

**IRON FORCE INDUSTRIAL CO., LTD. AND
SUBSIDIARIES**
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT

September 30, 2025 AND 2024

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

Iron Force Industrial Co., Ltd. And Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2025 and 2024 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Iron Force Industrial Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Iron Force Industrial Co., Ltd. and subsidiaries (the “Group”) as at September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, of changes in equity and of cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, and its consolidated cash flows for the nine months ended September 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” that came into effect as endorsed by the Financial Supervisory Commission.

Liao, Fu-Ming

Tsai, Bei-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

November 11, 2025

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

IRON FORCE INDUSTRIAL CO., LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	ASSETS	Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,147,363	17	\$ 610,285	9	\$ 772,937	12
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		58,499	1	284,393	4	526,662	8
1136	Current financial assets at	6(3)						
	amortised cost		85,452	1	400,000	6	200,000	3
1150	Notes receivable, net		-	-	-	-	1,092	-
1170	Accounts receivable, net	6(4)	1,249,317	19	1,272,931	18	1,300,714	20
1200	Other receivables, net	6(5)	44,149	1	207,144	3	40,472	-
130X	Inventories	6(6)	1,161,981	17	1,207,667	18	1,134,088	17
1410	Prepayments		60,414	1	46,420	1	50,816	1
1460	Non-current assets or disposal	6(7)						
	groups classified as held for sale,							
	net		-	-	-	-	67,489	1
1479	Other current assets		5,071	-	6,258	-	3,135	-
11XX	Total current assets		<u>3,812,246</u>	<u>57</u>	<u>4,035,098</u>	<u>59</u>	<u>4,097,405</u>	<u>62</u>
Non-current assets								
1535	Non-current financial assets at	6(3)						
	amortised cost		769,067	12	761,333	11	452,667	7
1600	Property, plant and equipment	6(8) and 8	1,739,903	26	1,829,226	27	1,860,263	28
1755	Right-of-use assets	6(9)	161,820	2	60,364	1	62,073	1
1780	Intangible assets		26,842	-	34,850	-	32,629	1
1840	Deferred tax assets		77,386	1	45,610	1	29,759	-
1900	Other non-current assets	6(10)	130,993	2	79,868	1	64,704	1
15XX	Total non-current assets		<u>2,906,011</u>	<u>43</u>	<u>2,811,251</u>	<u>41</u>	<u>2,502,095</u>	<u>38</u>
1XXX	Total assets		<u>\$ 6,718,257</u>	<u>100</u>	<u>\$ 6,846,349</u>	<u>100</u>	<u>\$ 6,599,500</u>	<u>100</u>

(Continued)

IRON FORCE INDUSTRIAL CO., LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIABILITIES AND EQUITY	Notes	September 30, 2025		December 31, 2024		September 30, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
2100 Short-term borrowings	6(11)	\$ 400,000	6	\$ -	-	\$ 39,398	1
2120 Financial liabilities at fair value through profit or loss - current	6(2)	868	-	9,956	-	151	-
2130 Current contract liabilities	6(20)	15	-	92	-	1,123	-
2170 Accounts payable		249,465	4	273,188	4	279,206	4
2200 Other payables	6(12)	322,494	5	370,493	5	323,020	5
2230 Current tax liabilities		40,405	-	43,081	1	34,451	-
2280 Current lease liabilities		11,085	-	2,498	-	2,648	-
2320 Long-term liabilities, current portion	6(14)	8,288	-	6,258	-	6,452	-
2399 Other current liabilities	6(7)	3,659	-	5,550	-	45,446	1
21XX Total current liabilities		1,036,279	15	711,116	10	731,895	11
Non-current liabilities							
2530 Corporate bonds payable	6(13)	265,936	4	280,886	4	279,221	4
2540 Non-current portion of long-term borrowings	6(14)	23,375	-	25,529	-	28,064	1
2570 Deferred tax liabilities		523,374	8	535,210	8	485,615	7
2580 Non-current lease liabilities		100,718	2	4,783	-	5,400	-
2600 Other non-current liabilities		31,903	-	41,251	1	41,332	1
25XX Total non-current liabilities		945,306	14	887,659	13	839,632	13
2XXX Total liabilities		1,981,585	29	1,598,775	23	1,571,527	24
Equity attributable to owners of parent							
Share capital	6(17)						
3110 Ordinary share		797,797	12	795,313	12	757,803	11
3140 Advance receipts for share capital		-	-	-	-	269,504	4
Capital surplus	6(18)						
3200 Capital surplus		1,199,549	18	1,181,837	17	890,355	13
Retained earnings	6(19)						
3310 Legal reserve		838,803	13	765,168	11	765,168	12
3320 Special reserve		211,041	3	331,725	5	331,725	5
3350 Unappropriated retained earnings		2,038,623	30	2,384,572	35	2,161,204	33
Other equity interest							
3400 Other equity interest		(349,141)	(5)	(211,041)	(3)	(147,786)	(2)
3XXX Total equity		4,736,672	71	5,247,574	77	5,027,973	76
Significant contingent liabilities and unrecognized contractual commitments	9						
3X2X TOTAL LIABILITIES AND EQUITY		\$ 6,718,257	100	\$ 6,846,349	100	\$ 6,599,500	100

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

IRON FORCE INDUSTRIAL CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(20)	\$ 1,249,304	100	\$ 1,359,208	100	\$ 3,765,298	100	\$ 3,799,317	100
5000 Operating costs	6(6)(21)	(947,935)	(76)	(998,325)	(73)	(2,853,217)	(76)	(2,830,448)	(75)
5900 Gross profit from operations		301,369	24	360,883	27	912,081	24	968,869	25
Operating expenses	6(21)								
6100 Selling expenses		(37,546)	(3)	(42,882)	(3)	(110,037)	(3)	(118,996)	(3)
6200 General & administrative expenses		(116,459)	(9)	(120,772)	(9)	(319,347)	(8)	(310,908)	(8)
6300 Research and development expenses		(34,968)	(3)	(42,235)	(3)	(111,617)	(3)	(116,695)	(3)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(1,149)	-	4,073	-	2,519	-	2,040	-
6000 Total operating expenses		(190,122)	(15)	(201,816)	(15)	(538,482)	(14)	(544,559)	(14)
6900 Net operating income		111,247	9	159,067	12	373,599	10	424,310	11
Non-operating income and expenses									
7100 Interest income	6(3)	8,986	1	7,573	-	28,190	1	27,520	1
7010 Other income	7	84	-	84	-	252	-	252	-
7020 Other gains and losses	6(22) and 7	14,084	1	17,351	1	70,749	2	83,927	2
7050 Finance costs		(1,628)	-	(3,031)	-	(7,155)	-	(6,696)	-
7000 Total non-operating income and expenses		21,526	2	21,977	1	92,036	3	105,003	3
7900 Profit before tax		132,773	11	181,044	13	465,635	13	529,313	14
7950 Income tax expense	6(23)	(43,435)	(4)	(44,951)	(3)	(142,851)	(4)	(16,334)	(1)
8200 Profit for the period		\$ 89,338	7	\$ 136,093	10	\$ 322,784	9	\$ 512,979	13
Other comprehensive income									
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations		\$ 232,400	19	\$ 94,792	7	(\$ 172,625)	(5)	\$ 229,924	6
8399 Income tax relating to the components of other comprehensive income	6(23)	(46,480)	(4)	(18,959)	(1)	34,525	1	(45,985)	(1)
8300 Other comprehensive income, net		\$ 185,920	15	\$ 75,833	6	(\$ 138,100)	(4)	\$ 183,939	5
8500 Total comprehensive income for the period		\$ 275,258	22	\$ 211,926	16	\$ 184,684	5	\$ 696,918	18
Profit, attributable to owner of the parent		\$ 89,338	7	\$ 136,093	10	\$ 322,784	9	\$ 512,979	13
Comprehensive income attributable to Owners of the parent		\$ 275,258	22	\$ 211,926	16	\$ 184,684	5	\$ 696,918	18
Earnings per share(in dollars)	6(24)								
9750 Basic earnings per share		\$ 1.12		\$ 1.79		\$ 4.06		\$ 6.76	
9850 Diluted earnings per share		\$ 1.09		\$ 1.77		\$ 3.93		\$ 6.72	

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

IRON FORCE INDUSTRIAL CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Notes	Equity attributable to owners of the parent							Exchange differences on translation of foreign financial statements	Total equity		
	Capital		Retained Earning								
	Ordinary share	Advance receipts for share capital	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings					
Nine months ended September 30, 2024											
Balance at January 1, 2024	\$ 757,803	\$ -	\$ 813,473	\$ 714,295	\$ 325,899	\$ 2,083,825	(\$ 331,725)	\$ 4,363,570			
Profit for the period	-	-	-	-	-	512,979	-	512,979			
Other comprehensive income for the period	-	-	-	-	-	-	183,939	183,939			
Total comprehensive income	-	-	-	-	-	512,979	183,939	696,918			
Appropriations of 2023 earnings	6(19)										
Legal reserve	-	-	-	50,873	-	(50,873)	-	-			
Special reserve	-	-	-	-	5,826	(5,826)	-	-			
Cash dividends	-	-	-	-	-	(378,901)	-	(378,901)			
Cash capital increase	6(17)	-	269,504	-	-	-	-	-	269,504		
Share-based payment transaction	6(16)	-	-	16,909	-	-	-	-	16,909		
Capital surplus—share options	6(13)	-	-	59,973	-	-	-	-	59,973		
Balance at September 30, 2024		<u>\$ 757,803</u>	<u>\$ 269,504</u>	<u>\$ 890,355</u>	<u>\$ 765,168</u>	<u>\$ 331,725</u>	<u>\$ 2,161,204</u>	<u>(\$ 147,786)</u>	<u>\$ 5,027,973</u>		
Nine months ended September 30, 2025											
Balance at January 1, 2025	\$ 795,313	\$ -	\$ 1,181,837	\$ 765,168	\$ 331,725	\$ 2,384,572	(\$ 211,041)	\$ 5,247,574			
Profit for the period	-	-	-	-	-	322,784	-	322,784			
Other comprehensive income for the period	-	-	-	-	-	-	(138,100)	(138,100)			
Total comprehensive income	-	-	-	-	-	322,784	(138,100)	184,684			
Appropriations of 2024 earnings	6(19)										
Legal reserve	-	-	-	73,635	-	(73,635)	-	-			
Special reserve	-	-	-	-	(120,684)	120,684	-	-			
Cash dividends	-	-	-	-	-	(715,782)	-	(715,782)			
Conversion of convertible bonds to shares	6(13)	2,484	-	17,712	-	-	-	-	20,196		
Balance at September 30, 2025		<u>\$ 797,797</u>	<u>\$ -</u>	<u>\$ 1,199,549</u>	<u>\$ 838,803</u>	<u>\$ 211,041</u>	<u>\$ 2,038,623</u>	<u>(\$ 349,141)</u>	<u>\$ 4,736,672</u>		

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

IRON FORCE INDUSTRIAL CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Nine months ended September 30	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 465,635	\$ 529,313
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(21)	136,163	146,259
Amortization	6(21)	12,250	13,542
Reversal of impairment loss	12(2)	(2,519)	(2,040)
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(22)	41,452	44,698)
Interest expense		7,155	6,696
Interest income		(28,190)	(27,520)
Share-based compensation cost	6(16)	-	16,909
Loss (gain) on disposal of property, plant and equipment	6(22)	189	(340)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		184,442	(216,892)
Notes receivable		-	(1,081)
Accounts receivable		26,133	(57,576)
Other receivables		22,709	(14,496)
Inventories		45,686	(130,143)
Prepayments		(13,994)	(3,682)
Other current assets		1,167	5,017
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		(9,088)	(7,449)
Current contract liabilities		(77)	(930)
Accounts payable		(23,723)	(30,532)
Other payables		(18,991)	(290)
Other current liabilities		(264)	96
Other non-current liabilities		(6,919)	(6,749)
Cash inflow generated from operations		839,216	173,414
Interest received		5,106	27,520
Income tax paid		(154,594)	(129,224)
Interest paid		(1,910)	(6,086)
Net cash flows from operating activities		<u>687,818</u>	<u>65,624</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial assets at amortized cost		270,167	(652,667)
Acquisition of property, plant and equipment	6(25)	(135,743)	(116,678)
Proceeds from disposal of property, plant and equipment		2,085	2,079
Acquisition of intangible assets		(6,392)	-
Proceeds from disposal of non-current assets held for sale		163,370	-
Prepayments for government expropriation		-	39,115
Decrease in guaranteed deposits received		583	-
Increase in other non-current asset		(9,213)	(7,079)
Net cash flows from (used in) investing activities		<u>284,857</u>	<u>(735,230)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loan	6(26)	400,000	(342,602)
Issuance of convertible bonds	6(26)	-	338,371
Repayments of long-term debt	6(26)	(5,583)	(4,767)
Payments of lease liabilities	6(26)	(2,810)	(1,802)
Payments of cash dividends	6(19)	(715,782)	(378,901)
Cash capital increase	6(17)	-	269,504
Net cash flows used in financing activities		(324,175)	(120,197)
Effect of exchange rate changes on cash and cash equivalents		(111,422)	156,205
Net increase (decrease) in cash and cash equivalents		537,078	(633,598)
Cash and cash equivalents at beginning of period		610,285	1,406,535
Cash and cash equivalents at end of period		<u>\$ 1,147,363</u>	<u>\$ 772,937</u>

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

IRON FORCE INDUSTRIAL CO., LTD AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Iron Force Industrial Co., Ltd. (the “Company”) was incorporated in April 1977 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and listed on the Taiwan Stock Exchange on November 25, 2013. The Company is primarily engaged in manufacturing and trading of airbag inflators for automotive safety systems and high precision metal tubes for seatbelt retractor/pretensioner systems, and trading of display fixtures and other metal parts.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These parent company only financial statements were authorized for issuance by the Board of Directors on November 11, 2025.

3. Application of New Standards, Amendments and Interpretations

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

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

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

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

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

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

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

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

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

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

4. Summary of Significant Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation and basis of consolidation as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			
			September 30,2025	December 31,2024	September 30,2024	Note
The Company	Transtat Investment Ltd. (Transtat)	Holding company	100%	100%	100%	-
The Company	Cortec GmbH	Sales of hangers and display fixtures	100%	100%	100%	-
The Company	Iron Force Poland Sp. z o.o.	Producing and sales of automotive safety components	100%	100%	100%	-
Transtat	Zhejiang Iron Force Metal Products Co., Ltd.	Producing and sales of hangers and display fixtures	100%	100%	100%	-
Transtat	Huzhou Iron Force Metal Products Co., Ltd.	Producing and sales of automotive safety components	100%	100%	100%	-
Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Producing and sales of hangers and display fixtures	100%	100%	100%	-
Cortec GmbH	Cortec Verwaltungs GmbH	Management consulting company	100%	100%	100%	-

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits – defined benefit plan

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

(5) Income taxes

If there are changes in tax rates in interim period, the Group recognizes a one-time effect of the changes in the period of occurrence. For the income taxes related to items not recognized in profit or loss, the effect of the changes is recognized in other comprehensive income or equity items. For the income taxes related to items recognized in profit or loss, the effect of the changes is recognized in profit or loss.

5. Critical judgements in applying the Company's accounting policies

There were no significant changes during the period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>September 30,2025</u>	<u>December 31,2024</u>	<u>September 30,2024</u>
	\$ 305	\$ 272	\$ 156
Petty cash and cash on hand			
Checking accounts and demand deposits	427,656	335,405	644,325
Time deposits	599,515	238,014	68,275
Short-term notes and bills	119,887	36,594	60,181
	<u>\$ 1,147,363</u>	<u>\$ 610,285</u>	<u>\$ 772,937</u>

- A. Time deposits and short-term notes and bills on September 30, 2025, December 31, 2024 and September 30, 2024 were listed as highly liquid investments expiring within three months and the annual interest rates ranged from 1.43%~4.65%, 1.38%~4.93% and 1.55%~5.03%, respectively.
- B. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- C. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets/ liabilities at fair value through profit or loss

Items	<u>September 30,2025</u>	<u>December 31,2024</u>	<u>September 30,2024</u>
Financial assets			
mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 18,993	\$ 129,037	\$ 290,495
Stocks of non-listed and emerging market companies	12,000	12,000	12,000
Forward foreign exchange contracts	38,865	-	7,280
Derivative Instruments—redemption rights of convertible bonds	210	210	210
Structured deposits	-	154,506	226,333
Valuation adjustment	(11,569)	(11,360)	(9,656)
	<u>\$ 58,499</u>	<u>\$ 284,393</u>	<u>\$ 526,662</u>
Financial liabilities			
mandatorily measured at fair value through profit or loss			
Forward foreign exchange contracts	\$ 869	\$ 9,956	\$ 151

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>Three months ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Forward foreign exchange contracts	\$ 33,696	\$ 8,969
Structured deposits	(12)	1,539
Beneficiary certificates	1,221	779
Derivative Instruments – redemption rights of convertible bonds	431	270
	<u>\$ 35,336</u>	<u>\$ 11,557</u>
	<u>Nine months ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Forward foreign exchange contracts	(\$ 45,370)	\$ 40,163
Structured deposits	1,070	3,393
Beneficiary certificates	2,507	872
Derivative Instruments – redemption rights of convertible bonds	341	270
	<u>(\$ 41,452)</u>	<u>\$ 44,698</u>

B. Details of the transactions and contract information in respect of the Group's derivative financial assets / liabilities which were not accounted for under hedge accounting are as follows:

September 30,2025		
Financial instruments	Contract amount (notional principal) (in dollars)	Contract period
Forward foreign exchange contracts - pre-purchase	RMB 85,000,000	2025/07/28~2026/07/30
Forward foreign exchange contracts - pre-purchase	RMB 85,000,000	2025/07/28~2026/07/30
Forward foreign exchange contracts - pre-purchase	RMB 85,000,000	2025/07/28~2026/07/30
Forward foreign exchange contracts - pre-sale	USD 514,000	2025/09/09~2025/10/16
Forward foreign exchange contracts - pre-sale	USD 160,000	2025/09/09~2025/10/21
Forward foreign exchange contracts - pre-sale	USD 198,000	2025/09/09~2025/11/13
Forward foreign exchange contracts - pre-sale	USD 250,000	2025/09/09~2025/12/16
Forward foreign exchange contracts - pre-sale	USD 1,350,000	2025/09/30~2025/10/17
Forward foreign exchange contracts - pre-sale	USD 350,000	2025/09/30~2025/12/23
Forward foreign exchange contracts - pre-sale	USD 150,000	2025/09/30~2026/01/13
Forward foreign exchange contracts - pre-sale	USD 1,940,000	2025/06/26~2025/10/31
Forward foreign exchange contracts - pre-sale	USD 410,000	2025/05/26~2025/10/20

December 31, 2024		
Financial instruments	Contract amount (notional principal) (in dollars)	Contract period
Forward foreign exchange contracts - pre-purchase	RMB 85,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts - pre-purchase	RMB 100,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts - pre-purchase	RMB 65,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts - pre-sale	USD 910,000	2024/11/22~2025/01/24
Forward foreign exchange contracts - pre-sale	USD 767,000	2024/12/13~2025/02/26
Forward foreign exchange contracts - pre-sale	USD 1,800,000	2024/11/22~2025/01/24
Forward foreign exchange contracts - pre-sale	USD 2,000,000	2024/12/13~2025/03/14
Forward foreign exchange contracts - pre-sale	USD 2,200,000	2024/12/13~2025/04/14
Structured investments	RMB 30,000,000	2024/10/18~2025/01/21
Structured investments	RMB 4,500,000	2024/10/21~2025/01/21

September 30, 2024		
Financial instruments	Contract amount (notional principal) (in dollars)	Contract period
Forward foreign exchange contracts - pre-purchase	RMB 85,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts - pre-purchase	RMB 100,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts - pre-purchase	RMB 65,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts - pre-sale	USD 1,050,000	2024/08/27~2024/10/25
Forward foreign exchange contracts - pre-sale	USD 850,000	2024/09/06~2024/11/29
Forward foreign exchange contracts - pre-sale	EUR 1,000,000	2024/07/08~2024/11/01
Structured investments	RMB 50,000,000	2024/08/14~2024/11/20

(a) The Group entered into forward foreign exchange contracts to buy/sell to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(b) The structured instruments signed by the Group are principal-protected floating-income transactions to obtain exchange rate spreads.

C. Information relating to credit risk of financial assets / liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortized cost

Items	September 30,2025	December 31,2024	September 30,2024
Current items:			
Time deposits with original maturity over 3 months	\$ 85,452	\$ 400,000	\$ 200,000
Non-current items:			
Time deposits with original maturity over 1 year	\$ 769,067	\$ 761,333	\$ 452,667

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

	Three months ended September 30	
	2025	2024
Interest income	\$ 6,244	\$ 666
Nine months ended September 30		
	2025	2024
Interest income	\$ 18,172	\$ 666

B. Without considering collateral held or other credit enhancement, the amounts most represent the maximum exposure to credit risk of financial assets at amortized cost as of September 30, 2025, December 31, 2024, and September 30, 2024 amounted to \$854,519, \$1,161,333, and \$652,667, respectively.

C. As the counterparties of the time deposits invested by the Group are financial institutions with good credit quality, the possibility of default is expected to be very low.

(4) Accounts receivable

	<u>September 30,2025</u>	<u>December 31,2024</u>	<u>September 30,2024</u>
Accounts receivable	\$ 1,252,982	\$ 1,279,115	\$ 1,307,633
Less: Allowance for uncollectible accounts	(3,665) (6,184) (6,919)		
	<u>\$ 1,249,317</u>	<u>\$ 1,272,931</u>	<u>\$ 1,300,714</u>

A. The ageing analysis of accounts receivables is as follows:

	<u>September 30,2025</u>	<u>December 31,2024</u>	<u>September 30,2024</u>
Not past due	\$ 1,171,674	\$ 1,150,336	\$ 1,248,706
Up to 30 days	63,481	110,170	41,019
31 to 90 days	16,013	18,364	13,827
91 to 180 days	1,633	229	4,002
Over 181 days	181	16	79
	<u>\$ 1,252,982</u>	<u>\$ 1,279,115</u>	<u>\$ 1,307,633</u>

The above ageing analysis was based on past due date.

B. As of September 30, 2025, December 31, 2024, September 30, 2024 and January 1, 2024, the balances of accounts receivable from contracts with customers amounted to \$1,252,982, \$1,279,115, \$1,307,633 and \$1,250,057, respectively.

C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Other receivables

	<u>September 30,2025</u>	<u>December 31,2024</u>	<u>September 30,2024</u>
Payments for plant expropriation receivables	\$ -	\$ 164,423	\$ -
Others	44,149	42,721	40,472
	<u>\$ 44,149</u>	<u>\$ 207,144</u>	<u>\$ 40,472</u>

The sub-subsidiary, Zhejiang Iron Force has approved by the board of directors on September 14, 2024 to sell part of the land use right in Huzhou City amounting to \$4,603, buildings and structures amounting to \$61,665, and other equipment amounting to \$2,260, in cooperating with the government's policy-based relocation. The vacant transfer of buildings has been completed in December 2024, and gains on disposal of non-current assets held for sale amounting to \$134,059 were recognized. The amount of the expropriation compensation agreement signed between Zhejiang

Iron Force and the government is RMB 45,356 thousand. As of September 30, 2025, the Group has collected all the payments.

(6) Inventories

	September 30,2025		
	Cost	Allowance for valuation loss	Carry amount
Raw materials	\$ 475,083	(\$ 17,869)	\$ 457,214
Work in progress	92,171	(6,839)	85,332
Finished goods	559,867	(15,784)	544,083
Merchandise	90,443	(15,091)	75,352
	<u>\$ 1,217,564</u>	<u>(\$ 55,583)</u>	<u>\$ 1,161,981</u>
	December 31,2024		
	Cost	Allowance for valuation loss	Carry amount
Raw materials	\$ 449,867	(\$ 12,190)	\$ 437,677
Work in progress	85,324	(5,767)	79,557
Finished goods	644,763	(20,257)	624,506
Merchandise	81,818	(15,891)	65,927
	<u>\$ 1,261,772</u>	<u>(\$ 54,105)</u>	<u>\$ 1,207,667</u>
	September 30,2024		
	Cost	Allowance for valuation loss	Carry amount
Raw materials	\$ 445,457	(\$ 16,564)	\$ 428,893
Work in progress	96,546	(7,263)	89,283
Finished goods	578,941	(21,537)	557,404
Merchandise	78,138	(19,630)	58,508
	<u>\$ 1,199,082</u>	<u>(\$ 64,994)</u>	<u>\$ 1,134,088</u>

The cost of inventories recognized as expense for the period:

	Three months ended September 30	
	2025	2024
Cost of goods sold	\$ 945,155	\$ 992,779
loss on decline in market value	2,780	5,546
	<u>\$ 947,935</u>	<u>\$ 998,325</u>
	Nine months ended September 30	
	2025	2024
Cost of goods sold	\$ 2,851,739	\$ 2,820,389
loss on decline in market value	1,478	10,059
	<u>\$ 2,853,217</u>	<u>\$ 2,830,448</u>

(7) Non-current assets held for sale

On September 14, 2024, the subsidiary, Zhejiang Iron Force, in compliance with policy-related relocation, gained board approval to sell part of its land use rights, factory buildings, and equipment located at Xilu West Road, Luoshe Town, Deqing County, Huzhou City. These assets were reclassified as a disposal group held for sale. A compensation agreement for the acquisition was signed with the People's Government of Luoshe Town for RMB 45,356 in thousands. As of September 30, 2024, the Group has received RMB 8,641 in thousand, which was recorded under other current liabilities.

A. Assets of disposal group classified as held for sale:

	September 30, 2024
Property, plant and equipment	\$ 60,939
Land use rights	4,603
Other equipments	1,947
	<hr/>
	\$ 67,489

B. After evaluation, the carrying amount of the non-current assets held for sale is lower than the fair value less costs to sell, and therefore, no impairment has been recognized.

(8) Property, plant and equipment

	2025						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Consturction in progress	Total
January 1							
Cost	\$ 149,895	\$ 1,305,426	\$ 1,704,414	\$ 88,402	\$ 72,659	\$ 124,459	\$ 3,445,255
Accumulated depreciation	- (375,113)	(1,116,275)	(68,433)	(50,953)	-	(1,610,774)	(5,255)
Accumulated impairment	- -	- (5,255)	-	-	-	-	(5,255)
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January 1	\$ 149,895	\$ 930,313	\$ 582,884	\$ 19,969	\$ 21,706	\$ 124,459	\$ 1,829,226
Additions	- 777	30,240	4,773	1,440	26,574	63,804	
Disposals	- -	(2,193)	(49)	(32)	-	(2,274)	
Reclassifications	- 98	63,743	-	3,714	(68,260)	(705)	
Depreciation expenses	- (26,758)	(96,171)	(4,220)	(4,985)	-	(132,134)	
Net exchange differences	2,936 (13,839)	(9,343)	148	1,051	1,033	(18,014)	
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September 30	\$ 152,831	\$ 890,591	\$ 569,160	\$ 20,621	\$ 22,894	\$ 83,806	\$ 1,739,903
Cost	\$ 152,831	\$ 1,285,535	\$ 1,723,670	\$ 91,349	\$ 71,217	\$ 83,806	\$ 3,408,408
Accumulated depreciation	- (394,944)	(1,149,497)	(70,728)	(48,233)	-	(1,663,402)	
Accumulated impairment	- -	(5,013)	-	-	-	(5,013)	
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	2024						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Consturction in progress	Total
<u>January 1</u>							
Cost	\$ 149,166	\$ 1,377,820	\$ 1,642,159	\$ 102,037	\$ 58,883	\$ 71,944	\$ 3,402,009
Accumulated depreciation	- (398,422)	(1,018,627)	(80,641)	(42,326)	-	- (1,540,016)	
Accumulated impairment	-	- (9,170)	-	-	-	- (9,170)	
	<u>\$ 149,166</u>	<u>\$ 979,398</u>	<u>\$ 614,362</u>	<u>\$ 21,396</u>	<u>\$ 16,557</u>	<u>\$ 71,944</u>	<u>\$ 1,852,823</u>
<u>January 1</u>							
Additions	\$ 149,166	\$ 979,398	\$ 614,362	\$ 21,396	\$ 16,557	\$ 71,944	\$ 1,852,823
Disposals	-	3,388	45,360	2,649	5,642	86,416	143,455
Reclassifications	-	- (1,666)	(39)	(34)	-	- (1,739)	
Reclassifications to non-current assets held for sale (Note)	-	19,156	44,631	525	9,040	(73,378)	(26)
	(60,675)	(192)	(1,747)	-	-	- (62,614)	
Depreciation expenses	- (29,330)	(102,882)	(3,835)	(7,214)	-	- (143,261)	
Net exchange differences	2,849	42,906	21,900	800	(694)	3,864	71,625
September 30	<u>\$ 152,015</u>	<u>\$ 954,843</u>	<u>\$ 621,513</u>	<u>\$ 19,749</u>	<u>\$ 23,297</u>	<u>\$ 88,846</u>	<u>\$ 1,860,263</u>
<u>September 30</u>							
Cost	\$ 152,015	\$ 1,327,816	\$ 1,752,380	\$ 92,516	\$ 73,868	\$ 88,846	\$ 3,487,441
Accumulated depreciation	- (372,973)	(1,124,734)	(72,767)	(50,571)	-	- (1,621,045)	
Accumulated impairment	-	- (6,133)	-	-	-	- (6,133)	
	<u>\$ 152,015</u>	<u>\$ 954,843</u>	<u>\$ 621,513</u>	<u>\$ 19,749</u>	<u>\$ 23,297</u>	<u>\$ 88,846</u>	<u>\$ 1,860,263</u>

Note :The primary reason is the reclassification of part of the factory buildings and equipment of the subsidiary Zhejiang Iron Force to non-current assets held for sale due to expropriation. Please refer to Note 6(7) for details.

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Lease agreements – lessee

- A. The Group's leases include land, transportation equipment and office equipment. Rental contracts are typically made for periods of 1 to 50 years. The lease contract is negotiated individually and contains various terms and conditions. Except for the leased assets which cannot be used as security for borrowing purposes, there are no other restrictions on the lease.
- B. The carrying amount of the right-of-use assets and the depreciation expense recognized were as follows:

	September 30,2025	December 31,2024	September 30,2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 49,638	\$ 53,083	\$ 54,025
Buildings	105,544	-	-
Transportation equipment (Company vehicles)	6,456	7,029	7,759
Office equipment (Photocopiers)	182	252	289
	<u>\$ 161,820</u>	<u>\$ 60,364</u>	<u>\$ 62,073</u>

	Three months ended September 30	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	\$ 336	\$ 395
Buildings	887	-
Transportation equipment (Business vehicles)	699	644
Office equipment (Photocopiers)	26	27
	<u>\$ 1,948</u>	<u>\$ 1,066</u>
	Nine months ended September 30	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	\$ 1,018	\$ 1,166
Buildings	887	-
Transportation equipment (Business vehicles)	2,043	1,752
Office equipment (Photocopiers)	81	80
	<u>\$ 4,029</u>	<u>\$ 2,998</u>

C. The additions to right-of-use assets for the nine months ended September 30, 2025 and 2024 were \$107,806 and \$5,576, respectively

D. The information of the profits and loss items that are related to lease contracts is as follows:

	Three months ended September 30	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	\$ 285	\$ 27
Expense on short-term lease contracts	1,031	988
Expense on leases of low-value assets	46	47
Nine months ended September 30		
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	\$ 336	\$ 76
Expense on short-term lease contracts	2,686	2,905
Expense on leases of low-value assets	138	141

E. The Group's total lease cash outflows were \$5,970 and \$4,924 for the nine months ended September 30, 2025 and 2024, respectively.

(10) Other non-current assets

	September 30,2025	December 31,2024	September 30,2024
Prepaid equipment	\$ 111,157	\$ 68,083	\$ 56,731
Others	19,836	11,785	7,973
	<u>\$ 130,993</u>	<u>\$ 79,868</u>	<u>\$ 64,704</u>

(11) Short-term borrowings

Type of borrowings	September 30,2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 400,000	1.705%	None

Type of borrowings	September 30,2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 39,398	1.66%	None

A. There was no this kind of condition as of December 31, 2024.

B. Interest expense recognized in profit or loss amounted to \$1,429, \$1,658, \$1,429 and \$4,619 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(12) Other payables

	September 30,2025	December 31,2024	September 30,2024
Wages and salaries payable	\$ 153,910	\$ 180,805	\$ 156,863
Processing fees payable	17,802	23,456	28,005
Payables for equipment	15,091	43,956	12,574
Import / export expenses payable	5,577	6,245	11,086
Others	130,114	116,031	114,492
	<u>\$ 322,494</u>	<u>\$ 370,493</u>	<u>\$ 323,020</u>

(13) Bonds payable

	September 30,2025	December 31,2024	September 30,2024
Bonds payable	\$ 278,700	\$ 299,900	\$ 300,000
Less: discount on bonds payable	(12,764)	(19,014)	(20,779)
	<u>\$ 265,936</u>	<u>\$ 280,886</u>	<u>\$ 279,221</u>

A. The terms of issuance of the third domestic convertible bonds are as follows:

- (a) The total issuance amount is \$300,000, with coupon rate of 0%, and the issuance period of 3 years. The period of circulation is from August 29, 2024 to August 29, 2027. The Company shall repay in cash one lump sum according to the par value of the convertible bonds at maturity. The convertible bonds have been listed for trading in TPEx since August 29, 2024.
- (b) From the day following the three-month period after the issuance of the convertible bonds to maturity, the bond holders may request the conversion of the convertible bonds into the Company's ordinary shares at any time, except the book closure period of the ordinary shares according to law and regulations. The rights and obligations of ordinary shares after conversion are the same as those of the originally issued ordinary shares.
- (c) The conversion price of the convertible bonds is determined in accordance with the pricing model stipulated in the Regulation. The conversion price will be adjusted in accordance with the pricing model stipulated in the Regulation, if the conditions stipulated in the anti-dilutive terms occur. The conversion price is re-determined by the pricing model stipulated in the Regulation on the base date stipulated in the Regulation. Thus, the conversion price has been adjusted from NT\$94.5 per share to NT\$85.36 per share since July 14, 2025.
- (d) From the day following the three-month period after the issuance of the convertible bonds to 40 days before the expiry of the issuance period, when the closing price of the Company's ordinary shares exceeds the current conversion price by 30% for 30 consecutive business days, or from the day following the three-month period after the issuance of the convertible bonds to 40 days before the expiry of the issuance period, when the outstanding balance of the convertible bonds

is lower than 10% of the original total issued amount, the Company may redeem all of the bonds in cash one lump sum according to the par value of the convertible bonds at any time afterwards.

- (e) In accordance with the Regulation, all the convertible bonds collected (including those bought back from the TPEx), repaid or converted will be cancelled, and may not be resold or issued. The attached conversion rights are expired accordingly.
- B. In issuance of the convertible bonds, according to IAS 32 “Financial Instruments: Presentation,” the Group separated the conversion right with equity nature from the liability components, and recognized “capital surplus – stock options” amounting to \$59,973. In accordance with IFRS 9 “Financial Instruments,” as the economic characteristics and risks of the embedded redemption rights and put options are not closely related to the economic characteristics and risks of the host contract, they are separated from the host, and recognized as “financial assets or liabilities at fair value through profit or loss” by the net amount. After separation, the effective interest rate of the host is 2.50%.
- C. As of September 30, 2025, \$21,300 of the par value of the convertible bonds has been converted into 250 thousand ordinary shares.

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30,2025
Installment loans				
Secured borrowings	From April 5, 2020 to April 30, 2030, the principal is repaid in installments monthly	0.69%~2.10%	Note 8	\$ 23,762
Secured borrowings	From April 6, 2023 to March 1, 2029, the principal is repaid in installments monthly	3.96%	Note 8	
				7,901
				31,663
Less: Current portion				(8,288)
				\$ 23,375

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31,2024
Installment loans				
Secured borrowings	From April 5, 2020 to April 30, 2030, the principal is repaid in installments monthly	0.69%~0.80%	Note 8	\$ 22,772
Secured borrowings	From April 6, 2023 to March 1, 2029, the principal is repaid in installments monthly	3.96%	Note 8	
				9,015
				31,787
Less: Current portion				(6,258)
				\$ 25,529
Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30,2024
Installment loans				
Secured borrowings	From April 5, 2020 to April 30, 2030, the principal is repaid in installments monthly	0.69%~0.80%	Note 8	\$ 24,680
Secured borrowings	From April 6, 2023 to March 1, 2029, the principal is repaid in installments monthly	3.96%	Note 8	
				9,836
				34,516
Less: Current portion				(6,452)
				\$ 28,064

Interest expenses recognized in profit or loss for the three months and nine months ended September 30, 2025 and 2024 amounted to \$136, \$234, \$431, and \$536, respectively.

(15) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 3.5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) For the aforementioned pension plan, the Group recognized pension costs of \$49, \$55, \$151, and \$133 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to \$6,456.

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on not lower than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Other overseas entities contribute to the statutory pension insurance or pension fund for their employees based on their wages and salaries in compliance with local laws and regulations. Other than the annual contributions, the entities have no further obligations.

(c) The pension costs under the defined contribution pension plan of the Group for the three months and nine months ended September 30, 2025 and 2024 were \$10,765, \$10,591, \$32,899, and \$30,527, respectively.

(16) Share-based payment

A. As of September 30, 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2024.09.06	563 in thousand	NA	Vested immediately

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

B. The fair value of stock options is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Cash capital increase reserved for employee preemption	2024.09.06	118	88	41.78%	0.07 year	-	1.02%	\$ 30.06

C. Expenses incurred on share-based payment transactions are shown below:

	Three months ended September 30	
	2025	2024
Equity-settled	\$ -	\$ 16,909
Nine months ended September 30		
	2025	2024
Equity-settled	\$ -	\$ 16,909

D. There was no this kind of condition as of September 30, 2024.

(17) Share capital

A. As of September 30, 2025, the Company's authorized capital was \$1,300,000, consisting of 130,000 thousand shares of ordinary stock, and the paid-in capital was \$797,797 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2025 (thousand shares)	2024 (thousand shares)
At January 1	79,531	75,780
Conversion of convertible bonds to shares	249	-
At December 31	79,780	75,780

C. On August 27, 2024, the Board of Directors resolved to conduct a cash capital increase through the issuance of 3,750 thousand new common shares, each with a par value of NT\$10. The record date for the capital increase was set as October 7, 2024, and the issue price was NT\$88 per share. The Company has received full payment totaling NT\$330,000, and the registration of the newly issued shares has been completed. The underwriting fee of NT\$1,100 incurred in connection with this capital increase was recognized as a deduction from capital surplus – share premium, as it represents a necessary issuance cost.

D. As of December 31, 2024, the Company has converted \$100 of par value of the convertible bonds

into 1 thousand ordinary shares, and the register of changes has been completed.

E. For the nine months ended September 30, 2025, the Company has converted \$21,200 of par value of the convertible bonds into 249 thousand ordinary shares and expects completion of register of change in 2025Q4.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's profit shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

B. The Company distributes dividends taking into consideration the Company's economic environment, growth phases, future demands for funds, long-term financial planning and the cash flow needs of stockholders. Dividends distribution is resolved by the shareholders based on current year's profit and capital position.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. The appropriations of 2024 and 2023 earnings as resolved at the shareholders' meeting on May 29, 2025 and on June 21, 2024 are as follows:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 73,635		\$ 50,873	
Special reserve	(120,684)		5,826	
Cash dividends	715,782	\$ 9.00	378,901	\$ 5.00
	<u>\$ 668,733</u>		<u>\$ 435,600</u>	

(20) Operating revenue

	Three months ended September 30	
	2025	2024
Revenue from contracts with customers	\$ 1,249,304	\$ 1,359,208
<hr/>		
	Nine months ended September 30	
	2025	2024
Revenue from contracts with customers	\$ 3,765,298	\$ 3,799,317

A. Disaggregation of revenue from contracts with customers

The Group derives revenue mainly from the transfer of goods at a point in time in the following major product areas:

	Production area			
Three months ended September 30, 2025	Taiwan	China	Europe	Total
<hr/>				
Sales area				
America	\$ 225,627	\$ 153,822	\$ -	\$ 379,449
China	123,886	204,073	-	327,959
Asia (Except China)	30,668	93,641	-	124,309
Europe	117,326	80,727	219,534	417,587
	<u>\$ 497,507</u>	<u>\$ 532,263</u>	<u>\$ 219,534</u>	<u>\$ 1,249,304</u>
<hr/>				
Three months ended September 30, 2024	Taiwan	China	Europe	Total
<hr/>				
Sales area				
America	\$ 309,175	\$ 166,457	\$ -	\$ 475,632
China	93,441	258,405	-	351,846
Asia (Except China)	27,593	92,858	-	120,451
Europe	136,226	97,865	177,188	411,279
	<u>\$ 566,435</u>	<u>\$ 615,585</u>	<u>\$ 177,188</u>	<u>\$ 1,359,208</u>

		Production area			
Nine months ended		Taiwan	China	Europe	Total
September 30, 2025					
Sales area					
America	\$ 743,095	\$ 455,460	\$ -	\$ 1,198,555	
China	372,653	635,371	-	1,008,024	
Asia (Except China)	102,158	283,107	-	385,265	
Europe	333,216	233,105	607,133	1,173,454	
	<u>\$ 1,551,122</u>	<u>\$ 1,607,043</u>	<u>\$ 607,133</u>	<u>\$ 3,765,298</u>	
Production area					
Nine months ended					
September 30, 2024		Taiwan	China	Europe	Total
Sales area					
America	\$ 817,221	\$ 521,551	\$ -	\$ 1,338,772	
China	221,746	725,332	-	947,078	
Asia (Except China)	71,706	261,642	-	333,348	
Europe	360,556	294,764	524,799	1,180,119	
	<u>\$ 1,471,229</u>	<u>\$ 1,803,289</u>	<u>\$ 524,799</u>	<u>\$ 3,799,317</u>	

B. Contract liabilities

(a) The Group has recognized the following contract liabilities of revenue from contracts with customers as a result of advance sales receipts:

	September 30,2025	December 31,2024	September 30,2024	January ,2024
Contract liabilities	\$ 15	\$ 92	\$ 1,123	\$ 2,053

(b) The contract liabilities at the beginning of the period which were recognized in revenue for the nine months ended September 30, 2025 and 2024 amounted to \$77 and \$2,053, respectively.

(21) Expenses by nature

	Three months ended September 30, 2025		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 180,049	\$ 77,343	\$ 257,392
Labor and health insurance fees	17,224	7,926	25,150
Pension costs	7,447	3,367	10,814
Other personnel expenses	7,682	5,437	13,119
Depreciation expense	31,320	6,350	37,670
Amortisation expense	104	3,980	4,084
	Three months ended September 30, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 190,407	\$ 79,827	\$ 270,234
Labor and health insurance fees	15,782	7,518	23,300
Pension costs	7,176	3,470	10,646
Other personnel expenses	8,120	5,963	14,083
Share-based payment	-	16,909	16,909
Depreciation expense	42,920	6,456	49,376
Amortisation expense	94	4,327	4,421
	Nine months ended September 30, 2025		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 535,738	\$ 234,910	\$ 770,648
Labor and health insurance fees	49,841	23,279	73,120
Pension costs	22,532	10,518	33,050
Other personnel expenses	22,693	18,573	41,266
Depreciation expense	117,555	18,608	136,163
Amortisation expense	290	11,960	12,250

	Nine months ended September 30, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 562,493	\$ 230,619	\$ 793,112
Labor and health insurance fees	46,305	21,715	68,020
Pension costs	20,756	9,904	30,660
Other personnel expenses	24,108	17,067	41,175
Share-based payment	-	16,909	16,909
Depreciation expense	126,240	20,019	146,259
Amortisation expense	253	13,289	13,542

A. In accordance with the Articles of Incorporation of the Company, if the Company has distributable profit of the current year, the Company shall distribute at not lower than 0.5% as employees' compensation in the form of shares or in cash as resolved by the Board of Directors. The Company shall distribute directors' remuneration at not more than 5% of the total distributable amount as resolved by the Board of Directors. The appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders during their meeting.

B. For the three months and nine months ended September 30, 2025 and 2024, employees' compensation and directors' remuneration were accrued as follows:

	Three months ended September 30	
	2025	2024
Directors' remuneration	\$ 780	\$ 600
Employees' compensation	1,050	2,528
	<u>\$ 1,830</u>	<u>\$ 3,128</u>

	Nine months ended September 30	
	2025	2024
Directors' remuneration	\$ 2,220	\$ 1,800
Employees' compensation	4,159	7,433
	<u>\$ 6,379</u>	<u>\$ 9,233</u>

The aforementioned amounts were recognized in salary expenses and were accrued based on the distributable profit for the nine months ended September 30, 2025 and 2024 and the Company's Articles of Incorporation.

C. The directors' remuneration and employees' compensation for 2025 as resolved by the shareholders meeting on May 29, 2025 amounted to \$4,087 and \$4,300, respectively. The differences between the amounts resolved by the Board of Directors and the directors'

remuneration of \$1,800 and employees' compensation of \$9,989 recognized in the 2024 financial statements were regarded as changes in accounting estimates and recognized in profit or loss for 2025.

- D. The directors' remuneration and employees' compensation for 2024 as resolved by the shareholders meeting on June 21, 2024 amounted to \$1,590 and \$3,700, respectively. The differences between the amounts resolved by the Board of Directors and the directors' remuneration of \$1,500 and employees' compensation of \$9,511 recognized in the 2023 financial statements were regarded as changes in accounting estimates and recognized in profit or loss for 2024.
- E. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Other gains and losses

	Three months ended September 30	
	2025	2024
Net currency exchange (losses) gains	(\$ 25,607)	\$ 1,411
Gains on financial instruments at fair value through profit or loss	35,336	11,557
Governments grants (Note)	6	3,078
Losses on disposals of property, plant and equipment	(129)	(747)
Miscellaneous income and expenditures	4,478	2,052
	<u>\$ 14,084</u>	<u>\$ 17,351</u>
Nine months ended September 30		
	2025	2024
Net currency exchange gains (losses)	\$ 67,544	(\$ 6,060)
(Losses) gains on financial instruments at fair value through profit or loss	(41,452)	44,698
Governments grants (Note)	7,325	11,459
(Losses) gains on disposals of property, plant and equipment	(189)	340
Miscellaneous income and expenditures	37,521	33,490
	<u>\$ 70,749</u>	<u>\$ 83,927</u>

Note: Governments grants mainly refer to the grants of the China government for economic investment and research and development investment.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 97,799	\$ 23,897
Prior year income tax under estimation	-	4,984
Total current tax	<u>97,799</u>	<u>28,881</u>
Deferred tax:		
Origination and reversal of temporary differences	(54,364)	16,070
Income tax expense	<u>\$ 43,435</u>	<u>\$ 44,951</u>
	Nine months ended September 30	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 147,612	\$ 79,421
Tax on undistributed earnings	3,380	3,656
Prior year income tax under estimation	946	5,071
Total current tax	<u>151,938</u>	<u>88,148</u>
Deferred tax:		
Origination and reversal of temporary differences	(9,087)	(71,814)
Income tax expense	<u>\$ 142,851</u>	<u>\$ 16,334</u>

(b) The income tax credit/(charge) relating to components of other comprehensive income is as follows:

	Three months ended September 30	
	2025	2024
Currency translation differences	\$ 46,480	\$ 18,959
	Nine months ended September 30	
	2025	2024
Currency translation differences	<u>(\$ 34,525)</u>	<u>\$ 45,985</u>

- B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.
- C. The Group's subsidiary, Huzhou Iron Force Metal Products Co., Ltd, is a productive foreign-invested enterprise established in the People's Republic of China. It has been approved by the National Taxation Bureau as a high-tech industry enterprise and is eligible for a preferential income tax rate of 15% from December 2023 to December 2026.

(24) Earnings per share

Three months ended September 30, 2025			
	Weighted average number of ordinary shares		
	Amount after tax	outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Net profit for the period attributable to the parent	\$ 89,338	79,599	\$ 1.12
<u>Diluted earnings per share</u>			
Effects of dilutive potential ordinary shares			
Net profit for the period attributable to the parent	\$ 89,338	79,599	
Employees' compensation	-	39	
Convertible bonds	<u>1,061</u>	<u>3,446</u>	
Profit for the period attributable to the parent plus all dilutive potential ordinary shares	<u>\$ 90,399</u>	<u>83,084</u>	<u>\$ 1.09</u>
Three months ended September 30, 2024			
	Weighted average number of ordinary shares		
	Amount after tax	outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Net profit for the period attributable to the parent	\$ 136,093	76,068	\$ 1.79
<u>Diluted earnings per share</u>			
Effects of dilutive potential ordinary shares			
Net profit for the period attributable to the parent	\$ 136,093	76,068	
Employees' compensation	-	64	
Convertible bonds	<u>272</u>	<u>1,116</u>	
Profit for the period attributable to the parent plus all dilutive potential ordinary shares	<u>\$ 136,365</u>	<u>77,248</u>	<u>\$ 1.77</u>

Nine months ended September 30, 2025			
	Amount after tax	Weighted average number of ordinary shares	Earnings per share (in dollars)
		(share in thousands)	
Basic earnings per share			
Net profit for the period attributable to the parent	\$ 322,784	79,554	\$ 4.06
Diluted earnings per share			
Effects of dilutive potential ordinary shares			
Net profit for the period attributable to the parent	\$ 322,784	79,554	
Employees' compensation	-	61	
Convertible bonds	3,923	3,491	
Profit for the period attributable to the parent plus all dilutive potential ordinary shares	\$ 326,707	83,106	\$ 3.93
Nine months ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares	Earnings per share (in dollars)
		(share in thousands)	
Basic earnings per share			
Net profit for the period attributable to the parent	\$ 512,979	75,876	\$ 6.76
Diluted earnings per share			
Effects of dilutive potential ordinary shares			
Net profit for the period attributable to the parent	\$ 512,979	75,876	
Employees' compensation	-	89	
Convertible bonds	272	372	
Profit for the period attributable to the parent plus all dilutive potential ordinary shares	\$ 513,251	76,337	\$ 6.72

(25) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Nine months ended September 30	
	2025	2024
Purchase of property, plant and equipment	\$ 63,804	\$ 143,455
Add: beginning payables for equipment	43,956	28,908
Less: Ending payables for equipment	(15,091)	(12,574)
Add/Less: Net changes associated with prepayments for equipment and property, plant and equipment	43,074	(43,111)
Cash payments in the current period	\$ 135,743	\$ 116,678

(26) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Total
January 1, 2025	\$ -	\$ 7,281	\$ 280,886	\$ 31,787	\$ 319,954
Changes in cash flow from financing activities	400,000	(2,810)	-	(5,583)	391,607
Effect of changes in foreign exchange rate	-	88	-	1,404	1,492
Other non-cash changes	-	107,244	(14,950)	4,055	96,349
September 30, 2025	\$ 400,000	\$ 111,803	\$ 265,936	\$ 31,663	\$ 809,402
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Total
January 1, 2024	\$ 382,000	\$ 4,123	\$ -	\$ 37,761	\$ 423,884
Changes in cash flow from financing activities	(342,602)	(1,802)	338,371	(4,767)	(10,800)
Effect of changes in foreign exchange rate	-	151	-	1,522	1,673
Other non-cash changes	-	5,576	(59,150)	-	(53,574)
September 30, 2024	\$ 39,398	\$ 8,048	\$ 279,221	\$ 34,516	\$ 361,183

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Hyphen Industrial Corp.	The Chairman of the Company and the Chairman of the entity are relatives within the second degree

(2) Significant related party transactions

A. Other income- Rental Income

	Three months ended September 30	
	2025	2024
Other related parties	84	84
Nine months ended September 30		
	2025	2024
Other related parties	252	252

The transaction prices of the rent income from related parties are based on the agreements in the contracts, and the payments are collected in the beginning of each month.

B. Other gains and losses - Management service income

	Three months ended September 30	
	2025	2024
Other related parties	140	140
Nine months ended September 30		
	2025	2024
Other related parties	420	510

The transaction prices of the revenue from management services from related parties are based on the agreements in the contracts, and the payments are collected in the beginning of each month.

(3) Key management compensation

	Three months ended September 30	
	2025	2024
Short-term employee benefits	\$ 7,894	\$ 7,167
Post-employment benefits	160	150
	\$ 8,054	\$ 7,317
Nine months ended September 30		
	2025	2024
Short-term employee benefits	\$ 23,686	\$ 23,553
Post-employment benefits	477	419
	\$ 24,163	\$ 23,972

8. Pledged Assets

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

Asset items	Carrying amount			Purpose
	September 30,2025	December 31,2024	September 30,2024	
Property, Plant and Equipment-Land	\$ 9,809	\$ 9,352	\$ 9,683	Long-term borrowings

9. Significant Contingent Liabilities and Unrecognized Contract Commitments Contingencies

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	September 30,2025	December 31,2024	September 30,2024
Consultation service contract	\$ -	\$ 10,400	\$ 12,115
Property, plant and equipment	\$ 23,878	\$ 19,408	\$ 12,656
	\$ 23,878	\$ 29,808	\$ 24,771

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	September 30,2025	December 31,2024	September 30,2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	\$ 58,499	\$ 284,393	\$ 526,662
Financial assets mandatorily measured at fair value through profit or loss	\$ 58,499	\$ 284,393	\$ 526,662
Financial assets at amortised cost	\$ 1,147,363	\$ 610,285	\$ 772,937
Cash and cash equivalents	\$ 854,519	\$ 1,161,333	\$ 652,667
Financial assets measured at amortized cost	\$ 854,519	\$ 1,161,333	\$ 652,667
Notes receivable	\$ -	\$ -	\$ 1,092
Accounts receivable	\$ 1,249,317	\$ 1,272,931	\$ 1,300,714
Other receivables	\$ 44,149	\$ 207,144	\$ 40,472
Guarantee deposits paid (recongnized as other non-current assets)	\$ 2,008	\$ 2,591	\$ 2,617
	<u>\$ 3,297,356</u>	<u>\$ 3,254,284</u>	<u>\$ 2,770,499</u>

Financial liabilities

Financial liabilities at fair value through profit or loss	\$ 868	\$ 9,956	\$ 151
<u>Financial liabilities</u>			
mandatorily measured at fair value through profit or loss	\$ 868	\$ 9,956	\$ 151
Financial liabilities at amortised cost	\$ 400,000	\$ -	\$ 39,398
Short-term borrowings	\$ 249,465	\$ 273,188	\$ 279,206
Accounts payable	\$ 322,494	\$ 370,493	\$ 323,020
Other payable	\$ 265,936	\$ 280,886	\$ 279,221
Bonds payables	\$ 31,663	\$ 31,787	\$ 34,516
Long-term borrowings (including current portion)	<u>\$ 1,269,558</u>	<u>\$ 956,354</u>	<u>\$ 955,361</u>
Lease liabilities	<u>\$ 111,803</u>	<u>\$ 7,281</u>	<u>\$ 8,048</u>

B. Financial risk management policies

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to various currency risks arising from transactions denominated in different currencies, mainly in USD, EUR, and CNY. These currency risks arise from future commercial transactions and from recognized assets, liabilities, and net investments in foreign operations.
- ii. Management has set up a policy to manage the foreign exchange risk against the functional currency. Each company within the Group should hedge its overall exchange rate risk through the Group's finance department. The Group's treasury uses forward foreign exchange contracts and structured deposits to manage the foreign exchange risk arising from future commercial transactions and recognized assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD and the some of subsidiary's functional currency: EUR, RMB, and PLN). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	September 30,2025				Book value (in thousands of NTD)			
	Foreign currency amount (in thousands)		Exchange rate	Book value (in thousands of NTD)				
	Foreign currency amount (in thousands)	Exchange rate						
Financial assets								
Monetary items								
USD:NTD	\$ 6,761	30.48	\$ 206,075					
EUR:NTD	4,917	35.80	176,029					
RMB:NTD	148,797	4.27	635,363					
USD:RMB	10,772	7.11	328,331					
EUR:RMB	7,906	8.34	283,035					
Financial liabilities								
Monetary items								
EUR:NTD	\$ 3,957	35.80	\$ 141,661					
RMB:NTD	261,478	4.27	1,116,511					

		December 31,2024		
(Foreign currency: functional currency)		Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 6,855	32.79	\$ 224,741	
EUR:NTD	7,812	34.13	266,624	
RMB:NTD	31,218	4.48	139,825	
USD:RMB	11,498	7.19	376,962	
EUR:RMB	6,026	7.53	205,667	
<u>Financial liabilities</u>				
<u>Monetary items</u>				
EUR:NTD	\$ 4,458	34.13	\$ 152,152	
RMB:NTD	254,173	4.48	1,138,441	
		September 30,2024		
(Foreign currency: functional currency)		Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 6,366	31.66	\$ 201,548	
EUR:NTD	6,139	35.34	216,952	
RMB:NTD	19,629	4.53	88,919	
USD:RMB	10,941	7.01	346,392	
EUR:RMB	4,995	7.83	176,523	
<u>Financial liabilities</u>				
<u>Monetary items</u>				
EUR:NTD	\$ 3,127	35.34	\$ 110,508	
RMB:NTD	251,727	4.53	1,140,323	

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Nine months ended September 30, 2025				
(Foreign currency: functional currency)	Sensitivity analysis			Effect on other comprehensive income
	Degree of variation	Effect on profit or loss		
Financial assets				
Monetary items				
USD:NTD	1%	\$ 2,061	\$	-
EUR:NTD	1%	1,760	\$	-
RMB:NTD	1%	6,354	\$	-
USD:RMB	1%	3,283	\$	-
EUR:RMB	1%	2,830	\$	-
Financial liabilities				
Monetary items				
EUR:NTD	1%	\$ 1,417	\$	-
RMB:NTD	1%	11,165	\$	-
Nine months ended September 30, 2024				
(Foreign currency: functional currency)	Sensitivity analysis			Effect on other comprehensive income
	Degree of variation	Effect on profit or loss		
Financial assets				
Monetary items				
USD:NTD	1%	\$ 2,015	\$	-
EUR:NTD	1%	2,170	\$	-
RMB:NTD	1%	889	\$	-
USD:RMB	1%	3,464	\$	-
EUR:RMB	1%	1,765	\$	-
Financial liabilities				
Monetary items				
EUR:NTD	1%	\$ 1,105	\$	-
RMB:NTD	1%	11,403	\$	-

The total exchange (losses) gains, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2025 and 2024, amounted to (\$25,607), \$1,411, \$67,544, and (\$6,000), respectively.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the group's credit policy, the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the assumption under IFRS 9, if the contract payments were past due over 30 days based on the terms, it is deemed as that there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group classifies customers' accounts receivable in accordance with credit rating of customer and customer types. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.
- vi. The Group used the foreseeing consideration to adjust historical and timely information to assess the default possibility of accounts receivable. As of September 30, 2025, December 31, 2024 and September 30, 2024, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	Over 90 days past due	Total
<u>September 30, 2025</u>					
Expected loss rate	0.002%~0.12%	0.01%~2.21%	1.63%~4.57%	25.53%~100%	
Total carry amount	\$ 1,171,674	\$ 63,481	\$ 16,013	\$ 1,814	\$ 1,252,982
Loss allowance	952	1,273	716	724	3,665
<u>December 31, 2024</u>					
Expected loss rate	0.11%~0.25%	0.52%~6.88%	1.30%~11.02%	27.48%~100%	
Total carry amount	\$ 1,150,336	\$ 110,170	\$ 18,364	\$ 245	\$ 1,279,115
Loss allowance	1,967	3,073	1,109	35	6,184
<u>September 30, 2024</u>					
Expected loss rate	0.11%~0.25%	0.52%~6.88%	1.30%~11.02%	27.48%~100%	
Total carry amount	\$ 1,248,706	\$ 41,019	\$ 13,827	\$ 4,081	\$ 1,307,633
Loss allowance	2,341	2,186	1,213	1,179	6,919

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2025	2024
January 1	\$ 6,184	\$ 8,959
Reversal of impairment loss	(2,519)	(2,040)
September 30	<u>\$ 3,665</u>	<u>\$ 6,919</u>

(c) Liquidity risk

- i. The cash flow forecasting is performed by various operating entities within the Group and is summarized by the Group's treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. As of September 30, 2025, December 31, 2024 and September 30, 2024, the cash flows within 1 year of short-term borrowings, accounts payables, and other payables, and are in agreement with the balance of each account in the balance sheets.
- iii. The table below analyses the Group's derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	September 30,2025	Between 3 months and 1 year					Between 1 and 2 years		Between 2 and 5 years		Over 5 years
		Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	-				
<u>Non-derivative financial liabilities:</u>											
Long-term borrowings (including current portion)	\$ 2,187	\$ 6,558	\$ 8,434	\$ 15,462	\$ -						
Lease liability	3,549	10,611	13,574	38,451	62,579						
Bonds payable	-	-	278,700	-	-						
December 31,2024		Between 3 months and 1 year					Between 1 and 2 years		Between 2 and 5 years		Over 5 years
		Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	-				
<u>Non-derivative financial liabilities:</u>											
Long-term borrowings (including current portion)	\$ 1,682	\$ 5,043	\$ 6,723	\$ 18,439	\$ 1,119						
Lease liability	674	1,907	2,190	2,740	-						
Bonds payable	-	-	-	300,000	-						
September 30,2024		Between 3 months and 1 year					Between 1 and 2 years		Between 2 and 5 years		Over 5 years
		Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	-				
<u>Non-derivative financial liabilities:</u>											
Long-term borrowings (including current portion)	\$ 1,741	\$ 5,221	\$ 6,982	\$ 19,691	\$ 2,302						
Lease liability	687	2,052	2,285	3,273	-						
Bonds payable	-	-	-	300,000	-						

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment stocks in open market and beneficiary certificate is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in forward foreign exchange contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

Except for those listed in the table as follows, the carrying amounts of the Group's financial instruments not measured at fair value including cash and cash equivalents, accounts receivables, other receivables, guaranteed deposits paid (presented as "other non-current assets"), short-term borrowings, accounts payables, other payables, long-term borrowings (including current portion) and lease liabilities are approximate to their fair values.

	September 30,2025			
	Carry amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 265,936	\$ -	\$ 269,057	\$ -
		December 31,2024		
	Carry amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 280,886	\$ -	\$ 283,465	\$ -
		September 30,2024		
	Carry amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 279,221	\$ -	\$ 282,660	\$ -

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

September 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 18,993	\$ -	\$ -	\$ 18,993
Redemption rights of convertible bonds	-	641	-	641
Forward foreign exchange contracts	-	38,865	-	38,865
	<u>\$ 18,993</u>	<u>\$ 39,506</u>	<u>\$ -</u>	<u>\$ 58,499</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 868	\$ -	\$ 868
	<u>\$ -</u>	<u>\$ 868</u>	<u>\$ -</u>	<u>\$ 868</u>
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 129,037	\$ -	\$ -	\$ 129,037
Redemption rights of convertible bonds	-	300	-	300
Structured deposits	-	155,056	-	155,056
	<u>\$ 129,037</u>	<u>\$ 155,356</u>	<u>\$ -</u>	<u>\$ 284,393</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 9,956	\$ -	\$ 9,956
	<u>\$ -</u>	<u>\$ 9,956</u>	<u>\$ -</u>	<u>\$ 9,956</u>

September 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 290,495	\$ -	\$ -	\$ 290,495
Equity securities	-	-	528	528
Redemption rights of convertible bonds	-	480	-	480
Structured deposits	-	227,879	-	227,879
Forward foreign exchange contracts	-	7,280	-	7,280
	<u>\$ 290,495</u>	<u>\$ 235,639</u>	<u>\$ 528</u>	<u>\$ 526,662</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 151	\$ -	\$ 151

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the closing price. These instruments are included in level 1.
- ii. The estimated fair value of convertible bonds – redemption rights belong to level 2 and is acquired by valuation techniques or referring to quoted prices from counterparties of transactions. Fair value acquired by valuation techniques may refer to the current fair value of other financial instruments with substantively similar terms and characteristics, discounted cash flow method or other valuation techniques, including calculation by utilizing models by the available market information as of the consolidated balance sheet data (e.g. yield curves of TPEx for reference).
- iii. The estimated fair value of forward foreign exchange contracts and structured investments are all included in level 2, which is evaluated based on the current forward exchange rates.
- iv. If one or more of the significant inputs is not based on observable market data, the

instrument is included in level 3.

- D. There was no transfer between level 1 and level 2 for the nine months ended September 30, 2025 and 2024.
- E. There was no transfer in to and out of level 3 for the nine months ended September 30, 2025 and 2024.
- F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non- derivative equity instrument:					
Stocks of non-listed companies	\$	- Comparable listed company approach	Discount for lack of marketability	0.10	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non- derivative equity instrument:					
Stocks of non-listed companies	\$	- Comparable listed company approach	Discount for lack of marketability	0.11	The higher the discount for lack of marketability, the lower the fair value

	Fair value at September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non- derivative equity instrument:					
Stocks of non-listed companies	\$ 528	Comparable listed company approach	Discount for lack of marketability	0.11	The higher the discount for lack of marketability, the lower the fair value

G. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

		September 30,2025					
		Recognised in profit or loss		Recognised in other comprehensive income			
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Discount on liquidity		±5%				
		\$ 2	(\$ 2)	\$ -	\$ -	\$ -	\$ -

		December 31,2024					
		Recognised in profit or loss		Recognised in other comprehensive income			
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Discount on liquidity		±5%				
		\$ 2	(\$ 2)	\$ -	\$ -	\$ -	\$ -

		September 30,2024					
		Recognised in profit or loss		Recognised in other comprehensive income			
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Discount on liquidity		±5%				
		\$ 2	(\$ 2)	\$ -	\$ -	\$ -	\$ -

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of significant marketable securities at the end of the period (excluding subsidiaries, associates and joint ventures): Refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 4.
- F. Business relationship and significant transactions between the parent and subsidiaries: None.

(2) Information on investees

Names, locations and other information of investee companies (excluding Mainland China investee company): Refer to table 5.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 4.

14. SEGMENT INFORMATION

(1) General information

The management of the Group has identified the reporting departments based on the report information used in making decisions by the board of directors.

The Group provides information by region to the operational decision makers for review. Currently, the Group divides its sales order region into three main areas: Taiwan, Mainland China, and Europe. Therefore, in the operational department, Taiwan, Mainland China, and Europe are the departments to be reported.

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

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Nine months ended September 30, 2025				
	Taiwan	Mainland China	Europe	Eliminations	Consolidated
Revenue from external customers	\$ 1,551,122	\$ 1,607,043	\$ 607,133	\$ -	\$ 3,765,298
Inter-segment revenue	-	36,884	-	(36,884)	-
Total revenue	\$ 1,551,122	\$ 1,643,927	\$ 607,133	(\$ 36,884)	\$ 3,765,298
Segment profit or loss	\$ 322,784	\$ 360,892	(\$ 6,849)	(\$ 354,043)	\$ 322,784
Segment profit or loss:					
Depreciation expense	\$ 39,100	\$ 61,504	\$ 35,559	\$ -	\$ 136,163
Income tax expense	\$ 87,220	\$ 49,655	\$ 5,976	\$ -	\$ 142,851
Segment assets:					
Non-current assets	\$ 5,696,491	\$ 1,642,587	\$ 581,017	(\$ 5,091,470)	\$ 2,828,625

	Nine months ended September 30, 2024				
	Taiwan	Mainland China	Europe	Eliminations	Consolidated
Revenue from external customers	\$ 1,471,229	\$ 1,803,289	\$ 524,799	\$ -	\$ 3,799,317
Inter-segment revenue	-	39,461	-	(39,461)	-
Total revenue	\$ 1,471,229	\$ 1,842,750	\$ 524,799	(\$ 39,461)	\$ 3,799,317
Segment profit or loss	\$ 512,979	\$ 325,340	(\$ 6,149)	(\$ 319,191)	\$ 512,979
Segment profit or loss:					
Depreciation expense	\$ 40,047	\$ 71,443	\$ 34,769	\$ -	\$ 146,259
Income tax (benefit) expense	(\$ 23,419)	\$ 37,173	\$ 2,580	\$ -	\$ 16,334
Segment assets:					
Non-current assets	\$ 5,778,279	\$ 1,435,443	\$ 559,533	(\$ 5,300,919)	\$ 2,472,336

(3) Reconciliation for segment profit or loss

Sales between departments are conducted in accordance with the principle of fair value transactions. External revenues reported to the main operational decision-makers are measured consistently with the revenues in the income statement.

Iron Force Industrial Corporation and Subsidiaries
Loans to others
Nine months ended September 30, 2025

Tab 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum balance during the period (Note 3)		Ending balance (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Collateral		Limit on loans granted to a single party (Note 7)	Limit on total loans granted (Note 7)	Note				
					\$	182,050							\$	-	None	-	\$	473,667	\$	1,894,669	
0	Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	Other receivables due from related parties	Y	\$	182,050	\$	179,000	\$	-	0.00%	2	\$	-	Working capital	\$	-	\$	473,667	\$	1,894,669
1	Huzhou Iron Force Metal Products Co., Ltd.	Zhejiang Iron Force Metal Products Co., Ltd.	Other receivables due from related parties	Y		68,625		64,110		-	0.00%	2		-	Working capital	-	None	-	2,000,628		4,001,256
1	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Industrial Co., Ltd.	Other receivables due from related parties	Y		1,143,750		1,068,500		1,068,500	3.85%	2		-	Working capital	-	None	-	2,000,628		4,001,256
1	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Poland Sp. z o.o.	Other receivables due from related parties	Y		364,100		358,000		179,000	2.193%~2.629%	2		-	Working capital	-	None	-	2,000,628		4,001,256
2	Zhejiang Iron Force Metal Products Co., Ltd.	Huzhou Iron Force Metal Products Co., Ltd	Other receivables due from related parties	Y		150,975		-		-	0.00%	2		Working capital	-	None	-	107,592		215,183 Note 9	
2	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Other receivables due from related parties	Y		127,435		125,300		42,960	3.658%~3.701%	2		-	Working capital	-	None	-	190,472		380,943
3	Transtat Investment Ltd.	Iron Force Industrial Co., Ltd.	Other receivables due from related parties	Y		18,930		17,371		17,371	0.00%	2		-	Working capital	-	None	-	2,100,174		4,200,347

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognized, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Maximum balance of loans to others.

Note 4: Nature of financing shall be filled in business transaction or necessary for short-term financing.

(1) Fill in 1 if there is business transaction.

(2) Fill in 2 if it's necessary for short-term financing.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: The limit on financing to a single entity and total financing based on the operational procedures of loans to others shall be filled in, and the single entity of the financing and calculation of total financing shall be

explained in the note column.

- (1) The ceiling on total loans granted by the Company to others shall not exceed 40% of the Company's net assets. For the companies having business relationship with the Company, ceiling on total loans granted shall not exceed 10% of the Company's net assets; where the Board of Directors deems the need for short-term financing, ceiling on total loans granted shall not exceed 30% of the Company's net assets.
- (2) The limit on loans granted by the Company to a single party who has business relationship with the Company shall not exceed the higher of 30% of the business transaction amount between the borrower and the Company in the most recent year or 120% of the business transaction amount in the most recent three months, and shall not exceed 10% of the Company's net assets; where the Board of Directors deems the need for short-term financing, limit on total loans granted to a single party shall not exceed 10% of the Company's net assets.
- (3) For loans granted between foreign companies whose voting rights are 100% held directly and indirectly by the Company or granted to the borrower by the foreign company whose voting rights are 100% held directly and indirectly by the Company, the ceiling on total loans granted shall not exceed 100% of the creditor's net assets; limit on loans granted to a single party shall not exceed 50% of the creditor's net assets. The financing period depends on the borrower's capital needs, but it shall not exceed five years.
- (4) The limit on loans to a single entity by the subsidiary is 50% of its net assets, and ceiling on total loans granted is 100% of its net assets.

Note 8: If the public company submits the fund financing to the board of directors for resolution one by one in accordance with Paragraph 1, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, even though the amount hasn't been drawn down, the amount resolved by the board of directors shall be included in the balance declared to disclose the risk borne. However, after the fund is repaid, the balance after repayment shall be disclosed to reflect the adjustments to the risk. If the public company authorizes the chairman within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down in accordance with Paragraph 2, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount of financing resolved by the board of directors shall be the balance declared. After the fund is repaid, as it is possible to give loans again, the amount of financing resolved by the board of directors shall be still the balance declared.

Note 9: The total amount that Zhejiang Iron Force financed to Huzhou Iron Force exceeded the limit on financing to a single entity. Huzhou Iron Force has repaid the principal and the interest of the fund financed in full on April 21, 2025, and the Board of Directors resolved to conduct to terminate the credit line of the fund financed from Zhejiang Iron Force to Huzhou Iron Force in advance on May 2, 2025, to complete all the improvement procedures.

Iron Force Industrial Corporation and Subsidiaries
 Provision of endorsements and guarantees to others
 Nine months ended September 30, 2025

Tab 2

Expressed in thousands of NTD
 (Except as otherwise indicated)

No.	(Note 1)	Endorser/guarantor	Company name	Relationship with the investor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum balance endorsement/ guarantees (Note 4)	Ending balance endorsement/ guarantees (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company (Note 3)	Provision of endorsements/guarantees by subsidiary (Note 7)		Provision of endorsements/guarantees to the party in Mainland China (Note 7)	Note
											guarantees by parent company to subsidiary	guarantees by subsidiary to parent company		
0	Iron Force Industrial Co., Ltd.	Huzhou Iron Force Metal Products Co., Ltd	2	\$ 1,184,168	\$ 232,470	\$ 213,325	\$ -	\$ -	5%	\$ 2,368,336	Y	N	Y	Notes 3(1) and (2)
0	Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	2	1,184,168	185,976	170,660	-	-	4%	2,368,336	Y	N	N	Notes 3(1) and (2)
1	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	4	190,472	61,052	55,017	22,481	-	1%	380,943	N	N	N	Note 3(3)

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Companies with business dealings.
- (2) Companies in which the company directly or indirectly holds more than 50% of the voting shares.
- (3) Companies in which more than 50% of the voting shares are directly or indirectly held by the company.
- (4) Companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- (5) A company that is mutually insured under a contract between peers or co-founders for the purpose of contracting for work.
- (6) A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
- (7) Intercompany guarantees for the performance of contracts for the sale of pre-sale properties in accordance with the Consumer Protection Act.

Note 3: The limit on endorsements and guarantees provided to a single entity and total endorsements and guarantees provided based on the operational procedures of endorsements and guarantees provided to others shall be filled in, and the single entity of the endorsements and guarantees and calculation of total endorsements and guarantees shall be explained in the note column.

- (1) The ceiling on total amount of endorsements/guarantees shall not exceed 50% of the Company's net assets.
- (2) The limit on endorsements and guarantees provided for a single party shall not exceed 25% of the Company's net assets:
 - (2.1) For the companies having business relationship with the Company and thus being provided endorsements/guarantees, the limit on accumulated endorsement/guarantee amount is the total value of purchases, sales and other business transactions during the most recent year and shall not exceed 10% of the Company's net assets.
 - (2.2) For the companies having parent-subsidiary relationship with the Company and thus being provided endorsements/guarantees, the limit on accumulated endorsement/guarantee amount shall not exceed 10% of the Company's net assets. However, for the companies which the Company holds 100% of the voting rights directly or indirectly, endorsements and guarantees are not limited.
- (3) The limit on endorsements and guarantees provided to a single party by the subsidiary is 50% of its net assets, and ceiling on total endorsements and guarantees provided is 100% of its net assets.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Iron Force Industrial Corporation and Subsidiaries
 Holding of significant marketable securities at the end of the period (excluding subsidiaries, associates and joint ventures)
 September 30, 2025

Tab 3

Expressed in thousands of NTD
 (Except as otherwise indicated)

Securities held by	Name and type of the marketable Security (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	End of period			
				Number of shares (Note 3)	Carry amount (\$)	Ownership	Fair value (\$)
Huzhou Iron Force Metal Products Co., Ltd	Beneficiary certificates/ CR Yuanta Cash Income Money Market Fund B	-	Financial assets at fair value through profit or loss - current	-	\$ 18,993	-	\$ 18,993

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Note 5: The Company determines the marketable securities that shall be presented based on significance principle.

Iron Force Industrial Corporation and Subsidiaries
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 September 30, 2025

Tab 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Company with accounts receivables	Name of counterparty	Relationship with the counterparty	Balance of receivables from related party (Note 1)			Overdue receivables from related party		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			Other receivables	\$	184,217	Turnover rate	Amount		
Huzhou Iron Force Metal Products Co.,	Iron Force Poland Sp. z o.o.	Parent company	Other receivables	\$	184,217	Not applicable	\$ -	-	\$ -
Huzhou Iron Force Metal Products Co.,	Iron Force Industrial	Parent company	Other receivables		1,117,522	Not applicable	-	-	-

Note 1: Please separately fill in accounts receivables, notes, other receivables..., etc.

Note 2: Paid-in capital refers to paid-in capital of the parent company. For issuers without par value of shares or the par value is not NT\$10, concerning the regulation about the transaction amount of 20% of the paid-in capital, it is calculated by 10% of the equity attributable to owners of the parent company in the balance sheets.

Iron Force Industrial Corporation and Subsidiaries
 Name of investee company, location and other related information (excluding Mainland China investee company)
 For the nine months ended September 30, 2025

Tab 5

Expressed in thousands of NTD
 (Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held in the end of period			Gains or losses on investments recognized in the current period		
				End of previous year		Number of shares	Ownership	Carry amount	Current profit or loss of investee (Note 2(2))	(Note 2(3))	Note
				End the period	\$						
Iron Force Industrial Co., Ltd.	Transtat Investment Ltd.	Hong Kong	Holding company	873,960	\$ 873,960	25,997	100%	4,192,325	\$ 360,892	\$ 360,892	
Iron Force Industrial Co., Ltd.	Cortec GmbH	Germany	Sales and purchases of hangers and display fixtures	27,104	\$ 27,104	750	100%	383,903	20,408	20,408	
Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	Poland	Producing and sales of automotive safety components	658,901	\$ 658,901	1,600	100%	526,948	(27,257)	(27,257)	
Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Germany	Producing and sales and purchases of hangers and display	889	\$ 889	-	100%	16,864	10,117	10,117	
Cortec GmbH	Cortec Verwaltungs GmbH	Germany	Management consulting company	881	\$ 881	-	100%	1,015	26	26	

Note 1: If a public company is equipped with an overseas holding company and takes parent company only financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Name of investee company', 'Location', 'Main business', 'Original investment amount' and 'Shares held in the end of the period' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'note' column.
- (2) The 'Current profit or loss of the investee' column shall be filled in the amount of profit or loss of each investee in the current period.
- (3) The 'Gains or losses on investments recognized in the current period' column shall only be filled in the amount of profit or loss of subsidiaries directly invested and investees accounted for using equity method and shall not be filled in for others. When filling in 'Current profit or loss of each subsidiary directly invested' column, the current profit or loss of each subsidiary shall include the gains or losses on investments of reinvestments that shall be recognized in accordance with regulations.

Iron Force Industrial Corporation and Subsidiaries
 Information on investments in Mainland China
 September 30, 2025

Tab 6

Expressed in thousands of NTD
 (Except as otherwise indicated)

Investee in Mainland China	Main business activities	Amount of investment remitted outward or inward in the current period										Gains on investment remitted back as					
		Accumulated amount of investment remitted from Taiwan in the beginning of the period			Remitted to Mainland China			Remitted from Taiwan			Current profit or loss of investee		Ownership held by the Company (direct or indirect)	Gains or losses recognized in the current period (Note 2)	Carry amount of investments in the end of the period	Gains on investment remitted back as of the current period	
		Paid-in capital	method (Note 1)	period	Remitted to	Mainland China	Taiwan	Remitted from	Taiwan	end of period	(\$)	(\$)	\$	\$	Note		
Zhejiang Iron Force Metal Products Co., Ltd.	Producing and sales of hangers, display fixtures and metal fixture	\$ 151,400	(2)	\$ 143,346	\$ -	\$ -	\$ 143,346	\$ 4,994	100%	\$ 4,994	\$ 215,183	\$ 63,995	Note 5				
Huzhou Iron Force Metal Products Co., Ltd.	Producing and sales of automotive safety	1,951,294	(2)	703,149	-	-	703,149	368,690	100%	368,690	4,001,256	735,330	Note 6				
Investment amount approved by the Mainland China Commission of the Ministry of Economic Affairs of end of the period																	
Company name		period	(MOEA)	MOEA													
Iron Force Industrial Co., Ltd.		\$ 846,495	\$ 846,495	\$ 2,842,003													

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

(1) Direct investment in mainland China

(2) Reinvesting in Mainland China through a third-party company (please specify the third-party investment company)

(3) Other methods

Note 2: The gains or losses on investments recognized in the current period are based on the financial statements reviewed by the auditors of the parent company in Taiwan.

Note 3: The numbers in the table shall be presented in NTD.

Note 4: (1) The differences between the paid-in capital of Zhejiang Iron Force Metal Products Co., Ltd. amounting to US\$5,000 thousand and the accumulated amount of remittance from Taiwan amounting to US\$4,734 thousand is US\$266 thousand. This resulted from using dividends distribution of Huzhou Iron Force Metal Products Co., Ltd. amounting to US\$400 thousand as the capital contribution to invest in Zhejiang Iron Force Metal Products Co., Ltd. and purchasing shares from the related parties at a premium price of US\$ 134 thousand.

(2) The differences between the paid-in capital of Huzhou Iron Force Metal Products Co., Ltd. amounting to US\$63,060 thousand and the accumulated amount of remittance from Taiwan amounting to US\$22,200 thousand is US\$40,860 thousand. This resulted from purchasing shares from the related parties at a premium price of US\$1,140 thousand and the capital increase out of earnings of Huzhou Iron Force Metal Products Co., Ltd. in 2019, 2021, and 2024 in the amount of US\$42,000 thousand.

Note 5: As of September 30, 2025, the accumulated amount of investment income remitted back to Taiwan by Zhejiang Iron Force Metal Products Co., Ltd. amounted to US\$2,108 thousand.

Note 6: As of September 30, 2025, the accumulated amount of investment income remitted back to Taiwan by Huzhou Iron Force Metal Products Co., Ltd. amounted to US\$24,080 thousand.