

EZconn Corporation and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
EZconn Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of EZconn Corporation and its subsidiaries (collectively, the “Group”) as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 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 the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended 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.

The engagement partners on the reviews resulting in this independent auditors' review report are Chun-Hung Chen and Cheng-Hisu Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2025

Notice to Readers

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

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2025		December 31, 2024		June 30, 2024	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,734,393	43	\$ 2,673,758	38	\$ 1,277,992	26
Financial assets at amortized cost - current (Notes 9 and 31)	170,530	2	100,506	2	99,550	2
Notes receivable (Note 10)	6,153	-	4,818	-	3,015	-
Trade receivables from unrelated parties (Note 10)	1,420,561	16	990,178	14	1,067,667	22
Other receivables from unrelated parties (Note 10)	46,060	1	21,420	-	14,685	-
Inventories (Note 11)	989,534	12	1,190,671	17	958,206	19
Prepayments (Note 30)	80,186	1	52,280	1	67,045	1
Other current assets	11,347	-	12,927	-	4,955	-
Total current assets	6,458,764	75	5,046,558	72	3,493,115	70
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 20)	30,300	-	3,700	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	533,641	6	425,994	6	105,093	2
Financial assets at amortized cost - non-current (Notes 9 and 31)	3,386	-	3,343	-	3,335	-
Investments accounted for using the equity method (Note 13)	73,444	1	88,264	1	74,149	2
Property, plant and equipment (Notes 14 and 31)	1,114,244	13	1,106,253	16	1,096,954	22
Right-of-use assets (Note 15)	135,800	2	155,843	2	32,054	1
Intangible assets (Note 16)	16,433	-	20,096	-	9,737	-
Deferred tax assets (Notes 4 and 25)	181,738	2	119,791	2	172,432	3
Prepayments for equipment	87,561	1	56,850	1	3,033	-
Refundable deposits	4,328	-	4,517	-	1,409	-
Other non-current assets - others	-	-	-	-	935	-
Total non-current assets	2,180,875	25	1,984,651	28	1,499,131	30
TOTAL	\$ 8,639,639	100	\$ 7,031,209	100	\$ 4,992,246	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 17 and 31)	\$ 493,440	6	\$ -	-	\$ 250,000	5
Notes payable (Note 18)	152,913	2	6	-	114,288	2
Trade payables to unrelated parties (Note 18)	318,104	4	297,045	4	271,438	6
Other payables (Note 19)	2,688,833	31	1,623,600	23	783,816	16
Current tax liabilities (Notes 4 and 25)	213,822	2	176,644	3	158,586	3
Lease liabilities - current (Note 15)	13,544	-	14,877	-	6,843	-
Other current liabilities (Note 19)	70,949	1	68,228	1	64,076	1
Total current liabilities	3,951,605	46	2,180,400	31	1,649,047	33
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	946,291	11	935,440	13	-	-
Long-term borrowings (Notes 17 and 31)	-	-	-	-	418,000	9
Deferred tax liabilities (Notes 4 and 25)	107,600	1	77,527	1	34,269	1
Lease liabilities - non-current (Note 15)	105,643	1	122,214	2	5,101	-
Net defined benefit liabilities (Notes 4 and 21)	4,186	-	8,309	-	13,430	-
Other non-current liabilities	8,895	-	9,337	-	9,460	-
Total non-current liabilities	1,172,615	13	1,152,827	16	480,260	10
Total liabilities	5,124,220	59	3,333,227	47	2,129,307	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Ordinary shares	760,002	9	760,000	11	756,000	15
Capital surplus	917,790	11	917,698	13	686,117	14
Retained earnings						
Legal reserve	393,052	4	286,369	4	286,369	6
Special reserve	15,183	-	81,457	1	81,457	1
Unappropriated earnings	1,607,284	19	1,783,791	26	1,092,287	22
Total retained earnings	2,015,519	23	2,151,617	31	1,460,113	29
Other equity	(112,186)	(1)	(133,240)	(2)	(42,354)	(1)
Treasury shares	(66,481)	(1)	-	-	-	-
Total equity attributable to owners of the Company	3,514,644	41	3,696,075	53	2,859,876	57
NON-CONTROLLING INTERESTS	775	-	1,907	-	3,063	-
Total equity	3,515,419	41	3,697,982	53	2,862,939	57
TOTAL	\$ 8,639,639	100	\$ 7,031,209	100	\$ 4,992,246	100

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

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUE (Note 23)	\$ 2,908,774	100	\$ 1,441,848	100	\$ 5,013,497	100	\$ 2,268,167	100
COST OF REVENUE (Notes 11, 21, 24 and 30)	<u>1,114,900</u>	<u>38</u>	<u>675,409</u>	<u>47</u>	<u>2,179,423</u>	<u>43</u>	<u>1,095,694</u>	<u>48</u>
GROSS PROFIT	<u>1,793,874</u>	<u>62</u>	<u>766,439</u>	<u>53</u>	<u>2,834,074</u>	<u>57</u>	<u>1,172,473</u>	<u>52</u>
OPERATING EXPENSES (Notes 10, 21, 24 and 30)								
Selling and marketing expenses	789,140	27	333,777	23	1,240,854	25	497,840	22
General and administrative expenses	181,735	7	152,624	10	362,049	7	249,047	11
Research and development expenses	28,651	1	24,483	2	54,629	1	48,622	2
Expected credit loss (gain)	<u>382</u>	<u>-</u>	<u>(61,583)</u>	<u>(4)</u>	<u>296</u>	<u>-</u>	<u>(61,594)</u>	<u>(2)</u>
Total operating expenses	<u>999,908</u>	<u>35</u>	<u>449,301</u>	<u>31</u>	<u>1,657,828</u>	<u>33</u>	<u>733,915</u>	<u>33</u>
PROFIT FROM OPERATIONS	<u>793,966</u>	<u>27</u>	<u>317,138</u>	<u>22</u>	<u>1,176,246</u>	<u>24</u>	<u>438,558</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 20 and 24)								
Interest income	22,111	1	6,704	-	41,950	1	14,228	-
Other income	1,056	-	837	-	1,418	-	993	-
Other gains and losses	(501,585)	(17)	30,169	2	(449,988)	(9)	65,983	3
Finance costs	(9,550)	(1)	(2,543)	-	(17,250)	(1)	(6,205)	-
Share of loss of associates accounted for using the equity method	<u>(9,232)</u>	<u>-</u>	<u>(4,334)</u>	<u>-</u>	<u>(14,819)</u>	<u>-</u>	<u>(6,812)</u>	<u>-</u>
Total non-operating income and expenses	<u>(497,200)</u>	<u>(17)</u>	<u>30,833</u>	<u>2</u>	<u>(438,689)</u>	<u>(9)</u>	<u>68,187</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	296,766	10	347,971	24	737,557	15	506,745	22
INCOME TAX EXPENSE (Notes 4 and 25)	<u>101,513</u>	<u>3</u>	<u>101,485</u>	<u>7</u>	<u>221,064</u>	<u>5</u>	<u>141,334</u>	<u>6</u>
NET INCOME	<u>195,253</u>	<u>7</u>	<u>246,486</u>	<u>17</u>	<u>516,493</u>	<u>10</u>	<u>365,411</u>	<u>16</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22 and 25)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(74,892)	(3)	7,815	1	94,719	2	19,865	1
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(3,649)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,649)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(78,541)</u>	<u>(3)</u>	<u>7,815</u>	<u>1</u>	<u>91,070</u>	<u>2</u>	<u>19,865</u>	<u>1</u>

(Continued)

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ (153,034)	(5)	\$ 6,183	-	\$ (131,854)	(3)	\$ 35,191	1
Income tax related to items that may be reclassified subsequently to profit or loss	<u>30,579</u> <u>(122,455)</u>	<u>1</u> <u>(4)</u>	<u>(1,242)</u> <u>4,941</u>	<u>-</u> <u>-</u>	<u>26,347</u> <u>(105,507)</u>	<u>1</u> <u>(2)</u>	<u>(7,044)</u> <u>28,147</u>	<u>-</u> <u>1</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(200,996)</u>	<u>(7)</u>	<u>12,756</u>	<u>1</u>	<u>(14,437)</u>	<u>-</u>	<u>48,012</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ (5,743)</u>	<u>-</u>	<u>\$ 259,242</u>	<u>18</u>	<u>\$ 502,056</u>	<u>10</u>	<u>\$ 413,423</u>	<u>18</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the parent	\$ 195,802	7	\$ 247,463	17	\$ 517,504	10	\$ 366,388	16
Non-controlling interests	<u>(549)</u>	<u>-</u>	<u>(977)</u>	<u>-</u>	<u>(1,011)</u>	<u>-</u>	<u>(977)</u>	<u>-</u>
	<u>\$ 195,253</u>	<u>7</u>	<u>\$ 246,486</u>	<u>17</u>	<u>\$ 516,493</u>	<u>10</u>	<u>\$ 365,411</u>	<u>16</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the parent	\$ (5,053)	-	\$ 260,247	18	\$ 503,188	10	\$ 414,428	18
Non-controlling interests	<u>(690)</u>	<u>-</u>	<u>(1,005)</u>	<u>-</u>	<u>(1,132)</u>	<u>-</u>	<u>(1,005)</u>	<u>-</u>
	<u>\$ (5,743)</u>	<u>-</u>	<u>\$ 259,242</u>	<u>18</u>	<u>\$ 502,056</u>	<u>10</u>	<u>\$ 413,423</u>	<u>18</u>
EARNINGS PER SHARE (NT\$; Note 26)								
Basic	<u>\$ 2.60</u>		<u>\$ 3.27</u>		<u>\$ 6.85</u>		<u>\$ 5.07</u>	
Diluted	<u>\$ 2.54</u>		<u>\$ 3.27</u>		<u>\$ 6.79</u>		<u>\$ 5.05</u>	

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

(Concluded)

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of The Company (Note 22)														
								Other Equity							
	Share Capital		Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Comprehensive Income	Unearned Stock-based Employee Compensation	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total								
BALANCE AT JANUARY 1, 2024	66,300	\$ 663,000	\$ 225,635	\$ 276,278	\$ 117,072	\$ 850,197	\$ 1,243,547	\$ (97,004)	\$ 15,548	\$ -	\$ (81,456)	\$ -	\$ 2,050,726	\$ -	\$ 2,050,726
Issuance of ordinary shares for cash	9,300	93,000	437,100	-	-	-	-	-	-	-	-	-	530,100	-	530,100
Share-based payment transactions	-	-	22,320	-	-	-	-	-	-	-	-	-	22,320	-	22,320
Changes in capital surplus from investment in associates accounted for using the equity method	-	-	1,062	-	-	-	-	-	-	-	-	-	1,062	-	1,062
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	4,068	4,068
Appropriation of 2023 earnings															
Legal reserve	-	-	-	10,091	-	(10,091)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(35,615)	35,615	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(158,760)	(158,760)	-	-	-	-	-	(158,760)	-	(158,760)
Net profit (loss) for the six months ended June 30, 2024	-	-	-	-	-	366,388	366,388	-	-	-	-	-	366,388	(977)	365,411
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	28,175	19,865	-	48,040	-	48,040	(28)	48,012
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	366,388	366,388	28,175	19,865	-	48,040	-	414,428	(1,005)	413,423
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	8,938	8,938	-	(8,938)	-	(8,938)	-	-	-	-
BALANCE AT JUNE 30, 2024	75,600	\$ 756,000	\$ 686,117	\$ 286,369	\$ 81,457	\$ 1,092,287	\$ 1,460,113	\$ (68,829)	\$ 26,475	\$ -	\$ (42,354)	\$ -	\$ 2,859,876	\$ 3,063	\$ 2,862,939
BALANCE AT JANUARY 1, 2025	76,000	\$ 760,000	\$ 917,698	\$ 286,369	\$ 81,457	\$ 1,783,791	\$ 2,151,617	\$ (64,232)	\$ 49,050	\$ (118,058)	\$ (133,240)	\$ -	\$ 3,696,075	\$ 1,907	\$ 3,697,982
Convertible bonds converted to ordinary shares	-	2	92	-	-	-	-	-	-	-	-	-	94	-	94
Share-based payment transactions	-	-	-	-	-	-	-	-	-	35,370	35,370	-	35,370	-	35,370
Appropriation of 2024 earnings															
Legal reserve	-	-	-	106,683	-	(106,683)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(66,274)	66,274	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(653,602)	(653,602)	-	-	-	-	-	(653,602)	-	(653,602)
Net profit (loss) for the six months ended June 30, 2025	-	-	-	-	-	517,504	517,504	-	-	-	-	-	517,504	(1,011)	516,493
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	(105,386)	91,070	-	(14,316)	-	(14,316)	(121)	(14,437)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	517,504	517,504	(105,386)	91,070	-	(14,316)	-	503,188	(1,132)	502,056
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(66,481)	(66,481)	-	(66,481)
BALANCE AT JUNE 30, 2025	76,000	\$ 760,002	\$ 917,790	\$ 393,052	\$ 15,183	\$ 1,607,284	\$ 2,015,519	\$ (169,618)	\$ 140,120	\$ (82,688)	\$ (112,186)	\$ (66,481)	\$ 3,514,644	\$ 775	\$ 3,515,419

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

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 737,557	\$ 506,745
Adjustments for:		
Depreciation expenses	44,003	39,443
Amortization expenses	4,861	1,736
Expected credit loss recognized (reversed) on trade receivables	296	(61,594)
Net loss on financial assets and liabilities at fair value through profit or loss	3,400	-
Finance costs	17,250	6,205
Interest income	(41,950)	(14,228)
Compensation cost of share-based payment	35,370	22,320
Share of loss of associates accounted for using the equity method	14,819	6,812
Loss on disposal of property, plant and equipment	2,638	363
Gain on lease modification	(10)	-
Write-down of inventories	35,180	22,180
Changes in operating assets and liabilities		
Notes receivable	(1,335)	2,231
Trade receivables from unrelated parties	(429,141)	(566,105)
Other receivables from unrelated parties	(22,934)	2,399
Inventories	170,725	(380,576)
Prepayments	(27,906)	(22,501)
Other current assets	(4,954)	(619)
Notes payable	152,907	114,282
Trade payables to unrelated parties	21,059	84,042
Other payables	414,674	242,274
Other current liabilities	2,721	1,334
Net defined benefit liabilities	(4,123)	(20,115)
Cash generated from (used in) operations	1,125,107	(13,372)
Interest received	40,244	14,246
Interest paid	(6,002)	(6,417)
Income tax paid	(190,352)	(56,592)
Net cash generated from (used in) operating activities	968,997	(62,135)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(12,928)	(10,000)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	14,158
Purchase of financial assets at amortized cost	(186,537)	(85,772)
Proceeds from sale of financial assets at amortized cost	110,069	85,088
Purchase of financial assets at fair value through profit or loss	(30,000)	-
Acquisition of associate accounted for using the equity method	-	(40,000)

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EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	2024
Payments for property, plant and equipment	\$ (46,406)	\$ (289,412)
Proceeds from disposal of property, plant and equipment	1,258	124
Increase in refundable deposits	(97)	(40)
Decrease in refundable deposits	23	1,681
Payments for intangible assets	(1,273)	(3,816)
Increase in other non-current assets	-	(935)
Increase in prepayments for equipment	<u>(50,312)</u>	<u>(5,441)</u>
Net cash used in investing activities	<u>(216,203)</u>	<u>(334,365)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,246,721	1,480,000
Repayments of short-term borrowings	(750,000)	(1,560,000)
Proceeds from long-term borrowings	-	418,000
Repayments of long-term borrowings	-	(218,000)
Repayment of the principal portion of lease liabilities	(7,660)	(4,667)
(Decrease) increase in other non-current liabilities	(442)	204
Proceeds from issuance of ordinary shares	-	530,100
Payments for buy-back of treasury shares	(66,481)	-
Change in non-controlling interests	<u>-</u>	<u>4,068</u>
Net cash generated from financing activities	<u>422,138</u>	<u>649,705</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(114,297)</u>	<u>24,372</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,060,635	277,577
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,673,758</u>	<u>1,000,415</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,734,393</u>	<u>\$ 1,277,992</u>

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

(Concluded)

EZCONN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

EZconn Corporation (the “Company”) was incorporated in the Republic of China (ROC) on September 4, 1996. The Company mainly manufactures and sells precision metal components and optical fiber components of various electronic products.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since July 14, 2015.

These consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 7, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, or other regulations and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12, Tables 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting judgments and key sources of estimation uncertainty of these consolidated financial statements are the same as the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 925	\$ 538	\$ 688
Checking accounts and demand deposits	2,327,068	2,073,968	1,008,597
Cash equivalents			
Time deposits with original maturities of three months or less	1,142,700	599,252	268,707
Repurchase agreements collateralized by bonds	<u>263,700</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,734,393</u>	<u>\$ 2,673,758</u>	<u>\$ 1,277,992</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (JUNE 30, 2024: NONE)

	June 30, 2025	December 31, 2024
<u>Financial assets - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Domestic convertible bonds	\$ 30,000	\$ -
Derivative instruments (not under hedge accounting)		
Convertible options (Note 20)	<u>300</u>	<u>3,700</u>
	<u>\$ 30,300</u>	<u>\$ 3,700</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Listed shares and emerging market shares			
TrueLight Corporation	\$ 21,410	\$ 28,413	\$ 33,157
TMY Technology Inc.	410,332	-	-
IntelliEPI Inc. (Cayman)	16,318	-	-
Unlisted shares			
TMY Technology Inc.	-	312,000	10,000
OpXion Tech. Incorporation	11,004	11,004	5,602
Lightel Technologies Inc.	<u>74,577</u>	<u>74,577</u>	<u>56,334</u>
	<u>\$ 533,641</u>	<u>\$ 425,994</u>	<u>\$ 105,093</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purpose. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In March and November 2024, the Group acquired the ordinary shares of TMY Technology Inc. via capital injection; since the shares are held for medium- to long-term strategic purposes, the management designated these investments as at FVTOCI.

In May and June 2025, the Group acquired the ordinary shares of IntelliEPI Inc. (Cayman) via capital injection; since the shares are held for medium- to long-term strategic purposes, the management designated these investments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 141,230	\$ 100,506	\$ 99,550
Pledged deposits	<u>29,300</u>	<u>-</u>	<u>-</u>
	<u>\$ 170,530</u>	<u>\$ 100,506</u>	<u>\$ 99,550</u>

Non-current

Pledged deposits	<u>\$ 3,386</u>	<u>\$ 3,343</u>	<u>\$ 3,335</u>
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- The ranges of interest rates for time deposits with an original maturity of more than 3 months were approximately 1.50%-4.20%, 1.70%-5.10% and 1.70%-5.00% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- The market interest rates of the pledged deposits were 1.700%-3.700%, 1.575%-1.700% and 1.575%-1.700% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- Refer to Note 31 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable, net</u>			
At amortized cost			
Gross carrying amount	\$ 6,237	\$ 4,902	\$ 3,098
Less: Allowance for impairment loss	<u>(84)</u>	<u>(84)</u>	<u>(83)</u>
	<u>\$ 6,153</u>	<u>\$ 4,818</u>	<u>\$ 3,015</u>
Notes receivable - operating	<u>\$ 6,153</u>	<u>\$ 4,818</u>	<u>\$ 3,015</u>

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Trade receivables (a)</u>			
At amortized cost			
Gross carrying amount	\$ 1,421,496	\$ 990,917	\$ 1,068,896
Less: Allowance for impairment loss	<u>(935)</u>	<u>(739)</u>	<u>(1,229)</u>
	<u>\$ 1,420,561</u>	<u>\$ 990,178</u>	<u>\$ 1,067,667</u>
<u>Other receivables (b)</u>			
Tax refund receivable	\$ 35,929	\$ 14,882	\$ 8,765
Interest receivable	5,324	3,618	2,915
Receivables from sales of scrap and by-products	2,575	680	1,005
Others	<u>2,232</u>	<u>2,240</u>	<u>2,000</u>
	<u>\$ 46,060</u>	<u>\$ 21,420</u>	<u>\$ 14,685</u>
			(Concluded)

a. Trade receivables

The average credit period of sales of goods is 30 to 120 days. No interest was charged on trade receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

June 30, 2025

	China	Asia	America	Europe	Total
Gross carrying amount	\$ 88,060	\$ 95,898	\$ 1,175,511	\$ 62,027	\$ 1,421,496
Loss allowance (Lifetime ECLs)	<u>(81)</u>	<u>(143)</u>	<u>(588)</u>	<u>(123)</u>	<u>(935)</u>
Amortized cost	<u>\$ 87,979</u>	<u>\$ 95,755</u>	<u>\$ 1,174,923</u>	<u>\$ 61,904</u>	<u>\$ 1,420,561</u>

December 31, 2024

	China	Asia	America	Europe	Total
Gross carrying amount	\$ 75,448	\$ 166,165	\$ 700,477	\$ 48,827	\$ 990,917
Loss allowance (Lifetime ECLs)	<u>(46)</u>	<u>(249)</u>	<u>(349)</u>	<u>(95)</u>	<u>(739)</u>
Amortized cost	<u>\$ 75,402</u>	<u>\$ 165,916</u>	<u>\$ 700,128</u>	<u>\$ 48,732</u>	<u>\$ 990,178</u>

June 30, 2024

	China	Asia	America	Europe	Total
Gross carrying amount	\$ 77,832	\$ 567,691	\$ 356,224	\$ 67,149	\$ 1,068,896
Loss allowance (Lifetime ECLs)	<u>(58)</u>	<u>(850)</u>	<u>(177)</u>	<u>(144)</u>	<u>(1,229)</u>
Amortized cost	<u>\$ 77,774</u>	<u>\$ 566,841</u>	<u>\$ 356,047</u>	<u>\$ 67,005</u>	<u>\$ 1,067,667</u>

The aging of receivables was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Less than 30 days	\$ 1,022,170	\$ 755,429	\$ 527,267
31-60 days	226,110	122,266	277,040
61-90 days	115,180	70,248	164,857
91-120 days	39,842	28,713	93,023
Over 120 days	<u>18,194</u>	<u>14,261</u>	<u>6,709</u>
	<u>\$ 1,421,496</u>	<u>\$ 990,917</u>	<u>\$ 1,068,896</u>

The above aging schedule was based on the invoice date.

The movements of the loss allowance of trade receivables were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	\$ 739	\$ 96,970
Add: Net remeasurement of loss allowance	296	-
Less: Impairment loss reversed on receivables	-	(61,594)
Less: Amounts written off	-	(35,141)
Foreign exchange gains and losses	<u>(100)</u>	<u>994</u>
Balance at June 30	<u>\$ 935</u>	<u>\$ 1,229</u>

In previous years, the Company had recognized full impairment losses regarding the debt of PCT International Inc. (PCT). PCT filed for bankruptcy proceedings under Chapter 11 of the United States Bankruptcy Code in November 2019, and also filed for a debt reorganization plan in June 2020. In March 2021, the Company, PCT, the Official Committee of Unsecured Creditors (“Committee”), and certain other parties entered into a settlement agreement. The bankruptcy court approved the debt reorganization plan associated with the settlement in November 2021. In April 2024, the Group and PCT began conducting settlement discussions and recovered US\$1,955 thousand, which is based on the reversal of allowance losses on accounts receivable. The remaining US\$1,176 thousand was fully written off by offsetting the loss allowance of trade receivables.

b. Other receivables

Other receivables were primarily tax refund receivable, receivable from sales of scrap and by-products and interest receivable. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had assessed the impairment loss of other receivables based on expected credit losses.

11. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	\$ 336,312	\$ 557,204	\$ 448,357
Work in progress	221,008	179,877	148,819
Raw materials	<u>432,214</u>	<u>453,590</u>	<u>361,030</u>
	<u>\$ 989,534</u>	<u>\$ 1,190,671</u>	<u>\$ 958,206</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2025 and 2024 were \$1,114,900 thousand and \$675,409 thousand, respectively, included inventory write-downs of \$19,866 thousand and \$18,140 thousand, respectively. The costs of inventories recognized as cost of goods sold for the six months ended June 30, 2025 and 2024 were \$2,179,423 thousand and \$1,095,694 thousand, respectively, included inventory write-downs of \$35,180 thousand and \$22,180 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership		
			June 30, 2025	December 31, 2024	June 30, 2024
The Company	EC-Link Technology Inc. (EC-Link)	Investment	100%	100%	100%
	EZconn Europe GmbH	Manufacture and sale of precision metal components and optical fiber components of various electronic products	100%	100%	100%
	EZConn USA Inc.	Sale of precision metal components and optical fiber components of various electronic products	80%	80%	80%
	EZconn Technology Corporation	Manufacturer of electronic components	100%	100%	-
EC-Link	Light Master Technology Inc. (Light Master)	Investment	100%	100%	100%
EZconn Europe GmbH	EZconn Czech a.s.	Manufacture of various optical fiber components	100%	100%	100%
Light Master	Light Master Technology (Ningbo) Inc.	Manufacture and sale of optical fiber components and cable connector	100%	100%	100%
EZconn Czech a.s.	EZconn Technologies CZ s.r.o.	Manufacture and research of optical communication components	100%	100%	100%

The financial statements of subsidiaries included in the consolidated financial statements were reviewed by the independent auditors.

In order to expand its business, the Company planned to set up a subsidiary EZconn Technology Corporation in the Philippines, which was approved by the board of directors on May 8, 2024. The shareholding ratio is 100%, and the amount of injection was US\$3,000 thousand in October 2024.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
Investments in associate that is not individually material			
AuthenX Inc.	<u>\$ 73,444</u>	<u>\$ 88,264</u>	<u>\$ 74,149</u>

Associate is accounted for using the equity method.

Aggregate information of associate that is not individually material

	For the Six Months Ended June 30	
	2025	2024
The Group's share of:		
Loss for the current period/total comprehensive loss	<u>\$ (14,819)</u>	<u>\$ (6,812)</u>

In April 2024, AuthenX Inc. issued 7,000 thousand ordinary shares. The Group participated in the capital injection of AuthenX Inc. with 2,000 thousand shares at \$20 per share. However, the Group did not subscribe for the original shareholding percentage, which decreased its ownership interests from 29.52% to 29.32% and adjusted to increase the capital surplus \$1,062 thousand.

In July 2024, AuthenX Inc. also issued 3,200 thousand ordinary shares. However, the Group did not subscribe for the original shareholding percentage, which decreased its ownership interests from 29.32% to 26.71% and adjusted to increase the capital surplus by \$23,504 thousand.

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have not been reviewed. The Group's management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>									
Balance at January 1, 2025	\$ 664,140	\$ 416,025	\$ 897,942	\$ 35,808	\$ 5,993	\$ 46,893	\$ 115,672	\$ 266	\$ 2,182,739
Additions	-	-	25,065	565	-	1,274	846	454	28,204
Disposals	-	-	(37,901)	(316)	-	(410)	(540)	-	(39,167)
Internal transfers	-	-	11,313	90	-	651	22,422	(411)	34,065
Effects of foreign currency exchange differences	-	(25,252)	(36,842)	-	(568)	(2,079)	(1,808)	(30)	(66,579)
Balance at June 30, 2025	<u>\$ 664,140</u>	<u>\$ 390,773</u>	<u>\$ 859,577</u>	<u>\$ 36,147</u>	<u>\$ 5,425</u>	<u>\$ 46,329</u>	<u>\$ 136,592</u>	<u>\$ 279</u>	<u>\$ 2,139,262</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2025	\$ -	\$ 231,147	\$ 690,554	\$ 34,070	\$ 2,661	\$ 39,240	\$ 78,814	\$ -	\$ 1,076,486
Depreciation expenses	-	7,698	17,585	563	349	1,279	6,439	-	33,913
Disposals	-	-	(34,051)	(311)	-	(369)	(540)	-	(35,271)
Reclassification	-	-	-	-	-	-	197	-	197
Effects of foreign currency exchange differences	-	(21,827)	(25,869)	-	(253)	(1,646)	(712)	-	(50,307)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 217,018</u>	<u>\$ 648,219</u>	<u>\$ 34,322</u>	<u>\$ 2,757</u>	<u>\$ 38,504</u>	<u>\$ 84,198</u>	<u>\$ -</u>	<u>\$ 1,025,018</u>
Carrying amount at June 30, 2025	<u>\$ 664,140</u>	<u>\$ 173,755</u>	<u>\$ 211,358</u>	<u>\$ 1,825</u>	<u>\$ 2,668</u>	<u>\$ 7,825</u>	<u>\$ 52,394</u>	<u>\$ 279</u>	<u>\$ 1,114,244</u>
Carrying amount at January 1, 2025 and December 31, 2024	<u>\$ 664,140</u>	<u>\$ 184,878</u>	<u>\$ 207,388</u>	<u>\$ 1,738</u>	<u>\$ 3,332</u>	<u>\$ 7,653</u>	<u>\$ 36,858</u>	<u>\$ 266</u>	<u>\$ 1,106,253</u>

(Continued)

	Land	Buildings	Machinery Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>									
Balance at January 1, 2024	\$ 126,000	\$ 383,223	\$ 936,967	\$ 36,151	\$ 6,155	\$ 44,630	\$ 106,966	\$ 210	\$ 1,640,302
Additions	269,070	9,889	2,364	544	26	1,147	822	347	284,209
Disposals	-	-	(4,963)	(1,326)	(2,186)	(80)	-	-	(8,555)
Internal transfers	269,070	10,930	1,866	-	1,784	70	-	(287)	283,433
Effects of foreign currency exchange differences	-	11,779	22,348	-	281	1,007	438	11	35,864
Balance at June 30, 2024	<u>\$ 664,140</u>	<u>\$ 415,821</u>	<u>\$ 958,582</u>	<u>\$ 35,369</u>	<u>\$ 6,060</u>	<u>\$ 46,774</u>	<u>\$ 108,226</u>	<u>\$ 281</u>	<u>\$ 2,235,253</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2024	\$ -	\$ 205,815	\$ 730,858	\$ 34,100	\$ 4,744	\$ 38,074	\$ 70,219	\$ -	\$ 1,083,810
Depreciation expenses	-	7,769	20,482	767	245	1,031	4,291	-	34,585
Disposals	-	-	(4,701)	(1,327)	(1,969)	(71)	-	-	(8,068)
Effects of foreign currency exchange differences	-	9,530	17,252	-	191	831	168	-	27,972
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 223,114</u>	<u>\$ 763,891</u>	<u>\$ 33,540</u>	<u>\$ 3,211</u>	<u>\$ 39,865</u>	<u>\$ 74,678</u>	<u>\$ -</u>	<u>\$ 1,138,299</u>
Carrying amount at June 30, 2024	<u>\$ 664,140</u>	<u>\$ 192,707</u>	<u>\$ 194,691</u>	<u>\$ 1,829</u>	<u>\$ 2,849</u>	<u>\$ 6,909</u>	<u>\$ 33,548</u>	<u>\$ 281</u>	<u>\$ 1,096,954</u>

(Concluded)

On December 14, 2023, in order to meet operational needs and long-term development and planning, the Corporation's board of directors resolved to purchase the leased land and factory with a total contract amount of \$560,000 thousand. The transfer of ownership completed in January 2024.

No impairment assessment was performed for the six months ended June 30, 2025 and 2024, as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	4, 20 and 40 years
Machinery equipment	2-10 years
Mold equipment	2 years
Transportation equipment	5 years
Office equipment	3, 5 and 10 years
Other equipment	2, 3, 5, 8-10 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 31.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Land	\$ 17,870	\$ 20,265	\$ 20,584
Buildings	117,082	134,405	9,561
Transportation equipment	<u>848</u>	<u>1,173</u>	<u>1,909</u>
	<u>\$ 135,800</u>	<u>\$ 155,843</u>	<u>\$ 32,054</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			<u>\$ 1,597</u>	<u>\$ 2,203</u>
Depreciation charge for right-of-use assets				
Land	\$ 166	\$ 176	\$ 344	\$ 348
Buildings	4,237	1,844	9,018	3,784
Transportation equipment	<u>367</u>	<u>365</u>	<u>728</u>	<u>726</u>
	<u>\$ 4,770</u>	<u>\$ 2,385</u>	<u>\$ 10,090</u>	<u>\$ 4,858</u>

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Current	<u>\$ 13,544</u>	<u>\$ 14,877</u>	<u>\$ 6,843</u>
Non-current	<u>\$ 105,643</u>	<u>\$ 122,214</u>	<u>\$ 5,101</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	1.45%-5.14%	1.45%-5.14%	1.45%-4.75%
Transportation equipment	2.44%-4.00%	1.45%-4.00%	1.45%-4.00%

c. Material leasing activities and terms

As lessee, the Group leases land and buildings for plants and offices and transportation equipment with lease terms of 2 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land, buildings and transportation equipment at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 1,542</u>	<u>\$ 946</u>	<u>\$ 2,235</u>	<u>\$ 1,641</u>
Total cash outflow for leases			<u>\$ (12,872)</u>	<u>\$ (6,467)</u>

The Group leases certain transportation equipment and buildings which qualify as short-term leases. The Group elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INTANGIBLE ASSETS

The Group's intangible assets primarily comprise computer software. Except for amortization recognized, significant addition, disposal or impairment of other intangible assets during the six months ended June 30, 2025 and 2024, other intangible assets are amortized on a straight-line basis over their estimated useful lives of 1 to 10 years.

An Analysis of Amortization by Function

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Operating costs	\$ 294	\$ 20	\$ 588	\$ 40
Selling and marketing expenses	14	13	27	26
General and administrative expenses	856	356	1,691	701
Research and development expenses	<u>1,281</u>	<u>490</u>	<u>2,555</u>	<u>969</u>
	<u>\$ 2,445</u>	<u>\$ 879</u>	<u>\$ 4,861</u>	<u>\$ 1,736</u>

17. BORROWINGS

- a. Short-term borrowings (December 31, 2024: None)

	June 30	
	2025	2024
<u>Secured borrowings</u>		
Bank borrowings (Note 31)	\$ 23,440	\$ -
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>470,000</u>	<u>250,000</u>
	<u>\$ 493,440</u>	<u>\$ 250,000</u>

The interest rate ranges of line of credit borrowings were 1.90%-5.20% and 1.93%-1.98% per annum as of June 30, 2025 and 2024, respectively.

- b. Long-term borrowings (June 30, 2025 and December 31, 2024: None)

	June 30, 2024
Secured borrowings	\$ 418,000
Less: Current portion of long-term borrowings	<u>-</u>
Long-term borrowings	<u>\$ 418,000</u>

To increase medium- and long-term working capital, the Group entered into a loan contract with a bank for the period November 2020 to November 2027, and the loan was repaid in full in March 2024. The Group entered into a medium- and long-term loan contract with another bank for the period May 2024 to May 2039, and the loan was repaid in full in November 2024. As of June 30, 2024, the effective interest rate was 1.95%, and interest is repayable on a monthly basis. The principal of the loan is repayable over a period of 2 years. After the grace period expires, each month is regarded as one period, which is divided into 156 periods, repayment of principal plus interest in installments by monthly. The Group provided property and plant as collateral for this loan (refer to Notes 14 and 31 for the details).

For some of the loan agreements, the Group current ratio, debt ratio, and the net worth as stated in the financial statements are not to fall below specified ratios/amount, or else. The Group is required to propose improvement measures to the bank when failing to comply with the restrictions. As of June 30, 2024, the Group was not in violation of any of the aforementioned financial restrictions.

18. NOTES PAYABLE AND TRADE PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes payable</u>			
Operating	\$ -	\$ -	\$ 66
Non-operating	<u>152,913</u>	<u>6</u>	<u>114,222</u>
	<u>\$ 152,913</u>	<u>\$ 6</u>	<u>\$ 114,288</u>
<u>Trade payables</u>			
Operating	<u>\$ 318,104</u>	<u>\$ 297,045</u>	<u>\$ 271,438</u>

The average credit period of purchases of goods is 60-90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Other payables</u>			
Payables for commissions	\$ 1,429,011	\$ 1,027,267	\$ 297,607
Payables for cash dividends	653,602	-	158,760
Payables for employees' compensation and remuneration of directors	217,500	150,000	70,500
Payables for salaries or bonuses	210,973	327,637	131,548
Others	<u>177,747</u>	<u>118,696</u>	<u>125,401</u>
	<u>\$ 2,688,833</u>	<u>\$ 1,623,600</u>	<u>\$ 783,816</u>

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Other current liabilities</u>			
Refund liabilities	\$ 55,265	\$ 55,605	\$ 50,900
Contract liabilities (Note 23)	9,562	7,470	7,796
Others	<u>6,122</u>	<u>5,153</u>	<u>5,380</u>
	<u>\$ 70,949</u>	<u>\$ 68,228</u>	<u>\$ 64,076</u> (Concluded)

20. BONDS PAYABLE (JUNE 30, 2024: NONE)

	June 30, 2025	December 31, 2024
1st domestic unsecured convertible corporate bonds	\$ 999,900	\$ 1,000,000
Less: Discount of corporate bond payable	<u>(53,609)</u>	<u>(64,560)</u>
	<u>\$ 946,291</u>	<u>\$ 935,440</u>

The Company issued 1st domestic unsecured convertible corporate bonds totaling 10,000 units on November 11, 2024, with a principal amounting to \$1,005,000 thousand, at 100.5% of the par value and a zero coupon rate. The conversion price at the time of issuance was \$491.3 per share, for a term of 3 years. The corporate bonds may be converted into ordinary shares of the Company upon request from February 12, 2025 to November 11, 2027.

The bonds will be held from the next day after the expiration of 3 months until 40 days before the expiration of the issue period. If the closing price of the Company's ordinary stock exceeds the conversion price of the bond by 30% or more for 30 consecutive business days, the Company shall repurchase the bonds in cash within 30 business days, the Company redeems the bondholder's convertible corporate bonds in cash. If the outstanding balance of these convertible bonds falls below 10% of the original total issuance amount, the company may redeem all outstanding bonds in cash at face value at any time thereafter.

The bondholders may opt for early redemption of the bonds after holding them for two years from the date of issuance. The bondholders may submit a written notice within 40 days prior to the put date, requesting the company to redeem their bonds in cash at face value.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - equity component of convertible bonds. The effective interest rate of the liability component was 2.36% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,410 thousand)	\$ 999,590
Buy-back/redemption rights derivative instruments	400
Equity component (less transaction costs allocated to the equity component of \$365 thousand)	<u>(67,534)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$5,045 thousand)	<u>\$ 932,456</u>

Changes in the principal debt instrument are as follows:

	For the Six Months Ended June 30, 2025
Beginning liability components	\$ 935,440
Interest calculated at effective interest rate	10,945
Convertible bonds converted to ordinary shares	<u>(94)</u>
Ending liability components	<u>\$ 946,291</u>

The movements of derivative financial instruments were as follows:

	For the Six Months Ended June 30, 2025
Beginning balance	\$ 3,700
Loss on fair value changes	<u>(3,400)</u>
Ending balance	<u>\$ 300</u>

The changes in the conversion rights under the equity components (under the capital surplus) are as follows:

	For the Six Months Ended June 30, 2025
Beginning balance	\$ 67,534
Convertible bonds converted to ordinary shares	<u>(7)</u>
Ending balance	<u>\$ 67,527</u>

As of June 30, 2025, the denomination of the bonds exercised by the holders of conversion corporate bonds was \$100 thousand converted into 203 ordinary shares of the Company.

21. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined benefit retirement plans was calculated using the actuarially determined pension cost rate at the end of the prior financial year, which was stated in the respective 2024 and 2023 actuarial reports; the employee benefits expenses for the three months ended June 30, 2025 and 2024 were \$24 thousand and \$110 thousand, respectively, and the employee benefits expense for the six months ended June 30, 2025 and 2024 were \$77 thousand and \$240 thousand, respectively.

22. EQUITY

a. Share capital

Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of authorized shares (in thousands)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Amount of authorized shares	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Number of issued and fully paid shares (in thousands)	<u>76,000</u>	<u>76,000</u>	<u>75,600</u>
Amount of issued and fully paid shares	<u>\$ 760,002</u>	<u>\$ 760,000</u>	<u>\$ 756,000</u>

The holders of issued ordinary shares with a par value of \$10 are entitled the right to vote and receive dividends.

In order to enrich working capital and repay bank borrowings, the Company's board of directors resolved to issue 9,300 thousand new shares through a cash capital increase with a par value of \$10 on November 21, 2023. The issue price is \$57 per share, and the total issued and fully paid cash capital increased to \$756,000 thousand. The base date for cash capital increase was March 5, 2024, and the change of registration was completed on March 29, 2024.

The Company's board of directors resolved to issue 400 thousand employee restricted shares with a par value of NT\$10, and fully paid cash capital increase to \$760,000 thousand, within the quota approved by the FSC on September 20, 2024. Please see Note 28 for information relating to employee stock options and employee restricted shares.

The company issued an additional 203 thousand common shares for the six months ended June 30, 2025 due to the exercise of the conversion right by the holders of convertible bonds.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 672,108	\$ 672,009	\$ 672,009
May only be used to offset a deficit (2)			
Exercising the right of imputation	10	10	10
Capital surplus - changes in equity of associates accounted for using the equity method	24,566	24,566	1,062

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>May not be used for any purpose</u>			
Employee restricted shares	\$ 140,543	\$ 140,543	\$ -
Convertible bonds share options	67,527	67,534	-
Changes in percentage of ownership interests in subsidiaries (3)	<u>13,036</u>	<u>13,036</u>	<u>13,036</u>
	<u>\$ 917,790</u>	<u>\$ 917,698</u>	<u>\$ 686,117</u> (Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus which may only be used to offset a deficit.
- 3) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition. Such capital surplus may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of directors and supervisors in Note 24-g.

The Company's dividends policy is based on the shareholders' long-term interests. In formulating its dividends policy, the Company takes into account the overall business and industry conditions and trends, present and future operational expansion and to satisfy the shareholders' need for cash inflow. The Company's dividends policy states that cash dividends should be at least 10% of total dividends. A distribution plan is also to be made by the board of directors and passed for resolution in the shareholders' meeting.

Under the Company's dividends policy in the Articles, the proposed distribution of dividends can be distributed fully or partially by cash and is subject to the approval of the Company's board of directors with the attendance of more than two-thirds of the directors and with the consent of at least half of the attending directors; in addition, it shall be reported in the shareholders' meeting.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 were as follows:

	2024	2023
Legal reserve	<u>\$ 106,683</u>	<u>\$ 10,091</u>
Special reserve	<u>\$ (66,274)</u>	<u>\$ (35,615)</u>
Cash dividends	<u>\$ 653,602</u>	<u>\$ 158,760</u>
Cash dividends per share (NT\$)	\$ 8.6	\$ 2.1

The above appropriations of earnings as cash dividends were resolved by the Company's board of directors on March 7, 2025 and May 8, 2024, respectively. The proposed appropriations of earnings for the years ended December 31, 2024 and 2023 were resolved by the shareholders in their meetings on May 28, 2025 and June 18, 2024.

d. Special reserve

The Company shall appropriate additional reserve for the amount equal to the difference between net debit balance reserves and the special reserve appropriated. Any special reserve appropriated may be reversed to the extent that the debit balance reverses and, thereafter, distributed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

The exchange differences arising on translation of the net assets of foreign operation from their functional currencies to the Company's presentation currency (the New Taiwan dollar) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	\$ 49,050	\$ 15,548
Recognized for the period		
Unrealized gain		
Equity instruments	91,070	19,865
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(8,938)</u>
Balance at June 30	<u>\$ 140,120</u>	<u>\$ 26,475</u>

3) Unearned employee benefits (for the six months ended June 30, 2024: None)

In the meeting of shareholders on June 18, 2024, the shareholders approved a restricted share plan for employees. Refer to Note 28 for detail.

	For the Six Months Ended June 30, 2025
Balance at January 1	\$ (118,058)
Share-based payment expenses recognized	<u>35,370</u>
Balance at June 30	<u>\$ (82,688)</u>

f. Treasury shares

Under a resolution passed on April 11, 2025, the Company's board of directors approved the repurchase of the Company's own shares for transfer to employees. Between April 14, 2025 and June 10, 2025, the Company had repurchased 200 thousand shares for a total cost of \$66,481 thousand.

	Unit: In Thousands of Shares
Purpose of Buy-back	Transferred to Employees (In Thousands of Shares)
Number of shares on January 1	-
Increase during the period	<u>200</u>
Number of shares on June 30	<u>200</u>

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

23. REVENUE

Contract Balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities (classified under other current liabilities)	<u>\$ 9,562</u>	<u>\$ 7,470</u>	<u>\$ 7,796</u>	<u>\$ 10,585</u>

The changes in the contract liabilities balances primarily result from the timing difference between the satisfaction of performance obligations and respective the customer's payment.

24. NET INCOME FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	\$ 20,017	\$ 6,704	\$ 37,948	\$ 14,228
Others	<u>2,094</u>	<u>-</u>	<u>4,002</u>	<u>-</u>
	<u>\$ 22,111</u>	<u>\$ 6,704</u>	<u>\$ 41,950</u>	<u>\$ 14,228</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Grant income	\$ 443	\$ 1	\$ 465	\$ 47
Others	<u>613</u>	<u>836</u>	<u>953</u>	<u>946</u>
	<u>\$ 1,056</u>	<u>\$ 837</u>	<u>\$ 1,418</u>	<u>\$ 993</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Loss on disposal of property, plant and equipment	\$ (858)	\$ (36)	\$ (2,638)	\$ (363)
Net foreign exchange (losses) gains	(503,685)	30,258	(444,555)	66,425
Gains (loss) on financial instruments mandatorily classified as at FVTPL	2,300	-	(3,400)	-
Others	<u>658</u>	<u>(53)</u>	<u>605</u>	<u>(79)</u>
	<u>\$ (501,585)</u>	<u>\$ 30,169</u>	<u>\$ (449,988)</u>	<u>\$ 65,983</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank borrowings	\$ 2,744	\$ 2,468	\$ 3,328	\$ 6,046
Interest on convertible bonds	5,477	-	10,945	-
Interest on lease liabilities	<u>1,329</u>	<u>75</u>	<u>2,977</u>	<u>159</u>
	<u>\$ 9,550</u>	<u>\$ 2,543</u>	<u>\$ 17,250</u>	<u>\$ 6,205</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 17,955	\$ 17,060	\$ 33,913	\$ 34,585
Right of use assets	4,769	2,385	10,090	4,858
Intangible assets	<u>2,445</u>	<u>879</u>	<u>4,861</u>	<u>1,736</u>
	<u>\$ 25,169</u>	<u>\$ 20,324</u>	<u>\$ 48,864</u>	<u>\$ 41,179</u>
An analysis of depreciation by function				
Operating costs	\$ 14,830	\$ 13,054	\$ 27,424	\$ 26,406
Operating expenses	<u>7,894</u>	<u>6,391</u>	<u>16,579</u>	<u>13,037</u>
	<u>\$ 22,724</u>	<u>\$ 19,445</u>	<u>\$ 44,003</u>	<u>\$ 39,443</u>
An analysis of amortization by function				
Operating costs	\$ 294	\$ 20	\$ 588	\$ 40
Operating expenses	<u>2,151</u>	<u>859</u>	<u>4,273</u>	<u>1,696</u>
	<u>\$ 2,445</u>	<u>\$ 879</u>	<u>\$ 4,861</u>	<u>\$ 1,736</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits (Note 21)				
Defined contribution plans	\$ 8,892	\$ 7,942	\$ 16,675	\$ 14,660
Defined benefit plans	<u>24</u>	<u>110</u>	<u>77</u>	<u>240</u>
	8,916	8,052	16,752	14,900
Insurance expense	14,253	12,652	34,254	24,943
Remuneration of directors	6,088	7,316	15,620	11,048
Other employee benefits	<u>326,468</u>	<u>246,687</u>	<u>615,585</u>	<u>423,381</u>
Total employee benefits expense	<u>\$ 355,725</u>	<u>\$ 274,707</u>	<u>\$ 682,211</u>	<u>\$ 474,272</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 188,375	\$ 134,426	\$ 341,961	\$ 242,314
Operating expenses	<u>167,350</u>	<u>140,281</u>	<u>340,250</u>	<u>231,958</u>
	<u>\$ 355,725</u>	<u>\$ 274,707</u>	<u>\$ 682,211</u>	<u>\$ 474,272</u>

g. Employees' compensation and remuneration of directors

Under the Company's Articles of Incorporation, the Company accrued employees' compensation and remuneration of directors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

Under the August 2024 amendments to the Securities and Exchange Act, the Company's shareholders approved the application of these amendments at their 2025 regular shareholders' meeting, stipulating that no less than 10% of the compensation of employees for the year shall be allocated to non-executive employees.

The estimated compensation of employees (including non-executive employees) and the remuneration of directors for the six months ended June 30, 2025 and 2024 were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2025	2024
Compensation of employees	<u>7.14%</u>	<u>7.41%</u>
Remuneration of directors	<u>1.95%</u>	<u>2.00%</u>

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Compensation of employees	<u>\$ 20,000</u>	<u>\$ 24,900</u>	<u>\$ 53,000</u>	<u>\$ 37,000</u>
Remuneration of directors	<u>\$ 5,500</u>	<u>\$ 6,800</u>	<u>\$ 14,500</u>	<u>\$ 10,000</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2024 and 2023 which were approved by the Company's board of directors on March 7, 2025 and March 14, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	<u>\$ 113,000</u>	<u>\$ 18,000</u>
Remuneration of directors	<u>\$ 37,000</u>	<u>\$ 5,500</u>

The employee and directors' remuneration for the year ended December 31, 2024, has not yet been distributed.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Foreign exchange gains	\$ 70,411	\$ 35,678	\$ 146,441	\$ 72,622
Foreign exchange losses	<u>(574,096)</u>	<u>(5,420)</u>	<u>(590,996)</u>	<u>(6,197)</u>
	<u>\$ (503,685)</u>	<u>\$ 30,258</u>	<u>\$ (444,555)</u>	<u>\$ 66,425</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 93,290	\$ 123,820	\$ 222,665	\$ 175,371
Income tax on unappropriated earnings	-	-	18,641	-
Adjustments for prior years	<u>141</u>	<u>(1,134)</u>	<u>(7,325)</u>	<u>(6,875)</u>
	93,431	122,686	233,981	168,496
Deferred tax				
In respect of the current period	<u>8,082</u>	<u>(21,201)</u>	<u>(12,917)</u>	<u>(27,162)</u>
Income tax expense recognized in profit or loss	<u>\$ 101,513</u>	<u>\$ 101,485</u>	<u>\$ 221,064</u>	<u>\$ 141,334</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Deferred tax</u>				
In respect of the current period				
Unrealized valuation loss on financial assets at FVTOCI	\$ (3,649)	\$ -	\$ (3,649)	\$ -
Translation of foreign operations	<u>30,579</u>	<u>(1,242)</u>	<u>26,347</u>	<u>(7,044)</u>
Total income tax recognized in other comprehensive income	<u>\$ 26,930</u>	<u>\$ (1,242)</u>	<u>\$ 22,698</u>	<u>\$ (7,044)</u>

c. Income tax assessments

The tax returns of the Company through 2023 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Basic earnings per share	<u>\$ 2.60</u>	<u>\$ 3.27</u>	<u>\$ 6.85</u>	<u>\$ 5.07</u>
Diluted earnings per share	<u>\$ 2.54</u>	<u>\$ 3.27</u>	<u>\$ 6.79</u>	<u>\$ 5.05</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net profit used in calculation of basic and diluted earnings per share for the period	\$ 195,802	\$ 247,463	\$ 517,504	\$ 366,388
Effect of potentially dilutive ordinary shares				
Interest on convertible bonds (after tax)	4,382	-	8,756	-
(Gain) loss on financial liabilities at fair value through profit or loss	<u>(2,300)</u>	<u>-</u>	<u>3,400</u>	<u>-</u>
Net profit used in calculation of diluted earnings per share for the period	<u>\$ 197,884</u>	<u>\$ 247,463</u>	<u>\$ 529,660</u>	<u>\$ 366,388</u>

Number of shares (in thousands)

Weighted average number of ordinary shares used in the computation of basic earnings per share	75,447	75,600	75,523	72,330
Effect of potentially dilutive ordinary shares				
Compensation of employees	114	110	196	164
Employee restricted shares	219	-	219	-
Convertible bonds	<u>2,036</u>	<u>-</u>	<u>2,036</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>77,816</u>	<u>75,710</u>	<u>77,974</u>	<u>72,494</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, and other equity).

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.

28. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee stock option plan

The grant date of the cash capital increase for retained basic employee stock option transaction is based on the date when the number of shares subscribed by employees is recognized. The Group recognized the amount of \$22,320 thousand for employee compensation cost and capital surplus for the period from January 1, 2024 to December 31, 2024, based on the fair value of the equity instruments granted on the grant date for the measurement of the fair value of the labor acquired.

b. Restricted stock awards to employees

The issuance of 400 thousand employee restricted shares was approved by the Company's shareholders at a meeting held on June 18, 2024, as a paid issuance. The board of directors approved the issuance on August 9, 2024, with the effective date set upon notification. The shares will be issued in multiple tranches within one year from the effective date. On September 20, 2024, the board of directors resolved to issue 400,000 restricted shares for employees at an issuance price of \$10 per share, with October 2, 2024, set as the record date for the new shares issuance.

Restrictions imposed on the employees' rights in the restricted stock awards before the vesting conditions are fulfilled:

- 1) An employee allocated new restricted employee shares may not sell, pledge, transfer, create an encumbrance on, or otherwise dispose of these shares before the vesting conditions for the shares have been satisfied. All shares must be held in trust by an institution designated by the Company until the vesting conditions are met.
- 2) Before the restricted shares are vested to the employees, the right of attendance, proposal, speech, voting and other rights of shareholders are acted by the custodian.
- 3) Except for the aforementioned restrictions, the other rights of the restricted shares granted to employees are the same as those of the Company's issued ordinary share.

Information on the restricted shares for employees is as follows:

Unit: In Thousands of Shares

Item	For the Date from January 1, 2025 to June 30, 2025
	Number of Shares
Balance at January 1 and June 30	<u>400</u>

As of December 31, 2024 information on the outstanding restricted employee shares is as follows:

Grant Date	Fair Value Per Share - Grant Date	Shares Granted (In Thousands of Shares)	Vesting Period
September 23, 2024	\$371.5	400	1 year - 3 years

Employees who are granted restricted shares, upon meeting the Corporation's financial performance indicators and remains employed by the Company, are eligible to be vested 30%, 30% and 40 % of the restricted shares granted after 1, 2 and 3 years after the subscription date, respectively.

The recognized compensation cost from January 1 to June 30, 2025, was \$35,370 thousand. (for the six months ended June 30, 2024: None)

29. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that were not measured at fair value (June 30, 2024: None)

June 30, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 946,291	\$ -	\$ -	\$ 952,905	\$ 952,905

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 935,440	\$ -	\$ -	\$ 938,400	\$ 938,400

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic convertible bonds	\$ -	\$ -	\$ 30,000	\$ 30,000
Derivative instruments	<u>-</u>	<u>-</u>	<u>300</u>	<u>300</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,300</u>	<u>\$ 30,300</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed and emerging market shares	\$ 448,060	\$ -	\$ -	\$ 448,060
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>85,581</u>	<u>85,581</u>
	<u>\$ 448,060</u>	<u>\$ -</u>	<u>\$ 85,581</u>	<u>\$ 533,641</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,700</u>	<u>\$ 3,700</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed and emerging market shares	\$ 28,413	\$ -	\$ -	\$ 28,413
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>397,581</u>	<u>397,581</u>
	<u>\$ 28,413</u>	<u>\$ -</u>	<u>\$ 397,581</u>	<u>\$ 425,994</u>

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed and emerging market shares	\$ 33,157	\$ -	\$ -	\$ 33,157
Domestic unlisted shares	-	-	15,602	15,602
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>56,334</u>	<u>56,334</u>
	<u>\$ 33,157</u>	<u>\$ -</u>	<u>\$ 71,936</u>	<u>\$ 105,093</u>

There were no transfers between Levels 1 and 2 in the six months ended June 30, 2025 and 2024.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2025

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI	Total
	Convertible Bonds	Derivatives	Equity Instruments	
Balance on January 1, 2025	\$ -	\$ 3,700	\$ 397,581	\$ 401,281
Purchases	30,000	-	-	30,000
Recognized in profit or loss (included in unrealized valuation gain/(loss) on financial assets at FVTPL)	-	(3,400)	-	(3,400)
Transfers out of Level 3	-	-	(312,000)	(312,000)
Balance on June 30, 2025	<u>\$ 30,000</u>	<u>\$ 300</u>	<u>\$ 85,581</u>	<u>\$ 115,881</u>

For the six months ended June 30, 2024

Financial Assets	Financial assets at FVTOCI Equity Instruments
Balance on January 1, 2024	\$ 61,936
Purchases	<u>10,000</u>
Balance on June 30, 2024	<u>\$ 71,936</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

a) Investments in equity instruments

The fair values of unlisted equity investments were estimated using the market approach. The significant unobservable inputs used were the discounts for lack of marketability and for non-controlling interests. A decrease in these discounts would result in an increase in fair value.

b) Derivatives

The fair value of the issuer's call option and the holder's put option embedded in the convertible bonds is determined using a binomial tree model for convertible bond valuation. The key parameters applied in the valuation were as follows:

	June 30, 2025
Volatility	73.74%
Risk-free rate	1.2755%
Risk-adjusted discount rate	2.0590%
Liquidity risk	5.47%

c) Convertible bonds

The fair values of convertible bonds were estimated using the market approach, which is estimated with reference to the company's recent financing activities, valuation of similar companies, market conditions and other economic indicators, etc.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 5,349,482	\$ 3,783,658	\$ 2,458,888
Financial assets at FVTPL	30,300	3,700	-
Financial assets at FVTOCI - equity instruments	533,641	425,994	105,093

Financial liabilities

Financial liabilities at amortized cost (2)	3,517,506	2,378,454	1,476,734
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- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables (excluding tax refund receivable), and refundable deposits.
- 2) The balances included financial liabilities at amortized cost, which comprise long-term loans, short-term loans, notes payable, trade payables, bonds payable and other payables (excluding payables for salaries or bonuses and payables for employees' compensation and remuneration of directors and dividends payable).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings, bonds payables and lease liabilities. According to business nature and the degree and magnitude of risks, the Group monitors and manages the financial risks relating to the operations. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group minimizes the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the market risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 5% strengthening/weakening of the functional currency against U.S. dollars, the net income before tax for the six months ended June 30, 2025 and 2024 would have decreased/increased by \$233,130 thousand and \$66,071 thousand, respectively.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group was exposed to fair value and cash flow interest rate risk because the Group held both fixed-rate financial assets and financial liabilities. The Group's management monitors fluctuations in market interest rate regularly. If it is needed, the management performs necessary procedures to control significant interest rate risks from fluctuations in market interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial assets	\$ 1,580,316	\$ 703,101	\$ 371,592
Financial liabilities	1,558,918	1,072,531	679,944
Cash flow interest rate risk			
Financial assets	2,325,668	2,073,089	1,007,290

Sensitivity analysis

The sensitivity analysis for interest rate risk was calculated based on the Group's floating-rate financial assets as of the reporting date. Assuming a 50 basis point increase in interest rates, with all other variables held constant, the Group's pretax profit would have increased by \$5,812 thousand and \$2,518 thousand for the six months ended June 30, 2025 and 2024, respectively. The increase is mainly attributable to the exposure arising from the Group's floating-rate assets.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes, the Group does not actively trade these investments. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

The changes in equity securities did not have significant influence on the Group, so there was no sensitivity analysis.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation with financial guarantees provided by the Group, could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Except for the major customer, Company A, of the Group, the Group does not have a significant credit exposure to any single counterpart or any group of counterparts with similar characteristics.

The Group's concentration of credit risk was 56%, 59% and 18% in total trade receivables as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

3) Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and bank loan facilities deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the earliest date on which the Group can be required to pay.

June 30, 2025

	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,731,377	\$ -	\$ -
Lease liabilities	19,067	131,181	-
Fixed interest rate liabilities	<u>493,440</u>	<u>946,291</u>	<u>-</u>
	<u>\$ 3,243,884</u>	<u>\$ 1,077,472</u>	<u>\$ -</u>

December 31, 2024

	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,443,014	\$ -	\$ -
Lease liabilities	15,703	123,474	-
Fixed interest rate liabilities	<u>-</u>	<u>935,440</u>	<u>-</u>
	<u>\$ 1,458,717</u>	<u>\$ 1,058,914</u>	<u>\$ -</u>

June 30, 2024

	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 967,494	\$ -	\$ -
Lease liabilities	7,819	6,460	-
Fixed interest rate liabilities	<u>250,000</u>	<u>418,000</u>	<u>-</u>
	<u>\$ 1,225,313</u>	<u>\$ 424,460</u>	<u>\$ -</u>

b) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of the balance sheet date, the unused amounts of bank loan facilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Bank loan facilities			
Amounts unused	<u>\$ 1,272,079</u>	<u>\$ 1,653,218</u>	<u>\$ 1,402,579</u>

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides the information disclosed elsewhere in the other notes, details of transactions between the Group and related parties are disclosed below.

a. Related party name and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
AuthenX Inc.	Associate

b. Purchases

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Associate	\$ <u>57</u>	\$ <u>34</u>	\$ <u>1,971</u>	\$ <u>3,345</u>

The purchase transactions between the Company and related parties were based on agreements; the purchase prices of the products could not be compared with those of unrelated parties.

c. Prepayments

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Associate	\$ <u>-</u>	\$ <u>-</u>	\$ <u>350</u>

d. Others

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Cost of goods sold				
Associate	\$ <u>-</u>	\$ <u>230</u>	\$ <u>-</u>	\$ <u>460</u>
Operating expenses				
Associate	\$ <u>-</u>	\$ <u>229</u>	\$ <u>-</u>	\$ <u>229</u>

e. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 37,665	\$ 35,410	\$ 87,073	\$ 57,782
Post-employment benefits	<u>235</u>	<u>233</u>	<u>468</u>	<u>497</u>
	\$ <u>37,900</u>	\$ <u>35,643</u>	\$ <u>87,541</u>	\$ <u>58,279</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral and guarantees for the tariff of imported raw materials and goods (see Notes 9 and 14):

	June 30, 2025	December 31, 2024	June 30, 2024
Pledged deposits (classified as financial assets at amortized cost)	\$ 32,686	\$ 3,343	\$ 3,335
Land	664,140	664,140	664,140
Buildings	<u>145,131</u>	<u>147,416</u>	<u>149,700</u>
	<u>\$ 841,957</u>	<u>\$ 814,899</u>	<u>\$ 817,175</u>

32. SIGNIFICANT UNRECOGNIZED COMMITMENTS

The Company entered into a memorandum of cooperation with B Company, B Company assists the Company in selling specific products, and the Company pays commission fees at the agreed rate. The contract is valid until March 31, 2027.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective the functional currencies were as follows:

June 30, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 153,369	29.3000 (USD:NTD)	\$ 4,493,721
JPY	36,758	0.2034 (JPY:NTD)	7,477
USD	32,131	7.1586 (USD:RMB)	941,447
RMB	5,769	4.0930 (RMB:NTD)	23,613
EUR	292	24.6910 (EUR:CZK)	10,013
<u>Financial liabilities</u>			
Monetary items			
USD	25,806	29.3000 (USD:NTD)	756,118
USD	561	7.1586 (USD:RMB)	16,446

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 86,393	32.7850 (USD:NTD)	\$ 2,832,407
JPY	22,392	0.2099 (JPY:NTD)	4,700
USD	23,484	7.1844 (USD:RMB)	769,920
RMB	5,703	4.5608 (RMB:NTD)	26,011
EUR	176	25.2395 (EUR:CZK)	6,021

Financial liabilities

Monetary items			
USD	18,905	32.7850 (USD:NTD)	619,789
USD	943	7.1844 (USD:RMB)	30,927
JPY	5,542	0.2099 (JPY:NTD)	1,163

June 30, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 39,311	32.4500 (USD:NTD)	\$ 1,275,648
JPY	84,187	0.2017 (JPY:NTD)	16,981
USD	21,328	7.1268 (USD:RMB)	692,107
RMB	5,918	4.5532 (RMB:NTD)	26,946
EUR	277	24.9919 (EUR:CZK)	9,614

Financial liabilities

Monetary items			
USD	19,562	32.4500 (USD:NTD)	634,778
USD	356	7.1268 (USD:RMB)	11,561

The Group's (losses) gains of foreign currency translation for the three months ended June 30, 2025 and 2024 were net losses \$(503,685) thousand and net gains \$30,258 thousand, respectively. The Group's (losses) gains of foreign currency translation for the six months ended June 30, 2025 and 2024 were net losses \$(444,555) thousand and net gains \$66,425 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose the gains and losses from the translation of each foreign currency on which the Group had a significant impact.

34. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions:
 - 1) Financing provided to others (None)
 - 2) Endorsements/guarantees provided (Table 1)
 - 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 2)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 6) Intercompany relationships and significant intercompany transactions (Table 7)
- b. Information on investees (Table 5)
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 8)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services.

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments including radio frequency connector and optical fiber component.

Segments, Revenues and Results

The following is an analysis of the Group's revenues and results from continuing operations by reportable segment:

	Optical Fiber Component	Radio Frequency Connector	Total
<u>For the six months ended June 30, 2025</u>			
Segment revenues	<u>\$ 4,548,684</u>	<u>\$ 464,813</u>	<u>\$ 5,013,497</u>
Segment income	<u>\$ 1,155,610</u>	<u>\$ 20,636</u>	<u>\$ 1,176,246</u>
Interest income			41,950
Other income			1,418
Other gains and losses			(449,988)
Finance costs			(17,250)
Share of associate's loss accounted for using the equity method			<u>(14,819)</u>
Profit before tax (continuing operations)			<u>\$ 737,557</u>
<u>For the six months ended June 30, 2024</u>			
Segment revenues	<u>\$ 2,026,091</u>	<u>\$ 242,076</u>	<u>\$ 2,268,167</u>
Segment income	<u>\$ 430,502</u>	<u>\$ 8,056</u>	<u>\$ 438,558</u>
Interest income			14,228
Other income			993
Other gains and losses			65,983
Finance costs			(6,205)
Share of associate's loss accounted for using the equity method			<u>(6,812)</u>
Profit before tax (continuing operations)			<u>\$ 506,745</u>

The segment revenues were all generated from external customers. There were no intersegment transactions for the six months ended June 30, 2025 and 2024.

Segment profit represented the profit before tax earned by each segment without interest income, other income, other gains and losses and finance costs. This was the measure reported to the chief operating decision maker for resource allocation and assessment of segment performance.

However, the measure of segment assets was not provided to the chief operating decision maker.

TABLE 1

EZCONN CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Notes 3 and 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 5)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	EZconn Corporation	EZconn Technology Corporation	b	\$ 702,929	\$ 166,025 (US\$ 5,000 thousand)	\$ 146,500 (US\$ 5,000 thousand)	\$ 29,300	\$ 146,500	4.17	\$ 1,405,858	Y	N	N	

Note 1: Relationship between endorser/guarantor and endorsee/guarantee are categorized as follows:

- a. A company that the Corporation has business relationship with.
- b. The Corporation owns directly or indirectly over 50% ownership of the investee company.
- c. The Company that owns directly or indirectly hold over 50% ownership of the Corporation.
- d. In between companies that were held over 90% of voting shares directly or indirectly by an entity.
- e. The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
- f. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
- g. According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 2: The total amount of endorsements and guarantees provided by the Company to any single entity shall not exceed 20% of the Company’s net worth as stated in its latest financial statements.

Note 3: The total amount of endorsements and guarantees provided by the Company and its subsidiaries for external parties shall not exceed 40% of the Company’s net worth as stated in its latest financial statements.

Note 4: The amount is calculated based on the highest average exchange rate during January to June 2025.

Note 5: The amount is calculated based on the exchange rate as of June 30, 2025.

TABLE 2

EZCONN CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
EZconn Corporation	Lightel Technologies Inc. - ordinary shares	-	Investments in equity instruments at FVTOCI - non-current	1,250	\$ 74,577	5.79	\$ 74,577	
	OpXion Tech. Incorporation	-	As above	6,000	11,004	12.22	11,004	
	TrueLight Corporation	-	As above	617	21,410	0.55	21,410	
	TMY TECHNOLOGY INC.	-	As above	5,200	410,332	8.66	410,332	
	IntelliEPI Inc. (Cayman)	-	As above	129	16,318	0.32	16,318	
	BKS Tec Corp. - Convertible Bonds	-	Financial assets at FVTPL - non-current	-	30,000	-	30,000	

Note: The marketable securities were not pledged.

TABLE 3

EZCONN CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
EZconn Corporation	Light Master Technology (Ningbo) Inc.	Sub-subsidiary	Purchases	\$ 891,535 (US\$ 27,984 thousand)	48	T/T 90 days	-	-	\$ (669,164) (US\$ -22,838 thousand)	68	

Note: All intercompany transactions have been eliminated in consolidation.

EZCONN CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Notes 2 and 3)	Allowance for Impairment Loss
					Amount	Actions Taken		
Light Master Technology (Ningbo) Inc.	EZconn Corporation	Parent company	Trade receivables from related parties \$ 669,164 (US\$ 22,838 thousand)	-	\$ -	-	\$ 99,533	Note 1

Note 1: No impairment loss was recognized on trade receivables from related parties.

Note 2: Subsequent period was from July 1, 2025 to August 7, 2025.

Note 3: All intercompany transactions have been eliminated in consolidation.

TABLE 5

EZCONN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount (Note 1)		As of June 30, 2025 (Note 1)			Net Income (Loss) of the Investee (Foreign Currencies in Thousands) (Note 2)	Share of Profit (Loss) (Note 2)	Note
				June 30, 2025 (Foreign Currencies in Thousands)	December 31, 2024 (Foreign Currencies in Thousands)	Shares (In Thousands)	%	Carrying Amount (Foreign Currencies in Thousands)			
EZconn Corporation	EC-Link Technology Inc.	Samoa Islands	Investment	\$ 679,543	\$ 679,543	21,417	100.00	\$ 1,101,055	\$ 220,335 (US\$ 6,917)	\$ 180,532	4
	EZconn Europe GmbH	Germany	Manufacture and sale of precision metal components and optical fiber components of various electronic products	185,143	185,143	-	100.00	74,907	2,842 (US\$ 89)	2,842	4
	AuthenX Inc.	Taiwan	Manufacture of electronic products	101,015	101,015	9,625	26.71	73,444	(46,944)	(14,819)	5
	EZConn USA Inc.	USA	Sale of precision metal components and optical fiber components of various electronic products	19,535	19,535	-	80.00	3,099	(5,056)	(4,045)	4
	EZconn Technology Corporation	Philippines	Manufacture of electronic products	96,579	96,579	172,500	100.00	63,038	(US\$ -159) (21,314) (PHP -38,217)	(24,727)	4
EC-Link Technology Inc.	Light Master Technology Inc.	Samoa Islands	Investment	670,296 (US\$ 22,877)	670,296 (US\$ 22,877)	-	100.00	1,124,109 (US\$ 38,365)	220,334 (US\$ 6,916)		
EZconn Europe GmbH	EZconn Czech a.s.	Czech	Manufacture of various optical communication components	65,609 (EUR 1,910)	65,609 (EUR 1,910)	-	100.00	80,374 (EUR 2,340)	3,301 (EUR 95)		
EZconn Czech a.s.	EZconn technologies CZ s.r.o.	Czech	Manufacturing and research of optical communication components	13,912 (CZK 10,000)	13,912 (CZK 10,000)	-	100.00	7,550 (CZK 5,427)	(350) (CZK -251)		

Note 1: The calculation was based on amounts as of June 30, 2025.

Note 2: The calculation was based on the average rate for the period from January 1, 2025 to June 30, 2025.

Note 3: For information on invested company in mainland China, please refer to Table 6.

Note 4: All intercompany transactions have been eliminated in consolidation.

Note 5: Refer to Note 13 for more information.

TABLE 6

EZCONN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Foreign Currencies in Thousands) (Note 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Foreign Currencies in Thousands) (Note 3)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025 (Foreign Currencies in Thousands) (Note 3)	Net Income (Loss) of the Investee (Foreign Currencies in Thousands) (Notes 4 and 6)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Foreign Currencies in Thousands) (Notes 4, 6, 7 and 8)	Carrying Amount as of June 30, 2025 (Foreign Currencies in Thousands) (Notes 3, 6 and 8)	Accumulated Repatriation of Investment Income as of June 30, 2025 (Note 2)
					Outflow	Inflow						
Light Master Technology (Ningbo) Inc.	Manufacture and sale of optical fiber components and cable connector	\$ 439,500 (US\$ 15,000)	Note 1	\$ 619,314 (US\$ 21,137)	\$ -	\$ -	\$ 619,314 (US\$ 21,137)	\$ 220,368 (US\$ 6,917)	100	\$ 220,334 (US\$ 6,916)	\$ 1,121,620 (US\$ 38,281)	\$ 588,542

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025 (Foreign Currencies in Thousands) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Foreign Currencies in Thousands) (Notes 1 and 3)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$619,314 (US\$21,137)	\$668,831 (US\$22,827)	\$2,109,251 (Note 5)

Note 1: The Company indirectly invested in Light Master Technology (Ningbo) Inc. through EC-Link Technology Inc. by investing via 3rd region. The amount included capital surplus of US\$1,690 thousand of Light Master Technology (Ningbo) Inc.

Note 2: The board of directors of Light Master Technology (Ningbo) Inc. adopt a resolution to distribute dividends in cash of \$118,359 thousand (RMB27,301 thousand), \$81,943 thousand (RMB19,074 thousand), \$119,269 thousand (RMB28,528 thousand), \$117,566 thousand (RMB27,063 thousand), and \$151,405 thousand (RMB34,201 thousand) on November 2018, November 2019, September 2020, October 2021, and August 2023, respectively. The Company repatriated of Investment Income through EC-Link Technology Inc on December 2019, March and December 2021, and August 2023, respectively. The accumulated repatriation of investment income as of June 30, 2025 was \$588,542 thousand.

Note 3: The calculation was based on the spot exchange rate of June 30, 2025.

Note 4: The calculation was based on the average exchange rate from January 1, 2025 to June 30, 2025.

Note 5: According to the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” of the Investment Commission of the Ministry of Economic Affairs, the limit is 60% of the company's net worth or consolidated net worth, whichever is higher (consolidated net worth 3,515,419 x 60% = 2,109,251).

Note 6: The basis for investment income (loss) recognition is the financial statements reviewed and attested by parent company’s CPA in the ROC.

Note 7: The share of profits/losses of investee included the effect of unrealized gross profit on intercompany transaction.

Note 8: All intercompany transactions have been eliminated in consolidation.

TABLE 7

EZCONN CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
0	EZconn Corporation	Light Master Technology (Ningbo) Inc.	a	Trade payables to related parties	\$ 669,164	No significant difference to others	7.75
		Light Master Technology (Ningbo) Inc.	a	Cost of goods sold	891,535	No significant difference to others	17.78
		EZconn Czech a.s.	a	Trade receivables from related parties	494	No significant difference to others	0.01
		EZconn Czech a.s.	a	Trade payables to related parties	216	No significant difference to others	0.00
		EZconn Czech a.s.	a	Sales revenue	703	No significant difference to others	0.01
		Ezconn Technology Corporation	a	Trade receivables from related parties	12,452	No significant difference to others	0.14
		Ezconn Technology Corporation	a	Sales revenue	22,501	No significant difference to others	0.45
		Ezconn Technology Corporation	a	Cost of goods sold	19,088	No significant difference to others	0.38
1	EZconn Europe GmbH	EZconn Czech a.s.	c	Trade receivables from related parties	206	No significant difference to others	0.00
		EZconn Czech a.s.	c	Other income	830	No significant difference to others	0.02
2	EZconn Czech a.s.	EZconn Technologies CZ s.r.o.	c	Trade payables to related parties	547	No significant difference to others	0.01
		EZconn Technologies CZ s.r.o.	c	Cost of goods sold	2,746	No significant difference to others	0.05
3	Light Master Technology (Ningbo) Inc.	EZconn Czech a.s.	c	Sales revenue	535	No significant difference to others	0.01

Note 1: The information about the transactions between the Company and the subsidiaries are marked in the note column as follows:

- a. The Company: 0.
- b. The subsidiaries were marked in numerical order from 1.

Note 2: Investment types as follows:

- a. The Company to the subsidiaries.
- b. The subsidiaries to the Company.
- c. Between the subsidiaries.

Note 3: All intercompany transactions have been eliminated upon consolidation.

Note 4: The ratio of transaction amounts to total sales revenue or assets is calculated as follows: (1) asset or liability: The ratio was calculated based on the ending balance over the total consolidated assets; (2) income or loss: The ratio was calculated based on the midterm accumulated amounts over the total consolidated sales revenue.

TABLE 8

EZCONN CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Loss	Note
		Amount	% to Total		Payment Term	Comparison with Normal Transaction	Ending Balance	% to Total		
Light Master Technology (Ningbo) Inc.	Purchases	\$ 891,535	48	No significant difference to others	No significant difference to others	No significant difference to others	\$ (669,164)	68	\$ 54,068	Note

Note: All intercompany transactions have been eliminated upon consolidation.