

TaiHan Precision Technology Co., Limited
and Subsidiaries
Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Report
(Stock code: 1336)

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Important Disclaimer:

This English-version handbook is a summary translation of the Chinese version and is not an official document of the shareholders meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

TaiHan Precision Technology Co., Limited and Subsidiaries

Consolidated Financial Statements for the six months ended June 30, 2025 and 2024 and

Independent Auditors' Review Report

INDEX

<u>ITEM</u>	<u>Page</u>
I. Cover	1
II. Index	2
III. Accountants' Audit Report	3
IV. Consolidated Balance Sheets	4 ~ 5
V. Consolidated Statements of Comprehensive Income	6
VI. Consolidated Statement of Changes in Equity	7
VII. Consolidated Statement of Cash Flows	8 ~ 9
VIII. Notes to the Consolidated Financial Statements	10 ~
(1) History of the Company	10
(2) Date and procedure of financial reporting	10
(3) Application of newly issued and revised standards and interpretations	10 ~ 11
(4) Summary of significant accounting policies	11 ~ 22
(5) Significant accounting judgments, assumptions and key sources of estimation uncertainty	22 ~ 23
(6) Description of significant accounting items	23 ~ 43
(7) Related party transactions	43 ~ 47
(8) Pledged assets	48
(9) Significant contingent liabilities and unrecognized contractual commitments	48
(10) Significant disaster losses	48
(11) Significant future events	49
(12) Other	49 ~ 57
(13) Other disclosures	57 ~ 58
(14) Segment Information	58 ~ 59

INDEPENDENT AUDITORS'REVIEW REPORT

(2025) No. Financial Auditing- 25001338

To: The Board of Directors and Shareholders
TaiHan Precision Technology Co., Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of TaiHan Precision Technology Co., Limited and its subsidiaries (the "Group") as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the International Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2025 and 2024, its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

PWC Taiwan

YE,CUI-MIAO

CPA:

LIN,CHIA-HUNG

Financial Supervisory Commission

Certified Registration No.: Financial-Supervisory-Securities-VI- 0960058737

Financial Supervisory Commission

Certified Registration No.: Financial-Supervisory-Securities-Auditing- 1080323093

August 8, 2025

TaiHan Precision Technology Co., Limited and Subsidiaries
CONSOLIDATED STATEMENTS OF BALANCE SHEET
June 30, 2025, December 31, 2024, and June 30, 2024

			Unit: In Thousands of New Taiwan Dollars					
ASSETS		Note	June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
CURRENT ASSETS								
1100	Cash and cash equivalents	6(1)	\$ 366,064	12	\$ 319,733	11	\$ 330,971	12
1136	Financial assets measured at amortized cost - Current	6(3) & 8	52,423	2	123,571	4	201,224	7
1150	Notes receivable, net	6(4)	-	-	585	-	-	-
1170	Accounts receivable, net	6(4)	402,810	14	462,439	15	483,024	17
1180	Accounts receivable – related parties, net	6(4) & 7(2)	99,208	3	101,215	3	66,950	2
1200	Other receivables	7(2)	1,728	-	2,457	-	4,200	-
1220	Current tax assets		-	-	-	-	662	-
130X	Inventory	6(5)	183,001	6	193,272	6	154,365	6
1410	Prepayments		64,597	2	28,257	1	40,584	2
1470	Other current assets		342	-	3,118	-	665	-
11XX	Total current assets		<u>1,170,173</u>	<u>39</u>	<u>1,234,647</u>	<u>40</u>	<u>1,282,645</u>	<u>46</u>
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - Non-current	6(2)	2,041	-	2,374	-	4,176	-
1600	Property, plant and equipment	6(6)&8	1,434,149	48	1,457,676	47	904,353	33
1755	Right-of-use assets	6(7)&8	234,934	8	271,576	9	113,145	4
1760	Investment property, net	6(9)&8	28,151	1	31,113	1	31,245	1
1780	Intangible assets		8,610	-	10,353	-	8,721	-
1840	Deferred income tax assets		115,948	4	72,701	2	69,718	3
1915	Prepayment for equipment		1,647	-	-	-	187,992	7
1920	Refundable deposits		12,013	-	15,937	1	12,815	-
1975	Net defined benefit assets – non- current		2,591	-	1,540	-	-	-
1990	Other non-current assets - other	6(10)	-	-	-	-	163,512	6
15XX	Total non-current assets		<u>1,840,084</u>	<u>61</u>	<u>1,863,270</u>	<u>60</u>	<u>1,495,677</u>	<u>54</u>
1XXX	TOTAL Assets		<u>\$ 3,010,257</u>	<u>100</u>	<u>\$ 3,097,917</u>	<u>100</u>	<u>\$ 2,778,322</u>	<u>100</u>

(Continued on next page)

TaiHan Precision Technology Co., Limited and Subsidiaries
CONSOLIDATED STATEMENTS OF BALANCE SHEET
June 30, 2025, December 31, 2024, and June 30, 2024

		Unit: In Thousands of New Taiwan Dollars						
LIABILITIES AND EQUITY		Note	June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES								
2100	Short-term borrowings	6(11)	\$ 457,886	15	\$ 340,868	11	\$ 132,445	5
2110	Short-term bills payables		10,000	-	-	-	-	-
2130	Contractual liability - Current	6(18)	-	-	8,520	-	3,178	-
2170	Accounts payable		262,897	9	301,511	10	267,785	10
2200	Other payables	6(12)&7(2)	199,317	7	120,224	4	141,078	5
2230	Current tax liabilities	6(25)	17,052	-	40,436	1	24,770	1
2250	Provisions - current		6,008	-	12,794	-	11,249	-
2280	Lease liabilities - Current	7(2)	18,549	1	19,393	1	19,046	1
2399	Other current liabilities - Other		2,167	-	1,426	-	3,756	-
21XX	Total current liabilities		973,876	32	845,172	27	603,307	22
NON-CURRENT LIABILITIES								
2570	Deferred income tax liabilities		225,160	8	209,800	7	190,734	7
2580	Lease liabilities - Non-current	7(2)	71,741	2	87,174	3	96,911	3
2640	Net defined benefit liability - Non-current		-	-	-	-	905	-
2645	Guarantee deposit received		2,019	-	6,384	-	2,182	-
25XX	Total non-current liabilities		298,920	10	303,358	10	290,732	10
2XXX	Total liabilities		1,272,796	42	1,148,530	37	894,039	32
Equity attributable to owners of the parent company								
	Capital stock	6(15)						
3110	Common stock		776,144	26	782,864	25	783,024	28
	Capital surplus	6(16)						
3200	Capital surplus		676,871	22	670,151	22	687,094	25
	Retained earnings	6(17)						
3310	Appropriated as legal capital reserve		88,040	3	71,627	2	71,627	3
3320	Appropriated as special capital reserve		81,266	3	135,699	5	135,699	5
3350	Unappropriated earnings		364,243	12	370,312	12	281,478	10
	Other Entities							
3400	Other Entities		(249,103)	(8)	(81,266)	(3)	(74,639)	(3)
3XXX	Total equity		1,737,461	58	1,949,387	63	1,884,283	68
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	9						
	Serious subsequent events	11						
3X2X	TOTAL LIABILITIES AND EQUITY		\$ 3,010,257	100	\$ 3,097,917	100	\$ 2,778,322	100

The accompanying notes to the consolidated financial statements are an integral part of these individual financial statements and should be read in conjunction with them.

Chairman: Tsai, Chen-Lung

Manager: Tsai, Chen-Lung

Accounting Manager: Chen, Chin-Chung

For the six months ended June 30, 2025 and 2024

(Except earnings per share in New Taiwan dollars)

			For the three months ended		For the three months ended		For the six months ended		For the six months ended	
			June 30, 2025		June 30, 2024		June 30, 2025		June 30, 2024	
Item			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(18) &7(2)	\$ 645,731	100	\$ 638,074	100	\$ 1,268,303	100	\$ 1,185,433	100
5000	Operating costs	6(5)(23) &7(2)	(532,889)	(83)	(514,248)	(81)	(1,043,173)	(82)	(964,918)	(81)
5950	Operating margin, net		<u>112,842</u>	<u>17</u>	<u>123,826</u>	<u>19</u>	<u>225,130</u>	<u>18</u>	<u>220,515</u>	<u>19</u>
	Operating expenses	6(23) &7(2)								
6100	Sales and marketing expenses		(11,724)	(2)	(9,154)	(1)	(22,469)	(2)	(16,680)	(2)
6200	General and administrative expenses		(55,791)	(8)	(60,733)	(10)	(115,417)	(9)	(110,548)	(9)
6450	Expected credit impairment gains (losses)	12(2)	<u>67</u>	<u>-</u>	<u>(537)</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(549)</u>	<u>-</u>
6000	Total operating expenses		<u>(67,448)</u>	<u>(10)</u>	<u>(70,424)</u>	<u>(11)</u>	<u>(137,885)</u>	<u>(11)</u>	<u>(127,777)</u>	<u>(11)</u>
6900	Operating profit		<u>45,394</u>	<u>7</u>	<u>53,402</u>	<u>8</u>	<u>87,245</u>	<u>7</u>	<u>92,738</u>	<u>8</u>
NON-OPERATING REVENUE AND EXPENSES										
7100	Interest income	6(19)	1,364	-	2,836	1	2,767	-	4,545	-
7010	Other income	6(20) & 7(2)	5,756	1	5,518	1	10,163	1	8,147	1
7020	Other gains and losses	6(21)	(32,183)	(5)	10,869	2	(25,174)	(2)	24,738	2
7050	Finance costs	6(22) &7(2)	(6,714)	(1)	(3,846)	(1)	(12,782)	(1)	(7,757)	(1)
7000	Total non-operating revenue and expense		<u>(31,777)</u>	<u>(5)</u>	<u>15,377</u>	<u>3</u>	<u>(25,026)</u>	<u>(2)</u>	<u>29,673</u>	<u>2</u>
7900	INCOME BEFORE INCOME TAX		<u>13,617</u>	<u>2</u>	<u>68,779</u>	<u>11</u>	<u>62,219</u>	<u>5</u>	<u>122,411</u>	<u>10</u>
7950	Income tax expenses	6(25)	(18,327)	(3)	(27,076)	(4)	(32,988)	(3)	(47,116)	(4)
8200	Net income (loss)		<u>(\$ 4,710)</u>	<u>(1)</u>	<u>\$ 41,703</u>	<u>7</u>	<u>\$ 29,231</u>	<u>2</u>	<u>\$ 75,295</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)										
8316	Unrealized valuation gains and losses on investments in equity instruments at fair value through other comprehensive income		<u>(\$ 333)</u>	<u>-</u>	<u>(\$ 316)</u>	<u>-</u>	<u>(\$ 333)</u>	<u>-</u>	<u>(\$ 316)</u>	<u>-</u>
8310	Total amount of items that will not be reclassified to profit or loss		<u>(333)</u>	<u>-</u>	<u>(316)</u>	<u>-</u>	<u>(333)</u>	<u>-</u>	<u>(316)</u>	<u>-</u>
Items that may be reclassified subsequently to profit (or loss)										
8361	Exchange differences arising on translation of financial statements of foreign operations		(229,126)	(35)	2,669	-	(209,381)	(16)	86,517	7
8399	Income tax benefit related to items that will be reclassified subsequently	6(25)	<u>45,826</u>	<u>7</u>	<u>(535)</u>	<u>-</u>	<u>41,877</u>	<u>3</u>	<u>(17,304)</u>	<u>(1)</u>
8360	Total amount of items that are reclassified to profit or loss		<u>(183,300)</u>	<u>(28)</u>	<u>2,134</u>	<u>-</u>	<u>(167,504)</u>	<u>(13)</u>	<u>69,213</u>	<u>6</u>
8300	Other comprehensive income, net		<u>(\$ 183,633)</u>	<u>(28)</u>	<u>\$ 1,818</u>	<u>-</u>	<u>(\$ 167,837)</u>	<u>(13)</u>	<u>\$ 68,897</u>	<u>6</u>
8500	Total comprehensive income		<u>(\$ 188,343)</u>	<u>(29)</u>	<u>\$ 43,521</u>	<u>7</u>	<u>(\$ 138,606)</u>	<u>(11)</u>	<u>\$ 144,192</u>	<u>12</u>
Net profit attributable to:										
8610	Parent Company Owner		<u>(\$ 4,710)</u>	<u>(1)</u>	<u>\$ 41,703</u>	<u>7</u>	<u>\$ 29,231</u>	<u>2</u>	<u>\$ 75,295</u>	<u>6</u>
Total comprehensive income(loss) attributable to:										
8710	Parent Company Owner		<u>(\$ 188,343)</u>	<u>(29)</u>	<u>\$ 43,521</u>	<u>7</u>	<u>(\$ 138,606)</u>	<u>(11)</u>	<u>\$ 144,192</u>	<u>12</u>
Basic earnings (losses) per share										
9750	Net income (loss)	6(26)	<u>(\$ 0.06)</u>		<u>\$ 0.54</u>		<u>\$ 0.38</u>		<u>\$ 0.97</u>	
Diluted earnings (losses) per share										
9850	Net income (loss)	6(26)	<u>(\$ 0.06)</u>		<u>\$ 0.53</u>		<u>\$ 0.37</u>		<u>\$ 0.96</u>	

The accompanying notes to the consolidated financial statements are an integral part of these individual financial statements and should be read in conjunction with them.

Unit: In Thousands of New Taiwan Dollars

2024

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TaiHan Precision Technology Co., Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2025 and 2024

		Unit: In Thousands of New Taiwan Dollars	
		For the six months ended June 30,	For the six months ended June 30,
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		\$ 62,219	\$ 122,411
Adjustment Items			
Profit and loss items			
Depreciation expense on property, plant and equipment	6(23)	47,470	52,806
Depreciation expense on investment property	6(23)	303	304
Depreciation expense on right-of-use assets	6(23)	11,247	12,259
Intangible assets amortization expense	6(23)	3,628	3,035
Expected credit impairment loss (gain)	12(2)	(1)	549
Finance costs	6(22)	12,782	7,757
Interest income	6(19)	(2,767)	(4,545)
Compensation costs of restricted stock awards	6(14)	-	2,699
Loss (gain) on disposal of property, plant and equipment	6(21)	(88)	(445)
Dividend income	6(20)	(105)	-
Changes in operating assets and liabilities			
Changes in operating assets, net			
Notes receivables, net		585	-
Accounts receivables		59,644	(117,258)
Accounts receivables – related parties		2,007	(12,711)
Other receivables		729	(1,358)
Inventories		10,271	(10,228)
Prepayments		(36,340)	(9,665)
Other current assets		2,776	302
Net defined benefit assets		(1,051)	-
Changes in Liabilities Related to Operating			
Contractual liabilities - current		(8,520)	2,976
Accounts payables		(38,614)	44,896
Other payables		5,778	11,987
Provision - current		(6,786)	(1,385)
Other current liabilities - others		741	(542)
Other non-current liabilities - others		-	(1,657)
Net defined benefit liabilities		-	(751)
Cash generated from operations		125,908	101,436
Interest received		2,767	4,545
Interest paid		(12,635)	(7,399)
Income tax paid		(42,382)	(42,589)
Net cash inflows from operating activities		73,658	55,993

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TaiHan Precision Technology Co., Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2025 and 2024

		Unit: In Thousands of New Taiwan Dollars	
	Note	For the six months ended June 30, 2025	For the six months ended June 30, 2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Financial assets at amortized cost - current		\$ 71,148	(\$ 199,420)
Acquisition of property, plant and equipment	6(27)	(184,563)	(25,366)
Disposal of property, plant and equipment		1,511	461
(Increase) in prepayments for equipment		(1,647)	(145,450)
Acquisition of intangible assets		(1,998)	(1,278)
(Increase) in guaranteed deposits paid		-	(800)
Decrease in guaranteed deposits paid		3,924	1,961
Dividends received		105	-
Net cash outflows from financing activities		(111,520)	(369,892)
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(28)	903,360	829,348
Repayment of short-term borrowings	6(28)	(775,965)	(826,679)
(Decrease) in short-term bills payables	6(28)	10,000	-
Decrease in guaranteed deposits received	6(28)	(4,365)	(2,887)
Repayment of principal of lease liabilities	6(28)	(8,886)	(10,039)
Net cash inflows (outflows) from financing activities		124,144	(10,257)
Exchange effects		(39,951)	61,050
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		46,331	(263,106)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		319,733	594,077
CASH AND CASH EQUIVALENTS, END OF PERIOD		\$ 366,064	\$ 330,971

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction with them.

Chairman: Tsai, Chen-Lung

Manager: Tsai, Chen-Lung

Accounting Manager: Chen, Chin-Chung

TaiHan Precision Technology Co., Limited and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

Unit: Amounts in Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

1. History of the Company

- (1) TaiHan Precision Technology Co., Limited (hereinafter referred to as the "Company") was established on August 28, 1987. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are mainly engaged in the design, manufacturing, and trading of various precision molds, tooling, and plastic molding products.
- (2) The Company's shares have been listed and transacted on TPEx since November 2007.
- (3) The Speed Tech Corporation Group owns the Company's equity and is the single largest shareholder of the Company and has substantial control over the Company's personnel, finances, and operations and will become the parent company in August 2021. In addition, Luxshare Precision Industry Co., Ltd. (registered and established in People's Republic of China) is the ultimate parent company.

2. Date and procedure for approval of financial statements

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on August 8, 2025.

3. Application of newly issued and revised standards and interpretations

- (1) The impacts of adopting new or revised IFRS accounting standards endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table summarizes the newly issued, amended, and revised IFRS accounting standards and interpretations of IFRS accounting standards endorsed and issued into effect by the FSC for 2025:

<u>New Issues / Amendments / Revised Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has evaluated that the above standards and interpretations do not have a significant effect on the Group's consolidated financial position and consolidated financial performance.

- (2) The impacts of not adopting new or revised IFRS accounting standards endorsed and issued into effect by the FSC

The following table summarizes the newly issued, amended, and revised IFRS accounting standards and interpretations of IFRS accounting standards endorsed by the FSC for 2026:

<u>New Issues / Amendments / Revised Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to 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
Amendment to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17 "Comparative Information of the Initial Application of IFRS 17 and IFRS 9"	January 1, 2023

Annual Improvements to IFRS Accounting Standards—Volume 11

January 1, 2026

The Group has evaluated that the above standards and interpretations do not have a significant effect on the Group's consolidated financial position and consolidated financial performance.

(3) The IFRS accounting standards issued by IASB but not yet endorsed and issued into effect by the FSC

The following table summarizes the new, amended, and revised standards and interpretations of IFRS accounting standards issued by the IASB that have not yet been incorporated into IFRS accounting standards endorsed by the FSC:

<u>New Releases / Amendments / Revised Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
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 IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability”	January 1, 2027

Except as explained below, the Group has evaluated that the above standards and interpretations do not have a significant effect on the Group's consolidated financial position and consolidated financial performance.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” will replace IAS 1, and update the structure of statements of comprehensive income, increase the disclosure of management-defined performance measures, and enhance guidance on the principles of aggregation and disaggregation in the primary financial statements or in the notes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below. Unless otherwise stated, these policies have been applied consistently throughout the reporting period.

(1) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC.

(2) Basis of Preparation

1. The consolidated financial statements have been prepared on the historical cost basis, except for the following significant items:
 - 1) Financial assets at fair value through other comprehensive income or loss that are measured at fair value.
 - 2) The defined benefit liabilities are recognized as the net amount of pension plan assets less the present value of the defined benefit obligations.
2. The preparation of financial statements in conformity with International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRSs) requires the use of certain critical accounting estimates. The process of applying the Group's accounting policies also requires management to exercise its judgment. Items involving a higher degree of judgment or complexity, or items involving significant assumptions and estimates in the consolidated financial statements are described in Note 5.

(3) Basis of Consolidation

1. Principles Governing the Preparation of Consolidated Financial Statements

- 1) The Group includes all subsidiaries in the entities for which consolidated financial statements are prepared. A subsidiary is an entity (including a structured entity) that is controlled by the Group and over which the Group has control when the Group is exposed to variable remuneration from participation in the entity or has rights to such variable remuneration and has the ability, through its power over the entity, to affect such remuneration. Subsidiaries are included in the consolidated financial statements from the date the Group obtains control and are deconsolidated from the date control is lost.
- 2) Inter-company transactions, balances and unrealized gains and losses within the Group have been eliminated. The accounting policies of subsidiaries have been adjusted as necessary to conform to the policies adopted by the Group.
- 3) The components of profit or loss and other comprehensive income or loss are attributed to owners of the parent and non-controlling interests; total comprehensive income or loss is also attributed to owners of the parent and non-controlling interests, even if this results in a loss balance for non-controlling interests.
- 4) Changes in ownership of subsidiaries that do not result in a loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e., as transactions with owners. The difference between the amount of the adjustment of the non-controlling interest and the fair value of the consideration paid or received is recognized directly in equity.
- 5) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and recognized as the fair value of the originally recognized financial asset or the cost of the originally recognized investment in a related party or joint venture, and the difference between the fair value and the carrying amount is recognized in profit or loss for the period. For all amounts previously recognized in other comprehensive income or loss related to that subsidiary, the accounting treatment is the same as if the Group had directly disposed of the related assets or liabilities, i.e., if a gain or loss previously recognized in other comprehensive income or loss would be reclassified to profit or loss upon disposal of the related assets or liabilities, the gain or loss is reclassified from equity to profit or loss when control over the subsidiary is lost.

2. The subsidiaries in the consolidated financial statements

<u>Name of Investor Company</u> The Company	<u>Name of Subsidiaries</u>	<u>Business Scope</u>	<u>Percentage of Ownership</u>			<u>Note</u>
			<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2024</u>	
	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	Professional Investment Business	100%	100%	100%	-
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN HOLDING (SAMOA) CO., LTD.	Professional Investment Business	100%	100%	100%	-
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	YONGHAN HOLDING (SAMOA) CO., LTD.	Professional Investment Business	100%	100%	100%	-
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN HOLDING PHILIPPINES CO., LTD.	Professional Investment Business	100%	100%	100%	-
TAIHAN HOLDING (SAMOA) CO., LTD.	TaiHan Mold Products (Dongguan) Co., Ltd.	Production and sales of various precision molds and plastic products, etc.	100%	100%	100%	Note 1
YONGHAN HOLDING (SAMOA) CO., LTD.	YONGHAN PRECISION TECHNOLOGY CO., LTD.	Production and sales of various precision molds and plastic products, etc.	100%	100%	100%	Note 2
TAIHAN HOLDING PHILIPPINES CO., LTD.	TAIHANLAND (PHILIPPINES) INC.	Holding the land and plant of the production base	100%	100%	100%	Note 3
TAIHAN HOLDING PHILIPPINES CO., LTD.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	Production and sales of various precision molds and plastic products, etc.	100%	100%	100%	Note 4

All of the above subsidiaries included in the consolidated financial statements as of June 30, 2025 and 2024 have been audited by our accountants. Except for TAIHANLAND (PHILIPPINES) INC. is not a significant subsidiary since 2024, the other subsidiaries are significant subsidiaries. The subsidiaries included in the consolidated financial statements as of December 31, 2024 have been audited by our accountants.

Note 1: TaiHan Mold Products (Dongguan) Company Limited (hereinafter referred to as Dongguan TaiHan Company) was registered and established on January 4, 2001 with the approval of Dongguan City Administration for Industry and Commerce of the People's Republic of China and completed the business license without business term on September 17, 2020, with the main scope of business being the production and sale of various precision molds and plastic products, among others.

Note 2: YONGHAN PRECISION TECHNOLOGY CO., LTD. (hereinafter referred to as YONGHAN Vietnam) was approved by the Industrial Zone Administration of Hai Duong Province, Republic of Vietnam, and was registered on August 28, 2006 for a period of 46 years (from the date of obtaining the investment certificate to August 28, 2052). and plastic products.

Note 3: TAIHANLAND (PHILIPPINES) INC. (hereinafter referred to as Philippine Land

Company) was registered on January 9, 2013 and its main business scope is to hold land for production bases. The Philippines restricts the shareholding ratio of foreign investors and the number of natural person shareholders for companies holding production base land. Therefore, TAIHAN HOLDING PHILIPPINES CO., LTD. holds only 39.99% of the shares of the Philippine land company in name, and the other 60.01% shares are entrusted to CHEN, CHIN-CHUNG, TSAI, CHEN-LUNG, and local residents JOE MARK F. BELUANG, ALDRIN ELI T. CHUA, and MARICEL M. LANDICHO, who have signed a shareholding agreement to protect the Group's equity.

Note 4: TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC. (hereinafter referred to as Philippine Manufacturing Company) was incorporated on January 9, 2013, and its main business scope is the production and sale of various precision molds and plastic products. Since the Philippines restricts the number of natural person shareholders in the establishment of a company, TAIHAN HOLDING PHILIPPINES CO., LTD. only holds 99.99% of the shares of Philippine Manufacturing Company in name. The other 0.01% is entrusted to CHEN, CHIN-CHUNG, TSAI, CHEN-LUNG, and local residents, FILAM L. GUTIERREZ,, ALDRIN ELI T. CHUA, and MARY ANN R. MENDOZA, and a shareholding agreement has been signed with the entrusted parties to protect the Group's equity.

3. Subsidiaries not included in the consolidated financial statements.
None.
4. Adjustment and treatment of different accounting periods of subsidiaries
None.
5. Significant restrictions
None.
6. Subsidiaries with non-controlling interests that are significant to the Group.
None.

(4) Foreign currency exchange

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (i.e., the functional currency). The functional currency of the Company is "New Taiwan Dollar." And the functional currencies of subsidiaries are "New Taiwan Dollar," "CNY," "VND," and "USD." The consolidated financial statements are presented in the "New Taiwan Dollar," which is the Group's functional currency, as the presentation currency.

1. Foreign currency transactions and balances
 - 1) Foreign currency transactions are translated into the functional currency using the spot rate at the date of the transaction or measurement date, and translation differences arising from such transactions are recognized in profit or loss for the current period.
 - 2) The balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the exchange rates prevailing on the balance sheet date, and the resulting translation differences are recognized in profit or loss for the current period.
 - 3) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are adjusted at the exchange rates prevailing on the balance sheet date, and the resulting exchange differences are recognized in profit or loss for the current period; those measured at fair value through other comprehensive income are adjusted at the exchange rates prevailing on the balance sheet date, and the resulting exchange differences are recognized in other comprehensive income. For those which are not measured at fair value, they are measured at the historical exchange rates at the date of initial transactions.
 - 4) All exchange gains and losses are reported in "Other gains and losses" in the consolidated

statement of income

2. Translation of foreign operations

The results of operations and financial position of all corporate entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- 1) Assets and liabilities expressed in each balance sheet are translated at the closing rate on that balance sheet date.
- 2) The income and expenses expressed in each consolidated statement of income are translated at the average exchange rate for the period; and
- 3) All translation differences are recognized in other comprehensive income.

(5) Classification of Current and Non-current Assets and Liabilities

1. Assets are classified as current assets if they meet one of the following categories:

- (1) The asset is expected to be realized in the normal operating cycle, or is intended to be sold or consumed.
- (2) Those that are held primarily for trading purposes.
- (3) Expected to be realized within 12 months after the reporting period.
- (4) Cash or cash equivalents, except for those that are restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting period.

The Group classifies all assets that do not meet the above categories as non-current.

2. Liabilities are classified as current liabilities if one of the following conditions is met.

- (1) The liability is expected to be settled in the normal operating cycle.
- (2) Held primarily for trading purposes.
- (3) They will be settled within 12 months after the reporting period
- (4) The Group does not have the right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all liabilities that do not meet the above conditions as non-current.

(6) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to a fixed amount of cash with minimal risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments for operating purposes

(7) Financial assets measured at fair value through other comprehensive income or loss

1. The fair value changes of investments in equity instruments not held for trading are reported in other comprehensive income at the time of initial recognition as an irrevocable choice.
2. The Group applies trade date accounting to financial assets measured at fair value through other comprehensive income or loss that qualify for trading practice.
3. The Group measures these instruments at their fair value plus transaction costs on initial recognition and subsequently at fair value. Changes in the fair value of equity instruments are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is not subsequently reclassified to profit or loss and is reclassified to retained earnings. Dividend income is recognized in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow and the amount of the dividends can be measured reliably.

(8) Financial assets measured at amortized cost

1. A financial asset is one that also meets the following conditions:
 - (1) The financial asset is held under an operating model whose objective is to collect the contractual cash flows.
 - (2) The contractual terms of the financial asset generate cash flows at a specific date, solely for the purpose of paying interest on the principal and outstanding principal amount.
2. The Group applies trade date accounting to financial assets measured at amortized cost that qualify for trading practice.
3. Financial assets at amortized cost shall be measured at fair value plus transaction costs at initial recognition. The Group recognizes interest income subsequently by effective interest rate method by amortization over the outstanding period, and impairment losses. At derecognition, the gains or losses are recognized in profit or loss.

(9) Accounts and notes receivable

1. Accounts and instruments with unconditional right to receive the consideration for the transfer of goods or services in accordance with the contract.
2. Short-term accounts and notes receivable that are not interest-bearing are measured at the original invoice amount because the effect of discounting is not significant.

(10) Impairment of financial assets

For financial assets measured at amortized cost at each balance sheet date, after taking into account all reasonable and probable information (including forward-looking information), the Group measures the allowance for losses at the 12-month expected credit loss amount for financial assets that do not have a significant increase in credit risk since initial recognition; for financial assets with a significant increase in credit risk since initial recognition, the allowance for losses is measured at the expected credit loss amount over the period of time. For accounts receivable or contract assets that do not contain significant financial components, the allowance for loss is measured at the expected credit loss over the period.

(11) Derecognition of financial assets

Financial assets are derecognized when the Group's contractual rights to receive cash flows from the financial assets lapse.

(12) Lessor's Lease Transactions - Operating Leases

Lease proceeds from operating leases, net of any incentives given to the lessee, are recognized in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are measured at the lower of cost or net realizable value, with cost determined by the weighted-average method. The cost of finished goods and work in process includes raw materials, direct labor, other direct costs, and production-related manufacturing costs, but excludes borrowing costs. The lower of cost or net realizable value is determined on a line-by-line basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to be incurred to completion and related variable selling expenses.

(14) Property, Plant and Equipment

1. Property, plant, and equipment are recorded at acquisition cost.
2. Subsequent costs are included in the carrying amount of an asset or recognized as a separate asset 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 portion should be excluded. All other maintenance costs are recognized in profit or loss as incurred.
3. Property, plant, and equipment are subsequently measured at cost and depreciated on a straight-line basis over their estimated useful lives. If the components of property, plant, and equipment are significant, they are depreciated separately.
4. The Group reviews the residual value, useful life, and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and useful life differs from previous estimates, or if there is a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, the change is accounted for in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The useful lives of each asset are as follows:

Buildings	1~51 years
Machinery and Equipment	2~15 years
Transportation Equipment	5~10 years
Office Equipment	3~10 years
Other Equipment	2~15 years

(15) Lessee's lease transactions - right-of-use assets/lease liabilities

1. Leased assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the Group. When a lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payments are recognized as an expense on a straight-line basis over the lease term.
2. Lease liabilities are recognized at the present value of the lease payments outstanding at the inception date of the lease, discounted at the Group's incremental borrowing rate, which is a fixed benefit, less any lease incentives receivable.
Interest expense is subsequently accrued over the lease period using the interest method, which is measured at amortized cost. The lease liability is reassessed, and the right-of-use asset is remeasured when there is a change in the lease term or lease payments that is not a contractual modification.

3. Right-of-use assets are recognized at cost at the inception date of the lease, and the cost is the original measurement of the lease liability.

Depreciation expense is provided when the right-of-use asset is subsequently measured at cost, at the earlier of the end of its useful life or the end of the lease term. When a lease liability is reassessed, the right-of-use asset is adjusted for any remeasurement of the lease liability.

(16) Investment property

Investment property is recognized at acquisition cost and subsequently measured using the cost model. Except for land, depreciation is provided on a straight-line basis over the estimated useful lives of 50 years.

(17) Intangible assets

The cost of computer software is recognized at acquisition cost and amortized on a straight-line basis over the estimated useful lives of 1 ~ 5 years.

(18) Impairment of non-financial assets

An impairment loss is recognized when the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of an asset's fair value less costs to dispose of its value in use. An impairment loss is reversed when no impairment loss exists or decreases in prior years, provided that the carrying amount of the asset reversed does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, net of depreciation or amortization.

(19) Loans

This refers to long- and short-term borrowings from banks. The Group measures the amount at its fair value less transaction costs on initial recognition and subsequently recognizes interest expense in profit or loss over the liquidity period using the effective interest method for any difference between the redemption price and the redemption value, net of transaction costs.

(20) Accounts and notes payable

1. Debt incurred for the purchase of raw materials, goods or services on credit and bills payable for operating and non-operating purposes.
2. Short-term accounts payable and notes payable with unpaid interest are measured at the original invoice amount because the effect of discounting is not significant.

(21) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the obligations specified in the contracts are fulfilled, cancelled, or expired.

(22) Provisions

A provision (warranty liability) is a present legal or constructive obligation or arising from past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and shall be recognized when the amount of the obligation can be measured with sufficient reliability. The amount recognized as a provision shall be the best estimate present value of the expenditure required to settle the obligation at the balance sheet date.

(23) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the non-discounted amount expected to be paid and are recognized as an expense when the related services are rendered.

2. Pension

1) Defined contribution plan

For defined contribution plans, the amount to be contributed to the pension fund is recognized as pension cost on an accrual basis in the current period. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or reduce future benefits.

2) Defined benefit plans

A. The net obligation under the defined benefit plans is calculated by discounting the amount of future benefits earned by employees for current or past service by 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 the actuary using the projected unit benefit method, using market yields at the balance sheet date on government bonds (at the balance sheet date) that correspond to the currency and period of the defined benefit plan.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they occur and are expressed in retained earnings.

C. The related expenses for prior service costs are recognized immediately in profit or loss.

D. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

3. Employee Compensation and Directors' Remuneration

Employee compensation and remuneration to directors and supervisors are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reasonably estimated. If the actual allotment amount subsequently resolved differs from the estimated amount, the difference is treated as a change in accounting estimate. In addition, the number of shares used for employee compensation is calculated based on the closing price on the day before the date of the board of directors' resolution.

(24) Employee Share-based Payment

1. Equity-settled share-based payment agreements are measured at the fair value of the equity instruments given on the date of grant for employee services received and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of equity instruments should reflect the effect of market vesting conditions and non-vesting conditions. The recognized compensation cost is adjusted as the number of awards that are expected to meet the service conditions and non-market vesting conditions is adjusted until the final amount recognized is based on the number of awards vested at the vesting date.
2. Restricted Stock Awards
 - 1) Compensation cost is recognized at the grant date based on the fair value of the equity instruments granted over the vesting period.
 - 2) The right to participate in dividend distribution is not restricted, and the employee is not required to return the dividends received if he/she leaves the company during the vesting period.
 - 3) Employees are not required to pay a price to acquire new shares of restricted stock awards. If an employee leaves the Company during the vesting period, based on the issue procedures, the Company shall not pay for the withdrawn shares, and the withdrawn share shall be cancelled. The withdrawn shares are recognized as deductions to share capital and capital surplus.

(25) Income tax

1. Income tax expense consists of current and deferred income taxes. Income taxes are recognized in profit or loss, except when they relate to items included in other comprehensive income or directly in equity, which are included in other comprehensive income or directly in equity, respectively.
2. The Group calculates current income taxes based on tax rates that are legislated or substantively legislated at the balance sheet date of the countries in which the Group operates and generates taxable income. Management periodically evaluates the status of income tax returns with respect to applicable income tax regulations and, when applicable, estimates the income tax liabilities based on the expected tax payments to be made to the tax authorities. Income tax is imposed on undistributed earnings in accordance with the Income Tax Act. In the year following the year in which the earnings are generated, income tax expense is recognized on the actual distribution of earnings after the shareholders' meeting approves the earnings distribution.
3. Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheets. Temporary differences arising from investments in subsidiaries are not recognized if the Group can control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is calculated using tax rates (and tax laws) that

have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

4. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized, and the unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities, and there is an intention to settle or realize the assets and liabilities simultaneously on a net basis; deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities, and the deferred income tax assets and liabilities are incurred by the same taxable entity or by different taxable entities that intend to settle or realize the assets and liabilities simultaneously on a net basis.
6. The interim period income tax expense is assessed based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period. And relevant information is disclosed in accordance with the aforementioned policies.

(26) Share Capital

1. Common stock is classified as equity. Incremental costs directly attributable to the issuance of new shares or stock options are recorded as a deduction from equity, net of income taxes.
2. When the Company repurchases outstanding shares, the consideration paid includes any directly attributable incremental costs recognized as a deduction from stockholders' equity, net of income taxes.

(27) Dividend distribution

Cash dividends from earnings distribution in 2021 and 2020 are recognized as a liability in the financial statements when the Company's stockholders resolve to distribute them. Cash dividends from earnings distribution after 2022 are recognized as a liability in the financial statements upon a special resolution of the board of directors in accordance with the Company's Articles of Incorporation. In addition, stock dividends are recognized as stock dividends to be distributed when the Company's stockholders resolve to distribute them and are transferred to common stock on the basis date of issuance of new shares.

(28) Revenue Recognition

1. The Group sells various precision molds and plastic. Sales revenue is recognized when control of the products is transferred to the customer, that is, when the products are delivered to the customer, the customer has discretion over the access and price of the products sold, and the Group has no outstanding performance obligations that may affect the customer's acceptance of the products. Delivery of merchandise occurs when the product is delivered to the designated location, the risk of obsolescence and loss has been transferred to the

- customer, and the customer accepts the product in accordance with the sales contract, or when there is objective evidence that all acceptance criteria have been met.
2. Revenue from sales of merchandise is recognized on a net basis, based on contract prices less sales returns and discounts. The Group does not adjust the transaction price to reflect the time value of money because the time lag between the transfer of the promised goods or services to the customer and the customer's payment does not exceed one year.
 3. Accounts receivables are recognized when the merchandise is delivered to the customer because the Group has unconditional rights to the contract price from that point onward and only requires the passage of time to receive the consideration from the customer.

(29) Operating Segment

The Group's operating segment information is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operating departments and evaluating their performance.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ASSUMPTIONS, AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these consolidated financial statements, the Group's management has used its judgment in determining the accounting policies to be used and has made accounting estimates and assumptions that are based on reasonable expectations of future events under the circumstances prevailing at the balance sheet date. Significant accounting estimates and assumptions that may differ from actual results are continually evaluated and adjusted, considering historical experience and other factors. These estimates and assumptions are subject to the risk that the carrying amounts of assets and liabilities will be adjusted in the next financial year. The following is a description of the uncertainties in significant accounting judgments, estimates and assumptions:

(1) Significant judgments in the adoption of accounting policies

The accounting policies adopted by the Group have been assessed to be free from significant uncertainty.

(2) Significant Accounting Estimates and Assumptions

1. Valuation of Inventory

Because inventories are stated at the lower of cost or net realizable value, the Group must use judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to the rapid changes in technology, the Group evaluates the amount of inventories at the balance sheet date that are normally worn out, obsolete, or have no marketable value and reduces the cost of inventories to net realizable value. This inventory valuation is based on the estimation of product demand in specific future periods and is subject to significant changes.

Please refer to Note 6(5) for the carrying amount of inventories as of June 30, 2025.

2. Estimated impairment losses on accounts receivable

The Group manages the collection and dunning operations from customers and assumes the related credit risk. The management regularly evaluates the credit quality and collection

status of customers and adjusts the credit policy for customers in a timely manner. Impairments of accounts receivables are evaluated in accordance with the regulations in IFRS 9 “Financial Instruments,” and expected credit losses are evaluated by the simplified method. The management builds up the expected loss rate based on the factors that may affect customers’ ability to make payment, including overdue periods of customers at the balance sheet date and in history, financial condition of customers, and economic conditions, etc., and taking into consideration of forward-looking information.

Please refer to Note 6(4) for the carrying amount of accounts receivables as of June 30, 2025.

6. DESCRIPTIONS OF SIGNIFICANT ACCOUNTING ITEMS

(1) Cash and Cash Equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand	\$ 702	\$ 804	\$ 811
Checking Deposits and Demand Deposits	269,253	302,571	279,620
Time bank deposits	96,109	16,358	50,540
	<u>\$ 366,064</u>	<u>\$ 319,733</u>	<u>\$ 330,971</u>

1. The Group has good credit quality with financial institutions, and the Group has dealings with various financial institutions to diversify the credit risk, and the possibility of default is expected to be low.
2. The Group has not pledged cash and cash equivalents as collateral.

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Non-current Items:			
Equity instruments			
Stocks of unlisted companies	\$ 1,755	\$ 1,755	\$ 2,340
Valuation Adjustment	286	619	1,836
	<u>\$ 2,041</u>	<u>\$ 2,374</u>	<u>\$ 4,176</u>

1. The Group chose to classify strategic investments in stocks as financial assets at fair value through other comprehensive income.
2. Please refer to the consolidated statements of comprehensive income for the amounts recognized in comprehensive income (loss) arising from financial assets at fair value through other comprehensive income.

3. The Group has not pledged financial assets at fair value through other comprehensive income as collateral.
4. Please refer to Note 6(20) for the explanations on dividends income recognized in profit or loss arising from financial assets at fair value through other comprehensive income.
5. Please refer to Note 12(3) for the related fair value information.

(3) Financial assets measured at amortized cost

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current Items:			
Time deposits with maturity of more than three months to less than one year	\$ 50,705	\$ 118,820	\$ 199,690
Time deposits pledged as collaterals	<u>1,718</u>	<u>4,751</u>	<u>1,534</u>
	<u>\$ 52,423</u>	<u>\$ 123,571</u>	<u>\$ 201,224</u>

Please refer to Note 8 for the financial assets measured at amortized cost pledge as collaterals.

(4) Notes and accounts receivables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivables	<u>\$ -</u>	<u>\$ 585</u>	<u>\$ -</u>
Accounts receivables	\$ 402,975	\$ 462,619	\$ 483,720
Accounts receivables – related parties	<u>99,208</u>	<u>101,215</u>	<u>66,950</u>
	502,183	563,834	550,670
Less: loss allowances	<u>(165)</u>	<u>(180)</u>	<u>(696)</u>
	<u>\$ 502,018</u>	<u>\$ 563,654</u>	<u>\$ 549,974</u>

1. The aging analysis of the Group's notes and accounts receivable and related credit risk information are described in Note 12(2).
2. The balances of accounts receivable and notes receivable as of June 30, 2025, December 31, 2024, and June 30, 2024 were all generated from customer contracts, and the balance of notes and accounts receivables from customer contracts as of January 1, 2024 was \$420,693.
3. The Group does not hold any collateral for the accounts receivables as of June 30, 2025, December 31, 2024, and June 30, 2024.

(5) Inventories

	<u>June 30, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw Materials	\$ 71,555	(\$ 2,770)	\$ 68,785
Work in process	51,402	(2,164)	49,238
Finished products	74,516	(9,538)	64,978
	<u>\$ 197,473</u>	<u>(\$ 14,472)</u>	<u>\$ 183,001</u>

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw Materials	\$ 54,396	(\$ 1,569)	\$ 52,827
Work in process	134,600	(1,444)	133,156
Finished products	10,690	(3,401)	7,289
	<u>\$ 199,686</u>	<u>(\$ 6,414)</u>	<u>\$ 193,272</u>

	<u>June 30, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw Materials	\$ 60,399	(\$ 2,424)	\$ 57,975
Work in process	46,071	(2,935)	43,136
Finished products	55,376	(2,122)	53,254
	<u>\$ 161,846</u>	<u>(\$ 7,481)</u>	<u>\$ 154,365</u>

1. None of the above inventories were pledged as collateral.
2. The cost of inventories recognized as expense in the current period was as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Cost of inventories sold	\$ 542,597	\$ 514,494
Loss on decline in value of inventories (gain on reversal)	(9,708)	(246)
	<u>\$ 532,889</u>	<u>\$ 514,248</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Cost of inventories sold	\$ 1,035,115	\$ 967,099
Loss on decline in value of inventories (gain on reversal)	8,058	(2,181)
	<u>\$ 1,043,173</u>	<u>\$ 964,918</u>

The Group had a decrease in allowances for inventory valuation loss, which resulted in reversal gains for the destocking for the inventories that were previously recognized as a loss on decline in value.

(6) Property, plant and equipment
2025

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Unfinished construction and equipment pending acceptance</u>	<u>Total</u>
January 1								
Cost	\$ 72,655	\$ 815,214	\$ 1,201,068	\$ 29,607	\$ 23,227	\$ 20,948	\$ 553,099	\$ 2,715,818
Accumulated depreciation	-	(230,925)	(975,722)	(22,772)	(16,273)	(12,450)	-	(1,258,142)
	<u>\$ 72,655</u>	<u>\$ 584,289</u>	<u>\$ 225,346</u>	<u>\$ 6,835</u>	<u>\$ 6,954</u>	<u>\$ 8,498</u>	<u>\$ 553,099</u>	<u>1,457,676</u>
January 1	\$ 72,655	\$ 584,289	\$ 225,346	\$ 6,835	\$ 6,954	\$ 8,498	\$ 553,099	\$ 1,457,676
Additions	-	-	82,514	5,188	2,203	319	94,491	184,715
Deposals	-	-	(1,423)	-	-	-	-	(1,423)
Reclassification	-	-	82,115	-	-	-	(82,115)	-
Depreciation expense	-	(15,096)	(28,873)	(1,249)	(1,191)	(1,061)	-	(47,470)
Net exchange difference	(7,310)	(47,166)	(37,315)	(910)	(865)	(1,066)	(64,717)	(159,349)
June 30	<u>\$ 65,345</u>	<u>\$ 522,027</u>	<u>\$ 322,364</u>	<u>\$ 9,864</u>	<u>\$ 7,101</u>	<u>\$ 6,690</u>	<u>\$ 500,758</u>	<u>\$ 1,434,149</u>
June 30								
Cost	\$ 65,345	\$ 752,804	\$ 1,193,135	\$ 31,796	\$ 21,695	\$ 20,049	\$ 500,758	\$ 2,585,582
Accumulated depreciation	-	(230,777)	(870,771)	(21,932)	(14,594)	(13,359)	-	(1,151,433)
	<u>\$ 65,345</u>	<u>\$ 522,027</u>	<u>\$ 322,364</u>	<u>\$ 9,864</u>	<u>\$ 7,101</u>	<u>\$ 6,690</u>	<u>\$ 500,758</u>	<u>\$ 1,434,149</u>

2024

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Unfinished construction and equipment pending acceptance</u>	<u>Total</u>
January 1								
Cost	\$ 67,128	\$ 832,917	\$ 1,229,956	\$ 26,994	\$ 23,221	\$ 20,329	\$ 28,414	\$ 2,228,959
Accumulated depreciation and impairments	-	(278,841)	(999,751)	(19,323)	(21,123)	(9,771)	-	(1,328,809)
	<u>\$ 67,128</u>	<u>\$ 554,076</u>	<u>\$ 230,205</u>	<u>\$ 7,671</u>	<u>\$ 2,098</u>	<u>\$ 10,558</u>	<u>\$ 28,414</u>	<u>\$ 900,150</u>
January 1	\$ 67,128	\$ 554,076	\$ 230,205	\$ 7,671	\$ 2,098	\$ 10,558	\$ 28,414	\$ 900,150
Additions	-	10,257	13,350	-	720	254	164	24,745
Disposal	-	-	-	-	(16)	-	-	(16)
Reclassification	-	22,940	649	-	237	-	(28,716)	(4,890)
Depreciation expense	-	(15,282)	(34,505)	(1,228)	(591)	(1,200)	-	(52,806)
Net exchange difference	3,960	23,548	5,694	304	1,665	1,073	926	37,170
June 30	<u>\$ 71,088</u>	<u>\$ 595,539</u>	<u>\$ 215,393</u>	<u>\$ 6,747</u>	<u>\$ 4,113</u>	<u>\$ 10,685</u>	<u>\$ 788</u>	<u>\$ 904,353</u>
June 30								
Cost	\$ 71,088	\$ 878,380	\$ 1,392,124	\$ 27,355	\$ 36,392	\$ 22,071	\$ 788	\$ 2,428,198
Accumulated depreciation and impairments	-	(282,841)	(1,176,731)	(20,608)	(32,279)	(11,386)	-	(1,523,845)
	<u>\$ 71,088</u>	<u>\$ 595,539</u>	<u>\$ 215,393</u>	<u>\$ 6,747</u>	<u>\$ 4,113</u>	<u>\$ 10,685</u>	<u>\$ 788</u>	<u>\$ 904,353</u>

1. For the six months ended June 30, 2025 and 2024, the Group has not capitalized any interest, and all of them are for self-use.
2. Please refer to Note 8 for information on property, plant and equipment pledge as collaterals.

(7) Lease transaction - lessee

1. The underlying assets of the Group's leases include land use rights, buildings and structures, and transportation equipment. The lease agreements for buildings and transportation equipment are for periods ranging from 2 to 8 years, and the lease of land in Vietnam is for a 45-to-47-year prepaid land use right. The lease contracts are individually negotiated and contain various terms and conditions. The leased assets cannot be subleased, loaned, assigned, or otherwise used by others, or the lease rights transferred to others without the lessor's consent.
2. The carrying value of the right-of-use assets and the depreciation expense recognized were as follows:

	<u>Land Use Rights</u>	<u>Buildings and Structures</u>	<u>Transportation Equipment</u>	<u>Total</u>
January 1, 2025	\$ 179,332	\$ 87,996	\$ 4,248	\$ 271,576
Depreciation expense	(1,936)	(8,296)	(1,015)	(11,247)
Effect of exchange rate changes	(19,595)	(5,800)	-	(25,395)
June 30, 2025	<u>\$ 157,801</u>	<u>\$ 73,900</u>	<u>\$ 3,233</u>	<u>\$ 234,934</u>

	<u>Land Use Rights</u>	<u>Buildings and Structures</u>	<u>Transportation Equipment</u>	<u>Total</u>
January 1, 2024	\$ 11,607	\$ 162,563	\$ 3,041	\$ 177,211
Additions	-	-	2,761	2,761
Lease modification	-	(48,416)	-	(48,416)
Depreciation expense	(206)	(11,500)	(553)	(12,259)
Effect of exchange rate changes	93	(6,245)	-	(6,152)
June 30, 2024	<u>\$ 11,494</u>	<u>\$ 96,402</u>	<u>\$ 5,249</u>	<u>\$ 113,145</u>

3. Information on the profit and loss items related to lease contracts is as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
<u>Items affecting profit or loss for the period</u>		
Interest expense on lease liabilities	\$ 1,076	\$ 1,487
Lease payments for assets of low value	295	74
	<u>\$ 1,371</u>	<u>\$ 1,561</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
<u>Items affecting profit or loss for the period</u>		
Interest expense on lease liabilities	\$ 2,272	\$ 3,358
Lease payments for assets of low value	473	203
	<u>\$ 2,745</u>	<u>\$ 3,561</u>

4. In addition to the cash outflow for lease related expenses mentioned in Note 6(7)(3) above, please refer to Note 6(28) for the Group's total cash outflow for principal repayment of lease liabilities for the six months ended June 30, 2025 and 2024.
5. Please refer to Note 8 for information on right-of-use assets pledged as collaterals.

(8) Lease transaction - lessor

1. The underlying assets of the lease are the warehouses, and the lease term is 3 years. Lease contracts are negotiated individually and contain various terms and conditions. In order to guarantee the condition of assets, without the consent of the lessor, the underlying assets of the leases shall not be sub-leased, lent, sold, or used by other parties in other ways, and the leasehold shall not be transferred to other parties.
2. As there is no overdue payment in lease payments receivables, the amount of losses arising from credit risk is not significant after assessment.
3. Please refer to Note 6(20) for the rental income recognized based on operating lease contracts for the three months and six months ended June 30, 2025 and 2024. There is no variable lease payment.
4. The maturity analysis of lease payments under operating lease is as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
2024	\$ -	\$ -	\$ 3,357
2025	3,090	6,756	6,714
2026	6,179	6,756	6,714
2027	1,030	1,126	1,059
	<u>\$ 10,299</u>	<u>\$ 14,638</u>	<u>\$ 17,844</u>

(9) Investment properties

	<u>2025</u>		<u>Total</u>
	<u>Land</u>	<u>Buildings and structures</u>	
January 1			
Cost	\$ 3,392	\$ 30,818	\$ 34,210
Accumulated depreciation	-	(3,097)	(3,097)
	<u>\$ 3,392</u>	<u>\$ 27,721</u>	<u>\$ 31,113</u>
January 1	\$ 3,392	\$ 27,721	\$ 31,113
Depreciation expenses	-	(303)	(303)
Net exchange difference	(292)	(2,367)	(2,659)
June 30	<u>\$ 3,100</u>	<u>\$ 25,051</u>	<u>\$ 28,151</u>
June 30			
Cost	\$ 3,100	\$ 28,166	\$ 31,266
Accumulated depreciation	-	(3,115)	(3,115)
	<u>\$ 3,100</u>	<u>\$ 25,051</u>	<u>\$ 28,151</u>

	<u>2024</u>		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
January 1			
Cost	\$ 3,185	\$ 29,278	\$ 32,463
Accumulated depreciation	<u>-</u>	<u>(2,665)</u>	<u>(2,665)</u>
	<u>\$ 3,185</u>	<u>\$ 26,613</u>	<u>\$ 29,798</u>
January 1	\$ 3,185	\$ 26,613	\$ 29,798
Depreciation expenses	-	(304)	(304)
Net exchange difference	188	1,563	1,751
June 30	<u>\$ 3,373</u>	<u>\$ 27,872</u>	<u>\$ 31,245</u>
June 30			
Cost	\$ 3,373	\$ 30,841	\$ 34,214
Accumulated depreciation	<u>-</u>	<u>(2,969)</u>	<u>(2,969)</u>
	<u>\$ 3,373</u>	<u>\$ 27,872</u>	<u>\$ 31,245</u>

1. Rental income from investment properties and direct operating expenses:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Rental income from investment properties	<u>\$ 1,660</u>	<u>\$ 1,723</u>
Direct operating expenses incurred on investment properties that generate rental income in the current period	<u>\$ 146</u>	<u>\$ 154</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Rental income from investment properties	<u>\$ 3,446</u>	<u>\$ 3,396</u>
Direct operating expenses incurred on investment properties that generate rental income in the current period	<u>\$ 303</u>	<u>\$ 304</u>

2. The fair values of investment properties held by the Group as of June 30, 2025, December 31, 2024, and June 30, 2024 were \$41,617, \$44,494, and \$33,191, respectively, which were valued based on the market evidence of significant assumptions and valuation of similar property transactions prices by the management.
3. Please refer to Note 8 for the information on investment properties pledge as collaterals.

(10) Other non-current assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Prepayments for land use rights	\$ -	\$ -	\$ 159,821
Prepayments for intangible assets	-	-	3,691
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,512</u>

The other non-current assets - prepayments for land use rights have been reclassified to right-of-use assets for acquisition of the land use right in Vietnam on July 8, 2024.

(11) Short-term borrowings

<u>Nature of loan</u>	<u>June 30, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank Loans			
Credit Loan	<u>\$ 457,886</u>	1.98%~4.98%	None

<u>Nature of loan</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank Loans			
Credit Loan	<u>\$ 340,868</u>	2.08%-5.04%	None

<u>Nature of loan</u>	<u>June 30, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank Loans			
Credit Loan	<u>\$ 132,445</u>	4.00%-6.08%	None

Please refer to Note 6(22) for the interest expenses recognized in profit or loss.

(12) Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Salaries and bonuses payable	\$ 45,492	\$ 40,456	\$ 44,769
Cash dividends payable	73,320	-	32,104
Compensation payable to employees and directors and supervisors	11,853	20,109	15,633
Payables for equipment	13,274	13,122	671
Package expenses payable	14,892	7,486	5,986
Other	<u>40,486</u>	<u>39,051</u>	<u>41,915</u>
	<u>\$ 199,317</u>	<u>\$ 120,224</u>	<u>\$ 141,078</u>

(13) Pension

1. Defined benefit plan

- 1) The Company's pension plan under the Labor Standards Law is a defined benefit pension plan administered by the government. Employees' pension payments are based on the average salary for the six months prior to the date of approved retirement. The Company contributes 2% of the employees' monthly salaries to the pension fund, which is deposited in the name of the Labor Pension Fund Supervisory Committee in a special account at the Bank of Taiwan. If the balance of the special account is not sufficient to pay the employees who are expected to meet the retirement requirements in the following year before the end of the year, the difference will be withdrawn in one lump sum by the end of March of the following year. The management of the account is entrusted to the Bureau of Labor Fund Application, Ministry of Labor, and the Consolidated Company has no right to influence the investment management strategy.
- 2) For the three months and six months ended June 30, 2025 and 2024, the pension costs recognized based on the aforementioned pension plan are both \$0.
- 3) The amount that the Group expects to contribute to the pension plan in 2026 is \$1,891.

2. Defined contribution plan

- 1) Effective July 1, 2005, the Company has established a defined contribution retirement plan under the Labor Pension Act, which is applicable to employees of the Company's nationality. The Company makes monthly contributions of 6% of salary to the employees' personal accounts at the Labor Insurance Bureau for the employees who choose to be covered by the Labor Pension Act. The employees' pensions are paid in the form of monthly pensions or lump-sum pensions, depending on the amount of the employees' individual pension accounts and accumulated earnings.
- 2) The remaining overseas companies of the Group make monthly contributions to the pension fund at a certain percentage of the total salaries of the employees in accordance with the relevant regulations, and the Company has no further obligations other than making monthly contributions.
- 3) For the three months and six months ended June 30, 2025 and 2024, the Group recognized pension costs of \$4,359, \$3,221, \$8,677, and \$6,131, respectively, based on the above pension plan.

(14) Share-based payments

1. The share-based payment agreements of the Group:

The issuance of restricted stock awards has been resolved by the special meeting of shareholders on October 26, 2022. The total number of shares issued is 2,000 thousand of shares, with a par value of NT\$10. The total amount issued is \$20,000. The subscription price of employees is NT\$0 per share, and the actual date of issuance is authorized to be determined by the chairman. The restricted stock awards have been effective registration by the competent authorities on November 7, 2022, and have been resolved by the board of directors to issue (grant) 1,720 thousand of shares on November 14, 2022. The restricted stock awards are granted to the full-time employees of the Company.

<u>Type of agreement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Period</u>	<u>Vesting condition</u>
Restricted stock award	November 14, 2022	1,720 thousands of shares	3 years	Satisfaction of performance conditions (Note)

Note: After satisfaction of personal performance conditions and company's performance conditions, the highest vesting ratios for each year based on service conditions are as follows:

- 1) Serving for 1 year after the grant, 30% of the granted quantity ;
 - 2) Serving for 2 years after the grant, 30% of the granted quantity ;
 - 3) Serving for 3 years after the grant, 40% of the granted quantity.
2. Detailed information of the aforementioned share-based payment agreement

	Quantity (thousands of shares)	2025 Weighted-average exercise price (NTD)	Quantity (thousands of shares)	2024 Weighted-average exercise price (NTD)
Outstanding restricted stock awards as of January 1	672		1,204	
Restricted stock awards vested in the current period	-	-	-	-
Restricted stock awards cancelled in the current period	(672)	-	(516)	-
Restricted stock awards as of June 30	<u>-</u>		<u>688</u>	

3. The maturity date and the exercise price of outstanding stock options at the balance sheet date

<u>Type of agreement</u>	<u>Grant date</u>	<u>Maturity date</u>	<u>June 30, 2025</u>	
			Number of shares (in thousands)	Exercise price (NT\$)
Restricted stock award	November 14, 2022	November 13, 2025	-	-

<u>Type of agreement</u>	<u>Grant date</u>	<u>Maturity date</u>	<u>December 31, 2024</u>	
			Number of shares (in thousands)	Exercise price (NT\$)
Restricted stock award	November 14, 2022	November 13, 2025	672	-

<u>Type of agreement</u>	<u>Grant date</u>	<u>Maturity date</u>	<u>June 30, 2024</u>	
			Number of shares (in thousands)	Exercise price (NT\$)
Restricted stock award	November 14, 2022	November 13, 2025	688	-

4. The information on the fair value of the share-based payments granted is as follows:

Type of agreement	Grant date	Stock price (NT\$)	Exercise price (NT\$)	Expected volatility	Expected duration	Expected dividends	Risk-free rate	Fair value per share (NT\$)
Restricted stock award	November 14, 2022	25.45	-	N/A	N/A	N/A	N/A	25.45

5. Relevant effect arising from share-based payment transactions

Salary expenses

The restricted stock award will be granted to employees the 30% and 40% portion, respectively, after serving for 2 and 3 years after granted. As it is expected that performance conditions will not be satisfied in the second and the third year, the salary expenses recognized after the adjustments are as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Restricted stock award	<u>\$ -</u>	<u>\$ 1,240</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Restricted stock award	<u>\$ -</u>	<u>\$ 2,699</u>

(15) Share Capital

1. As of June 30, 2025, the Company has an authorized capital of \$1,500,000, divided into 150,000 thousand shares and a paid-in capital of \$776,144 with a par value of \$10 per share. The Company has received payment for all issued shares.

A reconciliation of the number of outstanding shares of the Company's common stock at the beginning and end of the period (in thousands) is as follows:

	<u>2025</u>	<u>2024</u>
<u>Share Capital</u>		
January 1	78,286	78,818
Cancellation of restricted stock award	<u>(672)</u>	<u>(516)</u>
June 30	<u>77,614</u>	<u>78,302</u>

2. In order to attract and retain professionals required by the Company, the issuance of restricted stock awards has been resolved by the special meeting of shareholders on October 26, 2022, and the grant has been resolved by the board of directors on November 14, 2022. The total number of shares issued is 1,720 thousand of shares, with a par value of NT\$10. The base date of the issuance of new shares is November 25, 2022. The vesting conditions are the satisfaction of both personal serving periods of granted employees and performance

evaluation standards. If the vesting conditions are not satisfied, the shares of the employees will be bought back entirely by the issuance price and cancelled. Concerning the second portion of the restricted awards (serving for 2 years after granted, 30% of the shares are granted) of 516 thousand of shares, as the performance condition of the Company is not fulfilled, the portion was withdrawn and cancelled in the first quarter in 2024.

3. The number of granted restricted stock awards bought back in the second quarter of 2024 is 16 thousand shares, which have been resolved to be cancelled by the board of directors on August 7, 2024. August 15, 2024 is the base date of the capital reduction. The changes of the aforementioned capital reductions for cancellation of restricted stock awards have been completed.
4. The number of granted restricted stock awards bought back in the first quarter of 2025 is 672 thousand shares, which have been resolved to be cancelled by the board of directors on March 7, 2025. March 14, 2025 is the base date of the capital reduction. The changes of the aforementioned capital reductions for cancellation of restricted stock awards have been completed.

(16) Capital surplus

In accordance with the Company Act, capital surplus from the issuance of shares in excess of par value and capital surplus from gifts may be used to offset losses, and new shares or cash may be issued in proportion to the shareholders' original shares when the Company has no accumulated losses. In accordance with the Securities and Exchange Act, the total amount of the above capital surplus shall not exceed 10% of the paid-in capital each year. The Company may not use capital surplus to replenish capital unless there is a shortfall in capital surplus to cover capital deficit. The changes in capital surplus are as follows:

	<u>2025</u>				
	<u>Issue Premium</u>	<u>Treasury Stock Transactions</u>	<u>RSA</u>	<u>Other</u>	<u>Total</u>
January 1	\$ 623,055	\$ 53,673	(\$ 6,720)	\$ 143	\$ 670,151
Cancellation of restricted stock award compensation costs	-	-	6,720	-	6,720
June 30	<u>\$ 623,055</u>	<u>\$ 53,673</u>	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 676,871</u>

	<u>2024</u>				
	<u>Issue Premium</u>	<u>Treasury Stock Transactions</u>	<u>RSA</u>	<u>Other</u>	<u>Total</u>
January 1	\$ 623,055	\$ 53,673	\$ 5,470	\$ 143	\$ 682,341
Cancellation of restricted stock award compensation costs	-	-	5,160	-	5,160
Cancellation of restricted stock award compensation costs	-	-	(407)	-	(407)
June 30	<u>\$ 623,055</u>	<u>\$ 53,673</u>	<u>\$ 10,223</u>	<u>\$ 143</u>	<u>\$ 687,094</u>

(17) Retained earnings

1. Earnings distribution regulated in the Articles of Incorporation

Based on the Company's Articles of Incorporation, the Company shall first offset

accumulated losses, set aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equivalent to the total capital amount of the Company; and then set aside or reverse a special reserve in accordance with laws or regulations by the competent authorities. If there is still remaining balance, together with the accumulated unappropriated earnings in previous years and the adjustments to the unappropriated earnings in the current year, the Board of Directors shall propose a resolution, which shall be made by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors. Besides, according to Article 240, paragraph 5 of the Company Act, distributable dividends and bonuses in whole or in part may be paid in cash, and according to Article 241 of the Company Act, distributing the legal reserve and the capital reserve, in whole or in part in cash, must be reported during the shareholders' meeting.

2. The legal reserve shall not be used except for making good the deficit of the Company and being distributed by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash, for the portion in excess of 25% of the paid-in capital.
3. When distributing earnings, the Company is required by law to set aside a special reserve for the debit balance of other equity items as of the balance sheet date, and if the debit balance of other equity items is subsequently reversed, the reversed amount may be included in available-for-distribution earnings.
4. Earnings distribution of the Company

The Company has held the regular shareholders meetings on June 20, 2025 and June 12, 2024 to approve the earnings distribution proposal for 2024 and 2023 as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	Dividend per share (\$)	<u>Amount</u>	Dividend per share (\$)
Provision of legal reserve	\$ 16,413		\$ 10,601	
Provision (reversal) of special reserve	(54,433)		44,103	
Cash dividends	<u>73,320</u>	0.95	<u>32,104</u>	0.41
	<u>\$ 35,300</u>		<u>\$ 86,808</u>	

(18) Operating revenue

1. Breakdown of contract customer revenue

The Group's revenues are derived from commodities that are transferred at a point in time and are subdivided into the following major business groups:

	<u>For the three months</u> <u>ended June 30, 2025</u>	<u>For the three months</u> <u>ended June 30, 2024</u>
Revenue from molds	\$ 49,978	\$ 53,676
Revenue from plastic molding	595,753	584,398
	<u>\$ 645,731</u>	<u>\$ 638,074</u>
	<u>For the six months</u> <u>ended June 30, 2025</u>	<u>For the six months</u> <u>ended June 30, 2024</u>
Revenue from molds	\$ 76,054	\$ 113,391
Revenue from plastic molding	1,192,249	1,072,042
	<u>\$ 1,268,303</u>	<u>\$ 1,185,433</u>

2. Contract Liabilities

- 1) The Company recognized contract liabilities related to revenue from customer contracts as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Contractual liabilities – sales of goods	<u>\$ -</u>	<u>\$ 8,520</u>
	<u>June 30, 2024</u>	<u>January 1, 2024</u>
Contractual liabilities – sales of goods	<u>\$ 3,178</u>	<u>\$ 202</u>

- 2) The amounts of revenue recognized in the current period for the opening contract liabilities for the three months and six months ended June 30, 2025 and 2024 were \$7,599, \$0, \$8,520, and \$202, respectively.

(19) Interest income

	<u>For the three</u> <u>months ended</u> <u>June 30, 2025</u>	<u>For the three</u> <u>months ended</u> <u>June 30, 2024</u>
Bank deposit interest	\$ 778	\$ 1,673
Interest income on financial assets measured at amortized cost	586	1,163
	<u>\$ 1,364</u>	<u>\$ 2,836</u>
	<u>For the six</u> <u>months ended</u> <u>June 30, 2025</u>	<u>For the six</u> <u>months ended</u> <u>June 30, 2024</u>
Bank deposit interest	\$ 1,584	\$ 1,764
Interest income on financial assets measured at amortized cost	1,183	2,781
	<u>\$ 2,767</u>	<u>\$ 4,545</u>

(20) Other income

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Rental income	\$ 3,140	\$ 5,176
Dividends income	105	-
Compensation income	858	2
Others	<u>1,653</u>	<u>340</u>
	<u>\$ 5,756</u>	<u>\$ 5,518</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Rental income	\$ 6,671	\$ 6,849
Dividends income	105	-
Compensation income	1,315	90
Others	<u>2,072</u>	<u>1,208</u>
	<u>\$ 10,163</u>	<u>\$ 8,147</u>

(21) Other gains and (losses)

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Gain (loss) on disposal of property, plant and equipment	(\$ 408)	\$ 461
Net foreign currency exchange gains (losses)	(31,470)	8,417
Others	<u>(305)</u>	<u>1,991</u>
	<u>(\$ 32,183)</u>	<u>\$ 10,869</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Gain (loss) on disposal of property, plant and equipment	\$ 88	\$ 445
Net foreign currency exchange gains (losses)	(23,878)	22,452
Others	<u>(1,384)</u>	<u>1,841</u>
	<u>(\$ 25,174)</u>	<u>\$ 24,738</u>

(22) Financial costs

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Interest charges on bank loans	\$ 5,638	\$ 2,359
Interest expense on lease liabilities	<u>1,076</u>	<u>1,487</u>
	<u>\$ 6,714</u>	<u>\$ 3,846</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Interest charges on bank loans	\$ 10,510	\$ 4,399
Interest expense on lease liabilities	<u>2,272</u>	<u>3,358</u>
	<u>\$ 12,782</u>	<u>\$ 7,757</u>

(23) Additional information on the nature of expenses

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Employee benefit expenses	<u>\$ 143,419</u>	<u>\$ 131,502</u>
Depreciation expense on property, plant and equipment	<u>\$ 23,980</u>	<u>\$ 26,752</u>
Depreciation of right-of-use assets	<u>\$ 5,442</u>	<u>\$ 5,868</u>
Depreciation expense on investment property	<u>\$ 146</u>	<u>\$ 154</u>
Amortization of intangible assets	<u>\$ 1,804</u>	<u>\$ 1,558</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Employee benefit expenses	<u>\$ 280,592</u>	<u>\$ 243,840</u>
Depreciation expense on property, plant and equipment	<u>\$ 47,470</u>	<u>\$ 52,806</u>
Depreciation of right-of-use assets	<u>\$ 11,247</u>	<u>\$ 12,259</u>
Depreciation expense on investment property	<u>\$ 303</u>	<u>\$ 304</u>
Amortization of intangible assets	<u>\$ 3,628</u>	<u>\$ 3,035</u>

(24) Employee benefit expenses

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Salary expenses	<u>\$ 122,103</u>	<u>\$ 106,918</u>
Labor and health insurance expenses	10,424	12,333
Pension expenses	4,359	3,221
Directors' remuneration	(1,347)	1,917
Other employee benefit expenses	<u>7,880</u>	<u>7,113</u>
	<u>\$ 143,419</u>	<u>\$ 131,502</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Salary expenses	<u>\$ 235,438</u>	<u>\$ 197,629</u>
Labor and health insurance expenses	20,790	23,100
Pension expenses	8,677	6,131
Directors' remuneration	290	3,476
Other employee benefit expenses	<u>15,397</u>	<u>13,504</u>
	<u>\$ 280,592</u>	<u>\$ 243,840</u>

1. In accordance with the Company's Articles of Incorporation, if the Company earns profit in a year, the Company shall appropriate not less than 1% as employees' compensation, and no lower than 0.1% shall be appropriated for basic employees' salary adjustment or compensation distribution in accordance with the Securities and Exchange Act. The Company may appropriate no more than 3% of the aforementioned profit as directors' remuneration, respectively. If the Company stills incurs accumulated deficit, the amount for

covering up the losses shall be reserved before appropriation of employees' compensation, basic employees' compensation and directors' remuneration based on the aforementioned ratios.

2. For the three months and six months ended June 30, 2025 and 2024, the accrued employees' compensation amounted to \$(1,849), \$3,025, \$493, and \$5,311, respectively, the accrued basic employees' compensation amounted to \$49, \$0, \$49, and \$0, respectively, and the accrued directors' remuneration amounted to \$(1,405), \$1,814, \$0, and \$3,186, respectively. The aforementioned amounts are recognized as payroll expenses. For the six months ended June 30, 2025, the employees' compensation, basic employees' compensation, and directors' remuneration are accrued based on the earnings performance at the ratio of 1%, 0.1%, and 0%, respectively.

The remunerations to employees to directors for 2024, resolved by the Board of Directors, amounted to \$11,310 and \$6,786, respectively, which were consistent with the amounts recognized in the financial statements for 2024.

3. Information on the remuneration of employees and directors approved by the Board of Directors and resolved by the shareholders' meeting is available on the Market Observation Post System.

(25) Income Tax

1. Income tax expense

- 1) Income tax expense components:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Current income tax:		
Income taxes arising from current income	\$ 12,064	\$ 14,413
Additional tax on unappropriated earnings	6,441	960
(Overestimation) Underestimation of prior years' income tax	(2,580)	112
Total current income tax	<u>15,925</u>	<u>15,485</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>2,402</u>	<u>11,591</u>
Income tax expense	<u>\$ 18,327</u>	<u>\$ 27,076</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Current income tax:		
Income taxes arising from current income	\$ 15,137	\$ 25,397
Additional tax on unappropriated earnings	6,441	960
(Overestimation) Underestimation of prior years' income tax	(2,580)	359
Total current income tax	<u>18,998</u>	<u>26,716</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>13,990</u>	<u>20,400</u>
Income tax expense	<u>\$ 32,988</u>	<u>\$ 47,116</u>

2) Amount of income tax expense (benefit) related to other comprehensive income:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Differences on translation of foreign operations	<u>(\$ 45,826)</u>	<u>\$ 535</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Differences on translation of foreign operations	<u>(\$ 41,877)</u>	<u>\$ 17,304</u>

3) The Group has no income tax related to direct debit or credit interests six months ended June 30 for the six months ended June 30, 2025 and 2024.

2. Except for companies established in SAMOA and Seychelles, which are exempt from income tax, the income tax return of the Company has been approved by the tax authorities of the R.O.C. until 2023, and all other companies have completed their income tax returns in accordance with local government regulations.

(26) Earnings (losses) per share

	<u>For the three months ended June 30, 2025</u>		
	Amount	Weighted average Outstanding Number of shares	EPS
	<u>after tax</u>	<u>(in thousands)</u>	<u>(NT\$)</u>
<u>Basic EPS (losses)</u>			
Net income (loss) attributable to ordinary shareholders of the parent company	<u>(\$ 4,710)</u>	<u>77,614</u>	<u>(0.06)</u>
<u>Diluted EPS (losses)</u>			
Net income (loss) attributable to ordinary shareholders of the parent company for the period	<u>(\$ 4,710)</u>	<u>77,614</u>	
Effect of dilutive potential ordinary shares			
-Employee compensation (Note)	<u>-</u>	<u>-</u>	
-RSA	<u>-</u>	<u>281</u>	
Net income (loss) attributable to ordinary shareholders of the parent company for the period with the effect of dilutive potential ordinary shares	<u>(\$ 4,710)</u>	<u>77,895</u>	<u>(0.06)</u>
	<u>For the three months ended June 30, 2024</u>		
	Amount	Weighted average Outstanding Number of shares	EPS
	<u>after tax</u>	<u>(in thousands)</u>	<u>(NT\$)</u>
<u>Basic EPS</u>			
Net income attributable to ordinary shareholders of the parent company	<u>\$ 41,703</u>	<u>77,614</u>	<u>0.54</u>
<u>Diluted EPS</u>			
Net income attributable to ordinary shareholders of the parent company for the period	<u>\$ 41,703</u>	<u>77,614</u>	
Effect of dilutive potential ordinary shares			
-Employee compensation	<u>-</u>	<u>271</u>	
-RSA	<u>-</u>	<u>182</u>	
Net income attributable to ordinary shareholders of the parent company for the period with the effect of dilutive potential ordinary shares	<u>\$ 41,703</u>	<u>78,067</u>	<u>0.53</u>

	<u>For the six months ended June 30, 2025</u>		
	Amount	Weighted average	EPS
	after tax	Outstanding Number of	(NT\$)
		shares	
		(in thousands)	
<u>Basic EPS</u>			
Net income attributable to ordinary shareholders of the parent company	\$ 29,231	77,614	0.38
<u>Diluted EPS</u>			
Net income attributable to ordinary shareholders of the parent company for the period	\$ 29,231	77,614	
Effect of dilutive potential ordinary shares			
-Employee compensation	-	228	
-RSA	-	562	
Net income attributable to ordinary shareholders of the parent company for the period with the effect of dilutive potential ordinary shares	\$ 29,231	78,404	0.37

	<u>For the six months ended June 30, 2024</u>		
	Amount	Weighted average	EPS
	after tax	Outstanding Number of	(NT\$)
		shares	
		(in thousands)	
<u>Basic EPS</u>			
Net income attributable to ordinary shareholders of the parent company	\$ 75,295	77,614	0.97
<u>Diluted EPS</u>			
Net income attributable to ordinary shareholders of the parent company for the period	\$ 75,295	77,614	
Effect of dilutive potential ordinary shares			
-Employee compensation	-	385	
-RSA	-	396	
Net income attributable to ordinary shareholders of the parent company for the period with the effect of dilutive potential ordinary shares	\$ 75,295	78,395	0.96

Note: It is not included in the calculation, as it is anti-dilutive.

(27) Supplemental cash flow information

- Investing activities that are only partially paid in cash:

	<u>For the six</u> <u>months ended</u> <u>June 30, 2025</u>	<u>For the six</u> <u>months ended</u> <u>June 30, 2024</u>
Acquisition of property, plant, and equipment	\$ 184,715	\$ 24,745
Add: Amount due to equipment at the beginning of the period	13,122	1,292
Less: Payable for equipment at the end of the period	(13,274)	(671)
Cash paid during the period	\$ 184,563	\$ 25,366

2. Financing activities not affecting cash flows:

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Cash dividends declared but not yet distributed	<u>\$ 73,320</u>	<u>\$ 32,104</u>

(28) Changes in liabilities arising from financing activities

	<u>Cash dividends payables</u>	<u>Short-term borrowings</u>	<u>Short-term bills payables</u>	<u>Guaranteed deposits received</u>	<u>Lease liabilities (current/non-current)</u>
January 1, 2025	\$ -	\$ 340,868	\$ -	\$ 6,384	\$ 106,567
Increase in short-term borrowings	-	903,360	10,000	-	-
Repayment of short-term borrowings	-	(775,965)	-	-	-
Decrease in guaranteed deposits received	-	-	-	(4,365)	-
Repayment of lease principal	-	-	-	-	(8,886)
Cash dividends declared	73,320	-	-	-	-
Effect of exchange rate	-	(10,377)	-	-	(7,391)
June 30, 2025	<u>\$ 73,320</u>	<u>\$ 457,886</u>	<u>\$ 10,000</u>	<u>\$ 2,019</u>	<u>\$ 90,290</u>
	<u>Cash dividends payables</u>	<u>Short-term borrowings</u>	<u>Guaranteed deposits received</u>	<u>Lease liabilities (current/non-current)</u>	
January 1, 2024	\$ -	\$ 119,800	\$ 5,069	\$ 174,141	
Increase in short-term borrowings	-	829,348	-	-	-
Repayment of short-term borrowings	-	(826,679)	-	-	-
Decrease in guaranteed deposits received	-	-	(2,887)	-	-
Increase in lease liabilities	-	-	-	-	2,761
Decrease in lease liabilities	-	-	-	(48,416)	
Repayment of lease principal	-	-	-	(10,039)	
Cash dividends declared	32,104	-	-	-	-
Effect of exchange rate	-	9,976	-	(2,490)	
June 30, 2024	<u>\$ 32,104</u>	<u>\$ 132,445</u>	<u>\$ 2,182</u>	<u>\$ 115,957</u>	

7. RELATED PARTY TRANSACTIONS

(1) Name and relationship of related parties

<u>Name of Related Party</u>	<u>Relationship with our Group</u>
Luxshare Precision Industry Co., Ltd. and its subsidiaries (Luxshare Group)	Group with substantive control over the Group
Speed Tech Corporation (SPEED TECH)	Parent company of the Group
Dongguan Leader Precision Industry Co.,Ltd.(Dongguan Leader)	Fellow subsidiary
Speed Tech ICT Sdn Bhd (SPEED MALAYSIA)	Fellow subsidiary
Speedtech Intelligence Co., Ltd. (Speedtech Intelligence)	Fellow subsidiary
Guangzhou Luxvisions Innovation Technology Limited (Guangzhou Luxvisions)	Fellow subsidiary
Teleray Smart Technologies (Dongguan) Co. LTD(Teleray Smart Technologies)	Other related party
All directors, general managers and key management personnel, etc.	Key management and governance units of the Group

(2) Significant transactions with related parties

1. Sales transactions

1) Operating revenue

The Group sold goods to related parties as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Luxshare Group	\$ 54,539	\$ 38,431
SPEED TECH	5	314
Fellow subsidiaries	14,980	7,156
Other related parties	83	-
	<u>\$ 69,607</u>	<u>\$ 45,901</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Luxshare Group	\$ 101,722	\$ 78,531
SPEED TECH	5	830
Fellow subsidiaries	23,137	10,144
Other related parties	83	-
	<u>\$ 124,947</u>	<u>\$ 89,505</u>

2) Accounts receivables

Accounts receivables arising from the aforementioned related party transactions are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Luxshare Group	\$ 83,076	\$ 67,570	\$ 57,346
SPEED TECH	-	2,297	841
Fellow subsidiaries	16,065	31,348	8,763
Other related parties	67	-	-
	<u>\$ 99,208</u>	<u>\$ 101,215</u>	<u>\$ 66,950</u>

The prices of the Group's sales to related parties are determined in accordance with the Group's transfer pricing policy, and the items sold are different from those of non-related parties. In addition, the collection period from related parties is 90 to 120 days per month, which differs from that of non-related parties depending on the items sold and the delivery method.

2. Office lease transactions

1) Operating expenses

The depreciation and utility costs incurred by the Group in renting office space to related parties are as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
SPEED TECH	<u>\$ 48</u>	<u>\$ 244</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
SPEED TECH	<u>\$ 485</u>	<u>\$ 480</u>

The rent for the above-mentioned office leasing transactions is set by agreement between the parties and is payable on a monthly basis.

2) Other payables

Other payables of the Group arising from the above related party transactions are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
SPEED TECH	<u>\$ 93</u>	<u>\$ 87</u>	<u>\$ 92</u>

3) Lease liabilities

The Group leases office space for a term of 5 years at a rent agreed between the parties and the rent is paid on a monthly basis. The details of the Group's lease liabilities arising from the above related party transactions are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
SPEED TECH	<u>\$ 788</u>	<u>\$ 1,178</u>	<u>\$ 1,566</u>

4) Finance costs

Interest expense recognized for the Group's lease liabilities:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
SPEED TECH	<u>\$ 2</u>	<u>\$ 4</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
SPEED TECH	<u>\$ 4</u>	<u>\$ 8</u>

Interests six months ended June 30 for the six months ended June 30, 2025 and 2024 are calculated at 0.86% per annum.

3. Transactions of Renting Plants

1) Other revenue

Details of rent income arising from renting plants to related parties are as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Fellow subsidiaries	\$ 161	\$ 125
Other related parties	<u>1,524</u>	<u>1,621</u>
	<u>\$ 1,685</u>	<u>\$ 1,746</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Fellow subsidiaries	\$ 245	\$ 247
Other related parties	<u>3,143</u>	<u>3,206</u>
	<u>\$ 3,388</u>	<u>\$ 3,453</u>

Rents of the aforementioned renting plants are negotiated by both parties, and rents are collected monthly.

2) Other receivables

Other receivables arising from the aforementioned transactions as of June 30, 2025, December 31, 2024, and June 30, 2024 all amounted to \$0.

4. Other Transactions

1) Operating expenses

The details of operating expenses arising from miscellaneous purchases paid by the Group to related parties and parking expenses are as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
SPEED TECH	<u>\$ 5</u>	<u>\$ 15</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
SPEED TECH	<u>\$ 10</u>	<u>\$ 29</u>

2) Other payables

As of June 30, 2025, December 31, 2024, and June 30, 2024, other payables arising from the aforementioned related party transactions all amounted to \$0.

3) Advance payment transactions/other receivables

Details of other receivables arising from other miscellaneous transactions and advance payment for related parties are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Fellow subsidiaries	<u>\$ 754</u>	<u>\$ 1,984</u>	<u>\$ 1,729</u>

(3) Key Management Compensation Information

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Short-term Employee Benefits	\$ 2,074	\$ 1,832
Share-based payments	-	518
	<u>\$ 2,074</u>	<u>\$ 2,350</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Short-term Employee Benefits	\$ 12,580	\$ 8,716
Share-based payments	-	1,035
	<u>\$ 12,580</u>	<u>\$ 9,751</u>

8. PLEDGED ASSETS

Details of the assets pledged as collaterals are as follows:

<u>Asset items</u>	<u>Carrying amount</u> <u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>Guarantee purposes</u>
Property, plant, and equipment-Land	\$ 65,345	\$ 72,655	\$ 71,088	Bank loans and endorsement and guarantee provided for subsidiaries
Property, plant and equipment-Building	195,300	197,837	199,252	"
Property, plant and equipment-Machinery equipment	8,666	10,105	12,810	"
Investment properties-Land	3,100	3,392	3,373	"
Right-of-use assets-Land	11,134	11,341	11,494	"
Financial assets at amortized cost-pledged time deposits	1,718	4,751	1,534	Guarantee for electricity
	<u>\$ 285,263</u>	<u>\$ 300,081</u>	<u>\$ 299,551</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

(1) Significant contingent liabilities

None.

(2) Significant unrecognized contractual commitments

1. Capital expenditures contracted for but not yet incurred

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Property, plant and equipment	\$ 30,311	\$ 76,431	\$ 277,570
Right-of-use assets - land	-	-	8,783
	<u>\$ 30,311</u>	<u>\$ 76,431</u>	<u>\$ 286,353</u>

2. As of June 30, 2025, December 31, 2024, and June 30, 2024 the Group's promissory notes for bank credit facilities amounted to \$1,323,579, \$905,208, and \$900,720, respectively.

3. The Group's endorsements and guarantees provided for other parties are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Guarantee amount	\$ 732,599	\$ 801,567	\$ 829,515
Actual usage amount	\$ 127,920	\$ 130,868	\$ 132,445

10. SIGNIFICANT DISASTER LOSSES

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital Management

The Group's objectives in managing capital are to protect the Company's ability to continue as a going concern, to maintain stable liquidity of corporate companies, to reduce the cost of capital by adjusting the optimal capital structure, and to provide remuneration to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors its capital by using a gearing ratio, which is calculated as total liabilities divided by total assets.

The Group's strategy for 2025 remains the same as for 2024. Please refer to the consolidated balance sheets for the debt ratios.

(2) Financial Instruments

1. Types of Financial Instruments

Please refer to Note 6 and the consolidated balance sheets for the information on the financial assets (cash and cash equivalent, financial assets at amortized cost-current, notes receivables, accounts receivables (including related parties), other receivables, financial assets at fair value through other comprehensive income-non-current and refundable deposits), financial liabilities(short-term borrowings, accounts payables, other payables, and lease liabilities (current/non-current), and guaranteed deposits received).

2. Risk Management Policy

- 1) The Group's daily operations are subject to a number of financial risks, including market risk (including exchange rate risk, price risk and interest rate risk), credit risk, and liquidity risk.
- 2) Risk management is performed by the Group's Finance Department in accordance with policies approved by the management. The Group's Finance Department is responsible for identifying, assessing, and hedging financial risks by working closely with the various operating units within the Company. Management has written principles for overall risk management and also provides written policies for specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

3. Nature and extent of significant financial risks

1) Market Risk

A. Exchange rate risk

(A) The Group's operations involve certain non-functional currencies (the functional currencies of the Group and subsidiaries are NTD, CNY, USD, and VND) and are therefore subject to exchange rate fluctuations. Information on assets and liabilities denominated in foreign currencies with significant exchange rate fluctuation effects is as follows:

<u>June 30, 2025</u>			
<u>Foreign</u>			
<u>currency</u>	<u>(in thousands)</u>	<u>Exchange rate</u>	<u>Carrying</u>
(Foreign currency: Functional currency)			amount (NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD: NTD	25,374	29.902	\$ 758,733
USD: CNY	2,143	7.1631	64,080
PHP: USD	42,980	0.0178	22,876
USD: VND	11,876	26,118	355,116
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD: NTD	11,296	29.902	337,773
USD: CNY	3,000	7.1631	89,706
PHP: USD	48,588	0.0178	25,861
USD: VND	4,776	26,118	142,812

<u>December 31, 2024</u>			
<u>Foreign</u>			
<u>currency</u>	<u>(in thousands)</u>	<u>Exchange rate</u>	<u>Carrying</u>
(Foreign currency: Functional currency)			amount (NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD: NTD	15,413	32.7170	\$ 504,267
USD: CNY	1,642	7.2988	53,721
PHP: USD	37,761	0.0173	21,373
USD: VND	11,064	24,475	361,981
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD: NTD	9,912	32.7170	\$ 324,291
USD: CNY	3,135	7.2988	102,568
PHP: USD	43,116	0.0173	24,404
USD: VND	5,465	24,475	178,798

<u>June 30, 2024</u>			
(Foreign currency: Functional currency)	<u>Foreign</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
	<u>currency</u>		<u>(NTD)</u>
	<u>(in thousands)</u>		
Financial Assets			
<u>Monetary items</u>			
USD: NTD	11,134	32.530	\$ 362,189
USD: CNY	2,127	7.268	69,191
PHP: USD	38,011	0.0170	21,050
USD: VND	10,982	25,455	357,244
Financial Liabilities			
<u>Monetary items</u>			
USD: NTD	8,461	32.530	275,236
USD: CNY	3,160	7.268	102,795
PHP: USD	40,652	0.0170	22,513
USD: VND	4,843	25,455	157,543

- (B) Please refer to Note 6(21) for the aggregate amount of all exchange (losses) gains (including realized and unrealized) recognized for the three months and six months ended June 30, 2025 and 2024 on the Group's monetary items that are materially affected by exchange rate fluctuations.
- (C) The Group's exposure to foreign currency market risk due to significant exchange rate fluctuations is analyzed as follows:

<u>For the six months ended June 30, 2025</u>				
<u>Sensitivity analysis</u>				
(Foreign currency: Functional currency)	<u>Variation</u>	<u>Effect on profit</u>		<u>Effect on other</u>
		<u>(loss)</u>		<u>comprehensive</u>
				<u>income (loss)</u>
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD: NTD	1%	\$	7,587	\$ -
USD: CNY	1%		641	-
PHP: USD	1%		229	-
USD: VND	1%		3,551	-
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD: NTD	1%		3,378	-
USD: CNY	1%		897	-
PHP: USD	1%		259	-
USD: VND	1%		1,428	-

<u>For the six months ended June 30, 2024</u>			
<u>Sensitivity analysis</u>			
	<u>Variation</u>	<u>Effect on profit (loss)</u>	<u>Effect on other comprehensive income (loss)</u>
(Foreign currency: Functional currency)			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD: NTD	1%	\$ 3,622	\$ -
USD: CNY	1%	692	-
PHP: USD	1%	211	-
USD: VND	1%	3,572	-
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD: NTD	1%	(2,752)	-
USD: CNY	1%	(1,028)	-
PHP: USD	1%	(225)	-
USD: VND	1%	(1,575)	-

B. Price risk

- (A) The equity instruments to which the Group is exposed to price risk are financial assets held at fair value through profit or loss and financial assets at fair value through other comprehensive income. In order to manage the price risk of equity instruments, the Group diversifies its investment portfolio in accordance with the limits set by the Group.
- (B) The Group invests primarily in equity instruments issued by domestic companies, and the prices of these instruments are affected by the uncertainty of the future value of the underlying investments. If the price of these instruments had increased or decreased by 1%, with all other factors held constant, the gain or loss on the equity instruments classified to be measured at fair value through other comprehensive income would increase or decrease by \$20 and \$42 for the six months ended June 30, 2025 and 2024, respectively.

C. Cash flow and fair value interest rate risk

- (A) The Group's interest rate risk arises primarily from long- and short-term loan issued at floating rates, which expose the Group to cash flow interest rate risk, partially offset by cash and cash equivalents held at floating rates. For the six months ended June 30, 2025 and 2024, the Group's loans at floating rates are denominated in U.S. dollars.
- (B) If loan interest rates had increased or decreased by 1%, with all other factors held constant, profit before tax for the six months ended June 30, 2025 and 2024 would decrease or increase by \$2,339 and \$662, respectively, primarily due to changes in interest expenses as a result of loans with floating rates.

2) Credit Risk

- A. The Group's credit risk is the risk of financial loss arising from the failure of customers or counterparties to financial instruments to meet their contractual obligations, mainly due to the failure of counterparties to settle notes and accounts receivable on collection terms.
- B. The Group has established credit risk management from a corporate perspective. According to the internal credit policy, each operating entity and each new customer of the Group are required to manage and analyze the credit risk before setting the terms and conditions of payment and delivery. Internal risk control is performed by considering the financial position, past experience, and other factors to assess the credit quality of customers. Individual risk limits are established by management based on internal or external ratings, and the use of credit limits is monitored regularly.
- C. The Group relies on historical collection experience to determine whether there is a significant increase in the credit risk of a financial instrument after initial recognition. A financial asset is considered to have a significant increase in credit risk after initial recognition when the contractual payment terms are more than 61 days past due.
- D. Based on the Group's historical collection experience, a default is deemed to have occurred when contractual payments are overdue for more than 181 days respectively in accordance with the contractual payment terms.
- E. The Group uses a simplified approach to estimate expected credit losses based on a provision matrix. Since the Group's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the provision matrix does not further differentiate between customer groups and only sets the expected credit loss rate based on the number of days past due
- F. After recourse procedures, the Group write offs the amount of financial assets that cannot be reasonably expected to be recovered, but the Group will continue to pursue recourse legal procedures to preserve the rights of debts.
- G. The loss rate established based on historical and current information for a specific period to estimate the loss allowances for notes and accounts receivables by incorporating forward-looking considerations, and the provision matrix are as follows:

<u>June 30, 2025</u>	<u>Not overdue</u>	<u>Overdue for 1-60 days</u>	<u>Overdue for 61-90 days</u>	<u>Overdue for 91-180 days</u>	<u>Overdue for over 181 days</u>	<u>Total</u>
Expected loss rate	0.05%	0.10%	0.15%-0.15%	0.20%-11.59%	100.00%	
Total amount of notes and accounts receivables	<u>\$ 478,989</u>	<u>\$ 21,722</u>	<u>\$ 1,292</u>	<u>\$ 176</u>	<u>\$ 4</u>	<u>\$ 502,183</u>
Loss allowances	<u>\$ 161</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165</u>
<u>December 31, 2024</u>	<u>Not overdue</u>	<u>Overdue for 1-60 days</u>	<u>Overdue for 61-90 days</u>	<u>Overdue for 91-180 days</u>	<u>Overdue for over 181 days</u>	<u>Total</u>
Expected loss rate	0.03%	0.06%	0.09%	0.12%-24.94%	100%	
Total amount of notes and accounts receivables	<u>\$ 559,657</u>	<u>\$ 4,747</u>	<u>\$ 9</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 564,419</u>
Loss allowances	<u>\$ 179</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180</u>

<u>June 30, 2024</u>	<u>Not overdue</u>	<u>Overdue for 1-60 days</u>	<u>Overdue for 61-90 days</u>	<u>Overdue for 91-180 days</u>	<u>Overdue for over 181 days</u>	<u>Total</u>
Expected loss rate	0.03%	0.03%	0.03-0.04%	0.03-24.94%	100%	
Total amount of notes and accounts receivables	<u>\$ 484,463</u>	<u>\$ 64,440</u>	<u>\$ 1,229</u>	<u>\$ 19</u>	<u>\$ 519</u>	<u>\$ 550,670</u>
Loss allowances	<u>\$ 157</u>	<u>\$ 19</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 519</u>	<u>\$ 696</u>

The above is an aging analysis based on the number of days past due.

H. The table of changes in loss allowances by simplified approach is as follows:

	<u>2025</u>	<u>2024</u>
January 1	\$ 180	\$ 139
Expected credit loss (gain)	(1)	549
Exchange rate effect	(14)	8
June 30	<u>\$ 165</u>	<u>\$ 696</u>

3) Liquidity Risk

- A. Cash flow forecasts are compiled by the Group's finance department. The Group's Finance Department monitors forecasts of the Company's liquidity requirements to ensure that it has sufficient funds to meet its operational needs and maintains sufficient unspent borrowing commitments at all times, considering the Company's debt financing plans, compliance with debt terms and compliance with internal balance sheet financial ratio targets.
- B. Surplus cash held by each operating entity that exceeds the management requirements is transferred back to the Group Treasury. The finance department of the Group invests the surplus fund in time deposits, marketable securities, or other instrument in the monetary market. The instruments selected shall be with appropriate maturity or sufficient liquidity, to respond to the aforementioned forecasts and provided sufficient fund position. As of June 30, 2025, December 31, 2024, and June 30, 2024, the above investments (excluding cash and cash equivalents) held by the Group amounted to \$54,464, \$125,945, and \$205,400 respectively, to generate immediate cash flows to manage liquidity risk.
- C. The Group's unutilized borrowing facilities as of June 30, 2025, December 31, 2024, and June 30, 2024 are \$825,463, \$948,963, and \$876,830, respectively.
- D. The Group's derivative financial liabilities and non-derivative financial liabilities are due within one year based on the remaining period from the balance sheet date to the contractual maturity date, except for those listed in the table below, and the contractual cash flow amounts disclosed are undiscounted amounts as follows:

<u>June 30, 2025</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>			
Lease liabilities (current/non-current)	\$ 22,316	\$ 78,376	\$ 100,692

<u>December 31, 2024</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>			
Lease liabilities (current/non-current)	\$ 23,903	\$ 102,520	\$ 126,423
 <u>June 30, 2024</u>	 <u>Within 1 year</u>	 <u>Over 1 year</u>	 <u>Total</u>
<u>Non-derivative financial liabilities:</u>			
Lease liabilities (current/non-current)	\$ 23,895	\$ 108,032	\$ 131,927

(3) Fair Value

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available to the enterprise at the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Direct or indirect observable inputs of assets or liabilities, excluding those included in the quoted prices in Level 1

Level 3: Unobservable inputs of assets or liabilities

2. Please refer to Note 6(9) for the fair value of investment properties measured at cost.
3. Financial instruments that are not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, financial assets carried at amortized cost - current, notes receivables, accounts receivables, net (including related parties), other receivables, refundable deposits, short-term borrowings, short-term bills payables, accounts payables, other payables, lease liabilities - current, lease liabilities (current/non-current), and guaranteed deposits received, are the reasonable approximation of fair value.

4. The Group classifies financial and non-financial instruments measured at fair value on the basis of the nature, characteristics and risks of the assets and liabilities and the fair value hierarchy, and the related information is as follows:

- 1) Information on assets classified by nature is as follows:

<u>June 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair value on a recurring basis				
Financial assets at fair value through other comprehensive income				
-Equity securities	\$ -	\$ -	\$ 2,041	\$ 2,041

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair value on a recurring basis				
Financial assets at fair value through other comprehensive income				
-Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,374</u>	<u>\$ 2,374</u>
<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair value on a recurring basis				
Financial assets at fair value through other comprehensive income				
-Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,176</u>	<u>\$ 4,176</u>

- 2) The methods and assumptions used by the Group to measure fair value are described below:

Level 3 Fair Value Measurement Valuation Techniques and Inputs

Types of Financial Instruments

Investment in domestic unlisted stocks

Evaluation techniques and inputs

Asset-based method: Based on the balance sheet of the appraised company, the value of the appraised company is determined by the value of appraised company's assets and liabilities evaluated.

5. There are no transfers between Level 1 and Level 2 for the six months ended June 30, 2025 and 2024.
6. The following table shows the changes in Level 3:

	<u>2025</u>	<u>2024</u>
	<u>Non-derivative equity instruments</u>	<u>Non-derivative equity instruments</u>
January 1	\$ 2,374	\$ 4,492
Recognized in other comprehensive income (loss)	(333)	(316)
June 30	<u>\$ 2,041</u>	<u>\$ 4,176</u>

7. The Group's valuation process for fair value classification in Level 3 involves the finance department conducting independent fair value verification of financial instruments, using independent sources of information to approximate market conditions, confirming that the sources of information are independent, reliable, consistent with other sources and representative of executable prices, regularly calibrating the valuation models, performing back testing, updating input values and information required for the valuation models, and any other necessary fair value adjustments to ensure that the valuation results are reasonable.

8. The quantitative information of significant unobservable inputs used in the valuation model of level 3 fair value measurement and the sensitivity analysis to the changes in significant unobservable inputs are as follows:

<u>June 30, 2025</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship between the inputs and fair value</u>
Non-derivative equity instruments:					
Stock of unlisted companies	\$ 2,041	Net asset value method	N/A	-	N/A
<u>December 31, 2024</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship between the inputs and fair value</u>
Non-derivative equity instruments:					
Stock of unlisted companies	\$ 2,374	Net asset value method	N/A	-	N/A
<u>June 30, 2024</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship between the inputs and fair value</u>
Non-derivative equity instruments:					
Stock of unlisted companies	\$ 4,176	Net asset value method	N/A	-	N/A

9. The Group carefully evaluates the valuation models and valuation parameters selected by the Group, but different valuation models or valuation parameters may lead to different valuation results. For financial assets classified as Level 3, a 0.1% increase or decrease in net assets would have no material impact on the Group's other comprehensive income (loss).

13. OTHER DISCLOSURES

(1) Significant Transaction Information

1. Loaning funds to others: Please refer to Exhibit 1.
2. Endorsement and guarantee for others: Please refer to Exhibit 2 (attached).
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies and joint ventures): Please refer to Exhibit 3 (attached).
4. Purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to Exhibit 4 (attached).
5. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to Exhibit 5 (attached).
6. Business relationships and significant transactions between the Parent Company and its subsidiaries: Please refer to Exhibit 6 (attached).

(2) Transfers of investment business information

Name of investee company, location, and other related information (excluding Mainland China investee company): Please refer to Exhibit 7.

(3) Mainland Investment Information

1. Basic information: Please refer to Exhibit 8 (attached).
2. Significant transactions directly or indirectly between the third-party business and the investee company in Mainland China: Please refer to Note 13(1)6.

14. SEGMENT INFORMATION

(1) General Information

The Group's management has identified reportable segments based on the reporting information used to make decisions, to allocate resources and to measure the performance of the segment, with emphasis on the type of product or service delivered or provided. The Group's reportable segments are as follows:

Molds

Plastic molding

(2) Measurement of Segment Information

The accounting policies of the Group's operating segments are the same as those described in the summary of significant accounting policies in Note 4 to the consolidated financial statements. The Group's operating decision makers evaluate the performance of each operating segment based on net operating profit or loss.

(3) Segment Information

Information on reportable departments provided to the chief operating decision maker is as follows:

<u>For the six months ended</u>			<u>Reconciliation and</u>	
<u>June 30, 2025</u>	<u>Mold</u>	<u>Plastic molding</u>	<u>Write off</u>	<u>Total</u>
External Revenue	\$ 76,054	\$1,192,249	\$ -	\$ 1,268,303
Internal segment revenue	(74,096)	(366,944)	441,040	-
Segment revenue	<u>\$ 1,958</u>	<u>\$ 825,305</u>	<u>\$ 441,040</u>	<u>\$ 1,268,303</u>
Segment profit (loss)	<u>(\$ 13,233)</u>	<u>\$ 100,478</u>	<u>\$ -</u>	<u>\$ 87,245</u>
Segment profit (loss) includes:				
Depreciation and amortization	<u>\$ 3,757</u>	<u>\$ 58,891</u>	<u>\$ -</u>	<u>\$ 62,648</u>

<u>For the six months ended</u>			<u>Reconciliation and</u>	
<u>June 30, 2024</u>	<u>Mold</u>	<u>Plastic molding</u>	<u>Write off</u>	<u>Total</u>
External Revenue	\$ 113,391	\$1,072,042	\$ -	\$ 1,185,433
Internal segment revenue	78,539	306,595	(385,134)	-
Segment revenue	<u>\$ 191,930</u>	<u>\$1,378,637</u>	<u>(\$ 385,134)</u>	<u>\$ 1,185,433</u>
Segment profit (loss)	<u>(\$ 11,610)</u>	<u>\$ 104,348</u>	<u>\$ -</u>	<u>\$ 92,738</u>
Segment profit (loss) includes:				
Depreciation and amortization	<u>\$ 6,543</u>	<u>\$ 61,861</u>	<u>\$ -</u>	<u>\$ 68,404</u>

(4) Reconciliation of segment profit and loss

Inter-segment sales are accounted for on a fair-trade basis. External revenue reported to the chief operating decision maker is measured in a manner consistent with revenue in the consolidated statements of income.

A reconciliation of segment income to income before income taxes and the continuing operation department is as follows:

	<u>For the six months</u> <u>ended June 30, 2025</u>	<u>For the six months</u> <u>ended June 30, 2024</u>
Segment profit (loss)	\$ 87,245	\$ 92,738
Interest income	2,767	4,545
Other income	10,163	8,147
Other gains and (losses)	(25,174)	24,738
Financial costs	(12,782)	(7,757)
Profit (loss) before tax from continuing operations	<u>\$ 62,219</u>	<u>\$ 122,411</u>

TaiHan Precision Technology Co., Limited and subsidiaries

Loaning funds to others

For the six months ended June 30, 2025

Unit: NT\$1,000,000
(Unless otherwise specified)

No.	Loan funds company	Lender	Past items	Is a	Current	End of	Actual	Interest	Nature of Funding Loan	Business	There are reasons why	Allowance	Amount of loss	Collateral		The limit for individual target funds lending	Funding Loan and Total Limit	Note
				related party	Maximum Amount	year balance	expenditure Amount	Rate Range		Transaction amount	short-term financing funds are necessary			Name	Value			
0	The Company	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	Other receivables related parties	Yes	\$ 66,194	\$ 59,804	\$ -	-	Those who have the need for short-term financing funds	\$ -	Operational Turnaround	\$ -		\$ -	\$ -	\$ 694,984	\$ 694,984	Note 1.Note 2
0	The Company	YONGHAN PRECISION TECHNOLOGY CO., LTD.	Other receivables related parties	Yes	430,261	388,726	299,020		Those who have the need for short-term financing funds	-	Operational Turnaround	-		-	-	694,984	694,984	Note 1.Note 2
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN MOLD PRODUCTS (DONGGUAN)	Other receivables related parties	Yes	182,034	164,461	74,755	-	Those who have the need for short-term financing funds	-	Operational Turnaround	-		-	-	796,922	796,922	Note 3
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	Other receivables related parties	Yes	33,097	29,902	-	-	Those who have the need for short-term financing funds	-	Operational Turnaround	-		-	-	796,922	796,922	Note 3
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHANLAND (PHILIPPINES) INC.	Other receivables related parties	Yes	132,388	119,608	38,873	-	Those who have the need for short-term financing funds	-	Operational Turnaround	-		-	-	796,922	796,922	Note 3
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	YONGHAN PRECISION TECHNOLOGY CO., LTD.	Other receivables related parties	Yes	119,640	119,608	-	-	Those who have the need for short-term financing funds	-	Operational Turnaround	-		-	-	796,922	796,922	Note 3

Note 1: The total amount of the Company's capital loans shall not exceed 50% of the net value of the Company's most recent accountants' report. Of which, 1. the total amount of funds financed to companies or entities that have business transactions with the Company shall not exceed 10% of the net worth of the financial statements audited by CPA in the most recent period. 2. the total amount of funds financed to companies or entities in need of short-term fund financing shall not exceed 40% of the net worth of the financial statements audited by CPA in the most recent period

Note 2: If the Company engages in the lending of funds for short-term financing purposes, the total amount of funds lent shall not exceed 40% of the Company's latest accountants' net worth. The amount of individual loans shall not exceed 10% of the net value of the Company's most recent accountants' report.

The amount of individual loans shall not exceed 10% of the Company's latest audited financial statements and shall not exceed 40% of the Company's net worth if the loans are made to the Company's subsidiaries (including indirectly reinvested subsidiaries).

Note 3: If TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD. engages in the lending of funds for short-term financing purposes, the total amount of funds lent and the amount of individual funds lent shall not exceed 40% and 20% of the net value of the most recent audited financial statements of TAIHAN PRECISION TECHNOLOGY (SAMOA) CO. If the borrower is the subsidiary which the Company holds directly or indirectly 100% of the voting shares, the total amount of funds lent and the amount of individual funds lent shall not exceed 40% and 40% of the net value of the most recent audited financial statements of TAIHAN PRECISION TECHNOLOGY (SAMOA) CO. The audited net worth of TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD. for the six months ended June 30, 2025 amounted to \$1,992,304.

Note 4: The above transactions are related party transactions that have been eliminated in the consolidated financial statements.

TaiHan Precision Technology Co., Limited and subsidiaries
Endorsement for others
For the six months ended June 30, 2025

Unit: NT\$1,000,000
(Unless otherwise specified)

Exhibit 2

No.	Endorser	Endorsed by the guarantee Relationship	Endorsement guarantee limit for a single enterprise		Current Maximum Endorsement Guarantee Balance	The End-of-Term Endorsement Guaranteed Balance	Actual expenditure amount	Amount of endorsement guarantee by property guarantee	Ratio of accumulated endorsement guarantee to net worth of the most recent financial statements	Endorsement Guarantee Maximum Limit	Parent company endorsement of subsidiary	Subsidiary endorsement of parent company	Endorsement guarantee for mainland China	Note
(Note 1)	Company Name	Company Name	(Note 2)	(Note 3)										
0	The Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	(2)	\$ 868,731	\$ 198,582	\$ 179,412	\$ -	\$ -	10%	\$ 1,737,461	Y	N	N	Note 3
0	The Company	YONGHAN PRECISION TECHNOLOGY CO., LTD.	(2)	868,731	182,034	164,461	-	-	9%	1,737,461	Y	N	N	Note 3
0	The Company	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	(2)	868,731	397,164	358,824	119,608	-	21%	1,737,461	Y	N	N	Note 3
0	The Company	TaiHan Mold Products (Dongguan) Co., Ltd.	(2)	868,731	33,097	29,902	8,312		2%	1,737,461	Y	N	Y	Note 3
1	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	TAIHANLAND (PHILIPPINES) INC.	(4)	527,616	-	-	-	-	0%	527,616	N	N	N	Note 4
2	TAIHANLAND (PHILIPPINES) INC.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	(4)	378,428	-	-	-	-	0%	378,428	N	N	N	Note 5

Note 1: The description of the number column is as follows.

(1) The issuer is entered as 0.

(2) The investee companies are numbered in order by company, starting from the Arabic numeral

Note 2: There are 7 types of relationships between the guarantor and the target of the endorsement, and the types can be indicated as follows

(1) Companies with business dealings.

(2) Companies in which the company directly or indirectly holds more than 50% of the voting shares.

(3) Companies in which more than 50% of the voting shares are directly or indirectly held by the company.

(4) Companies in which the Company directly or indirectly holds more than 90% of the voting shares.

(5) A company that is mutually insured under a contract between peers or co-founders for the purpose of contracting for work.

(6) A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.

(7) Intercompany guarantees for the performance of contracts for the sale of pre-sale properties in accordance with the Consumer Protection Act.

Note 3: The total amount of endorsements and guarantees provided by the Company shall not exceed 100% of the net worth of the Company's financial statements attested by CPA in the most recent period. The accumulated amount of endorsements and guarantees provided for a single entity shall not exceed 25% of the net worth of the Company's financial statements attested by CPA in the most recent period. If the endorsee or guarantee is the Company's subsidiary (including sub-subsidiary), the amount of endorsements and guarantees provided by the Company shall not exceed 50% of the net worth of the Company's financial statements attested by CPA in the most recent period.

Note 4: The total amount of endorsements and guarantees provided by TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC. shall not exceed 100% of the net worth of TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.'s financial statements attested by CPA in the most recent period. The accumulated amount of endorsements and guarantees provided for a single entity shall not exceed 25% of the net worth of TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.'s financial statements attested by CPA in the most recent period. If the endorsee or guarantee and endorser or guarantor are subsidiaries which the Company holds directly or indirectly 100% of the voting shares, the amount of endorsements and guarantees shall not exceed 100% of the net worth of the guarantor's financial statements attested by CPA in the most recent period. The net worth of TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC. for the six months ended June 30, 2025 amounted to \$527,616.

Note 5: The total amount of endorsements and guarantees provided by TAIHANLAND (PHILIPPINES) INC. shall not exceed 100% of the net worth of TAIHANLAND (PHILIPPINES) INC.'s financial statements attested by CPA in the most recent period. The accumulated amount of endorsements and guarantees provided for a single entity shall not exceed 25% of the net worth of TAIHANLAND (PHILIPPINES) INC.'s financial statements attested by CPA in the most recent period. If the endorsee or guarantee and endorser or guarantor are subsidiaries which the Company holds directly or indirectly 100% of the voting shares, the amount of endorsements and guarantees shall not exceed 100% of the net worth of the guarantor's financial statements attested by CPA in the most recent period. The net worth of TAIHANLAND (PHILIPPINES) INC.

for six months ended June 30, 2025 amounted to \$378,428.

Note 6: The exchange rates used for the translation of endorsement are based on the resolution by the board of directors.

TaiHan Precision Technology Co., Limited and subsidiaries
Significant marketable securities held at the end of the period
June 30, 2025

Exhibit 3

Unit: NT\$1,000
(Unless otherwise specified)

<u>Company held</u>	<u>Types and names of securities</u>	<u>Relationship with the issuer of</u> <u>marketable securities</u>	<u>Billing Subjects</u>	<u>Number of shares</u>	<u>Carrying amount</u>	<u>End of period</u>		<u>Fair Value</u>	<u>Note</u>
						<u>Percentage of</u> <u>ownership</u>			
Our Company	Ordinary shares of non-listed counterparties - Asia Pacific Emerging Industry Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - non-current	175	\$ 2,041	0.56%	\$	2,041	-

Note: The percentage of ownership is calculated based on the total number of shares issued by the investee.

TaiHan Precision Technology Co., Limited and subsidiaries
Purchases from or sales to related parties amounting to at least \$100 million or 20% of
the paid-in capital

For the six months ended June 30, 2025

Exhibit 4

Unit: NT\$1,000

(Unless otherwise specified)

Transaction Details							The circumstances and reasons why the transaction conditions are different from those of normal transactions		Notes and accounts receivables (payables)		Note
Company of purchase (sales)	Counterparty Name	Relationship	Purchase (Sales)	Amount	Percentage of total imports (sales)	Credit Period	Unit price	Credit Period	Balance of notes and accounts receivables (payables)	Percentage accounting for total notes and accounts receivables (payables)	Note
The Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	Sub- subsidiary	Purchase	\$ 337,354	79%	120 days	According to Our Company's transfer pricing policy system	No significant differences	(\$ 193,530)	89%	Note
TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	The Company	The Company	(Sales)	(337,354)	(64%)	120 days	According to Our Company's transfer pricing policy system	No significant differences	193,530	76%	Note

Note: The amounts have been eliminated in the consolidated financial statements.

TaiHan Precision Technology Co., Limited and subsidiaries
Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital

For the six months ended June 30, 2025

Exhibit 5

Unit: NT\$1,000

(Unless otherwise specified)

<u>Company with receivables</u>	<u>Counterparty</u>	<u>Relationship</u>	<u>Balance of receivables from</u>		<u>Turnover rate</u>	<u>Overdue receivables from related parties</u>		<u>Treatment</u>	<u>Receivables from related parties collected in subsequent</u>		<u>Allowance for bad debt</u>
			<u>\$</u>	<u>related parties</u>		<u>Amount</u>			<u>period</u>		
TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	The Company	Sub-subsidiary	\$	193,530	3.79	\$	-	None	\$	22,554	-

TaiHan Precision Technology Co., Limited and subsidiaries
Business relationships and significant transactions between the Parent Company and its subsidiaries and their respective subsidiaries and amounts
For the six months ended June 30, 2025

Exhibit 6

Unit: NT\$1,000
(Unless otherwise specified)

No. (Note 1)	Name of the trader	Trading partners	Relationship with the counterparty (Note 2)	Account	Amount	Transaction history		As a percentage of consolidated total revenue or Total assets (Note 3)
						Terms of Trade		
0	The Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	1	Operating costs	\$ 337,354	According to the Company's transfer pricing policy system		26.60%
0	The Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	1	Accounts payables	193,530	Credit on 120 days		6.43%
0	The Company	TaiHan Mold Products (Dongguan) Co., Ltd.	1	Operating costs	56,695	According to the Company's transfer pricing policy system		4.47%
0	The Company	YONGHAN PRECISION TECHNOLOGY CO., LTD.	1	Other receivables	299,020	Please refer to Exhibit 1.		9.93%
3	TaiHan Mold Products (Dongguan) Co., Ltd.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	3	Operating revenue	35,410	According to the Company's transfer pricing policy system		2.79%
3	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TaiHan Mold Products (Dongguan) Co., Ltd.	3	Other receivables	74,755	Please refer to Exhibit 1.		2.48%
3	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHANLAND (PHILIPPINES) INC.	3	Other receivables	38,873	Please refer to Exhibit 1.		1.29%
3	TAIHANLAND (PHILIPPINES) INC.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	3	Rent income	14,615	Negotiation by both parties.		1.15%

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the numbers should be completed as follows.

(1). Enter 0 for the parent company.

(2). The subsidiaries are numbered by company, starting with the Arabic numeral 1.

Note 2: There are three types of relationships with the counterparties as follows. For example, if the parent company has disclosed the transaction with the subsidiary, the subsidiary does not need to disclose the transaction repeatedly.

For subsidiary-to-subsidiary transactions, if one subsidiary has already disclosed the transaction, the other subsidiary does not need to disclose it repeatedly).

(1). Parent to subsidiary.

(2). Subsidiary to parent company.

(3). Subsidiaries to subsidiaries.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets is calculated as the ending balance to consolidated total assets in the case of assets and liabilities, or as the cumulative amount to consolidated total revenue in the case of profit or loss.

Note 4: The ratio of inter-parent-subsidiary business relationships and significant transactions is only disclosed if the ratio reaches 1% or more of the consolidated total revenue or total assets.

Note 5: Please refer to Exhibit 1 and 2 for fund financing and endorsement and guarantees between the parent company and subsidiaries and among subsidiaries.

TaiHan Precision Technology Co., Limited and subsidiaries

Name of investee company, location and other related information (excluding Mainland China investee company)

For the six months ended June 30, 2025

Exhibit 7

Unit: NT\$1,000
(Unless otherwise specified)

Name of Investment Company	Name of investee company	Location	Main Business Items	Original investment amount		Held at end of period			Profit or loss of investees for the period	Investment income (or loss) recognized for the period	Note
				End of the period	End of last year	Number of shares	%	Carrying amount			
The Company	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	Samoa	Professional Investment Business	\$ 1,203,162	\$ 1,203,162	35,789,761	100%	\$ 1,992,304	\$ 105,687	\$ 94,587	
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN HOLDING (SAMOA) CO., LTD.	Samoa	Professional Investment Business	501,558	501,558	14,299,664	100%	53,256	6,458	-	Note
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	YONGHAN HOLDING (SAMOA) CO., LTD.	Samoa	Professional Investment Business	321,162	321,162	10,023,632	100%	1,054,800	51,624	-	Note
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN HOLDING PHILIPPINES CO., LTD.	Seychelles	Professional Investment Business	693,657	693,657	22,989,000	100%	906,044	50,947	-	Note
YONGHAN HOLDING (SAMOA) CO., LTD.	YONGHAN PRECISION TECHNOLOGY CO., LTD.	Vietnam	Production and sales of various precision molds and plastic products, etc.	320,391	320,391	-	100%	1,054,800	51,624	-	Note
TAIHAN HOLDING PHILIPPINES CO., LTD.	TAIHANLAND (PHILIPPINES) INC.	Philippines	Holding the production base of Land and plant	308,755	308,755	-	100%	378,428	12,539	-	Note
TAIHAN HOLDING PHILIPPINES CO., LTD.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	Philippines	Production and sales of various precision molds and plastic products, etc.	319,567	319,567	-	100%	527,616	43,485	-	Note

Note: As the gains or losses on investees of the subsidiaries directly invested by the Company have been recognized by each investor company, the information is not disclosed.

TaiHan Precision Technology Co., Limited and subsidiaries

Mainland China Investment Information - Basic Information

For the six months ended June 30, 2025

Exhibit 8

Unit: NT\$1,000

(Unless otherwise specified)

<u>Name of Mainland China investee company</u>		<u>Paid-in capital</u>	<u>Investment Method (Note 1)</u>	<u>Accumulated investment amount remitted from Taiwan in the beginning of the period</u>	<u>Amount of investments remitted or recovered during the period</u>		<u>Accumulated investment amount remitted from Taiwan at the end of the period</u>	<u>Profit (loss) of investees for the period</u>	<u>Shareholding of our Company's direct or indirect investments</u>	<u>Investment income (or loss) recognized for the period (Note 2)</u>	<u>Ending carrying amount of investments</u>	<u>As at the end of the period Investment income remitted</u>	<u>Note</u>
<u>Main Business Items</u>					<u>Remittance</u>	<u>Retrieval</u>							
TaiHan Mold Products (Dongguan) Co., Ltd.	Production and sales of various precision molds and plastic products, etc.	\$ 531,740	(2)	\$ 531,740	\$ -	\$ -	\$ 531,740	\$ 6,458	100%	\$ 6,458	\$ 53,256	\$ -	Invested in mainland China companies through TAIHAN HOLDING (SAMOA) CO., LTD.

Note 1: Investment methods are divided into the following three categories, and the labeling of each category is sufficient.

- (1). Direct investment in mainland China
- (2). Reinvesting in Mainland China through a third-party company (please specify the third-party investment company)
- (3). Other methods

Note 2: The investment income or loss recognized in the current period is based on the financial statements audited by the Company's accountants.

Note 3: The calculation of the investment limit in Mainland China is based on each investment entity. According to the regulations of the Investment Commission of the Ministry of Economic Affairs, the maximum percentage of investment in Mainland China is limited to 60% of the net value of the company.

		<u>Accumulated</u> <u>remittances from</u> <u>Taiwan to China at the</u> <u>end of the period</u>	<u>Investment amount</u> <u>approved by</u> <u>MOEAIC</u>	<u>Investment quota in</u> <u>mainland China</u> <u>according to</u> <u>MOEAIC</u> <u>regulations (Note 3)</u>
The Company	\$ 531,740	\$ 531,740	\$ 1,042,477	