

**CHIN POON INDUSTRIAL CO., LTD.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the six months ended June 30, 2025 and 2024**

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

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Independent Auditors' Review Report

To the Board of Directors Chin-Poon Industrial Co., Ltd.:

Foreword

We have reviewed the accompanying consolidated balance sheets of Chin-Poon Industrial Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the six months ended June 30, 2025 and 2024, as well as changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 the consolidated financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements 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 caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of Chin-Poon Industrial Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024 and its consolidated financial performance 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.

KPMG

Taipei, Taiwan (Republic of China)

12 August, 2025

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHIN POON INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Financial Position
June 30, 2025, December 31 and June 30, 2024
(All amounts expressed in thousands of New Taiwan dollars)

		2025.06.30		2024.12.31		2024.06.30				2025.06.30		2024.12.31		2024.06.30	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
11XX	Current assets:							21XX	Current liabilities:						
1100	Cash and cash equivalents (note 6(a))	\$ 2,510,207	11	2,964,354	13	2,896,670	13	2100	Short-term loans (notes 6(j), 8 and 9)	\$ 641,102	3	786,408	3	422,500	2
1110	Financial assets measured at fair value through profit and loss — current (note 6(b))	2,146,935	10	2,519,146	11	2,201,215	10								
1150	Notes receivable, net (notes 6(e) and (q))	8,362	-	7,799	-	17,333	-	2150	Notes payable	396,839	2	402,024	2	623,904	3
1170	Accounts receivable, net (notes 6(e) and (q))	3,206,550	14	3,545,722	16	3,663,951	16	2170	Accounts payable	1,774,375	8	1,743,228	7	1,761,274	8
1200	Other receivables (note 6(f))	74,542	-	104,996	-	89,029	-	2216	Dividends payable (note 6(o))	735,366	3	-	-	496,869	2
1220	Current income tax assets	76,340	-	76,790	-	36,598	-	2219	Other payables (note 6(r))	1,089,629	5	1,117,043	5	1,176,776	5
130X	Inventories (note 6(g) and 9)	3,167,056	14	3,136,157	13	3,135,096	13	2230	Current tax liabilities	152,619	1	7,903	-	253,291	1
1410	Prepayments	72,178	-	89,251	-	58,137	-	2280	Current lease liabilities (note 6(l))	36,726	-	44,155	-	50,399	-
1476	Other financial assets — current (note 6(d))	1,433,529	6	1,995,316	9	2,743,860	12			-	-	-	-	-	-
1479	Other current assets	101,313	1	97,771	-	96,997	-	2399	Other current liabilities (note 6(q))	993,693	4	1,051,062	5	1,006,213	4
								21XX	Total current liabilities	5,820,349	26	5,151,823	22	5,791,226	25
11XX	Total current assets	12,797,012	56	14,537,302	62	14,938,886	64	25XX	Non-Current liabilities:						
15XX	Non-current assets:							2540	Long term loans (note 6(k))	291,410	1	327,670	2	325,000	1
1536	Non-current financial assets at amortized cost (note 6(c))	830,838	4	641,749	3	634,699	3	2570	Deferred tax liabilities	703,993	3	705,481	3	566,221	2
1600	Property, plant and equipment (notes 6(h), 7, 8 and 9)	5,770,284	25	5,894,218	25	5,857,160	25	2580	Non-current lease liabilities (note 6(l))	85,635	1	107,476	-	126,283	1
1755	Right-of-use assets (note 6(i))	154,848	1	187,531	1	212,305	1	2630	Long-term deferred revenue	24,603	-	29,146	-	31,051	-
1840	Deferred tax assets	249,914	1	257,603	1	251,074	1	2640	Net defined benefit liability — non-current	36,864	-	38,401	-	37,227	-
1915	Prepayments for equipment (note 9)	1,816	-	1,869	-	6,879	-	2XXX	Total non-current liabilities	1,142,505	5	1,208,174	5	1,085,782	4
1975	Net defined benefit asset — non-current	127,529	1	121,237	-	105,373	-	31XX	Total liabilities	6,962,854	31	6,359,997	27	6,877,008	29
1980	Other financial assets — non-current (note 4(d))	2,822,126	12	1,950,501	8	1,376,915	6		Equity attributable to shareholders of the parent (note 6(o)):						
								3110	Common stock	3,974,954	17	3,974,954	17	3,974,954	17
								3200	Capital surplus	1,580,591	7	1,580,591	7	1,580,484	7
	Total non-current assets	9,957,355	44	9,054,708	38	8,444,405	36	3300	Retained earnings:						
								3310	Legal reserve	2,677,640	12	2,563,709	11	2,563,709	11
								3320	Special reserve	-	-	447,333	2	447,333	2
								3350	Unappropriated earnings	8,529,151	37	8,625,301	36	8,149,802	35
										11,206,791	49	11,636,343	49	11,160,844	48
								3400	Other equity:						
								3410	Foreign currency translation differences for foreign operations	(971,301)	(4)	39,439	-	(210,441)	(1)
								31XX	Total equity attributable to shareholders of the Company	15,791,035	69	17,231,327	73	16,505,841	71
								36XX	Non-controlling interests	478	0	686	0	442	0
								3XXX	Total equity	15,791,513	69	17,232,013	73	16,506,283	71
1XXX	Total assets	\$ 22,754,367	100	23,592,010	100	23,383,291	100	2-3XXX	Total liabilities and equity	\$ 22,754,367	100	23,592,010	100	23,383,291	100

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHIN POON INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Three Months and Six Months Ended June 30, 2025 and 2024
(All amounts expressed in thousands of New Taiwan dollars)

		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (note 6(q))	\$ 4,090,809	100	4,168,378	100	7,931,259	100	8,269,956	100
5000	Operating costs (notes 6(g), (m), (r) and 7)	3,647,394	89	3,533,103	85	7,004,790	88	6,986,351	84
5900	Gross profit	443,415	11	635,275	15	926,469	12	1,283,605	16
6000	Operating expenses (notes 6(e), (m), (r) and 7):								
6100	Selling expenses	109,554	3	105,744	3	217,400	3	215,433	3
6200	Administrative expenses	133,498	3	139,942	3	259,926	3	271,675	3
6300	Research and development expenses	79,048	2	86,190	2	165,382	2	170,822	2
6450	Expected credit losses (reversal of expected credit losses)	(28,832)	(1)	247	-	1,918	-	14,270	-
	Total operating expenses	293,268	7	332,123	8	644,626	8	672,200	8
6900	Operating income	150,147	4	303,152	7	281,843	4	611,405	8
7000	Non-operating income and expenses (notes 6(b), (l) and (s)):								
7100	Interest income	49,696	1	58,130	1	98,716	1	100,534	1
7010	Other income	65,544	2	143,920	3	120,796	1	187,266	2
7020	Other gains and losses	(130,346)	(3)	28,243	1	(64,568)	(1)	108,118	1
7050	Finance costs	(13,040)	(1)	(14,391)	-	(27,614)	-	(34,579)	-
	Total non-operating income and expenses	(28,146)	(1)	215,902	5	127,330	1	361,339	4
7900	Income before income tax	122,001	3	519,054	12	409,173	5	972,744	12
7950	Less: Income tax expenses (note 6(n))	24,525	1	179,204	4	103,385	1	308,898	4
	Net income	97,476	2	339,850	8	305,788	4	663,846	8
8300	Other comprehensive income (loss) :								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Foreign currency translation differences for foreign operations	(1,221,951)	(30)	109,141	3	(1,010,922)	(13)	236,849	3
8399	Less: income tax related to items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(1,221,951)	(30)	109,141	3	(1,010,922)	(13)	236,849	3
8300	Other comprehensive income (loss) :	(1,221,951)	(30)	109,141	3	(1,010,922)	(13)	236,849	3
8500	Total comprehensive income	\$ (1,124,475)	(28)	448,991	11	(705,134)	(9)	900,695	11
8600	Net income (loss) attributable to:								
8610	Shareholders of the Company	\$ 97,494	2	339,826	8	305,814	4	663,811	8
8620	Non-controlling interests	(18)	-	24	-	(26)	-	35	-
		\$ 97,476	2	339,850	8	305,788	4	663,846	8
8700	Total comprehensive income attributable to:								
8710	Shareholders of the Company	\$ (1,124,214)	(28)	448,955	11	(704,926)	(9)	900,703	11
8720	Non-controlling interests	(261)	-	36	-	(208)	-	(8)	-
		\$ (1,124,475)	(28)	448,991	11	(705,134)	(9)	900,695	11
	Earnings per share(expressed in New Taiwan dollars) (note 6(p))								
9750	Basic earnings per share	\$ 0.25		0.85		0.77		1.67	
9850	Diluted earnings per share	\$ 0.24		0.85		0.77		1.67	

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHIN POON INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2025 and 2024
(All amounts expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the Company							Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity	
	Common stock	Capital surplus	Retained earnings			Other equity Foreign currency translation differences for foreign operations					
			Legal reserve	Special reserve	Unappropriated earnings						
							Subtotal				
Balance at January 1, 2024	\$	3,974,954	1,580,484	2,490,821	304,879	8,198,202	10,993,902	(447,333)	16,102,007	450	16,102,457
Appropriation and distribution:		-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	72,888	-	(72,888)	-	-	-	-	-
Special reserve		-	-	-	142,454	(142,454)	-	-	-	-	-
Cash dividends		-	-	-	-	(496,869)	(496,869)	-	(496,869)	-	(496,869)
Net income (loss) for the year		-	-	-	-	663,811	663,811	-	663,811	35	663,846
Other comprehensive income for the year		-	-	-	-	-	-	236,892	236,892	(43)	236,849
Total comprehensive income (loss) for the year		-	-	-	-	663,811	663,811	236,892	900,703	(8)	900,695
Balance at June 30, 2024	\$	3,974,954	1,580,484	2,563,709	447,333	8,149,802	11,160,844	(210,441)	16,505,841	442	16,506,283
Balance at January 1, 2025	\$	3,974,954	1,580,591	2,563,709	447,333	8,625,301	11,636,343	39,439	17,231,327	686	17,232,013
Appropriation and distribution:		-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	113,931	-	(113,931)	-	-	-	-	-
Special reserve		-	-	-	(447,333)	447,333	-	-	-	-	-
Cash dividends		-	-	-	-	(735,366)	(735,366)	-	(735,366)	-	(735,366)
Net income (loss) for the year		-	-	-	-	305,814	305,814	-	305,814	(26)	305,788
Other comprehensive income (loss) for the year		-	-	-	-	-	-	(1,010,740)	(1,010,740)	(182)	(1,010,922)
Total comprehensive income (loss) for the year		-	-	-	-	305,814	305,814	(1,010,740)	(704,926)	(208)	(705,134)
Balance at June 30, 2025	\$	3,974,954	1,580,591	2,677,640	-	8,529,151	11,206,791	(971,301)	15,791,035	478	15,791,513

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHIN POON INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(All amounts expressed in thousands of New Taiwan dollars)

	For the Six Months Ended June 30	
	2025	2024
Cash flows from (used in) operating activities:		
Income before tax	\$ 409,173	972,744
Adjustments:		
Adjustments to reconcile profit and loss		
Depreciation expenses	402,095	449,634
Expected credit losses (reversal of expected credit losses)	1,918	14,270
Net gains on financial assets measured at fair value through profit or loss	(16,764)	(14,032)
Interest expense	27,614	34,579
Interest income	(98,716)	(100,534)
Losses on disposal of property, plant and equipment	6,840	5,984
Unrealized losses (gains) on foreign exchange	135,024	(87,619)
Gains on lease modification	(579)	(172)
Total adjustments to reconcile profit and loss	457,432	302,110
Changes in operating assets and liabilities :		
Net changes in operating assets:		
Notes receivable	(1,372)	3,677
Accounts receivable	45,621	227,745
Other receivables	25,767	(17,896)
Inventories	(141,136)	108,022
Prepayments	15,705	23,518
Other current assets	(8,705)	2,028
Net defined benefit asset	(6,292)	-
Total net changes in operating assets	(70,412)	347,094
Net changes in operating liabilities:		
Notes payable	(5,185)	(24,038)
Accounts payable	155,419	(2,781)
Other payable	(9,491)	74,621
Other current liabilities	3,219	32,001
Net defined benefit liability	1,006	(5,081)
Total net changes in operating liabilities	144,968	74,722
Total net changes in operating assets and liabilities	74,556	421,816
Total adjustments	531,988	723,926
Cash inflow generated from operations	941,161	1,696,670
Interest received	104,716	51,248
Interest paid	(28,904)	(44,711)
Income tax refunded (paid)	40,673	(415,712)
Net cash flows from operating activities	1,057,646	1,287,495
Cash flows from (used in) investing activities		
Acquisition of financial assets at amortized cost	(284,312)	(312,197)
Acquisition of financial assets measured at fair value through profit or loss	(350,000)	(2,326,496)
Proceeds from disposal of financial assets measured at fair value through profit or loss	738,975	2,026,496
Acquisition of property, plant and equipment	(486,315)	(302,341)
Proceeds from disposal of property, plant and equipment	2,300	663
Decrease (increase) in other financial assets — current and non-current	(714,977)	(1,648,134)
Increase in prepayments for equipment	(3,855)	(8,574)
Net cash from investing activities	(1,098,184)	(2,570,583)
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,246,979	1,998,068
Decrease in short-term loans	(2,371,908)	(2,649,662)
Increase in long-term loans	-	324,380
Payment of lease liabilities	(24,981)	(24,893)
Increase in long-term deferred revenue	(2,040)	(2,051)
Net cash flows from financing activities	(151,950)	(354,158)
Effect of exchange rate changes on cash and cash equivalents	(261,659)	32,266
Net decrease in cash and cash equivalents	(454,147)	(1,604,980)
Cash and cash equivalents at beginning of period	2,964,354	4,501,650
Cash and cash equivalents at end of period	\$ 2,510,207	2,896,670

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHIN POON INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(All amounts expressed in thousands of New Taiwan dollars, unless otherwise stated)

(1) Company history

CHIN POON INDUSTRIAL CO., LTD. ("the Company") was incorporated in the Republic of China (ROC) on September 26, 1979 in accordance with the Company Act of Republic of China. The consolidated entities in the consolidated financial statements include the Company and its subsidiaries (collectively referred to as "the Group"). The Group is mainly engaged in the Manufacturing, producing and selling electronic printed circuit boards.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on August 12, 2025.

(3) Application of new and revised standards, amendments and interpretations

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

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

- Amendments to IAS21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS issued by the FSC but not yet effective

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

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

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

New, Amended and Revised Standards and Interpretations

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

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

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

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

(4) Summary of material accounting policies

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of Consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2024.

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Business activities	Percentage of ownership			Note
			2025.6.30	2024.12.31	2024.6.30	
The Company	VEGA International Enterprise Co., Ltd. (VEGA)	Investment	100.00%	100.00%	100.00%	
The Company	Chin Poon Electronics (Thailand) Public Co., Ltd. (CPCD)	Production and trading of PCB	99.89%	99.89%	99.89%	
VEGA International Enterprise Co., Ltd.	Chin-Poon Holdings Cayman Limited (CPCH)	Investment	100.00%	100.00%	100.00%	
Chin-Poon Holdings Cayman Limited	Chin-Poon (Changshu) Electronics Co., Ltd (CPCS)	Production and trading of PCB	100.00%	100.00%	100.00%	

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year and also adjusted for significant market fluctuations, significant reductions, liquidations or other significant one-time events after the reporting date.

(d) Income taxes

Income tax expense is measured by multiplying the pre-tax profit for the interim reporting period by management's best estimate of the estimated annual effective tax rate and is fully recognized as current income tax expense.

The impact of changes in the statutory income tax rate during the interim period on deferred income tax is recognized entirely in the interim reporting period of the tax rate change.

Income tax expense that is directly recognized in equity items or other comprehensive income items is measured and based on the temporary differences between the carrying amounts of the related assets and liabilities for financial reporting purposes and their tax bases which use the tax rates expected to apply when the asset is realized or the liability is settled.

(5) Significant accounting judgments, estimations, and assumptions, as well as information about the assumptions it makes and other major sources of estimation uncertainty

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

The major sources of uncertainty in the significant judgments and estimates made by management in applying the accounting policies of the Group in preparing the consolidated financial statements are consistent with those disclosed in Note 5 to the consolidated financial statements for fiscal year ended December 31, 2024.

(6) Explanation of significant accounts

Except as stated below, there is no significant difference between the description of important accounting titles in these consolidated financial statements and the 2024 consolidated financial statements. Please refer to Note 6 to the 2024 consolidated financial statements for relevant information.

(a) Cash and cash equivalents

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Cash on hand	\$ 1,625	1,643	1,676
Demand deposits	1,643,198	2,239,887	2,260,737
Time deposits	122,520	360,245	507,347
Checking deposits	<u>742,864</u>	<u>362,579</u>	<u>126,910</u>
Cash and cash equivalents per consolidated statements of cash flows	<u>\$ 2,510,207</u>	<u>2,964,354</u>	<u>2,896,670</u>

Please refer to note 6(t) for the disclosure of the Group's interest rate risk and sensitivity analysis related to financial assets and liabilities.

Please refer to note 6(d) for the disclosure of the Group's time deposits with a maturity of three months to one year, which were recorded under other financial assets – current, and those of above one year, which were recorded under other financial assets – non current.

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

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Mandatorily measured at fair value through profit or loss:			
Non derivative financial assets			
Current:			
Beneficiary certificate	<u>\$ 2,146,935</u>	<u>2,519,146</u>	<u>2,201,215</u>

Please refer to note 6(s) for net gains or losses from financial assets measured at fair value through profit or loss.

As of June 30, 2025, December 31 and June 30, 2024, the Group did not pledge its financial assets measured at fair value through profit or loss as collateral.

(c) Financial assets at amortized cost

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Foreign government bonds	<u>\$ 830,838</u>	<u>641,749</u>	<u>634,699</u>

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

Please refer to note 6(t) for the disclosure of the Group's credit risk related to financial assets at amortized cost.

As of June 30, 2025, December 31 and June 30, 2024, the Group did not pledge its financial assets at amortized cost as collateral.

(d) Other financial assets

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Current:			
Bank's time deposit	\$ 1,433,529	1,995,316	2,743,860
Non current:			
Bank's time deposit	2,806,213	1,934,667	1,360,867
Refundable deposits	<u>15,913</u>	<u>15,834</u>	<u>16,048</u>
Subtotal	<u>2,822,126</u>	<u>1,950,501</u>	<u>1,376,915</u>
Total	<u>\$ 4,255,655</u>	<u>3,945,817</u>	<u>4,120,775</u>

As of June 30, 2025, December 31 and June 30, 2024, the Group did not pledge its other financial assets as collateral.

(e) Notes receivable and accounts receivable

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Notes receivable	\$ 8,362	7,799	17,333
Accounts receivable	3,404,426	3,746,816	3,832,955
Less: loss allowance	<u>197,876</u>	<u>201,094</u>	<u>169,004</u>
	<u>\$ 3,214,912</u>	<u>3,553,521</u>	<u>3,681,284</u>

Except for the account receivable of \$119,688 thousand, \$134,580 thousand and \$133,484 thousand from Gigaset Communications GmbH, Germany as of June 30, 2025, December 31, 2024, and June 30 2024, that had been individually assessed, the Group applies the simplified approach, which assesses expected credit loss provision for notes and accounts receivable based on lifetime expected credit loss, of IFRS 9 to provide for its expected credit losses. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information on macroeconomics and related industrial trends.

The Group's analysis of the expected credit loss on its notes and accounts receivable in the regions of Taiwan were as follows:

2025.6.30			
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 2,151,700	0.1031%	2,217
Past due 1~30 days	69,082	2.7285%	1,885
Past due 31~60 days	5,699	7.1714%	409
Past due 61~90 days	2,210	22.9357%	507
Past due 91~120 days	435	30.5416%	133
Past due 121 to 180 days	603	41.5957%	251
Past due over 181 days	11,634	100.0000%	11,634
	\$ 2,241,363		17,036
2024.12.31			
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 2,205,943	0.0755%	1,665
Past due 1~30 days	209,854	2.2430%	4,707
Past due 31~60 days	37,426	6.4074%	2,398
Past due 61~90 days	7,817	28.9732%	2,265
Past due 91~120 days	7,611	31.8072%	2,421
Past due 121 to 180 days	7,917	42.4676%	3,362
Past due over 181 days	4,779	100.0000%	4,779
	\$ 2,481,347		21,597
2024.6.30			
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 2,617,466	0.0771%	2,018
Past due 1~30 days	76,666	2.2825%	1,750
Past due 31~60 days	25,536	6.7215%	1,716
Past due 61~90 days	2,311	31.6353%	731
Past due 91~120 days	1,593	34.5541%	550
Past due 121 to 180 days	1,394	50.3208%	701
Past due over 181 days	5,161	100.0000%	5,161
	\$ 2,730,127		12,627

The Group's analysis of the expected credit loss on its notes and accounts receivable in the regions of China were as follows:

	2025.6.30		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 510,147	1.2390%	10,358
Past due 1~30 days	10,765	17.5860%	1,893
Past due 31~60 days	5,531	31.7985%	1,758
Past due 61~90 days	2,829	44.7961%	1,266
Past due 91~120 days	3,329	51.1539%	1,701
Past due 121 to 180 days	14,351	60.6837%	8,710
Past due over 181 days	17,977	100.0000%	17,977
	\$ 564,929		43,663
	2024.12.31		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 509,978	1.0446%	5,328
Past due 1~30 days	42,891	12.2027%	5,234
Past due 31~60 days	30,605	17.3531%	5,311
Past due 61~90 days	11,596	18.9248%	2,195
Past due 91~120 days	24,141	23.2580%	5,615
Past due 121 to 180 days	3,994	37.9613%	1,516
Past due over 181 days	300	100.0000%	300
	\$ 623,505		25,499
	2024.6.30		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 623,605	0.0325%	203
Past due 1~30 days	19,521	1.3388%	261
Past due 31~60 days	17,118	6.7834%	1,161
Past due 61~90 days	3,748	9.8780%	370
	\$ 663,992		1,995

The Group's analysis of the expected credit loss on its notes and accounts receivable in the other regions were as follows:

	2025.6.30		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 467,771	0.0874%	409
Past due 1~30 days	594	0.8418%	5
Past due 31~60 days	1,147	1.2206%	14
Past due 121 to 180 days	313	24.9201%	78
Past due over 181 days	16,983	100.0000%	16,983
	\$ 486,808		17,489

	2024.12.31		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 480,838	0.0953%	458
Past due 1~30 days	15,192	0.8162%	124
Past due 31~60 days	321	1.2461%	4
Past due over 181 days	18,832	100.0000%	18,832
	\$ 515,183		19,418
	2024.6.30		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 296,232	0.0938%	278
Past due 1~30 days	1,625	0.7385%	12
Past due 31~60 days	6,048	1.1078%	67
Past due 61~90 days	213	1.8779%	4
Past due over 181 days	18,567	100.0000%	18,567
	\$ 322,685		18,928

The change in the loss allowance for impairment with respect to notes and accounts receivable was as follows:

	For the Six Months Ended June 30,	
	2025	2024
Balance at beginning of the period	\$ 201,094	154,940
Impairment loss (reversal gain)	1,918	14,270
Translation effect	(5,136)	(206)
Balance at end of the period	\$ 197,876	169,004

As of June 30, 2025, December 31 and June 30, 2024, the Group had not provided its notes and accounts receivable as collateral or factored them for cash.

(f) Other receivables

	2025.6.30	2024.12.31	2024.6.30
Other receivables	\$ 74,542	104,996	89,029
Less: loss allowance	-	-	-
	\$ 74,542	104,996	89,029

As of June 30, 2025, December 31 and June 30, 2024, the Group had no other receivables that were past due. Therefore, no provisions for doubtful debt were required after the management's assessment.

(g) Inventories

	2025.6.30	2024.12.31	2024.6.30
Finished goods	\$ 1,575,937	1,533,563	1,467,416
Work in progress	963,583	1,022,955	1,061,374
Raw materials	627,536	579,639	606,306
	\$ 3,167,056	3,136,157	3,135,096

The details of the Cost of goods sold were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Inventory that has been sold	3,746,883	3,640,032	7,195,316	7,209,150
Write-down of inventories (Reversal of write-downs)	8,166	(13,374)	(2,964)	(65,809)
Income from sale of scrap	(172,631)	(140,725)	(343,499)	(291,824)
Unallocated production overhead	64,976	47,170	155,937	134,834
Total	3,647,394	3,533,103	7,004,790	6,986,351

Inventory write-downs are recognized as a loss when the cost of inventories exceeds the net realizable value. The amount of any reversal of any write-downs of inventories, arising from an increase in net realizable value or the inventories have been sold, shall be recognized since the loss is no longer exist.

As of June 30, 2025, December 31 and June 30, 2024, the Group did not pledge its inventories as collateral.

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2025 and 2024 were as follows:

		Land	Buildings	Machinery equipment	Other equipment	Leasehold improvement	Construction in progress and Equipment to be inspected	Total
Cost:								
Balance at January 1, 2025	\$	979,234	3,936,217	11,585,326	3,161,365	48,166	484,524	20,194,832
Additions		-	3,088	22,895	10,789	-	452,990	489,762
Disposals		-	(320)	(197,404)	(21,737)	(25,775)	-	(245,236)
Reclassification		-	980	61,548	11,824	(1,360)	(68,949)	4,043
Translation effect		(13,948)	(188,955)	(437,574)	(136,453)	-	(20,066)	(796,996)
Balance at June 30, 2025	\$	<u>965,286</u>	<u>3,751,010</u>	<u>11,034,791</u>	<u>3,025,788</u>	<u>21,031</u>	<u>848,499</u>	<u>19,646,405</u>
Balance at January 1, 2024	\$	837,778	3,770,861	11,644,956	3,154,580	48,166	164,935	19,621,276
Additions		100,809	4,460	50,111	3,856	-	149,171	308,407
Disposals		-	(2,235)	(190,782)	(42,713)	-	-	(235,730)
Reclassification		-	1,950	36,426	18,537	-	(55,158)	1,755
Translation effect		(1,205)	45,956	98,244	35,426	-	1,313	179,734
Balance at June 30, 2024	\$	<u>937,382</u>	<u>3,820,992</u>	<u>11,638,955</u>	<u>3,169,686</u>	<u>48,166</u>	<u>260,261</u>	<u>19,875,442</u>
Accumulated depreciation and impairment loss:								
		Land	Buildings	Machinery equipment	Other equipment	Leasehold improvement	Construction in progress and Equipment to be inspected	Total
Balance at January 1, 2025	\$	-	1,887,135	9,685,299	2,689,359	38,821	-	14,300,614
Depreciation		-	63,354	258,729	54,380	958	-	377,421
Disposal		-	(320)	(189,971)	(20,366)	(25,439)	-	(236,096)
Reclassification		-	-	1,346	-	(1,346)	-	-
Translation effect		-	(111,840)	(339,305)	(114,673)	-	-	(565,818)
Balance at June 30, 2025	\$	<u>-</u>	<u>1,838,329</u>	<u>9,752,330</u>	<u>2,608,700</u>	<u>12,994</u>	<u>-</u>	<u>13,876,121</u>
Balance at January 1, 2024	\$	-	1,653,202	9,370,050	2,643,705	35,683	-	13,702,640
Depreciation		-	61,385	304,987	56,091	2,000	-	424,463
Disposal		-	(2,356)	(187,525)	(39,202)	-	-	(229,083)
Reclassification		-	-	16,784	(16,784)	-	-	-
Translation effect		-	22,600	69,365	28,297	-	-	120,262
Balance at June 30, 2024	\$	<u>-</u>	<u>1,734,831</u>	<u>9,573,661</u>	<u>2,672,107</u>	<u>37,683</u>	<u>-</u>	<u>14,018,282</u>
Carrying amount:								
Balance at January 1, 2025	\$	<u>979,234</u>	<u>2,049,082</u>	<u>1,900,027</u>	<u>472,006</u>	<u>9,345</u>	<u>484,524</u>	<u>5,894,218</u>
Balance at June 30, 2025	\$	<u>965,286</u>	<u>1,912,681</u>	<u>1,618,693</u>	<u>417,088</u>	<u>8,037</u>	<u>848,499</u>	<u>5,770,284</u>
Balance at June 30, 2024	\$	<u>937,382</u>	<u>2,086,161</u>	<u>2,065,294</u>	<u>497,579</u>	<u>10,483</u>	<u>260,261</u>	<u>5,857,160</u>

(i) Loss and gain on disposal

For the three months and the six months ended June 30, 2025 and 2024, the Group recognized loss and gain on disposal of property, plant and equipment, please refer to note 6(s).

(ii) Impairment loss

The change in accumulated impairment loss of the Group's property, plant and equipment were as follows:

		For the six months ended June 30,	
		2025	2024
Balance at beginning of the period	\$	12,221	12,793
Disposals during the period		(843)	(946)
Translation effect		(742)	(209)
Balance at end of the period	\$	<u>10,636</u>	<u>11,638</u>

(iii) Collateral

As of June 30, 2025, December 31 and June 30, 2024, the Group pledged its property, plant and equipment as collateral for short term loans, please refer to note 8.

(i) Right of use assets

The Group leases its assets including its use right of land and buildings. Information about leases for which the Group is the lessee is as follow:

	Use right of land	Buildings	Total
Cost:			
Balance at January 1, 2025	\$ 56,842	442,199	499,041
Reductions	-	(9,815)	(9,815)
Translation effect	(5,168)	-	(5,168)
Balance at June 30, 2025	<u>\$ 51,674</u>	<u>432,384</u>	<u>484,058</u>
Balance at January 1, 2024	\$ 54,891	447,909	502,800
Additions	-	194	194
Reductions	-	(5,904)	(5,904)
Translation effect	1,630	-	1,630
Balance at June 30, 2024	<u>\$ 56,521</u>	<u>442,199</u>	<u>498,720</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 8,975	302,535	311,510
Depreciation	733	23,941	24,674
Reductions	-	(6,105)	(6,105)
Translation effect	(869)	-	(869)
Balance at June 30, 2025	<u>\$ 8,839</u>	<u>320,371</u>	<u>329,210</u>
Balance at January 1, 2024	\$ 7,223	257,170	264,393
Depreciation	737	24,434	25,171
Reductions	-	(3,369)	(3,369)
Translation effect	220	-	220
Balance at June 30, 2024	<u>\$ 8,180</u>	<u>278,235</u>	<u>286,415</u>
Carrying amount:			
Balance at January 1, 2025	<u>\$ 47,867</u>	<u>139,664</u>	<u>187,531</u>
Balance at June 30, 2025	<u>\$ 42,835</u>	<u>112,013</u>	<u>154,848</u>
Balance at June 30, 2024	<u>\$ 48,341</u>	<u>163,964</u>	<u>212,305</u>

(j) Short term loans

(i) Short term loans

	2025.6.30		
	Currency	Range of interest rates (%)	Year of maturity
Unsecured loans	USD	4.80-4.937	2025
			2024.12.31
			Amount
			\$ <u>641,102</u>
	Currency	Range of interest rates (%)	Year of maturity
Unsecured loans	USD	5.06-5.45	2025
			2024.6.30
			Amount
			\$ <u>786,408</u>
	Currency	Range of interest rates (%)	Year of maturity
Unsecured loans	USD	5.96-6.09	2024
			Amount
			\$ <u>422,500</u>

As of June 30, 2025, December 31 and June 30, 2024, the unused credit facilities of the Group's short term loans amounted to \$4,008,830 thousand, \$4,347,005 thousand and \$4,691,130 thousand, respectively.

(ii) Collateral of loans

As of June 30, 2025, December 31 and June 30, 2024, the Group has mortgaged its assets as collateral of loans, please refer to note 8.

(k) Long-term loans

2025.6.30			
Currency	Range of interest rates (%)	Year of maturity	Amount
Unsecured bank loans	USD	2031	\$ 291,410
Less: Current portion			-
Non-current			\$ 291,410
Unused long-term credit lines			\$ -
2024.12.31			
Currency	Range of interest rates (%)	Year of maturity	Amount
Unsecured bank loans	USD	2031	\$ 327,670
Less: Current portion			-
Non-current			\$ 327,670
Unused long-term credit lines			\$ -
2024.6.30			
Currency	Range of interest rates (%)	Year of maturity	Amount
Unsecured bank loans	USD	2031	\$ 325,000
Less: Current portion			-
Non-current			\$ 325,000
Unused long-term credit lines			\$ -

(l) Lease liabilities

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

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Current	\$ <u>36,726</u>	<u>44,155</u>	<u>50,399</u>
Non current	\$ <u>85,635</u>	<u>107,476</u>	<u>126,283</u>

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest on lease liability	\$ <u>704</u>	<u>994</u>	<u>1,483</u>	<u>2,070</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>1,791</u>	<u>1,447</u>	<u>3,198</u>	<u>2,572</u>
Expenses relating to short term leases	\$ <u>492</u>	<u>405</u>	<u>1,010</u>	<u>601</u>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	\$ <u>3,154</u>	<u>307</u>	<u>4,243</u>	<u>603</u>

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

	<u>For the three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	\$ <u>34,915</u>	<u>30,739</u>

(m) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reduction, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

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

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating costs	\$ 592	566	1,210	1,132
Selling expenses	78	70	159	141
Administrative expenses	202	185	412	370
	\$ <u>872</u>	<u>821</u>	<u>1,781</u>	<u>1,643</u>

(ii) Defined contribution plans

The pension expenses determined by the Merged Company under the pension fund allocation method have been allocated to the Bureau of Labor Insurance and the local government agencies of the merged overseas subsidiaries for centralized payment. The Merged Company reports the expenses as follows:

The Group's expenses for the defined contribution plans have been allocated to the Bureau of Labor Insurance and local government agencies of the overseas subsidiaries were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating costs	\$ 33,171	31,874	67,332	63,471
Selling expenses	1,798	1,645	3,702	3,303
Administrative expenses	2,797	6,100	5,696	8,713
Research and development expenses	2,581	2,546	5,374	5,060
	\$ <u>40,347</u>	<u>42,165</u>	<u>82,104</u>	<u>80,547</u>

(n) Income tax

Income tax expense is measured based on the pretax income of the interim reporting period multiplied by management's best estimate of the effective tax rate expected for the full fiscal year.

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Current tax expenses				
Tax for current period	65,880	170,881	144,740	300,575
Additional tax on undistributed earnings	36,867	-	36,867	-
Prior period adjustments	(78,222)	8,323	(78,222)	8,323
Income tax expenses of going concern entities	<u>\$ 24,525</u>	<u>179,204</u>	<u>103,385</u>	<u>308,898</u>

The income tax authorities in the Republic of China have examined the Company's income tax returns through 2022.

(o) Share capital and other equity

(i) Common stock

As of June 30, 2025, December 31 and June 30, 2024, the total value of authorized nominal common shares amounted to \$4,500,000 thousand, with par value of \$10 per share, of which 397,495 thousand shares of common shares were outstanding. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of the Group's capital surplus were as follows:

	2025.6.30	2024.12.31	2024.6.30
Paid-in capital in excess of par value	\$ 630,382	630,382	630,382
Conversion of convertible bonds common shares	937,936	937,936	937,936
Changes in equity of subsidiaries	10,477	10,477	10,477
Unclaimed and expired cash dividends from previous years	1,796	1,796	1,689
	<u>\$ 1,580,591</u>	<u>1,580,591</u>	<u>1,580,484</u>

In accordance with the ROC Company Act, realized capital surplus can be used to increase share capital or to distribute as cash dividends after offsetting losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus to increase share capital shall not exceed 10 percent of the paid-in capital amount.

(iii) Retained earnings

1) Legal reserve

If the Company incurs no loss for the year, the distribution of the legal reserve by issuing new shares or by cash shall be decided at the shareholders' meeting, and, only the portion of legal reserve which exceeds 25 percent of the paid-in capital may be distributed.

2) Special earnings reserve

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

3) Distribution of earnings

According to the Company's Articles of Incorporation, when allocating the net profits for each fiscal year, the Company should first pay income tax, offset its prior years' losses, and appropriate 10% of net income to legal reserve. The cumulative legal reserve has reached the amount of paid-in capital, no more legal reserve shall be allocated. Should there still be remaining earnings, a special reserve can be allocated because of operational consideration and regulatory imperatives. Among the rest of the remaining earnings of the yearly profits, the dividends or bonuses to shareholders shall range from 20% to 80%, The rest is unallocated remaining earnings and will be added to the remaining earnings of previous years. The board can make a proposal of distributing those remaining earnings for the Shareholders' Meeting to approve.

The dividend policy shall take into consideration the actual business environment and stage of business growth. The BOD shall prepare and submit the specific distribution plans for implementation after approval by the Shareholders' Meeting, in view of future fund needs and the financial plans under the optimal principle of cash dividend and stock dividend. The cash dividend shall not be less than 20% of the total current-time Distribution, and shall not be less than 50% of the total current-time Distribution if the Company can acquire enough external financing. The actual distribution amount, category and proportions of the earnings shall be decided and adjusted per actual profitability and capital status and be resolved by the Shareholders' Meeting.

The appropriations of 2024 and 2023 earnings have been approved by the Company's shareholders in its meetings held on June 25, 2025, and June 25, 2024, respectively. The appropriations and dividends per share were as follows:

	2024		2023	
	Amount per share(NT dollars)	Total Amount	Amount per share(NT dollars)	Total Amount
Dividends distributed to common stockholders:				
Cash	\$ 1.85	<u>735,366</u>	1.25	<u>496,869</u>

For information on the appropriation of the earnings approved by the Company's shareholders in its meetings and resolved by the Company's Board of Directors, please refer to the website of Market Observation Post System of Taiwan Stock Exchange.

(iv) Other equities (net amount after tax)

	Foreign exchange differences arising from foreign entities	Non controlling interests	Total
Balance at January 1, 2025	\$ 39,439	(7,174)	32,265
Foreign exchange differences arising from foreign operation	(1,010,740)	(182)	(1,010,922)
Balance at June 30, 2025	<u>\$ (971,301)</u>	<u>(7,356)</u>	<u>(978,657)</u>
Balance at January 1, 2024	\$ (447,333)	(7,352)	(454,685)
Foreign exchange differences arising from foreign operation	236,892	(43)	236,849
Balance at June 30, 2024	<u>\$ (210,441)</u>	<u>(7,395)</u>	<u>(217,836)</u>

(p) Earnings per share

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

(i) Basic EPS

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net income attributable to common shareholders of the Company	\$ <u>97,494</u>	<u>339,826</u>	<u>305,814</u>	<u>663,811</u>
Weighted average number of common shares outstanding	<u>397,495</u>	<u>397,495</u>	<u>397,495</u>	<u>397,495</u>
Basic EPS (New Taiwan dollars)	<u>\$ 0.25</u>	<u>0.85</u>	<u>0.77</u>	<u>1.67</u>

(ii) Diluted EPS

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net income attributable to common shareholders of the Company	\$ 97,494	339,826	305,814	663,811
Weighted average number of common shares outstanding—basic	397,495	397,495	397,495	397,495
Influence of potentially dilutive shares— Compensation to employees in the form of stock	538	838	1,044	982
Weighted average number of shares outstanding—diluted	398,033	398,333	398,539	398,477
Diluted EPS (New Taiwan dollars)	\$ 0.24	0.85	0.77	1.67

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

The Group is engaged in one industry which manufactures and sells printed circuit boards. The disaggregation of revenue by primary geographical markets for the three months and the six months ended June 30, 2025 and 2024 were as follows:

For the three months ended June 30, 2025				
	Taiwan	China	Others	Total
Taiwan	\$ 251,896	-	-	251,896
United States	800,453	-	7,533	807,986
Germany	253,886	12,790	2,636	269,312
Japan	265,630	159,681	-	425,311
Hungary	130,803	3,675	-	134,478
Mexico	262,241	40,983	-	303,224
Thailand	2,665	13,334	442,763	458,762
China	275,505	189,045	5,557	470,107
Others	826,958	71,884	70,891	969,733
	<u>\$ 3,070,037</u>	<u>491,392</u>	<u>529,380</u>	<u>4,090,809</u>
For the three months ended June 30, 2024				
	Taiwan	China	Others	Total
Taiwan	\$ 229,437	-	-	229,437
United States	928,947	-	94	929,041
Germany	332,599	19,347	2,704	354,650
Japan	244,452	132,614	-	377,066
Hungary	214,125	9,627	-	223,752
Mexico	159,023	67,996	-	227,019
Thailand	1,686	25,243	271,390	298,319
China	323,745	199,296	16,414	539,455
Others	824,090	97,485	68,064	989,639
	<u>\$ 3,258,104</u>	<u>551,608</u>	<u>358,666</u>	<u>4,168,378</u>
For the six months ended June 30, 2025				
	Taiwan	China	Others	Total
Taiwan	\$ 443,860	-	-	443,860
United States	1,493,305	-	11,698	1,505,003
Germany	553,523	19,903	5,049	578,475
Japan	553,493	257,588	-	811,081
Hungary	302,277	7,820	-	310,097
Mexico	560,612	75,723	-	636,335
Thailand	5,829	24,257	914,002	944,088
China	561,636	384,778	10,422	956,836
Others	1,517,448	85,401	142,635	1,745,484
	<u>\$ 5,991,983</u>	<u>855,470</u>	<u>1,083,806</u>	<u>7,931,259</u>

For the six months ended June 30, 2024

	Taiwan	China	Others	Total
Taiwan	\$ 471,331	11,504	-	482,835
United States	1,818,358	-	94	1,818,452
Germany	671,666	38,191	8,342	718,199
Japan	565,299	230,857	-	796,156
Hungary	423,674	17,179	-	440,853
Mexico	277,369	122,169	-	399,538
Thailand	4,831	55,703	531,044	591,578
China	699,027	396,550	25,961	1,121,538
Others	1,575,853	198,314	126,640	1,900,807
	\$ 6,507,408	1,070,467	692,081	8,269,956

(ii) Contract balances

	2025.6.30	2024.12.31	2024.6.30
Notes receivable	\$ 8,362	7,799	17,333
Account receivable	3,404,426	3,746,816	3,832,955
Less: loss allowance	197,876	201,094	169,004
Total	\$ 3,214,912	3,553,521	3,681,284

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

(iii) Refund liabilities (recorded under other current liabilities)

	2025.6.30	2024.12.31	2024.6.30
Sales return and discounts	\$ 749,504	780,044	747,017

The refund liabilities are expected payment to customers contingent on sales returns and discounts in the future. The amount recognized for refund liabilities is based on historical experience and other known factors and is treated as reduction of operating revenue when products are sold.

(r) Remuneration to employees and directors

On June 25, 2025, the Company's shareholders' meeting resolved to amend its Articles of Incorporation. According to the revised Articles, if the Company makes profits in a year, 2%~10% of the yearly profits shall be allocated for employee bonuses, and not more than 3% of the yearly profits for the remuneration of directors. However, when the company has accumulated losses, the profit shall be used to cover the accumulated losses beforehand. The employees for bonus distribution shall include non-executive employees and qualified employees of subsidiary companies. Of the employees bonuses allocated by the board of directors as mentioned above, no less than 25% of the total amount of such employee bonuses shall be distributed to non-executive employees. In accordance with the Company's articles of incorporation before revision, the Company should contribute no less than 2%~10% of profit as employee remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

For the three months and six months ended June 30, 2025 and 2024, the Company accrued and estimated the remuneration to employees amounting to \$7,881 thousand , \$21,704 thousand , \$17,290 thousand and \$41,054 thousand, respectively, and the remuneration for directors of \$1,270 thousand , \$1,320 thousand \$2,540 thousand and \$2,640 thousand, respectively. These amounts are calculated by multiplied the Company's profit before tax for the period before deducting the amount of the remuneration to the employees and directors by the distribution ratio of remuneration to the employees and directors under the Company's articles of association, and the calculated amount is recorded as operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. If the board of directors resolves to distribute employee compensation in the form of stock, the calculation basis for the number of shares of stock compensation is based on the closing price on the day before the board of directors' resolution.

The estimated amounts of employee compensation for the years 2024 and 2023 are \$58,386 thousand and \$22,631 thousand, respectively, and the estimated amounts of director remuneration for the years 2024 and 2023 are \$5,680 thousand and \$5,280 thousand, respectively. There are no discrepancies between the estimated amounts and the distribution resolved by the board of directors. Related information is available on the Market Observation Post System.

(s) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 40,701	54,139	80,421	93,439
Other interest income	8,995	3,991	18,295	7,095
Total Interest income	<u>\$ 49,696</u>	<u>58,130</u>	<u>98,716</u>	<u>100,534</u>

(ii) Other income

The details of the Group's other income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Rental income	\$ 118	132	979	981
Other income — other				
Compensation income	4,588	(6,808)	6,404	5,499
Others	60,838	150,596	113,413	180,786
Subtotal other income — other	65,426	143,788	119,817	186,285
Total other income	<u>\$ 65,544</u>	<u>143,920</u>	<u>120,796</u>	<u>187,266</u>

(iii) Other gains and losses

The details of the Group's other gains and losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Gains (losses) on disposal of property, plant and equipment	\$ (3,813)	(4,335)	(6,840)	(5,984)
Foreign exchange gains (losses)	(126,482)	27,052	(62,131)	104,320
Gains on financial assets measured at fair value through profit and loss	8,235	7,583	16,764	14,032
Miscellaneous disbursements	(8,316)	(2,229)	(12,940)	(4,422)
Gains (losses) on lease modification	30	172	579	172
Other gains and losses, net	<u>\$ (130,346)</u>	<u>28,243</u>	<u>(64,568)</u>	<u>108,118</u>

(iv) Finance costs

The details of the Group's finance costs were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expense	<u>\$ 13,040</u>	<u>14,391</u>	<u>27,614</u>	<u>34,579</u>

(t) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(t) to the consolidated financial statements for the year ended December 31, 2024 for related information.

(i) Concentration of credit risk

The Group's counterparties of account receivables transaction mainly locate in the United States, China, and Germany. As of June 30, 2025, December 31 and June 30, 2024, the balance of accounts receivable from those regions accounted for 45%, 44% and 50% of the total balance, respectively.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within a year	1~2 years	2~5 years	Over 5 years
2025.6.30						
Non-derivative financial liabilities						
Unsecured loans	\$ 932,512	1,014,079	685,311	19,058	241,695	68,015
Notes payable	396,839	396,839	396,839	-	-	-
Accounts payable	1,774,375	1,774,375	1,774,375	-	-	-
Dividend payable	735,366	735,366	735,366	-	-	-
Other payables	1,089,629	1,089,629	1,089,629	-	-	-
Lease liabilities	122,361	126,853	38,996	38,996	48,861	-
Other current liabilities	153,928	153,928	153,928	-	-	-
	\$ 5,205,010	5,291,069	4,874,444	58,054	290,556	68,015
2024.12.31						
Non-derivative financial liabilities						
Unsecured loans	1,114,078	1,223,494	843,298	15,564	244,901	119,731
Notes payable	402,024	402,024	402,024	-	-	-
Accounts payable	1,743,228	1,743,228	1,743,228	-	-	-
Other payables	1,117,043	1,117,043	1,117,043	-	-	-
Lease liabilities	151,631	157,792	46,945	40,160	70,687	-
Other current liabilities	159,225	159,225	159,225	-	-	-
	\$ 4,687,229	4,802,806	4,311,763	55,724	315,588	119,731
2024.6.30						
Non-derivative financial liabilities						
Unsecured loans	747,500	862,624	466,091	18,070	214,078	164,385
Notes payable	623,904	623,904	623,904	-	-	-
Accounts payable	1,761,274	1,761,274	1,761,274	-	-	-
Dividend payable	496,869	496,869	496,869	-	-	-
Other payables	1,176,776	1,176,776	1,176,776	-	-	-
Lease liabilities	176,682	184,630	53,703	40,160	90,767	-
Other current liabilities	127,371	127,371	127,371	-	-	-
	\$ 5,110,376	5,233,448	4,705,988	58,230	304,845	164,385

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

(iii) Currency risk

1) Currency risk exposure

The Group's financial assets and liabilities exposed to significant foreign currency risk were as follows:

	2025.6.30			2024.12.31			2024.6.30		
	Foreign currency (in thousands)	Exchange rate	Amount	Foreign currency (in thousands)	Exchange rate	Amount	Foreign currency (in thousands)	Exchange rate	Amount
Financial assets:									
Monetary items:									
USD\$	117,881	29.1410	3,435,170	113,877	32.7670	3,731,408	119,647	32.5000	3,888,528
JPY	1,780,668	0.2021	359,873	1,517,553	0.2092	317,472	2,091,221	0.2020	422,427
EUR	8,094	34.1956	276,779	7,665	34.0761	261,193	8,025	34.7676	279,010
THB	3,298	0.8960	2,955	3,237	0.9580	3,101	3,341	0.8825	2,948
CNY	8,334	4.0700	33,919	47,457	4.4771	212,470	40,473	4.4518	180,178
Financial liabilities:									
Monetary items									
USD\$	46,473	29.1410	1,354,270	44,095	32.7670	1,444,861	36,234	32.5000	1,177,605
JPY	7,878	0.2021	1,592	22,317	0.2092	4,669	39,324	0.2020	7,943
EUR	13	34.1956	445	9	34.0761	307	1	34.7676	35

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, other financial assets, loans and accounts and other payables that are denominated in foreign currency. A appreciation or depreciation by 1% of the NTD against the USD, JPY, EUR, THB and CNY as of June 30, 2025 and 2024, would have increased or decreased the net income before tax by \$27,524 thousand and \$35,875 thousand, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

Due to the multiple types of functional currency of the Group, the Group disclose its exchange gains and losses of monetary items aggregately. The Group's exchange gains (losses), including realized and unrealized, were \$(126,482), 27,052, (62,131) thousand and \$104,320 thousand for the three months and the six months ended June 30, 2025 and 2024 and 2024 , respectively.

4) Interest rate analysis

The Group's financial assets with fair value risk due to interest rate fluctuations are bank deposits; its financial liabilities are short-term loans and long-term loans. The impact of interest rate fluctuations on the fair value of these financial assets is not significant.

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

If the interest rate increases or decreases by 1%, with all other variable factors remain constant, the Group's net income before tax will have increased or decreased by \$17,149 thousand and \$19,323 thousand, respectively, for the three months ended June 30, 2025, and 2024. This were mainly due from the Group's loans and time deposits on floating rates.

(iv) Other market price risk

For the six months ended June 30, 2025 and 2024, sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

	For the Six Months Ended June 30,			
	2025		2024	
	Other comprehensive income	Net income	Other comprehensive income	Net income
Price of securities at the reporting date				
Increasing 1%	\$ -	21,469	-	22,012
Decreasing 1%	\$ -	(21,469)	-	(22,012)

(v) Fair value information

1) Categories and fair value of financial instruments

The Group's financial assets and liabilities measured at fair value through profit or loss are measured at fair value on a recurring basis. The carrying amounts and fair values of various types of financial assets and liabilities (including fair value hierarchy information, but excluding financial instruments, which are not measured at fair value and whose carrying amounts are a reasonable approximation of fair value, and lease liabilities, for which fair value information is not required to be disclosed) are set out below.

	Carrying amount	2025.6.30			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit and loss					
Beneficiary certificate	\$ 2,146,935	2,146,935	-	-	2,146,935
Financial assets measured at amortized cost					
Foreign government bonds	830,838	839,677	-	-	839,677
Cash and cash equivalents	2,510,207	-	-	-	-
Notes and accounts receivable	3,214,912	-	-	-	-
Other receivables	74,542	-	-	-	-
Other financial assets — current and non-current	4,255,655	-	-	-	-
Subtotal	10,886,154	839,677	-	-	839,677
Total	\$ 13,033,089	2,986,612	-	-	2,986,612
Financial liabilities measured at amortized cost					
Short term loans	\$ 641,102	-	-	-	-
Long term loans	291,410	-	-	-	-
Notes and accounts payable	2,171,214	-	-	-	-
Dividend payable	735,366	-	-	-	-
Other payables	1,089,629	-	-	-	-
Lease liabilities	122,361	-	-	-	-
Other current liabilities	153,928	-	-	-	-
Total	\$ 5,205,010	-	-	-	-

2024.12.31					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit and loss					
Beneficiary certificate	\$ 2,519,146	2,519,146	-	-	2,519,146
Financial assets measured at amortized cost					
Foreign government bonds	641,749	638,482	-	-	638,482
Cash and cash equivalents	2,964,354	-	-	-	-
Notes and accounts receivable	3,553,521	-	-	-	-
Other receivables	104,996	-	-	-	-
Other financial assets — current and non-current	3,945,817	-	-	-	-
Subtotal	11,210,437	638,482	-	-	638,482
Total	\$ 13,729,583	3,157,628	-	-	3,157,628
Financial liabilities measured at amortized cost					
Short term loans	\$ 786,408	-	-	-	-
Long term loans	327,670	-	-	-	-
Notes and accounts payable	2,145,252	-	-	-	-
Other payables	1,117,043	-	-	-	-
Lease liabilities	151,631	-	-	-	-
Other current liabilities	159,225	-	-	-	-
Total	\$ 4,687,229	-	-	-	-

2024.6.30					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit and loss					
Beneficiary certificate	\$ 2,201,215	2,201,215	-	-	2,201,215
Financial assets measured at amortized cost					
Foreign government bonds	634,699	629,360	-	-	629,360
Cash and cash equivalents	2,896,670	-	-	-	-
Notes and accounts receivable	3,681,284	-	-	-	-
Other receivables	89,029	-	-	-	-
Other financial assets — current and non- current	4,120,775	-	-	-	-
Subtotal	11,422,457	629,360	-	-	629,360
Total	\$ 13,623,672	2,830,575	-	-	2,830,575
Financial liabilities measured at amortized cost					
Short term loans	\$ 422,500	-	-	-	-
Long term loans	325,000	-	-	-	-
Notes and accounts payable	2,385,178	-	-	-	-
Dividend payable	496,869	-	-	-	-
Other payables	1,176,776	-	-	-	-
Lease liabilities	176,682	-	-	-	-
Other current liabilities	127,371	-	-	-	-
Total	\$ 5,110,376	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value – financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. Otherwise, the estimated valuation or prices used by counterparts are adopted.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

If financial instrument has quoted price in an active market, using the quoted price as fair value.

The fair value of publicly offered open-ended funds with standard terms and conditions and traded on active liquid markets are determined by reference to the net asset value of the funds.

b) Derivative financial instrument

The fair value of forward exchange contract is usually measured by the forward exchange rate from financial institutions.

4) Fair value hierarchy

The Group uses market observable inputs whenever possible when measuring its assets and liabilities. The fair value hierarchy is categorized based on the inputs used in the valuation techniques as follows:

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

There was no such situation that the Group reclassified the financial instruments from one level to another as of the reporting date.

5) Transfers from Level 1 financial instrument to Level 2 financial instrument

There was no significant transfer from level 2 financial instrument to level 1 financial instrument for the six months ended June 30, 2025 and 2024.

(u) Financial risk management

There were no significant changes in the Group's objectives and policies of financial risk management as disclosed in note 6(u) of the consolidated financial statements for the year ended December 31, 2024.

(v) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(w) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities for the six months ended June 30, 2025 and 2024 were as follows:

			Non- cash changes			
			Acquisition of right of use assets	Impact of exchange rate changes	Reduction of right of use assets	
	2025.1.1	Cash flows				2025.6.30
Short-term loans	\$ 786,408	(124,929)	-	(20,377)	-	641,102
Long-term loans	327,670	-	-	(36,260)	-	291,410
Lease liabilities	151,631	(24,981)	-	-	(4,289)	122,361
Total liabilities from financing activities	\$ 1,265,709	(149,910)	-	(56,637)	(4,289)	1,054,873

			Non- cash changes			
			Acquisition of right of use assets	Impact of exchange rate changes	Reduction of right of use assets	
	2024.1.1	Cash flows				2024.6.30
Short-term loans	\$ 1,044,344	(651,594)	-	29,750	-	422,500
Long-term loans	-	324,380	-	620	-	325,000
Lease liabilities	204,088	(24,893)	194	-	(2,707)	176,682
Total liabilities from financing activities	\$ 1,248,432	(352,107)	194	30,370	(2,707)	924,182

(7) Related party transactions

Key management personnel's compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short term employee benefits	\$ 16,445	16,215	33,531	32,008
Retirement benefits	267	230	535	461
Severance benefits	173	181	380	360
Other long- term benefits	1	1	2	3
	<u>\$ 16,886</u>	<u>16,627</u>	<u>34,448</u>	<u>32,832</u>

For the three months ended June 30, 2025 and 2024, the Group provided one vehicles and two vehicles, at the costs of \$552 thousand and \$1,007 thousand, respectively, for key management personnel.

(8) Pledged assets

The Group's carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Secured loans</u>	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Property, plant and equipment				
Land	Short term bank loans	\$ 29,648	31,700	29,201
Buildings	Short term bank loans	61,657	72,725	61,575
		<u>\$ 91,305</u>	<u>104,425</u>	<u>90,776</u>

(9) Material contingent liabilities and unrecognized contractual commitments

(a)

As of June 30, 2025, December 31 and June 30, 2024, the Group provided guarantee notes, each amounting to \$790,952 thousand, \$1,497,594 thousand and \$832,285 thousand, respectively, for usance letters of credits, domestic letters of credit and guarantees for the Group's hiring foreign labors. The customs duty guaranteed by the Group for importing raw materials each amounted to \$10,000 thousand.

(b)

For expanding the capacity, the Group entered contracts of construction and purchase of property, plant and equipment. The total contract amount was \$616,084 thousand, \$403,904 thousand and \$344,276 thousand as of June 30, 2025, December 31 and June 30, 2024, respectively, of which the Group had paid \$555,854 thousand, \$293,909 thousand and \$118,180 thousand, respectively, which are recorded under the accounts of the construction in progress and of prepayments for equipment accounts.

(c)

On February 25, 2019, the Company received an indictment, with case number 108-Zhen-829 and 108-Zhen-2491, from the Taoyuan District Prosecutors Office, accusing the ex-chairman of the Company and 5 former and current employees of the Pingzhen third plant of causing fire disaster, which led to an offense of negligent manslaughter, that occurred on April 28, 2018. For the criminal liability aspect, the Taoyuan District Prosecutors Office indicted the relevant personnel, and the Taoyuan District Court issued a summary criminal judgment under Taoyuan District Court Summary Criminal Appeal Case No.4 (2023), convicting both defendants. Both parties subsequently filed appeals. On October 17, 2024, the Taoyuan District Court's Criminal Division issued the second instance under Taoyuan District Court Summary Criminal Appeal Case No.1 (2024), upheld the original verdict, granting the option for plea bargaining and sentence reduction conditions, and the case was closed. For the civil liability aspect, the Company and the relevant parties reached settlements with the families of the deceased and the injured workers, and no lawsuits were filed. This fire does not have significant impact on the Company's finance and business.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other

- (a) A summary of employee benefit expenses, depreciation, depletion and amortization by function, were as follows:

By function By nature	For the three months ended June 30, 2025			For the three months ended June 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	755,409	114,128	869,537	756,097	116,829	872,926
Labor and health insurance	66,461	9,007	75,468	63,389	8,930	72,319
Pension	33,763	7,456	41,219	32,440	10,546	42,986
Directors' remuneration	-	4,079	4,079	-	4,051	4,051
Other benefits	65,838	9,585	75,423	59,696	7,902	67,598
Depreciation	185,951	10,065	196,016	211,015	11,793	222,808
Amortization	-	-	-	-	-	-

By function By nature	For the three months ended June 30, 2025			For the three months ended June 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	1,495,201	229,161	1,724,362	1,480,096	232,048	1,712,144
Labor and health insurance	136,536	18,746	155,282	131,050	18,289	149,339
Pension	68,542	15,343	83,885	64,603	17,587	82,190
Directors' remuneration	-	8,162	8,162	-	8,103	8,103
Other benefits	135,237	19,321	154,558	112,923	16,872	129,795
Depreciation	381,764	20,331	402,095	425,941	23,693	449,634
Amortization	-	-	-	-	-	-

- (b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the six months ended June 30, 2025:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Financial statement account	Related party	Highest balance of financing to other parties during the year	Ending balance	Amount actually lending (Note 4)	Range of interest rates	Purposes of fund financing for the borrowers (Note 3)	Transaction amount for business between two parties	Reasons for short term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Maximum financing limit for the lender
													Item	Value		
0	Chin-Poon Industrial Co., Ltd.	Chin Poon Electronics (Thailand) Public Co., Ltd.	Other receivables—related parties	Yes	265,520	233,128	-	5.30-5.32	2	-	operating capital	-	-	-	6,316,414	6,316,414
															(Note 2)	(Note 2)
1	Chin Poon Holdings Cayman Limited	Chin-Poon Electronics Co., Ltd	Other receivables—related parties	Yes	796,560	699,384	699,384	5.30-5.32	2	-	operating capital	-	-	-	4,026,763	4,026,763
															(Note 1)	(Note 1)

Note 1: The total amount lending to the subsidiaries and each borrowing company shall not be over 50% of the net worth of Chin Poon Industrial Co., Ltd.

Note 2: The total amount lending to the subsidiaries and each borrowing company shall not be over 40% of the net worth of Chin Poon Holdings Cayman Limited.

Note 3: Nature of financing activities as follows:

- (1) if there are transactions between these two parties, the number is "1".
- (2) if it is necessary to make short-term loans to other parties, the number is "2".

Note 4: The balance has been reconciled when preparing the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

No.	Name of company making guarantee and endorsement	Counter party of guarantee and endorsement		Maximum amount of guarantees and endorsements for one party (Note 2)	Highest balance for guarantees and endorsements during the year	Ending balance of guarantees and endorsements (Note 2)	Amount actually made	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum allowable amount for guarantees and endorsements (Note 2)	Parent company endorsement / guarantees to its subsidiary	Subsidiary endorsement / guarantees to its parent company	Endorsements/guarantees to a company in Mainland China
		Name	Relationship with the company (Note 1)										
0	Chin-Poon Industrial Co., Ltd.	Chin Poon Electronics (Thailand) Public Co., Ltd.	4	3,158,207	-	-	-	-	- %	3,947,759	Y	N	N

Note 1: The guarantor's relationship with the guarantor is as follows:

- (1) A company with which the guarantor does business.
- (2) A company in which the guarantor directly and indirectly holds more than 50 percent of the voting shares.
- (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the guarantor.
- (4) A company in which the guarantor holds, directly or indirectly, 90% or more of the voting shares.
- (5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) A company that is jointly invested and guaranteed by all shareholders in proportion to their shareholding ratios.
- (7) Companies in the same industry provide among themselves surety of performance on a joint and several basis in pre-sale housing sales contracts in accordance with the Consumer Protection Act.

Note 2: The total amount of guarantee shall not exceed 25% of the Company's net worth. The total amount of guarantee provided by the Company to any individual entity shall not exceed 20% of the Company's net worth.

(iii) Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Remarks
				Number of units or Amount	Book value	Holding percentage	Fair value	
The Company	Beneficiary Certificate: Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	47,353,668	675,216	- %	675,216	
The Company	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss-current	77,104,933	1,268,901	- %	1,268,901	
The Company	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss-current	13,581,421	202,818	- %	202,818	
Chin-Poon Holdings Cayman Limited	Bond: US government bond-US9128284N73	-	Financial assets at amortized cost -noncurrent	USD 10,000,000	281,045	- %	284,853	
Chin-Poon Holdings Cayman Limited	US government bond-US91282CFZ95	-	Financial assets at amortized cost -noncurrent	USD 5,000,000	145,145	- %	146,274	
Chin-Poon Holdings Cayman Limited	US government bond-US91282CHQ78	-	Financial assets at amortized cost -noncurrent	USD 9,850,000	287,940	- %	290,447	
Chin-Poon Holdings Cayman Limited	US government bond-US91282CKG59	-	Financial assets at amortized cost -noncurrent	USD 4,000,000	116,708	- %	118,103	

(iv) Related party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter party	Relationship	Transaction details				Status and reason for deviation from arm's length transaction		Account / note receivable (payable)		Remarks
			Purchase / Sale	Amount (Note 2)	Percentage of total purchases / sales	Payment term	Unit price	Payment term	Balance (Note 2)	Percentage of total accounts / notes receivable (payable)	
The Company	Chin Poon (Changshu) Electronic Co., Ltd.	Investee controlled by the Company	Purchase	1,839,227	47.52%	Note 1	Note 1	Note 1	(997,101)	(47.12)%	
Chin Poon (Changshu) Electronic Co., Ltd.	The Company	Ultimate parent company of Chin Poon (Changshu) Electronic Co., Ltd.	(Sale)	(1,839,227)	(64.88)%	Note 1	Note 1	Note 1	997,101	62.98%	
Chin Poon Electronics (Thailand) Public Co., Ltd.	Chin Poon (Changshu) Electronic Co., Ltd.	Subsidiary to subsidiary	Purchase	140,312	168.02%	Note 1	Note 1	Note 1	(74,265)	(23.43)%	
Chin Poon (Changshu) Electronic Co., Ltd.	Chin Poon Electronics (Thailand) Public Co., Ltd.	Subsidiary to subsidiary	(Sale)	(140,312)	(4.95)%	Note 1	Note 1	Note 1	74,265	4.69%	

Note 1: The sales and purchase prices are based on the market prices. The terms of collection and payment are not significantly different from those to third parties.

Note 2: The balance has been reconciled when preparing the consolidated financial statements.

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of related party	Counter party	Relationship	Balance of receivables from related party (Note 1)	Turnover rate	Overdue amount		Amounts received in subsequent period	Allowances for bad debts
					Amount	Action taken		
Chin Poon (Changshu) Electronic Co., Ltd.	The Company	Ultimate parent company of Chin Poon (Changshu) Electronic Co., Ltd.	997,101 (Note 2)	3.70	-	-	366,422 (As of July 31, 2025)	-
Chin-Poon Holdings Cayman Limited	Chin Poon (Changshu) Electronic Co., Ltd.	Parent Company of Chin Poon (Changshu) Electronic Co., Ltd.	706,951 (Note 3)	-	-	-	7,637 (As of July 31, 2025)	-

Note 1: The balance has been reconciled when preparing the consolidated financial statements.

Note 2: The amount included a principle of NT\$ 699,384 thousand and other receivables of interest of NT\$ 7,567 thousand.

(vi) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter party	Relationship with the counter party (Note 2)	Transaction details			
				Account name	Amount (Note 5)	Trading terms (Note 3)	Percentage of the total consolidated revenue or total assets (Note 4)
0	The Company	Chin Poon (Changshu) Electronic Co., Ltd.	1	Cost of goods sold	1,839,227	Negotiated by both sides.	23.19%
0	The Company	Chin Poon (Changshu) Electronic Co., Ltd.	1	Account payable- related parties	997,101	Negotiated by both sides.	4.38%
1	Chin-Poon Holdings Cayman Limited	Chin Poon (Changshu) Electronic Co., Ltd.	3	Other receivables- related parties	706,951	The rate of interests is determined in accordance with mutual agreement.	3.11%
2	Chin Poon Electronics (Thailand) Public Co., Ltd.	Chin Poon (Changshu) Electronic Co., Ltd.	3	Cost of goods sold	140,312	Negotiated by both sides.	1.77%

Note 1: What the number indicates is as follows:

(1) 0: Parent company.

(2) 1: Subsidiaries are numbered sequentially by Arabic numerals.

Note 2: What relationship the number indicates is as follows:

(1) 1: Parent company to its subsidiary.

(2) 2: Subsidiary to its parent company.

(3) 3: A subsidiary to a subsidiary.

Note 3: The sales and purchase prices are based on the market prices. The terms of collection and payment are not significantly different from those to third parties.

Note 4: We hereby disclose the amounts of such items which are balance sheet items accounting for more than 1% of the consolidated total assets and profit and loss items accounting for more than 1% of the consolidated total revenues.

Note 5: The balance has been reconciled when preparing the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the three months ended June 30, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Address	Scope of business	Original cost		Ending balance			Net income of investee (Note 1)	Investment income (losses) (Note 1)	Remarks
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	Book value (Note 1)			
The Company	VEGA International Enterprise Co. Ltd.	British Virgin	Investment	3,716,845	3,716,845	131,242,925	100%	8,071,109	475,561	475,561	Subsidiary (Note 2)
The Company	Chin Poon Electronics (Thailand) Public Co., Ltd.	Thailand	Production and trading of printed circuit board	3,648,007	3,648,007	1,537,644,283	99.89%	2,429,954	(23,487)	(23,461)	Subsidiary (Note 3)
VEGA International Enterprise Co. Ltd.	Chin Poon Holdings Cayman Limited	Cayman Islands	Investment	3,402,946	3,402,946	112,354,035	100%	8,053,525	475,308	475,308	Second-tier Subsidiary (Note 2)

Note 1: The balance has been reconciled when preparing the consolidated financial statements.

Note 2: The investment income (loss) was based on the financial statements reviewed by the auditor of the Company.

Note 3: The financial statements were reviewed by an international accounting firm in cooperation with the accounting firm in R.O.C..

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products,

Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2025	Amount of investment remitted or recovered during current period		Cumulative investment (amount) from Taiwan as of March 31, 2025	Net income of investee (Notes 2 and 3)	Direct / indirect ownership	Investment income (loss) (Notes 2 and 3)	Book value	Accumulated remittance of earnings in current period
					Remitted amount	Recovered amount						
Chin Poon (Changshu) Electronic Co., Ltd	Production and trading of printed circuit board	3,496,920	(Note 2)	2,476,985	-	-	2,476,985	437,593	100%	437,593	6,043,115	2,616,597

Note 1: The method of investment is divided into the following three categories:

- (1) Invest directly in a company in Mainland China.
- (2) Through companies in the third region, which then invested a company in Mainland China. (The Company invests Chin Poon (Changshu) Electronic Co., Ltd. through Chin Poon Holdings Cayman Limited.)
- (3) Other methods.

Note 2: The investment income was based on the financial statements reviewed by the auditor of the Company.

Note 3: The balance has been reconciled when preparing the consolidated financial statements.

Note 4: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (USD1 to NTD 29.1410).

(ii) Limitation on investment in Mainland China:

Company name	Accumulated investment amount in Mainland China as of March 31, 2025	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
Chin Poon Industrial Co., Ltd.	2,476,985	3,642,625	- (Note 1)

Note 1: On November 13, 2024, the Company was certified as the Operations Headquarter of the Group from November 1, 2024 to October 31, 2027 by the Industrial Development Bureau, Ministry of Economic Affairs, with approval letter No.11351020230. The Company has no limitation on investment in Mainland China during the abovementioned period.

Note 2: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (USD1 to NTD 29.1410).

(iii) Significant transactions:

The significant inter company transactions with the subsidiary in Mainland China, whose balance has been reconciled when preparing the consolidated financial statements for the six months ended June 30, 2025, please refer to note 13(a).

(14) Segment information:

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

For the three months ended June 30, 2025					
	Taiwan	China	Others	Adjustments or write-off	Total
Revenue:					
Revenue from external customers	\$ 3,070,037	491,392	529,380	-	4,090,809
Inter-segment revenues	7,623	1,066,165	21,885	(1,095,673)	-
Total revenue	<u>\$ 3,077,660</u>	<u>1,557,557</u>	<u>551,265</u>	<u>(1,095,673)</u>	<u>4,090,809</u>
Reportable segment profit or loss	<u>\$ (96,415)</u>	<u>219,786</u>	<u>(1,370)</u>	<u>-</u>	<u>122,001</u>
For the three months ended June 30, 2024					
Revenue:					
Revenue from external customers	\$ 3,258,104	551,608	358,666	-	4,168,378
Inter-segment revenues	0	920,372	13,162	(933,534)	-
Total revenue	<u>\$ 3,258,104</u>	<u>1,471,980</u>	<u>371,828</u>	<u>(933,534)</u>	<u>4,168,378</u>
Reportable segment profit or loss	<u>\$ 161,066</u>	<u>324,481</u>	<u>33,507</u>	<u>-</u>	<u>519,054</u>
For the three months ended June 30, 2025					
Revenue:					
Revenue from external customers	\$ 5,991,983	855,470	1,083,806	-	7,931,259
Inter-segment revenues	67,027	1,979,539	38,715	(2,085,281)	-
Total revenue	<u>\$ 6,059,010</u>	<u>2,835,009</u>	<u>1,122,521</u>	<u>(2,085,281)</u>	<u>7,931,259</u>
Reportable segment profit or loss	<u>\$ 38,164</u>	<u>367,160</u>	<u>3,849</u>	<u>-</u>	<u>409,173</u>
For the three months ended June 30, 2024					
Revenue:					
Revenue from external customers	\$ 6,507,408	1,070,467	692,081	-	8,269,956
Inter-segment revenues	1,253	1,777,185	23,261	(1,801,699)	-
Total revenue	<u>\$ 6,508,661</u>	<u>2,847,652</u>	<u>715,342</u>	<u>(1,801,699)</u>	<u>8,269,956</u>
Reportable segment profit or loss	<u>\$ 416,107</u>	<u>497,702</u>	<u>58,935</u>	<u>-</u>	<u>972,744</u>

The Group's chief officers measure performances based on operating income (losses) before tax. As the information on segment assets and liabilities was not provided to the chief officers, the information on segment assets and liabilities was not disclosed in the consolidated balance sheet.

For the three months and the six months ended June 30, 2025 and 2024, inter-segment revenues of \$1,095,673 thousand, \$933,534 thousand, \$2,085,281 thousand and \$1,801,699 thousand respectively, should be written-off from total revenue.