreased by \$3,808 and \$3,529 for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's deposits and borrowings at variable rates.

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C. Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

	2025		2024	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Prices of securities at the reporting date				
Increasing of 1%	\$ 4,751	6,224	7,160	3,778
Decreasing of 1%	(4,751)	(6,224)	(7,160)	(3,778)

D. Fair value of financial instruments

(a) Financial Instruments Not Measured at Fair Value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, and other payables approximate their fair values.

(b) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows, except for financial instruments not measured at fair value with a carrying amount reasonably close to its fair value, and lease liabilities, where disclosure of fair value information is not required:

	Book Value	December 31, 2025			
		Fair Value			
Prices of securities at the reporting date	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Common stock	\$ 1,123	-	-	1,123	1,123
Preferred stock	621,286	-	-	621,286	621,286
Simple Agreement for Future Equity (SAFE)	53,534	-	-	53,534	53,534
	\$ 675,943	-	-	675,943	675,943
Financial assets at fair value through other comprehensive income					
Domestic and foreign stock of non-listed company - common stock	\$ 475,118	-	-	475,118	475,118
	\$ 475,118	-	-	475,118	475,118
Financial liabilities at fair value through profit or loss					
Convertible bonds	\$ 692,519	-	-	692,519	692,519
	\$ 692,519	-	-	692,519	692,519

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Prices of securities at the reporting date	Book Value	December 31, 2024			
		Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Common stock	\$ 1,108	-	-	1,108	1,108
Preferred stock	376,664	-	-	376,664	376,664
Simple Agreement for Future Equity (SAFE)	82,152	-	-	82,152	82,152
	<u>\$ 459,924</u>	<u>-</u>	<u>-</u>	<u>459,924</u>	<u>459,924</u>
Financial assets at fair value through other comprehensive income					
Domestic and foreign stock of non-listed company - common stock	\$ 482,220	-	-	482,220	482,220
Domestic and foreign stock of non-listed company - preferred stock	233,740	-	-	233,740	233,740
	<u>\$ 715,960</u>	<u>-</u>	<u>-</u>	<u>715,960</u>	<u>715,960</u>

(c) Valuation techniques for financial instruments measured at fair value

The financial instruments held by the Group are regarded as non-quoted price of the equity instruments. The fair value of the financial instruments is estimated by the comparable listed company market approach. The major assumption is measured by the multiplier which is derived from comparable listed company market approach. The effect of the estimation has been adjusted by the lack of market liquidity discounted rate. Another portion of equity instruments is measured based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models.

(d) Reconciliation of Level 3 fair values

	Financial Assets	Financial Liabilities	Total
At January 1, 2025	\$ 1,175,884	-	1,175,884
Issue	-	(710,010)	(710,010)
Disposal	(15,985)	-	(15,985)
Total gains and losses recognized:			
In comprehensive income	37,845	(812)	37,033
In other comprehensive income	(46,683)	-	(46,683)
Effect of changes in foreign exchange rates	-	18,303	18,303
At December 31, 2025	<u>\$ 1,151,061</u>	<u>(692,519)</u>	<u>458,542</u>
At January 1, 2024	\$ 1,289,582	-	1,289,582
Purchase	66,771	-	66,771
Total gains and losses recognized:			
In comprehensive income	(790)	-	(790)
In other comprehensive income	(179,679)	-	(179,679)
At December 31, 2025	<u>\$ 1,175,884</u>	<u>-</u>	<u>1,175,884</u>

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For the years ended December 31, 2025 and 2024, the total gains and losses that were included in “other gains and losses” and “unrealized gains and losses from fair value through other comprehensive income” were as follows:

	2025	2024
Total gains and losses recognized:		
Recognized as other gains and losses	\$ 37,033	(790)
Recognized as unrealized gains and losses from fair value through other comprehensive income	(46,683)	(179,679)

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

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – derivative financial instruments” and “fair value through other comprehensive income available-for-sale financial assets – equity investments”.

Most of the Group’s financial instruments categorized as Level 3 and have only one significant unobservable input. Derivative financial instruments and equity investments, which have no active market price, have more than one significant unobservable inputs, and those inputs have no correlation between each other.

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Fair value through profit or loss – Equity and debt investments without an active market, SAFE	Comparable listed company market approach and Option Pricing Method	<ul style="list-style-type: none"> ·Market value multiple (0.965~16.26 and 0.826~11.21 as of December 31, 2025 and 2024, respectively.) ·Liquidity discounted rate (5.93%~28.75% and 11.52%~30% as of December 31, 2025 and 2024, respectively.) 	<ul style="list-style-type: none"> ·The estimated fair value would increase if the market value multiple were higher. ·The estimated fair value would decrease if the lack of liquidity discounted rate were higher. ·The estimated fair value would decrease if the weighted average cost of capital were higher.
	Discounted Cash Flow Method	<ul style="list-style-type: none"> ·Weighted average cost of capital (10.35% and 14.27% as of December 31, 2025 and 2024, respectively.) 	

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Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Fair value through other comprehensive income – Equity investments without an active market	Comparable listed company market approach and Option Pricing Method	·Market value multiple (0.965~16.26 and 0.99~17.73 as of December 31, 2025 and 2024, respectively.) ·Liquidity discounted rate (10%~30% and 8.61%~30% as of December 31, 2025 and 2024, respectively.)	·The estimated fair value would increase if the market value multiple was higher. ·The estimated fair value would decrease if the lack of liquidity discounted rates was higher. ·The estimated fair value would decrease if the weighted average cost of capital was higher.
	Discounted Cash Flow Method	·Weighted average cost of capital (10.28% and 10.92%~11.22% as of December 31, 2025 and 2024, respectively.)	
Fair value through profit or loss – Convertible bonds	Lattice Pricing Method	·Credit spread (3% as of December 31, 2025)	·The estimated fair value would decrease if the credit spread was higher.

(f) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

Sensitivity analysis for fair values of financial instruments using Level 3 Inputs, the Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, the impact on the net income or loss and other comprehensive income or loss will be as follows if the valuation parameters changed:

	Input	Variation	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2025						
<u>Financial assets at fair value through profit or loss</u>						
Equity investments without an active market	P/S ratio etc.	5%	\$ 20,826	(20,826)	-	-
"	Market value multiple	5%	1,354	(1,528)	-	-
"	Liquidity discounted rate	5%	1,147	(1,108)	-	-
Simple Agreement for Future Equity (SAFE)	P/S ratio etc.	5%	2,677	(2,677)	-	-
<u>Financial assets at fair value through other comprehensive income</u>						
Equity investments without an active market	Market value multiple	5%	-	-	10,962	(10,952)
"	Liquidity discounted rate	5%	-	-	8,707	(8,677)
			\$ 26,004	(26,139)	19,669	(19,629)

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	Input	Variation	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2024						
<u>Financial assets at fair value through profit or loss</u>						
Equity investments without an active market	P/S ratio etc.	5%	\$ 18,889	(18,889)	-	-
Simple Agreement for Future Equity (SAFE)	P/S ratio etc.	5%	4,107	(4,107)	-	-
<u>Financial assets at fair value through other comprehensive income</u>						
Equity investments without an active market	Market value ratio	5%	-	-	21,946	(22,002)
"	Liquidity discounted rate	5%	-	-	15,517	(15,509)
			<u>\$ 22,996</u>	<u>(22,996)</u>	<u>37,463</u>	<u>(37,511)</u>

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(29) Financial risk management

A. Summary

The Group's use of financial instruments is exposed to the credit, liquidity and market risks.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

B. Risk management framework

The Board is the highest decision-making authority for the Group's risk management. In line with the Group's overall business strategy and operating environment, it formulates the Group's risk management policies and continuously oversees the effective functioning of the risk management framework.

The Group establishes risk management policies for the identification and analysis of the Group's exposure to risk and sets appropriate risk limits to control risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the operation of the Group. The Group uses advocacy, management standards and operating procedures to develop a disciplined and constructive control environment, so that all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework. The Board is assisted in its supervisory role by the internal audit staff, who undertake both regular and ad hoc reviews of risk management controls and procedures, and report the results of the review to the Board.

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C. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment.

(a) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk. However, geographically there is no concentration of credit risk.

The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment terms and shipping condition are offered. The Group's review includes external ratings, when available, and in some cases bank references. Credit limits are established for each customer, which represent the maximum open amount without requiring approval from the Chief Executive Officer's office; these limits are reviewed periodically. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end user customer, aging profile, maturity and existence of previous financial difficulties. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the business department. If customers default, the Group will stop transactions with those customers or trade on a cash basis. The Group established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

(b) Investment

The Group only deals with financial institutions, corporations and organizations with a credit rating of investment grade or higher; therefore, there are no significant doubts regarding default on the above financial instruments, and as a result, there is no significant credit risk.

(c) Guarantees

The Group's policy is to provide financial guarantees only for transactions involving equity investment that is more than 50% owned, and they should be approved by the Board. Please refer to Note 13(1).

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D. Liquidity risk

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

E. Market risk

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

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD, USD, HKD, CNY, THB and JPY. These transactions are denominated in NTD and USD.

(30) Capital management

The Group meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to shareholders and other related parties, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabilities.

(31) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2025 and 2024, were as follows:

(a) For right-of-use assets under lease, please refer to Note 6(11).

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(b) The reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Non-cash changes	December 31, 2025
Long-term borrowings	\$ 4,505,248	(743,085)	-	3,762,163
Short-term borrowings	2,518,969	1,606,489	-	4,125,458
Lease liabilities	<u>4,155,885</u>	<u>(511,811)</u>	<u>237,225</u>	<u>3,881,299</u>
Total liabilities from financing activities	<u>\$ 11,180,102</u>	<u>351,593</u>	<u>237,225</u>	<u>11,768,820</u>

	January 1, 2024	Cash flows	Non-cash changes	December 31, 2024
Long-term borrowings	\$ 3,744,747	760,501	-	4,505,248
Short-term borrowings	2,955,017	(436,048)	-	2,518,969
Lease liabilities	<u>4,679,391</u>	<u>(539,671)</u>	<u>16,165</u>	<u>4,155,885</u>
Total liabilities from financing activities	<u>\$ 11,379,155</u>	<u>(215,218)</u>	<u>16,165</u>	<u>11,180,102</u>

(c) Investing activities with partial cash payments:

	Year ended December 31,	
	2025	2024
Acquisition of subsidiaries	\$ -	-
Add: Opening balance of acquisition payable (under other payables)	91,867	240,336
Interest expense	607	6,165
Less: Ending balance of acquisition payable (under other payables)	-	(91,867)
Effect of foreign exchange	34	(1,975)
Cash paid during the period	<u>\$ 92,508</u>	<u>152,659</u>

	Year ended December 31,	
	2025	2024
Acquisition of property, plant and equipment	\$ 37,204	571,959
Add: Opening balance of acquisition payable (under other payables)	4,398	9,622
Less: Ending balance of acquisition payable (under other payables)	(530)	(4,398)
Cash paid during the period	<u>\$ 41,072</u>	<u>577,183</u>

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7. Related Party Transactions

(1) Names of related parties and relationship

The following are entities that have had transactions with related party during the period covered in the consolidated financial statements:

Names of related parties	Relationship with the Group
Rakuya International Info. Co. Ltd.	Affiliate
Shang-En Info Co., Ltd.	"
UPN Information Co., Ltd.	"
Site Inc.	"
Uni-President Enterprises Corp. (Note 1)	"
President Transnet Corp. (Note 1)	Other related party
Presco Netmarketing, Inc. (Note 1)	"
President Pharmaceutical Corp. (Note 1)	"
President Chain Store Corporation (Note 1)	"
President Drugstore Business Corp. (Note 1)	"
Uni-President Organics Corp. (Note 1)	"
President Collect Services Corp. (Note 1)	"
Uni-President Oven Bakery Corp. (Note 1)	"
Uni-President Dream Parks Corp. (Note 1)	"
21 Century Co., Ltd. (Note 1)	"
Wisdom Distribution Service Corp. (Note 1)	"
Qware Systems & Services Corp. (Note 1)	"
Yahoo! Taiwan Holdings Limited (Note 1)	"
Presicarre Corp. (Note 1)	"
Connection Labs Ltd. (Note 1)	"
President Fair Development Corp. (Note 1)	"
Uni-President Wellbeing Life Corp. (Note 1)	"
Duskin Serve Taiwan Co., Ltd. (Note 1)	"
President (BVI) International Investment Holdings Ltd. (Note 1)	"
Miho International Cosmetic Co., Ltd	"
Eastern Online Co., Ltd.	"
EOlembraIn Online Marketing Research Co., Ltd.	"
Puma Consultants Limited.	"
Shang Shan Human Culture Foundation	"
WS Fashion Group Co., Ltd.	"
PChome Ventures Fund (1) Corporation	"
PayEasy Digital International Co., Ltd.	"
Cyu Wei Jing Ke Ji Co., Ltd.	"
21st Century Co., Ltd.	"
21st Century Zi-Rong Co., Ltd.	"
21st Century Xin Yong Guan Li Co., Ltd.	"
Yin Zhen Shi Ye Ltd.	"

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Names of related parties	Relationship with the Group
Jing Hua Co., Ltd.	Other related party
Lian Hong Shi Ye Ltd.	"
Wei Ting Shi Ye Co., Ltd.	"
Ming Pin Co., Ltd.	"
Te Wei Co., Ltd.	"
Yu Xin Guo Ji Co., Ltd.	"
Tai Ding Shi Ye Co., Ltd.	"
Min Yu Qi Ye Co., Ltd.	"
Yong Feng Co., Ltd.	"
Chen Xin Ltd.	"
Zhuang, Fan Jie	"
Liao, Zong Lun	"
Zhang, Man Ling	"
Zhou, Yi Ming	"
Think Different Ltd.	"
Metaps Holdings (Note 2)	"
Metaps ONE (Note 2)	"

Note 1: Upon the completion of the Company's private placement of new shares on January 23, 2025, the entity became a related party of the Group.

Note 2: Upon the completion of the Company's business combinations of Payment for, Inc on September 30, 2025, the entity became a related party of the Group.

(2) Significant related party transactions

A. Operating revenue:

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

	Years ended December 31,	
	2025	2024
Affiliates	\$ 2,278	865
Other related parties	149,493	31,305
	<u>\$ 151,771</u>	<u>32,170</u>

The sales prices and payment terms to related parties were not different from those of sales to third parties.

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B. Purchases:

The amounts of significant purchase transactions and outstanding balances between the consolidated entity and related parties were as follows:

	Years ended December 31,	
	2025	2024
Affiliates	\$ 4,902	7
Other related parties	81,143	4,573
	\$ 86,045	4,580

Prices for the purchases above were negotiated, and there were no comparable prices with non-related parties.

C. Receivables from related parties:

The receivables from related parties were as follows:

Item	Related party categories	December 31, 2025	December 31, 2024
Accounts receivable	Affiliates	\$ 36	128
Accounts receivable (Note1)	Other related parties	14,700	14,706
Accounts receivable (Note2)	Other related parties	32,350	-
Lease receivable	Affiliates	-	1,422
Other receivables	Affiliates	96	73
Other receivables	Other related parties	16,881	5
		\$ 64,063	16,334

Note 1: Collection arising from online trading.

Note 2: Unrealized revenue of \$44,262 has been deducted.

D. Payables to related parties:

Item	Related party categories	December 31, 2025	December 31, 2024
Accounts payable	Other related parties	\$ 488	-
Other payables	Affiliates	23	41
Other payables	Zhuang, Fan Jie	-	79,586
Other payables	Other related parties	13,675	13,095
		\$ 14,186	92,722

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The Group incurred unpaid capital listed above as other payables from the acquisition of Cherri Tech, Inc. and UPN Information Co., Ltd. in 2022. For the years ended December 31, 2025 and 2024, the interest expense resulting from the above capital payable to related parties amounted to \$610 and \$6,165, respectively.

E. Property transactions:

The disposal of property, plant and equipment to related parties is summarized as follows:

<u>Related party categories</u>	<u>2025</u>		<u>2024</u>	
	<u>Disposal price</u>	<u>Gain on disposal</u>	<u>Disposal price</u>	<u>Gain on disposal</u>
Affiliates	\$ 72	72	284	243

F. Others

<u>Item</u>	<u>Related party categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Operating cost (cost deduction)	Affiliates	\$ (273)	-
Operating cost	Other related parties	81,581	248
Operating expenses (contra expense)	Affiliates	(307)	84
Operating expenses	Other related parties	159,316	7,502
Other non-operating income	Affiliates	5	23
Other non-operating income	Other related parties	262	231

G. Loans from related parties:

The borrowings from related parties were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Wei Ting Shi Ye Co., Ltd.	\$ -	41,251
Te Wei Co., Ltd.	-	104,659
Ming Yu Qi Ye Co., Ltd.	-	32,809
	<u>\$ -</u>	<u>178,719</u>

The borrowings from related parties bear interest at a rate of 2.75%, all of which are unsecured, and had been fully repaid by the Group in the fourth quarter of 2025.

The Group's interest expenses and costs from related parties' borrowings were as follows:

<u>Item</u>	<u>Related party categories</u>	<u>2025</u>	<u>2024</u>
Interest expenses	Other related parties	\$ 3,639	8,488

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H. Leases:

The Group rented an office building from other related party to be used as its office during the period between 2023 to 2025. A 1 to 3 years lease contract was signed with the contract price amounting to \$2,754, in which the rental fee is determined based on the nearby office rental rates. The details were as follows:

Item	Related party categories	December 31, 2025	December 31, 2024
Lease liabilities	Other related parties	\$ 371	3,490
Refundable deposits	Other related parties	342	336

Item	Related party categories	2025	2024
Interest expense	Other related parties	\$ 96	84

I. As of December 31, 2025 and 2024, the short-term borrowings, short-term notes payable and long-term borrowings of the Group were guaranteed by credit and real estate from other related parties, with total amounts of \$2,000,000 and \$1,680,000, respectively.

J. The private unsecured convertible bonds issued by the merged company was fully subscribed by President (BVI) International Investment Holdings Ltd.

(3) Transactions with key management personnel

Key management personnel compensation comprised:

	2025	2024
Short-term employee benefits	\$ 47,782	64,715
Share-based payment	105,550	66,025
	<u>\$ 153,332</u>	<u>130,740</u>

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Assets	Purpose of Pledge	December 31, 2025	December 31, 2024
Bank deposit-current (under other current financial assets)	Security for performance, purchase guarantee, loans with certificate of deposits	\$ 634,774	930,359
Refundable deposits (under other non-current financial assets)	Security for provisional seizure, deposits for warehouse and office rental and bank loans	90,743	99,982
Property, plant and equipment	Bank loans	758,841	-
		<u>\$ 1,484,358</u>	<u>1,030,341</u>

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9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Notes payable deposited as guarantee for commercial vehicle and office and building leases were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes payable deposited as guarantee	\$ 186,188	186,145

(2) The Group has entered into performance guarantee contracts with financial institutions for the purchase of goods from vendors, stored value in advance and payment on behalf of vendors, with guarantee amounts as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee limit	\$ 2,566,317	2,801,317

(3) Unrecognized contractual commitments:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Acquisition of property, plant and equipment	\$ 20,637	32,328

(4) The Group has entered into an agreement with a financial institution for providing trust account for the Group on the balance amount received through the Group's online payment processing services to online sellers; the amount of the trust account agreed therein were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The trust account	\$ 782,424	600,516

(5) Due to the performance of the contract, the guaranteed notes payable made by the Group were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes payable deposited as guarantee	\$ 4,704,004	4,900,000

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Group's subsidiary, 21st Financial Technology Co., Ltd. (JP), resolved at a board meeting in January 2026 to conduct a cash capital increase by issuing 1,103,501 new shares of common stock, with an aggregate issue amount of JPY 725,000 thousand. The extraordinary general meeting resolved the aforementioned cash capital increase on March 4, 2026.

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12. Others

(1) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

Categorized as Nature	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	297,684	1,475,069	1,772,753	291,539	1,471,014	1,762,553
Labor and health insurance	30,913	139,081	169,994	30,602	146,880	177,482
Pension	15,296	67,004	82,300	15,442	69,106	84,548
Others employee benefits	16,715	94,416	111,131	14,916	96,749	111,665
Depreciation	42,622	710,426	753,048	50,013	750,141	800,154
Amortization	-	130,508	130,508	5	117,717	117,722

13. Supplementary Disclosures

(1) Significant transactions information

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended December 31, 2025:

(a) Fund financing to other parties:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

No. (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other party during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limitation on fund financing
													Name	Value		
0	The Company	21st Financial Technology Co., Ltd.(JP)	Other receivables	Yes	350,000	350,000	350,000	2.75%	2	-	Operating Capital	-	Repayment of promissory note	350,000	2,678,986	2,678,986
1	21st Century Digital Technology Co., Ltd.	Cherri Tech, Inc.	Other receivables	Yes	37,744	37,744	37,744	2.75%	2	-	Operating Capital	-	-	-	1,020,630	1,020,630
1	"	21st Financial Technology Co., Ltd.(JP)	Other receivables	Yes	810,050	810,050	685,050	2.75%	2	-	Operating Capital	-	Repayment of promissory note	804,004	1,020,630	1,020,630
2	Pi Mobile Technology Inc.	21st Financial Technology Co., Ltd.(JP)	Other receivables	Yes	59,000	59,000	59,000	2.75%	2	-	Operating Capital	-	Repayment of promissory note	59,000	63,717	63,717
3	21st Financial Technology Co., Ltd.(JP)	MPI, Inc	Other receivables	Yes	401,000	401,000	401,000	3.00%	2	-	Operating Capital	-	-	-	689,972	689,972

Note 1: For those companies with business contact, please fill in 1. For those companies with short-term financing needs, please fill in 2.

Note 2: The Company's total fund financing amount for individual party cannot exceed 40% of its net asset value.

Note 3: The Company's total fund financing amount cannot exceed 40% of its net asset value.

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(b) Guarantees and endorsements for other parties:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

No. (Note 1)	Name of company	Counterparty		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2)	Parent Company endorsement/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsement/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
0	The Company	PChome Express Co., Ltd.	2	3,348,732	50,000	50,000	-	-	0.75%	10,046,196	Y	N	N
0	"	PChome Bibian Inc.	2	3,348,732	268,920	240,600	194,485	-	3.58%	10,046,196	Y	N	N
0	"	Pi Mobile Technology Inc.	1	1,004,620	300,000	300,000	170,000	-	4.48%	10,046,196	Y	N	N
1	21st Financial Technology Co., Ltd.	21st Century Digital Technology Co., Ltd.	2	-	1,780,000	-	-	-	- %	-	Y	N	N
1	"	Pi Mobile Technology Inc.	2	-	100,000	-	-	-	- %	-	Y	N	N
2	21st Financial Technology Co., Ltd.(JP)	21st Century Digital Technology Co., Ltd.	2	862,465	100,000	100,000	-	-	5.80%	2,587,395	Y	N	N
2	"	Pi Mobile Technology Inc.	2	862,465	100,000	100,000	-	-	5.80%	2,587,395	Y	N	N
3	21st Century Digital Technology Co., Ltd	21st Financial Technology Co., Ltd.(JP)	3	3,348,732	2,548,890	2,546,350	2,245,600	-	99.79%	10,046,196	N	Y	N
4	Pi Mobile Technology Inc.	21st Financial Technology Co., Ltd.(JP)	3	477,882	419,103	419,103	419,103	-	263.10%	796,468	N	Y	N

Note 1: The explanation for the editorial column is as follows:

- (1) 0 is issuer.
- (2) Subsidiaries labeled in number sequence from 1.

Note 2:

- (1) The total amount of guarantee and/or endorsements for any single entity shall not exceed 50% of the current net value. The shareholders' meeting on June 28, 2023 approved that the total amount of endorsement and/or guarantees by the Company and its subsidiaries was increased from 100% of the net value in their latest financial statements to 150%.
- (2) The total amount of guarantee and/or endorsements for Pi Mobile Technology Inc. shall not exceed 15% of the current net value.
- (3) The total amount of guarantee and/or endorsements for 21st Century Digital Technology Co., Ltd. shall not exceed the current net value of 21st Century Digital Technology Co., Ltd.
- (4) Investee subsidiaries - the limit of endorsement and/or guarantees for individual entity by 21st Financial Technology Co., Ltd. (JP) and 21st Financial Technology Co., Ltd. shall not exceed 300% of the entity's net worth as stated in its latest financial report, or the amount of the parent company's guarantee and/or endorsements, whichever is lower. The total amount of guarantees and endorsements for others shall not exceed 500% of the Company's net worth in the latest financial statements, or the amount of the parent company's guarantee and/or endorsements, whichever is lower.

Note 3: Relationship with the Company

- (1) The companies with which it has business relations.
- (2) Subsidiaries in which the company directly or indirectly holds more than 50% of its total outstanding common stocks.
- (3) The parent company which directly or indirectly holds more than 50% of its voting rights.
- (4) Subsidiaries in which the company directly or indirectly holds more than 90% of its voting rights.
- (5) Companies in same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
- (6) Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
- (7) Companies in same type of business providing guarantees of pre-sale contracts according to the regulation.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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(c) Information regarding securities held at balance sheet date:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Maximum shareholding or capital contribution during the reporting period	Note
				Number	Book value	Percentage	Market value		
PChome Online Inc.	Common Stock: Openfind Information Technology, Inc.	-	FVOCI	880,000	63,606	6.22%	63,606	6.22%	
"	Career Consulting Co., Ltd.	-	"	113,005	3,438	0.72%	3,438	0.72%	
"	Ecrowd Media Inc.	-	"	3,725,645	55,437	18.39%	55,437	18.39%	
"	IPEVO Corp.	-	"	1,958,018	48,872	7.19%	48,872	7.19%	
"	Famicloud Inc.	-	"	30,525	263	0.34%	263	0.40%	
"	Taiwan Advance Intelligent Tech. Co., Ltd.	-	"	1,732,102	-	4.75%	-	4.75%	
"	Miho International Cosmetic Co., Ltd.	-	"	6,941,550	659	8.09%	659	8.09%	
"	WS Fashion Group Co., Ltd.	-	"	226,617	11,843	6.76%	11,843	6.76%	
"	Pay Digital International Co., Ltd.	-	"	1,376,668	88,630	12.52%	88,630	12.52%	
"	17Life Ltd.	-	"	1,126,049	10,889	6.26%	10,889	6.26%	
"	Influenxio Limited (BVI)	-	"	9,915	4,367	3.51%	4,367	3.85%	
"	Mdata Group Co., LTD.	-	"	126,011	17,865	2.86%	17,865	2.86%	
"	AccuHit Tech Holdings Limited	-	"	1,666,668	7,591	4.32%	7,591	4.32%	
"	Preferred stocks: Pickupp Limited	-	FVTPL	650,644	16,069	3.49%	16,069	3.49%	
"	FunNow Ltd.	-	"	1,306,620	52,122	1.80%	52,122	1.80%	
"	AccuHit Tech Holdings Limited	-	"	5,600,000	105,010	14.50%	105,010	14.50%	
"	Our Agriculture Inc.	-	"	3,212,121	14,551	2.32%	14,551	2.32%	
Pi Mobile Technology Inc.	Common Stock: All Win Fintech Company Limited	-	FVOCI	7,172,656	141,158	7.17%	141,158	11.40%	
"	Preferred stocks: OCARD Inc.	-	FVTPL	2,100,840	18,141	4.17%	18,141	4.17%	
PChome eBay Co., Ltd.	Common Stock: Cyberbiz Corporation	-	FVOCI	106,136	20,000	1.00%	20,000	1.00%	
Cornerstone Ventures Co., Ltd.	Cornerstone Ventures Co., Ltd.	-	"	50,000	500	10.00%	500	10.00%	
Linktel Inc.	Eastern Online Co., Ltd.	-	FVTPL	118,750	-	2.00%	-	2.00%	
"	Taiwan Mobile Co., Ltd.	-	"	128	-	- %	14	- %	
Chunghwa PChome Fund 1 Co., Ltd.	SAFE: Tresl Inc.	-	"	-	8,640	- %	8,640	- %	
"	Worca Inc.	-	"	-	25,756	- %	25,756	- %	
"	Omnichat Limited	-	"	-	19,138	- %	19,138	- %	
"	Common stocks: Ecommerce Enablers Pte. Ltd.	-	"	20,424	1,123	0.16%	1,123	0.16%	
Chunghwa PChome Fund 1 Co., Ltd.	Preferred stocks: Instill Ai Ltd.	-	"	6,262	4,711	3.91%	4,711	3.91%	
"	FP International Limited	-	"	56,050	112,762	2.44%	112,762	2.69%	
"	Ecommerce Enablers Pte. Ltd.	-	"	122,389	11,880	0.16%	11,880	0.16%	
"	USPACE Tech Co., Ltd.	-	"	1,226,016	57,819	5.40%	57,819	5.51%	
"	Our Agriculture Inc.	-	"	11,682,828	40,565	8.45%	40,565	8.45%	
"	Green Future Tech Inc.	-	"	-	-	- %	-	2.29%	
"	Pickupp Limited	-	"	131,179	705	0.70%	705	0.70%	
"	Return Helper Limited	-	"	6,798	26,355	11.84%	26,355	11.84%	
"	Aiello Inc.	-	"	6,836,545	8,898	2.93%	8,898	2.93%	

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Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Maximum shareholding or capital contribution during the reporting period	Note
				Number	Book value	Percentage	Market value		
Chunghwa PChome Fund 1 Co., Ltd.	Haulio Investment Holdings Pte. Ltd.	-	FVTPL	362,189	2,110	0.59%	2,110	0.59%	
"	GoFreight Inc.	-	"	165,020	128,498	6.14%	128,498	6.14%	
"	Traveler Co., Ltd.	-	"	10,000	7,878	0.69%	7,878	0.69%	
"	AlleyPin Interactive Co., Ltd.	-	"	65,218	13,212	4.92%	13,212	5.62%	

(d) Buying/selling products with the dollar amount reaching \$100 million or 20% or more of paid-in capital: None.

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Name of Company	Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable)	
PChome Online Inc.	PChome eBay Co., Ltd.	Subsidiary	Purchase	136,343	0.45%	Net 30 days	-	-	-	- %	

Note: The transaction above was offset against each other and shown at net amount in the financial statements.

(e) Accounts receivable from related parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Name of company	Related party	Nature of relationship	Ending	Turnover rate	Overdue		Amounts received in subsequent	Loss allowance
					Amount	Action taken		
PChome Online Inc.	21st Financial Technology Co., Ltd. (JP)	Subsidiary	350,000	- %	-		-	-
21st Century Digital Technology Co., Ltd.	21st Financial Technology Co., Ltd. (JP)	Parent company of sub-subsidiary	740,940	- %	-		-	-
21st Financial Technology Co., Ltd. (JP)	MPI Inc.	Subsidiary of subsidiary	404,065	- %	-		-	-

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(f) Business relationships and significant inter-company transactions:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

No. (Note 1)	Name of company	Name of counterparty	Existing relationship with the counterparty	Year ended December 31, 2025			Percentage of the total consolidated revenue or total assets
				Account name	Amount	Terms of trading	
0	PChome Online Inc.	21st Financial Technology Co., Ltd. (JP)	1	Other receivables	350,000	Normal terms and conditions	1.06%
1	21st Century Digital Technology Co., Ltd.	21st Financial Technology Co., Ltd. (JP)	2	Other receivables	740,940	Normal terms and conditions	2.25%

Note 1: For the inter-company business relationship and transaction condition in the "No." column, the labeling method is as follows:

- (1) Parent company labeled 0.
- (2) Subsidiaries labeled in number sequence from 1.

Note 2: Relationship is classified into three types:

- (1) Parent company to subsidiary
- (2) Subsidiary to parent company
- (3) Subsidiary to subsidiary

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated assets; if categorized as income or loss, the calculation is compared with the consolidated income or loss.

Note 4: The Group did not disclose other transactions for which the proportion did not reach one percentage of the consolidated revenue or assets.

Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(2) Information on investees:

For the year ended December, 2025, the following is the information on investees (excluding investees in Mainland China):

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Maximum shareholding or capital contribution during the reporting period	Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratios of shares	Book value				
PChome Online Inc.	Linktel Inc.	Taiwan	Type II Telecommunications Business	125,000	125,000	1,500,000	100.00%	5,445	100.00%	(199)	(199)	Note 1
"	PChome Online International Co., Ltd.	British Virgin Islands	International trade and investment activities	25,485	25,485	122,328	100.00%	83	100.00%	164	164	"
"	Rakuya International Info. Co., Ltd.	Taiwan	Real estate business, and internet information rental service	47,439	47,439	3,035,115	26.47%	66,149	26.47%	54,938	14,542	"
"	PChome US Inc.	United States of America	E-commerce platform	134,065	134,065	45,800,000	91.97%	2,386	91.97%	(2,546)	(2,341)	Note 1
"	PChome (Thailand) Co., Ltd.	Thailand	E-commerce platform	131,875	131,875	13,249,999	66.25%	3,642	66.25%	(229)	(152)	"
"	PChome Travel Inc.	Taiwan	Travel agency business	36,000	36,000	3,600,000	100.00%	8,308	100.00%	(618)	(618)	"
"	PChome Holding Inc.	British Virgin Islands	Investment activities	-	1,022,896	-	-	-	100.00%	-	-	"
"	PChome Express Co., Ltd.	Taiwan	Transportation and logistics	270,000	210,000	27,000,000	100.00%	115,694	100.00%	(51,006)	(51,006)	"
"	Chunghwa PChome Fund 1 Co., Ltd.	Taiwan	Investment activities	200,000	200,000	20,000,000	50.00%	252,258	50.00%	(734)	(367)	"
"	Cornerstone Ventures Co., Ltd.	Taiwan	Investment activities	5,100	5,100	510,000	51.00%	268	51.00%	15	7	"
"	PChome CB Co., Ltd.	Taiwan	Investment activities	140,000	140,000	14,000,000	62.67%	169,435	65.23%	13,878	8,946	"
"	Mitch Co., Ltd.	Taiwan	Clothing sales	168,614	168,614	1,600,000	100.00%	15,633	100.00%	(40)	(40)	"
"	YunTan Technology Inc.	Taiwan	Information processing and provision of electronic information	-	54,250	-	-	-	59.94%	(8,147)	(6,193)	Notes 1 and 2
"	21st Financial Technology Co., Ltd.	Cayman Islands	Financial technology services and indirect investment activities	-	5,192,546	-	-	-	43.66%	(683)	83,893	"
"	21st Financial Technology Co., Ltd. (JP)	Japan	Financial technology services and indirect investment activities	5,363,786	-	30,449,640	41.63%	4,196,054	43.66%	190,889	(20,320)	"
"	PChome Data Technology Co., Ltd.	Taiwan	Information processing and provision of electronic information	5,000	5,000	500,000	100.00%	3,178	100.00%	(368)	(368)	Note 1
"	PIN Technology Inc.	Taiwan	Information processing and provision of electronic information	10,000	10,000	1,000,000	100.00%	9,741	100.00%	35	35	"
"	UPN Information Co., Ltd.	Cayman Islands	Investment activities	226,000	226,000	400,001	40.00%	142,804	40.00%	(9,977)	(7,987)	Note 2

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Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Maximum shareholding or capital contribution during the reporting period	Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratios of shares	Book value				
PChome Online Inc.	EC Global Limited	Hong Kong	Investment activities	-	358	-	-	-	100.00%	43	43	Note 1
"	PChome eBay Co., Ltd.	Taiwan	Information processing and provision of electronic information	779,688	779,688	27,300,000	65.00%	395,672	65.00%	81,041	52,677	"
PChome eBay Co., Ltd.	PChomeStore Inc.	Taiwan	Internet services	889,919	889,919	75,500,018	100.00%	95,008	100.00%	34,747	34,747	"
"	Ecosmos Pte. Ltd.	Singapore	Information processing and provision of electronic information	9,153	9,153	3,300,000	100.00%	8,008	100.00%	(338)	(338)	"
"	21st Financial Technology Co., Ltd.	Cayman Islands	Financial technology services and indirect investment activities	-	224,592	-	-	-	1.41%	(683)	2,977	"
"	21st Financial Technology Co., Ltd. (JP)	Japan	Financial technology services and indirect investment activities	224,592	-	953,041	1.30%	19,847	1.41%	190,889	(112)	"
PChomeStore Inc.	Linkark Co., Ltd	Hong Kong	International trade	2,956	-	100,000	78.00%	2,077	100.00%	(1,394)	(1,134)	"
PChome Online International Co., Ltd.	PChome Online (HK) Ltd.	Hong Kong	Information service and indirect investment activities	25,140	25,140	5,641,239	100.00%	76	100.00%	156	156	"
PChome CB Co., Ltd.	PChome CBS Co., Ltd.	Taiwan	Internet services	127,000	127,000	2,900,000	100.00%	157,968	100.00%	6,520	6,520	"
"	PChome CB Pte. Ltd.	Singapore	Investment activities	59,698	59,698	190,000	100.00%	72,289	100.00%	9,657	9,657	"
"	Air Supply Logistics Co., Ltd.	Taiwan	Warehousing services	3,000	3,000	300,000	100.00%	4,378	100.00%	850	850	"
"	PChome Bibian Inc.	Japan	E-commerce cross-border services	51,069	51,069	3,600	100.00%	65,903	100.00%	9,699	9,699	"
YunTan Technology Inc.	Einsure insurance broker Inc.	Taiwan	Insurance brokers	68,600	68,600	7,500,000	100.00%	567	100.00%	(11,334)	(11,334)	"
21st Financial Technology Co., Ltd.(JP)	Pi Mobile Technology Inc.	Taiwan	Financial Technology Services	350,415	350,415	46,260,866	99.49%	167,090	99.49%	1,280	1,274	"
"	21st Century Digital Technology Co., Ltd.	Taiwan	Financial Technology Services	1,284,098	1,284,098	120,100,000	100.00%	2,486,559	100.00%	419,463	419,463	"
"	Cherri Tech, Inc.	Taiwan	Financial technology services and indirect investment activities	2,254,104	2,254,104	5,895,410	100.00%	1,636,555	100.00%	(21,823)	(50,702)	Notes 1 and 2
"	MPI Inc..	Japan	Investment activities	1,893,360	-	929	65.00%	1,843,539	65.00%	8,345	5,424	Note 1
"	YunTan Technology Inc.	Taiwan	Insurance brokers	10,877	-	2,159,681	100.00%	37,128	100.00%	(8,147)	(192)	"
21st Century Digital Technology Co., Ltd.	Fan7 Tour Co., Ltd.	Taiwan	Travel agency business	-	6,000	-	-	-	100.00%	13	13	"
"	Lianju Asset Management Co., Ltd.	Taiwan	Financial Institution Creditor's Right (Money) Purchase	3,000	3,000	-	100.00%	3,636	100.00%	1,697	1,697	"
Pi Mobile Technology Inc.	PChome Interpay Inc.	Taiwan	Electronic payment business	-	294,388	-	-	-	100.00%	-	-	"
Cherri Tech, Inc.	Japan Cherri KK	Japan	Financial Technology Services	41,928	41,928	3,600	90.00%	2,657	90.00%	(5,726)	(5,153)	"
MPI Inc	Payment for Inc	Japan	Third-party payment business	358,900	-	500	100.00%	352,784	100.00%	11,842	11,842	"

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Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: Investment gains and losses recognized for the period include the amortization of investment premiums.

(3) Information on investments in Mainland China

A. Information on investment in Mainland China: None.

B. Limitation on investment in Mainland China:

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period	Approved investment (amount) by Ministry of Economic Affairs Investment Commission	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission
-	60,621	4,018,478

Note 1: In the above table, all relevant amounts are disclosed in NTD, and the foreign currency was translated on the exchange rate 31.41 at the year ended December 31, 2025.

Note 2: The upper limit on investment was the greater of 60% of the individual or consolidated total net worth.

Note 3: Shanghai Todo Inc. and PChome Trading (Shenzhen) Ltd. were dissolved in the fourth quarter of 2019, wherein the remaining funds had been remitted to the parent company, PC HOME ONLINE (HK) LTD., as of December 31, 2025.

B. Significant transactions: None.

14. Segment Information

(1) General information

The Group's reportable segments are the E-Commerce-Sales segment, Market Place segment, Fintech segment, and other segment. The E-Commerce-Sales segment is the revenue collection from the online platform from the sale of goods. The other segment is the revenue generated from the online platform to provide search engine services, and telecommunication and communication services.

The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. Most business units charge separately acquisition, and retain the management team at the time of acquisition.

(2) Information about profit or loss, and assets and liabilities

The Group's segment report amounts were consistent with the Group CEO's internal management reports. There was no material inconsistency between the accounting policies of the operating segments and the accounting policies described in Note 4. The Group uses operating income as the measurement for segment profit and the basis for performance assessment. The intercompany transaction price was the same as that with other customers. The price was based on the market value.

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The Group's regional financial information was as follows:

2025	E-Commerce Sales	Market Place	Fintech	Other segment	Adjustments and Eliminations	Others	Consolidated
Revenue:							
Non-inter-company revenue	\$ 33,566,628	462,883	2,255,758	573,208	-	-	36,858,477
Inter-company revenue	3,648	135,733	99,286	463,717	(702,384)	-	-
Total Revenue	\$ 33,570,276	598,616	2,355,044	1,036,925	(702,384)	-	36,858,477
Reportable Segment net operating (loss) income							
	\$ (818,864)	24,836	402,142	(57,533)	(25,538)	(59,402)	(534,359)
Income tax expense	-	1,797	157,907	13,104	-	-	172,808
Depreciation and Amortization	687,648	20,391	28,103	54,713	92,701	-	883,556
Reportable segment assets	\$ 15,945,426	1,388,473	20,270,789	1,710,080	(6,399,493)	-	32,915,275
Reportable segment liabilities	\$ 9,247,962	679,170	15,472,083	566,796	(1,784,318)	-	24,181,693
2024							
Revenue:							
Non-inter-company revenue	\$ 34,082,141	760,042	2,056,852	664,013	-	-	37,563,048
Inter-company revenue	6,660	127,244	110,101	533,329	(777,334)	-	-
Total Revenue	\$ 34,088,801	887,286	2,166,953	1,197,342	(777,334)	-	37,563,048
Reportable Segment net operating (loss) income							
	\$ (652,428)	70,440	374,613	(71,117)	(14,521)	(60,727)	(353,740)
Income tax expense (benefit)	34	(8,281)	120,221	3,610	-	-	115,584
Depreciation and Amortization	724,683	28,352	25,595	55,370	83,876	-	917,876
Reportable segment assets	\$ 17,802,050	1,486,740	13,986,271	1,630,147	(8,469,192)	-	26,436,016
Reportable segment liabilities	\$ 12,031,784	773,924	9,047,190	536,797	(3,962,242)	-	18,427,453

(3) Enterprise wide disclosures

The Group reports revenues from external customers as follows:

	2025	2024
Revenue of e-commerce	\$ 34,996,785	35,707,203
Other	1,861,692	1,855,845
Total	\$ 36,858,477	37,563,048

(4) Information about geographic areas

The main operating locations and major customers of the Group are all based in Taiwan.

(5) Information about major customers

The Group has no significant customers with revenue exceeding 10%.