

**IRON FORCE INDUSTRIAL CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 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 Six Months Ended June 30, 2025 and 2024

and Independent Auditors' Review Report

INDEX

ITEM	Page
I. Cover	1
II. Index	2
III. Independent Auditors' Review Report	3 ~ 4
IV. Consolidated Balance Sheets	5 ~ 6
V. Consolidated Statements of Comprehensive Income	7
VI. Consolidated Statement of Changes in Equity	8
VII. Consolidated Statement of Cash Flows	9
VIII. Notes to the Consolidated Financial Statements	10 ~ 51
(1) History and Organization	10
(2) The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization	10
(3) Application of New Standards, Amendments and Interpretations	10 ~ 12
(4) Summary of Material Accounting Policies	12 ~ 13
(5) Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	13
(6) Details of Significant Accounts	14 ~ 37
(7) Related party transactions	37 ~ 38
(8) Pledged assets	38
(9) Significant contingent liabilities and unrecognized contractual commitments	39
(10) Significant disaster losses	39
(11) Significant subsequent events	39
(12) Other	39 ~ 49
(13) Other disclosures	50
(14) Segment Information	50 ~ 51

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 June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, of changes in equity and of cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of 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 June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Liao, Fu-Ming

Tsai, Bei-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

August 1, 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
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

ASSETS			June 30, 2025		December 31, 2024		June 30, 2024	
Notes			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 604,998	9	\$ 610,285	9	\$ 1,882,639	29
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		498,647	7	284,393	4	29,688	-
1136	Financial assets at amortized cost -	6(3) and 8						
	current		502,779	7	400,000	6	-	-
1170	Accounts receivable, net	6(4)	1,189,729	18	1,272,931	18	1,206,601	19
1200	Other receivables, net	6(5)	46,966	1	207,144	3	32,349	1
130X	Inventories	6(6)	1,180,930	17	1,207,667	18	1,074,913	17
1410	Prepayments		47,390	1	46,420	1	67,191	1
1479	Other current assets		9,232	-	6,258	-	3,837	-
11XX	Total current assets		4,080,671	60	4,035,098	59	4,297,218	67
Non-current assets								
1535	Financial assets at amortized cost –	6(3)						
	non-current		695,110	10	761,333	11	-	-
1600	Property, plant and equipment	6(7) and 8	1,712,869	25	1,829,226	27	1,874,029	29
1755	Right-of-use assets	6(8)	55,116	1	60,364	1	66,610	1
1780	Intangible assets		30,226	1	34,850	-	36,965	1
1840	Deferred tax assets		143,329	2	45,610	1	46,936	1
1900	Other non-current assets	6(9)	94,706	1	79,868	1	98,172	1
15XX	Total non-current assets		2,731,356	40	2,811,251	41	2,122,712	33
1XXX	Total assets		\$ 6,812,027	100	\$ 6,846,349	100	\$ 6,419,930	100

(Continued)

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

LIABILITIES AND EQUITY		Notes	June 30, 2025		December 31, 2024		June 30, 2024				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current liabilities											
2100	Short-term borrowings	6(10)	\$	-	-	\$	-	-	\$	382,000	6
2120	Financial liabilities at fair value through profit or loss - current	6(2)		96,141	1		9,956	-		-	-
2130	Current contract liabilities	6(18)		29	-		92	-		955	-
2170	Accounts payable			306,023	5		273,188	4		284,031	4
2200	Other payables	6(11)		984,302	15		370,493	5		691,500	11
2230	Current tax liabilities			27,655	-		43,081	1		32,680	1
2280	Current lease liabilities			2,559	-		2,498	-		2,622	-
2320	Long-term liabilities, current portion	6(13)		7,917	-		6,258	-		6,310	-
2399	Other current liabilities			3,504	-		5,550	-		5,314	-
21XX	Total current liabilities			1,428,130	21		711,116	10		1,405,412	22
Non-current liabilities											
2530	Bond payables	6(12)		284,374	4		280,886	4		-	-
2540	Non-current portion of long-term borrowings	6(13)		24,437	-		25,529	-		29,159	-
2570	Deferred tax liabilities			597,201	9		535,210	8		467,764	7
2580	Non-current lease liabilities			4,729	-		4,783	-		6,031	-
2600	Other non-current liabilities			31,938	1		41,251	1		41,903	1
25XX	Total non-current liabilities			942,679	14		887,659	13		544,857	8
2XXX	Total liabilities			2,370,809	35		1,598,775	23		1,950,269	30
Equity attributable to owners of parent											
	Share capital	6(15)									
3110	Ordinary share			795,313	12		795,313	12		757,803	12
	Capital surplus	6(16)									
3200	Capital surplus			1,181,837	17		1,181,837	17		813,473	12
	Retained earnings	6(17)									
3310	Legal reserve			838,803	12		765,168	11		765,168	12
3320	Special reserve			211,041	3		331,725	5		331,725	5
3350	Unappropriated retained earnings			1,949,285	29		2,384,572	35		2,025,111	32
	Other equity interest										
3400	Other equity interest		(	535,061)	(8)	(	211,041)	(3)	(	223,619)	(3)
3XXX	Total equity			4,441,218	65		5,247,574	77		4,469,661	70
	Significant contingent liabilities and unrecognized contractual commitments	9									
3X2X	TOTAL LIABILITIES AND EQUITY		\$	6,812,027	100	\$	6,846,349	100	\$	6,419,930	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
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2025		2024		2025		2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18)	\$ 1,233,907	100	\$ 1,204,797	100	\$ 2,515,994	100	\$ 2,440,109	100
5000	Operating costs	6(6)(19)	(943,531)	(76)	(909,254)	(75)	(1,905,282)	(76)	(1,832,123)	(75)
5900	Gross profit from operations		<u>290,376</u>	<u>24</u>	<u>295,543</u>	<u>25</u>	<u>610,712</u>	<u>24</u>	<u>607,986</u>	<u>25</u>
	Operating expenses	6(19)								
6100	Selling expenses		(34,659)	(3)	(40,157)	(4)	(72,491)	(3)	(76,114)	(3)
6200	General and administrative expenses		(99,926)	(8)	(99,134)	(8)	(202,888)	(8)	(190,136)	(8)
6300	Research and development expenses		(34,229)	(3)	(34,969)	(3)	(76,649)	(3)	(74,460)	(3)
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	12(2)	847	-	(3,302)	-	3,668	-	(2,033)	-
6000	Total operating expenses		(167,967)	(14)	(177,562)	(15)	(348,360)	(14)	(342,743)	(14)
6900	Net operating income		<u>122,409</u>	<u>10</u>	<u>117,981</u>	<u>10</u>	<u>262,352</u>	<u>10</u>	<u>265,243</u>	<u>11</u>
	Non-operating income and expenses									
7100	Interest income	6(3)	8,867	-	9,048	1	19,204	1	19,947	1
7010	Other income	7	84	-	84	-	168	-	168	-
7020	Other gains and losses	6(20) and 7	(544)	-	31,769	2	56,665	2	66,576	3
7050	Finance costs		(2,604)	-	(1,842)	-	(5,527)	-	(3,665)	-
7000	Total non-operating income and expenses		<u>5,803</u>	<u>-</u>	<u>39,059</u>	<u>3</u>	<u>70,510</u>	<u>3</u>	<u>83,026</u>	<u>4</u>
7900	Profit before tax		<u>128,212</u>	<u>10</u>	<u>157,040</u>	<u>13</u>	<u>332,862</u>	<u>13</u>	<u>348,269</u>	<u>15</u>
7950	Income tax benefit (expense)	6(21)	(41,138)	(3)	(44,660)	(4)	(99,416)	(4)	28,617	1
8200	Profit for the period		<u>\$ 87,074</u>	<u>7</u>	<u>\$ 112,380</u>	<u>9</u>	<u>\$ 233,446</u>	<u>9</u>	<u>\$ 376,886</u>	<u>16</u>
	Other comprehensive income									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		(\$ 568,228)	(46)	\$ 37,121	3	(\$ 405,025)	(16)	\$ 135,132	5
8399	Income tax relating to the components of other comprehensive income	6(21)	<u>113,646</u>	<u>9</u>	<u>(7,424)</u>	<u>-</u>	<u>81,005</u>	<u>3</u>	<u>(27,026)</u>	<u>(1)</u>
8300	Other comprehensive income, net		<u>(\$ 454,582)</u>	<u>(37)</u>	<u>\$ 29,697</u>	<u>3</u>	<u>(\$ 324,020)</u>	<u>(13)</u>	<u>\$ 108,106</u>	<u>4</u>
8500	Total comprehensive income for the period		<u>(\$ 367,508)</u>	<u>(30)</u>	<u>\$ 142,077</u>	<u>12</u>	<u>(\$ 90,574)</u>	<u>(4)</u>	<u>\$ 484,992</u>	<u>20</u>
	Profit, attributable to:									
8610	Owners of the parent		<u>\$ 87,074</u>	<u>7</u>	<u>\$ 112,380</u>	<u>9</u>	<u>\$ 233,446</u>	<u>9</u>	<u>\$ 376,886</u>	<u>16</u>
	Comprehensive income attributable to:									
8710	Owners of the parent		<u>(\$ 367,508)</u>	<u>(30)</u>	<u>\$ 142,077</u>	<u>12</u>	<u>(\$ 90,574)</u>	<u>(4)</u>	<u>\$ 484,992</u>	<u>20</u>
	Earnings per share (in dollars)	6(22)								
9750	Basic earnings per share		<u>\$ 1.09</u>		<u>\$ 1.48</u>		<u>\$ 2.93</u>		<u>\$ 4.97</u>	
9850	Diluted earnings per share		<u>\$ 1.07</u>		<u>\$ 1.48</u>		<u>\$ 2.86</u>		<u>\$ 4.97</u>	

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
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent						
	Retained Earnings					Exchange differences on translation of foreign financial statements	Total equity
Notes	Ordinary share	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings		
<u>Six months ended June 30,2024</u>							
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	-	-	-	-	376,886	-	376,886
Other comprehensive income for the period	-	-	-	-	-	108,106	108,106
Total comprehensive income	-	-	-	-	376,886	108,106	484,992
Appropriation and distribution of earnings of 6(17) 2023							
Legal reserve	-	-	50,873	-	(50,873)	-	-
Special reserve	-	-	-	5,826	(5,826)	-	-
Cash dividends to shareholders	-	-	-	-	(378,901)	-	(378,901)
Balance at June 30, 2024	\$ 757,803	\$ 813,473	\$ 765,168	\$ 331,725	\$ 2,025,111	(\$ 223,619)	\$ 4,469,661
<u>Six months ended June 30,2025</u>							
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	-	-	-	-	233,446	-	233,446
Other comprehensive income for the period	-	-	-	-	-	(324,020)	(324,020)
Total comprehensive income	-	-	-	-	233,446	(324,020)	(90,574)
Appropriation and distribution of earnings of 6(17) 2024							
Legal reserve	-	-	73,635	-	(73,635)	-	-
Special reserve	-	-	-	(120,684)	120,684	-	-
Cash dividends to shareholders	-	-	-	-	(715,782)	-	(715,782)
Balance at June 30, 2025	\$ 795,313	\$ 1,181,837	\$ 838,803	\$ 211,041	\$ 1,949,285	(\$ 535,061)	\$ 4,441,218

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

IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30	
	Note	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 332,862	\$ 348,269
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(8)(19)	90,821	96,883
Amortization expense	6(19)	8,522	9,121
Expected credit loss (gain)	12(2)	(3,668)	2,033
Loss (gain) on financial assets at fair value through profit or loss	6(2)(20)	76,788	(33,141)
Interest expense		5,527	3,665
Interest income		(19,204)	(19,947)
Loss (gain) on disposal of property, plant and equipment	6(20)	60	(1,087)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(204,857)	260,715
Notes receivable		-	11
Accounts receivable		86,870	32,464
Other receivables		8,736	(6,373)
Inventories		26,737	(70,968)
Prepayments		(970)	(20,057)
Other current assets		4,144	3,588
Changes in operating liabilities			
Current contract liabilities		(63)	(1,098)
Accounts payable		32,835	(25,707)
Other payables		(65,357)	(15,327)
Other current liabilities		(420)	(920)
Other non-current liabilities		(6,884)	(6,178)
Cash inflow generated from operations		372,479	555,946
Interest received		7,276	19,947
Income tax paid		(68,745)	(101,879)
Interest paid		(2,039)	(3,665)
Net cash flows from operating activities		308,971	470,349
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(23)	(92,536)	(71,579)
Proceeds from disposal of property, plant and equipment		2,106	1,588
Acquisition of financial assets at amortized cost		(108,498)	-
Acquisition of intangible assets		(6,660)	-
Proceeds from disposal of non-current assets held for sale		163,370	-
Increase in other non-current liabilities		(7,705)	(11,260)
Increase in guaranteed deposits paid		(5,397)	-
Net cash flows generated used in investing activities		(55,320)	(81,251)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of long-term debt	6(24)	(3,571)	(3,115)
Payments of lease liabilities	6(24)	(1,384)	(1,141)
Net cash flows used in financing activities		(4,955)	(4,256)
Effect of exchange rate changes on cash and cash equivalents		(253,983)	91,262
Net increase (decrease) in cash and cash equivalents		(5,287)	476,104
Cash and cash equivalents at beginning of period		610,285	1,406,535
Cash and cash equivalents at end of period		\$ 604,998	\$ 1,882,639

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
SIX MONTHS ENDED JUNE 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 consolidated financial statements were authorized for issuance by the Board of Directors on August 1, 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 applicable from 2025 are as follows:

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

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

- (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 applicable from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 17 “Insurance Contract”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by International Accounting Standards Board
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability”	January 1, 2027

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 Material 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	Percentage of Ownership (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
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. (Zhejiang Iron Force)	Producing and sales of hangers and display fixtures	100%	100%	100%	-
Transtat	Huzhou Iron Force Metal Products Co., Ltd. (Huzhou Iron Force)	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 Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Petty cash	\$ 276	\$ 272	\$ 210
Checking deposits and demand deposits	442,774	335,405	395,674
Time deposits	100,728	238,014	1,318,237
Short-term notes and bills	<u>61,220</u>	<u>36,594</u>	<u>168,518</u>
	<u>\$ 604,998</u>	<u>\$ 610,285</u>	<u>\$ 1,882,639</u>

- A. Time deposits and short-term notes and bills on June 30, 2025, December 31, 2024 and June 30, 2024 were listed as highly liquid investments expiring within three months and the annual interest rates ranged from 1.47%~4.52%, 1.38%~4.93%, and 1.40%~5.57%, 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 time deposits restricted for pledge purpose as of June 30, 2025, December 31, 2024 and June 30, 2024 amounted to \$21,000, \$0, and \$0, respectively, which were reclassified to financial assets at amortized cost – current. Please refer to Note 8 for details. There is no other cash and cash equivalent pledged as collateral.

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

<u>Item</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 497,658	\$ 129,037	\$ -
Stocks of non-listed and emerging market companies	12,000	12,000	12,000
Forward exchange agreements	779	-	29,160
Derivative instruments – redemption rights of convertible bonds	210	210	-
Structured investments	-	154,506	-
Valuation adjustments	<u>(12,000)</u>	<u>(11,360)</u>	<u>(11,472)</u>
	<u>\$ 498,647</u>	<u>\$ 284,393</u>	<u>\$ 29,688</u>
Financial liabilities mandatorily measured at fair value through profit or loss			
Forward exchange agreements	<u>\$ 96,141</u>	<u>\$ 9,956</u>	<u>\$ -</u>

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 June 30</u>			
	<u>2025</u>	<u>2024</u>	
Financial assets mandatorily measured at fair value through profit or loss			
Forward exchange agreements	(\$ 109,766)	\$ 7,536	
Structured investments	(452)	1,854	
Beneficiary certificates	558	-	
Derivative instruments – redemption rights of convertible bonds	60	-	
	<u>(\$ 109,600)</u>	<u>\$ 9,390</u>	
<u>Six months ended June 30</u>			
	<u>2025</u>	<u>2024</u>	
Financial assets mandatorily measured at fair value through profit or loss			
Forward exchange agreements	(\$ 79,066)	\$ 31,194	
Structured investments	1,082	1,854	
Beneficiary certificates	1,286	93	
Derivative instruments – redemption rights of convertible bonds	(90)	-	
	<u>(\$ 76,788)</u>	<u>\$ 33,141</u>	

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

<u>June 30, 2025</u>			
<u>Financial instruments</u>	<u>Contract amount</u>		<u>Contract period</u>
	<u>(Nominal principal)(in dollars)</u>		
Pre-purchase of forward exchange agreements	RMB	85,000,000	2024/07/29~2025/07/30
Pre-purchase of forward exchange agreements	RMB	100,000,000	2024/07/29~2025/07/30
Pre-purchase of forward exchange agreements	RMB	65,000,000	2024/07/29~2025/07/30
Pre-sale of forward exchange agreements	USD	570,000	2025/05/05~2025/07/29
Pre-sale of forward exchange agreements	USD	184,000	2025/06/05~2025/07/25
Pre-sale of forward exchange	USD	189,000	2025/06/06~2025/08/29

agreements			
Pre-sale of forward exchange agreements	USD	250,000	2025/06/06~2025/09/02
Pre-sale of forward exchange agreements	USD	1,250,000	2025/06/26~2025/07/29
Pre-sale of forward exchange agreements	USD	410,000	2025/06/26~2025/10/20
Pre-sale of forward exchange agreements	RMB	10,380,000	2025/06/26~2025/07/17
Pre-sale of forward exchange agreements	RMB	16,300,000	2025/06/30~2025/09/01
Pre-sale of forward exchange agreements	RMB	5,410,000	2025/06/30~2025/09/19
Pre-sale of forward exchange agreements	USD	1,900,000	2025/06/26~2025/07/31
Pre-sale of forward exchange agreements	USD	1,800,000	2025/06/26~2025/08/29
Pre-sale of forward exchange agreements	USD	1,300,000	2025/06/26~2025/07/31
Pre-sale of forward exchange agreements	USD	1,940,000	2025/06/26~2025/08/29
Pre-sale of forward exchange agreements	EUR	600,000	2025/06/26~2025/07/31
Pre-sale of forward exchange agreements	EUR	900,000	2025/06/26~2025/08/29
Pre-sale of forward exchange agreements	EUR	980,000	2025/06/26~2025/07/31

December 31, 2024

	Contract amount		
<u>Financial instruments</u>	<u>(Nominal principal)(in dollars)</u>		<u>Contract period</u>
Pre-purchase of forward exchange agreements	RMB	85,000,000	2024/07/29~2025/07/30
Pre-purchase of forward exchange agreements	RMB	100,000,000	2024/07/29~2025/07/30
Pre-purchase of forward exchange agreements	RMB	65,000,000	2024/07/29~2025/07/30
Pre-sale of forward exchange agreements	USD	910,000	2024/11/22~2025/01/24
Pre-sale of forward exchange agreements	USD	767,000	2024/12/13~2025/02/26
Pre-sale of forward exchange agreements	USD	1,800,000	2024/11/22~2025/01/24
Pre-sale of forward exchange agreements	USD	2,000,000	2024/12/13~2025/03/14
Pre-sale of forward exchange agreements	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
<u>June 30, 2024</u>			

Contract amount			
<u>Financial instruments</u>	<u>(Nominal principal)(in dollars)</u>		<u>Contract period</u>
Pre-purchase of forward exchange agreements	EUR	4,000,000	2023/07/25~2024/7/18
Pre-purchase of forward exchange agreements	EUR	7,600,000	2023/07/25~2024/7/18
Pre-purchase of forward exchange agreements	EUR	8,400,000	2023/07/25~2024/7/18
Pre-sale of forward exchange agreements	EUR	18,000,000	2023/12/28~2024/7/18

(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

<u>Item</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current items			
Time deposits with original maturity over 3 months	\$ 481,779	\$ 400,000	\$ -
Restricted time deposits for pledge purpose	<u>21,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 502,779</u>	<u>\$ 400,000</u>	<u>\$ -</u>
Non-current items:			
Time deposits with original maturity over 1 year	<u>\$ 695,110</u>	<u>\$ 761,333</u>	<u>\$ -</u>

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

	<u>Three months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 5,870</u>	<u>\$ -</u>
	<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 11,928</u>	<u>\$ -</u>

- 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 June 30, 2025, December 31, 2024, and June 30, 2024 amounted to \$1,197,889, \$1,161,333, and \$0, 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.
- D. Please refer to Note 8 for details on financial assets at amortized cost pledged as collaterals.

(4) Accounts receivables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts receivables	\$ 1,192,245	\$ 1,279,115	\$ 1,217,593
Less: loss allowances	(2,516)	(6,184)	(10,992)
	<u>\$ 1,189,729</u>	<u>\$ 1,272,931</u>	<u>\$ 1,206,601</u>

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Not past due	\$ 1,104,761	\$ 1,150,336	\$ 1,134,393
Up to 30 days	72,957	110,170	56,426
31-90 days	14,345	18,364	21,615
91-180 days	181	229	5,143
Over 181 days	1	16	16
	<u>\$ 1,192,245</u>	<u>\$ 1,279,115</u>	<u>\$ 1,217,593</u>

The above ageing analysis was based on past due date.

- B. As of June 30, 2025, December 31, 2024, June 30, 2024 and January 1, 2024, the balances of accounts receivable from contracts with customers amounted to \$1,192,245, \$1,279,115, \$1,217,593, and \$1,250,057, respectively.
- C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Other receivables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Payments for plant expropriation receivables	\$ -	\$ 164,423	\$ -
Others	46,966	42,721	32,349
	<u>\$ 46,966</u>	<u>\$ 207,144</u>	<u>\$ 32,349</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 June 30, 2025, the Group has collected all the payments.

(6) Inventories

	<u>June 30, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 475,580	(\$ 13,197)	\$ 462,383
Work in progress	91,655	(7,300)	84,355
Finished goods	579,389	(17,450)	561,939
Merchandises	87,109	(14,856)	72,253
	<u>\$ 1,233,733</u>	<u>(\$ 52,803)</u>	<u>\$ 1,180,930</u>
	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
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
Merchandises	81,818	(15,891)	65,927
	<u>\$ 1,261,772</u>	<u>(\$ 54,105)</u>	<u>\$ 1,207,667</u>
	<u>June 30, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 414,603	(\$ 15,165)	\$ 399,438
Work in progress	94,882	(6,540)	88,342
Finished goods	548,411	(18,194)	530,217
Merchandises	76,465	(19,549)	56,916
	<u>\$ 1,134,361</u>	<u>(\$ 59,448)</u>	<u>\$ 1,074,913</u>

The cost of inventories recognized as expense for the period:

		<u>Three months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Costs of inventories sold	\$	947,336	\$ 900,110
Inventory valuation losses (reversal gains)	(	3,805)	9,144
	\$	<u>943,531</u>	<u>\$ 909,254</u>
		<u>Six months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Costs of inventories sold	\$	1,906,584	\$ 1,827,610
Inventory valuation losses (reversal gains)	(	1,302)	4,513
	\$	<u>1,905,282</u>	<u>\$ 1,832,123</u>

The Group recognized the reductions in costs of goods sold for selling the inventories with allowances for valuation losses provided resulting in reversal of net realizable value of inventories for the three months and six months ended June 30, 2024.

(7) Property, plant and equipment

	2025						
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Construction in progress</u>	<u>Total</u>
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)	
Accumulated impairment	-	- (5,255)	-	-	-	- (5,255)	
	<u>\$ 149,895</u>	<u>\$ 930,313</u>	<u>\$ 582,884</u>	<u>\$ 19,969</u>	<u>\$ 21,706</u>	<u>\$ 124,459</u>	<u>\$ 1,829,226</u>
January 1	\$ 149,895	\$ 930,313	\$ 582,884	\$ 19,969	\$ 21,706	\$ 124,459	\$ 1,829,226
Additions	- 665	19,578	2,824	766	22,877	46,710	
Disposals	- - (2,141)	(19)	(6)	- (2,166)			
Reclassifications	- 98	57,235	- 1,368	(58,701)	-		
Depreciation expenses	- (17,923)	(64,750)	(2,727)	(3,340)	- (88,740)		
Net exchange differences	888 (42,993)	(27,535)	(589)	337 (2,269)	(72,161)		
June 30	<u>\$ 150,783</u>	<u>\$ 870,160</u>	<u>\$ 565,271</u>	<u>\$ 19,458</u>	<u>\$ 20,831</u>	<u>\$ 86,366</u>	<u>\$ 1,712,869</u>
June 30							
Cost	\$ 150,783	\$ 1,251,259	\$ 1,651,360	\$ 87,149	\$ 66,850	\$ 86,366	\$ 3,293,767
Accumulated depreciation	- (381,099)	(1,081,291)	(67,691)	(46,019)		- (1,576,100)	
Accumulated impairment	-	- (4,798)	-	-	-	- (4,798)	
	<u>\$ 150,783</u>	<u>\$ 870,160</u>	<u>\$ 565,271</u>	<u>\$ 19,458</u>	<u>\$ 20,831</u>	<u>\$ 86,366</u>	<u>\$ 1,712,869</u>

2024							
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Construction in progress</u>	<u>Total</u>
January 1							
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>
January 1	\$ 149,166	\$ 979,398	\$ 614,362	\$ 21,396	\$ 16,557	\$ 71,944	\$ 1,852,823
Additions	-	3,359	15,713	2,174	3,425	49,014	73,685
Disposals	-	-	(460)	(20)	(21)	-	(501)
Reclassification ns	-	6,801	39,001	478	8,963	(55,269)	(26)
Depreciation expenses	- (	21,037)	(65,920)	(4,033)	(3,961)	- (	94,951)
Net exchange differences	1,702	26,591	13,007	461	(937)	2,175	42,999
June 30	<u>\$ 150,868</u>	<u>\$ 995,112</u>	<u>\$ 615,703</u>	<u>\$ 20,456</u>	<u>\$ 24,026</u>	<u>\$ 67,864</u>	<u>\$ 1,874,029</u>
June 30							
Cost	\$ 150,868	\$ 1,420,355	\$ 1,725,136	\$ 104,290	\$ 70,754	\$ 67,864	\$ 3,539,267
Accumulated depreciation	- (	425,243)	(1,100,012)	(83,834)	(46,728)	- (	1,655,817)
Accumulated impairment	-	-	(9,421)	-	-	-	(9,421)
	<u>\$ 150,868</u>	<u>\$ 995,112</u>	<u>\$ 615,703</u>	<u>\$ 20,456</u>	<u>\$ 24,026</u>	<u>\$ 67,864</u>	<u>\$ 1,874,029</u>

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

(8) 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:

	<u>June 30, 2025</u> <u>Carrying amount</u>	<u>December 31, 2024</u> <u>Carrying amount</u>	<u>June 30, 2024</u> <u>Carrying amount</u>
Land	\$ 47,828	\$ 53,083	\$ 57,957
Transportation equipment (Business cars)	7,087	7,029	8,343
Income-generating equipment (Photocopiers)	201	252	310
	<u>\$ 55,116</u>	<u>\$ 60,364</u>	<u>\$ 66,610</u>
	<u>Three months ended June 30</u>		
	<u>2025</u>	<u>2024</u>	
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>	
Land	\$ 335	\$ 389	
Transportation equipment (Business cars)	707	615	
Income-generating equipment (Photocopiers)	27	27	
	<u>\$ 1,069</u>	<u>\$ 1,031</u>	
	<u>Six months ended June 30</u>		
	<u>2025</u>	<u>2024</u>	
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>	
Land	\$ 682	\$ 771	
Transportation equipment (Business cars)	1,344	1,108	
Income-generating equipment (Photocopiers)	55	53	
	<u>\$ 2,081</u>	<u>\$ 1,932</u>	

- C. The additions to right-of-use assets for the six months ended June 30, 2025 and 2024 were \$1,375 and \$5,585, respectively.

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

	<u>Three months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting current profit or loss</u>		
Interest expenses on lease liabilities	\$ 34	\$ 28
Expenses on short-term lease contracts	754	979
Expenses on leases of low-value assets	46	47
	<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting current profit or loss</u>		
Interest expenses on lease liabilities	\$ 51	\$ 49
Expenses on short-term lease contracts	1,655	1,917
Expenses on leases of low-value assets	92	94

E. The Group's total lease cash outflows were \$3,182 and \$3,201 for the six months ended June 30, 2025 and 2024, respectively.

(9) Other non-current assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Prepayments for equipment	\$ 77,293	\$ 68,083	\$ 86,019
Others	17,413	11,785	12,153
	<u>\$ 94,706</u>	<u>\$ 79,868</u>	<u>\$ 98,172</u>

(10) Short-term borrowings

<u>Type of borrowing</u>	<u>June 30, 2024</u>	<u>Interest rate interval</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 382,000</u>	1.64%	None

A. There was no this kind of condition as of June 30, 2025 and December 31, 2024.

B. Interest expense recognized in profit or loss amounted to \$0, \$1,516, \$0, and \$2,961 for the three months and six months ended June 30, 2025 and 2024, respectively.

(11) Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Wages and salaries payables	\$ 138,101	\$ 180,805	\$ 150,051
Dividends payables	715,782	-	378,901
Processing fee payables	20,544	23,456	22,058
Payables for equipment	7,340	43,956	17,190
Import / export expense payables	5,988	6,245	6,895
Others	<u>96,547</u>	<u>116,031</u>	<u>116,405</u>
	<u>\$ 984,302</u>	<u>\$ 370,493</u>	<u>\$ 691,500</u>

(12) Bond payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Bond payables	\$ 299,900	\$ 299,900
Less: discounts on bond payables	<u>(15,526)</u>	<u>(19,014)</u>
	<u>\$ 284,374</u>	<u>\$ 280,886</u>

A. There was no this kind of condition as of June 30, 2024.

B. 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 the 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 the 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. The conversion price is NT\$94.5 per share.
 - (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.
- C. 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%.
- D. As of June 30, 2025, \$100 of the par value of the convertible bonds has been converted into 1 thousand ordinary shares. The Company did not adjust the conversion price.

(13) Long-term borrowings

<u>Type of borrowing</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate interval</u>	<u>Collateral</u>	<u>June 30, 2025</u>
Installment loans				
Secured borrowings	From April 5, 2020 to April 30, 2030, the principal is repaid in installments monthly.	0.69%~2.10%	Please refer to Note 8.	\$ 24,269
Secured borrowings	From April 6, 2023 to March 1, 2029, the principal is repaid in installments monthly.	3.96%	Please refer to Note 8.	8,085
				<u>32,354</u>
Less: current portion				(7,917)
				<u>\$ 24,437</u>

<u>Type of borrowing</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate interval</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Installment loans				
Secured borrowings	From April 5, 2020 to April 30, 2030, the principal is repaid in installments monthly.	0.69%~0.80%	Please refer to Note 8.	\$ 22,772
Secured borrowings	From April 6, 2023 to March 1, 2029, the principal is repaid in installments monthly.	3.96%	Please refer to Note 8.	9,015
				<u>31,787</u>
Less: current portion				(6,258)
				<u>\$ 25,529</u>

<u>Type of borrowing</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate interval</u>	<u>Collateral</u>	<u>June 30, 2024</u>
Installment loans				
Secured borrowings	From April 5, 2020 to April 30, 2030, the principal is repaid in installments monthly.	0.69%~0.80%	Please refer to Note 8.	\$ 25,320
Secured borrowings	From April 6, 2023 to March 1, 2029, the principal is repaid in installments monthly.	3.96%	Please refer to Note 8.	10,149
				<u>35,469</u>
Less: current portion				(6,310)
				<u>\$ 29,159</u>

Interest expenses recognized in profit or loss for the three months and six months ended June 30, 2025 and 2024 amounted to \$143, \$149, \$295, and \$302, respectively.

(14)Pension

- 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, \$53, \$102, and \$78 for the three months and six months ended June 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 six months ended June 30, 2025 and 2024 were \$10,800, \$10,410, \$22,134, and \$19,936, respectively.

(15)Share capital

- A. As of June 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 \$795,313 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:

	<u>2025 (in thousand shares)</u>	<u>2024 (in thousand shares)</u>
January 1 (as well as June 30)	<u>79,531</u>	<u>75,780</u>

C. The Company has resolved by the board of directors on August 27, 2024 to approve the proposal of issuing new shares by conducting cash capital increase and issued 3,750 thousand ordinary shares with par value of NT\$10 per share. October 7, 2024 is the base date of the cash capital increase, and the issue price is NT\$88 per share. The Company has collected the payment for shares amounting to \$330,000 in full, and the register of changes has been completed. The underwriting handling fee for issuing new share by cash capital increase amounted to \$1,100. As this is the necessary issuing cost, it is treated as the reductions to additional paid-in capital in capital surplus.

D. The Company has coveted \$100 of the par value of the convertible bonds into 1 thousand shares of ordinary shares, and the register of changes has been completed.

(16)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.

(17)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 which 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 shall be 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 appropriation of 2024 and 2023 earnings as resolved by shareholders meeting on May 29, 2025 and June 21, 2024, respectively, is as follows:

	2024		2023	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
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>	

(18) Operating revenue

	Three months ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$ 1,233,907</u>	<u>\$ 1,204,797</u>
	Six months ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$ 2,515,994</u>	<u>\$ 2,440,109</u>

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			
<u>For the three months ended June 30, 2025</u>	<u>Taiwan</u>	<u>China</u>	<u>Europe</u>	<u>Total</u>
Sales area				
America	\$ 243,680	\$ 154,407	\$ -	\$ 398,087
China	120,887	222,547	-	343,434
Asia (excluding China)	42,272	83,034	-	125,306
Europe	104,802	71,781	190,497	367,080
	<u>\$ 511,641</u>	<u>\$ 531,769</u>	<u>\$ 190,497</u>	<u>\$ 1,233,907</u>

	Production area			
<u>For the three months ended June 30, 2024</u>	<u>Taiwan</u>	<u>China</u>	<u>Europe</u>	<u>Total</u>
Sales area				
America	\$ 248,459	\$ 166,583	\$ -	\$ 415,042
China	71,289	247,721	-	319,010
Asia (excluding China)	23,540	85,314	-	108,854
Europe	114,715	83,952	163,224	361,891
	<u>\$ 458,003</u>	<u>\$ 583,570</u>	<u>\$ 163,224</u>	<u>\$ 1,204,797</u>

	Production area			
<u>For the six months ended June 30, 2025</u>	<u>Taiwan</u>	<u>China</u>	<u>Europe</u>	<u>Total</u>
Sales area				
America	\$ 517,468	\$ 301,638	\$ -	\$ 819,106

China	248,767	431,298	-	680,065
Asia (excluding China)	71,490	189,466	-	260,956
Europe	215,890	152,378	387,599	755,867
	<u>\$ 1,053,615</u>	<u>\$ 1,074,780</u>	<u>\$ 387,599</u>	<u>\$ 2,515,994</u>

For the six months ended June 30, 2024	Production area			
	Taiwan	China	Europe	Total
Sales area				
America	\$ 508,046	\$ 355,094	\$ -	\$ 863,140
China	128,305	466,927	-	595,232
Asia (excluding China)	44,113	168,784	-	212,897
Europe	224,330	196,899	347,611	768,840
	<u>\$ 904,794</u>	<u>\$ 1,187,704</u>	<u>\$ 347,611</u>	<u>\$ 2,440,109</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:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>January 1, 2024</u>
Contract liabilities	\$ 29	\$ 92	\$ 955	\$ 2,053

- (b) The contract liabilities at the beginning of the period which were recognized in revenue for the three months ended June 30, 2025 and 2024 amounted to \$63 and \$2,053, respectively.

(19) Additional information on nature of expenses

	For the three months ended June 30, 2025		
	Operating costs	Operating expenses	Total
Employee benefit expenses			
Wages and salaries	\$ 178,640	\$ 74,748	\$ 253,388
Labor and health insurance fees	16,188	7,658	23,846
Pension expenses	7,311	3,538	10,849
Other personnel expenses	6,506	7,444	13,950
Depreciation expenses	38,904	5,504	44,408
Amortization expenses	206	3,983	4,189

For the three months ended June 30, 2024				
	Operating costs		Operating expenses	Total
Employee benefit expenses				
Wages and salaries	\$ 187,424	\$	76,432	\$ 263,856
Labor and health insurance fees	15,330		7,139	22,469
Pension expenses	7,131		3,332	10,463
Other personnel expenses	7,308		5,907	13,215
Depreciation expenses	41,791		6,236	48,027
Amortization expenses	83		4,359	4,442

For the six months ended June 30, 2025				
	Operating costs		Operating expenses	Total
Employee benefit expenses				
Wages and salaries	\$ 355,689	\$	157,567	\$ 513,256
Labor and health insurance fees	32,617		15,353	47,970
Pension expenses	15,085		7,151	22,236
Other personnel expenses	15,011		13,136	28,147
Depreciation expenses	79,754		11,067	90,821
Amortization expenses	463		8,059	8,522

For the six months ended June 30, 2024				
	Operating costs		Operating expenses	Total
Employee benefit expenses				
Wages and salaries	\$ 372,086	\$	150,792	\$ 522,878
Labor and health insurance fees	30,523		14,197	44,720
Pension expenses	13,580		6,434	20,014
Other personnel expenses	15,988		11,104	27,092
Depreciation expenses	83,320		13,563	96,883
Amortization expenses	159		8,962	9,121

- 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 six months ended June 30, 2025 and 2024, employees' compensation and directors' remuneration were accrued as follows:

		<u>Three months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Directors' remuneration	\$	780	\$ 600
Employees' compensation		<u>1,050</u>	<u>2,471</u>
	\$	<u>1,830</u>	<u>\$ 3,071</u>
		<u>Six months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Directors' remuneration	\$	1,440	\$ 1,200
Employees' compensation		<u>3,109</u>	<u>4,905</u>
	\$	<u>4,549</u>	<u>\$ 6,105</u>

The aforementioned amounts were recognized in salary expenses and were accrued based on the distributable profit for the three months ended June 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.

(20) Other gains and losses

		<u>Three months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Net foreign exchange gains	\$	91,591	\$ 4,413
Gains (losses) on financial assets			
at fair value through profit or loss (		109,600)	9,390
Gains on government grants		1,880	643
(Note)			
Gains (losses) on disposal of			
property, plant and equipment	(	28)	294
Miscellaneous income and		15,613	17,029
expenditures			
	(\$	544)	\$ 31,769
		<u>Six months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Net foreign exchange gains	\$	93,151	(\$ 7,471)
(losses)			
Gains (losses) on financial assets			
at fair value through profit or loss (		76,788)	33,141
Gains on government grants		7,319	8,381
(Note)			
Gains (losses) on disposal of			
property, plant and equipment	(	60)	1,087
Miscellaneous income and		33,043	31,438
expenditures			
	\$	56,665	\$ 66,576

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

(21) Income tax

A. Income tax expenses (benefits)

(a) Components of income tax expenses (benefit):

		<u>Three months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Current income taxes:			
Income taxes originated from	\$	18,950	\$ 31,899
current income			
Additional tax on unappropriated			
earnings		3,380	3,656
Underestimation on income taxes			
of prior years		946	87
Total current income taxes		23,276	35,642
Deferred income taxes:			
Origination and reversal of			
temporary differences		17,862	9,018
Income tax expenses	\$	41,138	\$ 44,660
		<u>Six months ended June 30</u>	
		<u>2025</u>	<u>2024</u>

Current income taxes:			
Income taxes originated from current income	\$	49,813	\$ 55,524
Additional tax on unappropriated earnings		3,380	3,656
Underestimation on income taxes of prior years		946	87
Total current income taxes		<u>54,139</u>	<u>59,267</u>
Deferred income taxes:			
Origination and reversal of temporary differences		45,277	(87,884)
Income tax expenses (benefits)	\$	<u>99,416</u>	<u>(\$ 28,617)</u>

(a) Amounts of income taxes associated with other comprehensive income:

		<u>Three months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Exchange differences on translation of foreign operations	\$	<u>113,646</u>	<u>(\$ 7,424)</u>
		<u>Six months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Exchange differences on translation of foreign operations	\$	<u>81,005</u>	<u>(\$ 27,026)</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.

(22) Earnings per share

<u>For the three months ended June 30, 2025</u>			
	<u>Amount after</u>	<u>Weighted average</u> <u>number of outstanding</u> <u>ordinary shares (in</u> <u>thousand shares)</u>	<u>Earnings per</u> <u>share (in</u> <u>dollars)</u>
	<u>tax</u>		
<u>Basic earnings per share</u>			
Net profit for the period attributable to the parent	\$ 87,074	79,531	<u>\$ 1.09</u>
<u>Diluted earnings per share</u>			
Effects of dilutive potential ordinary shares			
Employees' compensation	-	32	
Convertible bonds	<u>1,359</u>	<u>3,174</u>	
Effects of net profit for the period attributable to the parent and potential ordinary shares	<u>\$ 88,433</u>	<u>82,737</u>	<u>\$ 1.07</u>

<u>For the three months ended June 30, 2024</u>			
	<u>Amount after</u>	<u>Weighted average</u> <u>number of outstanding</u> <u>ordinary shares (in</u> <u>thousand shares)</u>	<u>Earnings per</u> <u>share (in</u> <u>dollars)</u>
	<u>tax</u>		
<u>Basic earnings per share</u>			
Net profit for the period attributable to the parent	\$ 112,380	75,780	<u>\$ 1.48</u>
<u>Diluted earnings per share</u>			
Effects of dilutive potential ordinary shares			
Employees' compensation	-	44	
Effects of net profit for the period attributable to the parent and potential ordinary shares	<u>\$ 112,380</u>	<u>75,824</u>	<u>\$ 1.48</u>

<u>For the three months ended June 30, 2024</u>			
	<u>Amount after</u>	<u>Weighted average</u> <u>number of outstanding</u> <u>ordinary shares (in</u> <u>thousand shares)</u>	<u>Earnings per</u> <u>share (in</u> <u>dollars)</u>
	<u>tax</u>		
<u>Basic earnings per share</u>			
Net profit for the period attributable to the parent	\$ 233,446	79,531	<u>\$ 2.93</u>
<u>Diluted earnings per share</u>			
Effects of dilutive potential ordinary shares			
Employees' compensation	-	64	
Convertible bonds	<u>2,862</u>	<u>3,174</u>	
Effects of net profit for the period attributable to the parent and potential ordinary shares	<u>\$ 236,308</u>	<u>82,769</u>	<u>\$ 2.86</u>
<u>For the three months ended June 30, 2024</u>			

	<u>Amount after</u> <u>tax</u>	<u>Weighted average</u> <u>number of outstanding</u> <u>ordinary shares (in</u> <u>thousand shares)</u>	<u>Earnings per</u> <u>share (in</u> <u>dollars)</u>
<u>Basic earnings per share</u>			
Net profit for the period attributable to the parent	\$ 376,886	75,780	<u>\$ 4.97</u>
<u>Diluted earnings per share</u>			
Effects of dilutive potential ordinary shares			
Employees' compensation	-	81	
Effects of net profit for the period attributable to the parent and potential ordinary shares	<u>\$ 376,886</u>	<u>75,861</u>	<u>\$ 4.97</u>

(23) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Acquisition of property, plant and equipment	\$ 46,710	\$ 73,685
Add: beginning payables for equipment	43,956	28,908
Less: ending payables for equipment (	7,340) (	17,190)
Add/less: net changes associated with prepayments for equipment and property, plant and equipment	<u>9,210</u> (	<u>13,824)</u>
Cash payments in the current period	<u>\$ 92,536</u>	<u>\$ 71,579</u>

B. Financing activities not affecting cash flows

	<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Cash dividends declared but not yet distributed	<u>\$ 715,782</u>	<u>\$ 378,901</u>

(24) Changes in liabilities from financing activities

	<u>Lease liabilities</u>	<u>Bond payables</u>	<u>Long-term borrowings</u>	<u>Total liabilities from financing activities</u>
January 1, 2025	\$ 7,281	\$ 280,886	\$ 31,787	\$ 319,954
Changes in cash flows from financing activities	(1,384)	-	(3,571)	(4,955)
Effects of exchange rate change	16	-	83	99
Other non-cash changes	1,375	3,488	4,055	8,918
June 30, 2025	<u>\$ 7,288</u>	<u>\$ 284,374</u>	<u>\$ 32,354</u>	<u>\$ 324,016</u>

	<u>Lease liabilities</u>	<u>Long-term borrowings</u>	<u>Total liabilities from financing activities</u>
January 1, 2024	\$ 4,123	\$ 37,761	\$ 41,884
Changes in cash flows from financing activities	(1,141)	(3,115)	(4,256)
Effects of exchange rate change	86	823	909
Other non-cash changes	5,585	-	5,585
June 30, 2024	<u>\$ 8,653</u>	<u>\$ 35,469</u>	<u>\$ 44,122</u>

7. Related Party Transactions

(1) Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
Hyphen Industrial Corporation	Chairman of the Company and chairman of the company are relatives with second degree.

(2) Significant transactions with related parties

A. Other income – rent income

	<u>Three months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 84</u>	<u>\$ 84</u>

	<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 168</u>	<u>\$ 168</u>

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 – revenue from management services

		<u>Three months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Other related parties	\$	<u>140</u>	<u>\$ 230</u>
		<u>Six months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Other related parties	\$	<u>280</u>	<u>\$ 370</u>

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) Information on key management compensation

		<u>Three months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$	<u>7,873</u>	<u>\$ 10,552</u>
Post-employment benefits		<u>158</u>	<u>135</u>
	\$	<u>8,031</u>	<u>\$ 10,687</u>
		<u>Six months ended June 30</u>	
		<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$	<u>15,792</u>	<u>\$ 16,386</u>
Post-employment benefits		<u>317</u>	<u>269</u>
	\$	<u>16,109</u>	<u>\$ 16,655</u>

8. Pledged Assets

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

<u>Asset item</u>	<u>Carrying amount</u>			<u>Purpose</u>
	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	
Property, plant and equipment - land	\$ 9,415	\$ 9,352	\$ 9,511	Long-term borrowings
Time deposits (presented as financial assets at amortized cost – current)	<u>21,000</u>	<u>-</u>	<u>-</u>	Forward exchange margin
	<u>\$ 30,415</u>	<u>\$ 9,352</u>	<u>\$ 9,511</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditures contracted but not yet incurred are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Consulting service contracts	\$ -	\$ 10,400	\$ 12,115
Right-of-use assets (Note)	122,863	-	-
Property, plant and equipment	16,536	19,408	18,125
	<u>\$ 139,399</u>	<u>\$ 29,808</u>	<u>\$ 30,240</u>

Note: This is the lease contract of plants for operating signed for the period from September 1, 2025 to August 31, 2035.

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 498,647	\$ 284,393	\$ 29,688
Financial assets at amortized cost:			
Cash and cash equivalents	\$ 604,998	\$ 610,285	\$ 1,882,639
Financial assets at amortized cost	1,197,889	1,161,333	-
Accounts receivables	1,189,729	1,272,931	1,206,601
Other receivables	46,966	207,144	32,349
Guaranteed deposits paid (recognized as other current assets)	7,938	-	-
Guaranteed deposits paid (recognized as other non-current assets)	50	2,591	2,572
	<u>\$ 4,044,864</u>	<u>\$ 3,254,284</u>	<u>\$ 3,124,161</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss	\$ 96,141	\$ 9,956	\$ -
Financial liabilities at amortized cost:			
Short-term borrowings	\$ -	\$ -	\$ 382,000
Accounts payables	306,023	273,188	284,031
Other payables	984,302	370,493	691,500
Bond payables	284,374	280,886	-
Long-term borrowings (including current portion)	32,354	31,787	35,469
	<u>\$ 1,607,053</u>	<u>\$ 956,354</u>	<u>\$ 1,393,000</u>
Lease liabilities	<u>\$ 7,288</u>	<u>\$ 7,281</u>	<u>\$ 8,653</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). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2025			
(Foreign currency : functional currency)	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>Carrying amount (in thousands of NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 7,577	29.29	\$ 221,930
EUR:NTD	6,746	34.36	231,793
RMB:NTD	27,759	4.09	113,534
USD:RMB	9,175	7.16	268,736
EUR:RMB	7,410	8.40	254,608
EUR:PLN	1,308	4.24	44,943
<u>Financial liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	\$ 4,830	34.36	\$ 165,959
RMB:NTD	259,010	4.09	1,059,351
December 31, 2024			
(Foreign currency : functional currency)	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>Carrying amount (in thousands of NTD)</u>
<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

(Foreign currency : functional currency)	June 30, 2025		
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>Carrying amount (in thousands of NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 7,838	32.45	\$ 254,343
EUR:NTD	6,149	34.71	213,432
RMB:NTD	15,827	4.45	70,430
USD:RMB	10,766	7.13	349,357
EUR:RMB	24,489	7.66	850,013
<u>Financial liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	\$ 24,135	34.71	\$ 837,726

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

(Foreign currency : functional currency)	For the six months ended June 30, 2025		
	<u>Sensitivity analysis</u>		
	<u>Degree of variation</u>	<u>Effects on profit or loss</u>	<u>Effects on other comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 2,219	\$ -
EUR:NTD	1%	2,318	-
RMB:NTD	1%	1,135	-
USD:RMB	1%	2,687	-
EUR:RMB	1%	2,546	-
EUR:PLN	1%	449	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	1%	\$ 1,660	\$ -
RMB:NTD	1%	10,594	-

For the six months ended June 30, 2024				
(Foreign currency : functional currency)	Sensitivity analysis			
	<u>Degree of variation</u>	<u>Effects on profit or loss</u>	<u>Effects on other comprehensive income</u>	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 2,543	\$	-
EUR:NTD	1%	2,134		-
RMB:NTD	1%	704		-
USD:RMB	1%	3,494		-
EUR:RMB	1%	8,500		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
EUR:NTD	1%	\$ 8,377	\$	-

The total exchange gains (losses), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2025 and 2024, amounted to \$91,591, \$4,413, \$93,151, and (\$7,471), 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 June 30, 2025, December 31, 2024 and June 30, 2024, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 ~ 90 days past due</u>	<u>Over 91 days past due</u>	<u>Total</u>
<u>June 30, 2025</u>					
Expected loss rate	0.002%~0.12%	0.01%~2.21%	1.63%~4.57%	25.53%~100%	
Total carrying amount	\$1,104,761	\$ 72,957	\$ 14,345	\$ 182	\$1,192,245
Loss allowances	906	974	454	182	2,516
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 ~ 90 days past due</u>	<u>Over 91 days past due</u>	<u>Total</u>
<u>December 31, 2024</u>					
Expected loss rate	0.11%~0.25%	0.52%~6.88%	1.30%~11.02%	27.48%~100%	
Total carrying amount	\$1,150,336	\$ 110,170	\$ 18,364	\$ 245	\$1,279,115
Loss allowances	1,967	3,073	1,109	35	6,184
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 ~ 90 days past due</u>	<u>Over 91 days past due</u>	<u>Total</u>
<u>June 30, 2024</u>					
Expected loss rate	0.11%~0.25%	0.52%~6.88%	1.30%~11.02%	27.48%~100%	
Total carrying amount	\$1,134,393	\$ 56,426	\$ 21,615	\$ 5,159	\$1,217,593
Loss allowances	2,096	2,432	1,350	5,114	10,992

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

	<u>2025</u>	<u>2024</u>
	<u>Accounts receivables</u>	<u>Accounts receivables</u>
January 1	\$ 6,184	\$ 8,959
Provision of expected credit losses	-	2,033
Reversal of expected credit losses	(3,668)	-
June 30	<u>\$ 2,516</u>	<u>\$ 10,992</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 June 30, 2025, December 31, 2024 and June 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.

June 30, 2025	Less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>					
Long-term borrowings (including current portion)	\$ 2,098	\$ 6,295	\$ 8,273	\$ 16,758	\$ -
Lease liabilities	738	1,907	2,206	2,684	-
Bond payables	-	-	-	300,000	-

December 31, 2024	Less than 3 months	3 months to 1 year	1 to 2 years	2 to 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 liabilities	674	1,907	2,190	2,740	-
Bond payables	-	-	-	300,000	-

June 30, 2024	Less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>					
Long-term borrowings (including current portion)	\$ 1,709	\$ 5,128	\$ 6,838	\$ 19,926	\$ 3,383
Lease liabilities	681	2,041	2,372	3,827	-

(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

(a) 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.

June 30, 2025				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bond payables	\$ 284,374	\$ -	\$ 287,604	\$ -
June 30, 2024				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bond payables	\$ 280,886	\$ -	\$ 283,465	\$ -

There was no such condition as of June 30, 2024.

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 on the nature of the assets and liabilities is as follows:

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 497,658	\$ -	\$ -	\$ 497,658
Convertible bonds – redemption rights	-	210	-	210
Forward exchange agreements	-	779	-	779
	<u>\$ 497,658</u>	<u>\$ 989</u>	<u>\$ -</u>	<u>\$ 498,647</u>
Liabilities				
<u>Fair value on a recurring basis</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange agreements	<u>\$ -</u>	<u>\$ 96,141</u>	<u>\$ -</u>	<u>\$ 96,141</u>
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 129,037	\$ -	\$ -	\$ 129,037
Convertible bonds – redemption rights	-	300	-	300
Structured investments	-	155,056	-	155,056
	<u>\$ 129,037</u>	<u>\$ 155,356</u>	<u>\$ -</u>	<u>\$ 284,393</u>
Liabilities				
<u>Fair value on a recurring basis</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange agreements	<u>\$ -</u>	<u>\$ 9,956</u>	<u>\$ -</u>	<u>\$ 9,956</u>
June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 528	\$ 528
Forward exchange agreements	-	29,160	-	29,160
	<u>\$ -</u>	<u>\$ 29,160</u>	<u>\$ 528</u>	<u>\$ 29,688</u>

(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 three months ended June 30, 2025 and 2024.

E. There was no transfer in to and out of level 3 for the three months ended June 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:

June 30, 2025					
	<u>Fair value</u>	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Non-derivative equity instruments:					
Stocks of non-listed companies	\$ -	Comparable listed company approach	Discount on lack of market liquidity	0.11	The higher the discounts on lack of market liquidity, the lower the fair value.
December 31, 2024					
	<u>Fair value</u>	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Non-derivative equity instruments:					
Stocks of non-listed companies	\$ -	Comparable listed company approach	Discount on lack of market liquidity	0.11	The higher the discounts on lack of market liquidity, the lower the fair value.
June 30, 2024					
	<u>Fair value</u>	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Non-derivative equity instruments:					
Stocks of non-listed companies	\$ 528	Comparable listed company approach	Discount on lack of market liquidity	0.09	The higher the discounts on lack of market liquidity, 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:

			June 30, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Variation	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount on liquidity	±5%	\$ 2	(\$ 2)	\$ -	\$ -
			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Variation	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount on liquidity	±5%	\$ 2	(\$ 2)	\$ -	\$ -
			June 30, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Variation	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	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 (not including 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 (not including investees in Mainland China): 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:

For the six months ended June 30, 2025

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Europe</u>	<u>Write-off under consolidation</u>	<u>Consolidation</u>
Revenue from external customers	\$ 1,053,615	\$ 1,074,780	\$ 387,599	\$ -	\$ 2,515,994
Inter-segment revenue	-	24,458	-	(24,458)	-
Total revenue	<u>\$ 1,053,615</u>	<u>\$ 1,099,238</u>	<u>\$ 387,599</u>	<u>(\$ 24,458)</u>	<u>\$ 2,515,994</u>
Segment profit or loss	<u>\$ 233,446</u>	<u>\$ 244,897</u>	<u>(\$ 5,518)</u>	<u>(\$ 239,379)</u>	<u>\$ 233,446</u>
Segment profit or loss includes:					
Depreciation expenses	<u>\$ 25,701</u>	<u>\$ 49,778</u>	<u>\$ 23,014</u>	<u>\$ -</u>	<u>\$ 98,493</u>
Income tax expenses	<u>\$ 62,795</u>	<u>\$ 33,415</u>	<u>\$ 3,206</u>	<u>\$ -</u>	<u>\$ 99,416</u>
Segment assets include:					
Non-current assets	<u>\$ 5,804,636</u>	<u>\$ 1,544,304</u>	<u>\$ 552,677</u>	<u>(\$ 5,313,590)</u>	<u>\$ 2,588,027</u>

For the six months ended June 30, 2024

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Europe</u>	<u>Write-off under consolidation</u>	<u>Consolidation</u>
Revenue from external customers	\$ 904,794	\$ 1,187,704	\$ 347,611	\$ -	\$ 2,440,109
Inter-segment revenue	-	29,345	-	(29,345)	-
Total revenue	<u>\$ 904,794</u>	<u>\$ 1,217,049</u>	<u>\$ 347,611</u>	<u>(\$ 29,345)</u>	<u>\$ 2,440,109</u>
Segment profit or loss	<u>\$ 376,886</u>	<u>\$ 206,045</u>	<u>(\$ 2,916)</u>	<u>(\$ 203,129)</u>	<u>\$ 376,886</u>
Segment profit or loss includes:					
Depreciation expenses	<u>\$ 26,159</u>	<u>\$ 47,904</u>	<u>\$ 22,820</u>	<u>\$ -</u>	<u>\$ 96,883</u>
Income tax expenses	<u>(\$ 55,931)</u>	<u>\$ 26,033</u>	<u>\$ 1,281</u>	<u>\$ -</u>	<u>(\$ 28,617)</u>
Segment assets include:					
Non-current assets	<u>\$ 5,587,862</u>	<u>\$ 1,040,761</u>	<u>\$ 539,671</u>	<u>(\$ 5,092,518)</u>	<u>\$ 2,075,776</u>

(3) Reconciliation for segment profit or loss

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

Iron Force Industrial Corporation and Subsidiaries

Loans to others

For the six months ended June 30, 2025

Table 1

Expressed in thousands of NT\$
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	Account (Note 2)	Related party	Maximum balance during the period (Note 3)	Ending balance (Note 8)	Actual amount drawn down	Interest rate interval	Nature of financing (Note 4)	Amount of business (Note 5)	Reason for Short-term financing (Note 6)	Loss allowance	Collateral		Limit on financing to a single entity (Note 7)	Limit on total financing (Note 7)	Note
0	Iron Force Industrial Corporation	Iron Force Poland Sp. z o.o.	Other receivables – related parties	Y	\$ 182,050	\$ 171,800	\$ -	0.00%	2	\$ -	Operating turnover	\$ -	None	\$ -	\$ 444,122	\$ 1,776,488	
1	Huzhou Iron Force Metal Products Co., Ltd.	Zhejiang Iron Force Metal Products Co., Ltd.	Other receivables – related parties	Y	68,625	61,350	-	0.00%	2	-	Operating turnover	-	None	-	2,081,948	4,163,896	
1	Huzhou Iron Force Metal Products Co., Ltd.	Iron Force Industrial Corporation	Other receivables – related parties	Y	1,143,750	1,022,500	1,022,500	3.85%	2	-	Operating turnover	-	None	-	2,081,948	4,163,896	
1	Huzhou Iron Force Metal Products Co., Ltd.	Iron Force Poland Sp. z o.o.	Other receivables – related parties	Y	364,100	343,600	154,620	2.392%~2.629%	2	-	Operating turnover	-	None	-	2,081,948	4,163,896	
2	Zhejiang Iron Force Metal Products Co., Ltd.	Huzhou Iron Force Metal Products Co., Ltd.	Other receivables – related parties	Y	150,975	-	-	0.00%	2	-	Operating turnover	-	None	-	134,023	268,046	Note 9
3	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Other receivables – related parties	Y	127,435	120,260	41,232	3.658%~3.701%	2	-	Operating turnover	-	None	-	178,287	356,573	
4	Transtat Investment Ltd.	Iron Force Industrial Corporation	Other receivables – related parties	Y	18,930	16,695	16,695	0.00%	2	-	Operating turnover	-	None	-	2,224,672	4,449,343	

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 Company has terminated the credit line of the fund financed from Zhejiang Iron Force to Huzhou Iron Force in advance, to complete all the improvement procedures.

Iron Force Industrial Corporation and Subsidiaries
Provision of endorsements and guarantees to others
For the six months ended June 30, 2025

Table 2

Expressed in thousands of NT\$
(Except as otherwise indicated)

No. (Note 1)	Endorser/guarantor	Endorsee/guarantee		Endorsements and	Maximum balance	Ending balance	Actual amount drawn down (Note 6)	Accumulated	Accumulated	Limit on total endorsements and guarantees (Note 3)	Endorsements	Endorsements	Endorsements	Note
		Company name	Relationship (Note 2)	guarantees provided to a single entity (Note 3)	of endorsements and guarantees (Note 4)	of endorsements and guarantees (Note 5)		endorsements secured by collateral	endorsements and guarantees to net worth of the financial statements the most recent period		by parent to subsidiary (Note 7)	by subsidiary to parent (Note 7)	to entity in Mainland China (Note 7)	
0	Iron Force Industrial Corporation	Huzhou Iron Force Metal Products Co., Ltd.	2	\$ 1,110,305	\$ 232,470	\$ 205,030	\$ -	\$ -	5%	\$ 2,220,609	Y	N	Y	Note 3(1) 、 (2)
0	Iron Force Industrial Corporation	Iron Force Poland Sp. z o.o.	2	1,110,305	185,976	164,024	-	-	4%	2,220,609	Y	N	N	Note 3(1) 、 (2)
1	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	4	178,287	61,052	52,804	23,075	-	1%	356,573	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)

June 30, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Security held by	Name and type of the marketable Security (Note 1)	Relationship with the issuer of the marketable security (Note 2)	Account	End of period				Note (Note 4)
				Number of shares	Carrying amount (Note 3)	Shareholding ratio	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	-	\$ 497,658	-	\$ 497,658	

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

June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

<u>Company with accounts receivables</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Balance of receivables from related party (Note 1)</u>	<u>Turnover rate</u>	<u>Overdue receivables from related party</u>		<u>Receivables from related party collected in subsequent period</u>	<u>Loss allowance</u>
					<u>Amount</u>	<u>Treatment</u>		
Huzhou Iron Force Metal Products Co., Ltd.	Iron Force Poland Sp. z o.o.	Parent company	Other receivables \$ 156,934	N/A	\$ -	-	\$ -	\$ -
Huzhou Iron Force Metal Products Co., Ltd.	Iron Force Industrial Corporation	Parent company	Other receivables 1,059,072	N/A	-	-	-	-

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 six months ended June 30, 2025

Table 5

Expressed in thousands of NT\$
(Except as otherwise indicated)

Name of investor company	Name of investee Company (Note 1, 2)	Location	Main business	Original investment amount		Shares held in the end of the period			Current profit or loss of the investee (Note 2(2))	Gains or losses on investments recognized in the current period (Note 2(3))	Note
				End of the period	End of previous year	Number of shares	Ratio	Carrying amount			
Iron Force Industrial Corporation	Transtat Investment Ltd.	Hong Kong	Holding company	\$ 873,960	\$ 873,960	25,997	100%	\$ 4,445,522	\$ 244,897	\$ 244,897	
Iron Force Industrial Corporation	Cortec GmbH	Germany	Trading of hangers and display fixtures	27,104	27,104	750	100%	359,533	11,165	11,165	
Iron Force Industrial Corporation	Iron Force Poland Sp. z o.o.	Poland	Manufacturing and trading of automotive safety components	658,901	658,901	1,600	100%	520,242	(16,682)	(16,682)	
Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Germany	Manufacturing and trading of hangers and display fixtures	889	889	-	100%	12,723	6,571	6,571	
Cortec GmbH	Cortec Verwaltungs GmbH	Germany	Management consulting company	881	881	-	100%	975	27	27	

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 – basic information

For the six months ended June 30, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of investee in Mainland China	Main business	Paid-in capital	Investment Method (Note 1)	Accumulated amount of	Amount of investment		Accumulated amount of	Current profit or loss of investee	Direct and indirect shareholding ratio	Gains or losses on investments recognized in the current period (Note 2)	Carrying amount of investments in the end of the period	Gains on investment	
				investment remitted from Taiwan in the beginning of period	remitted outward or inward in the current period		investment remitted from Taiwan in the end of the period					remitted back as of the current period	Note
					Outward	Inward							
Zhejiang Iron Force Metal Products Co., Ltd.	Manufacturing and sales of hangers, display fixtures and metal fixtures	\$ 151,400	(2)	\$ 143,346	\$ -	\$ -	\$ 143,346	(\$ 4,213)	100%	(\$ 4,213)	\$ 268,046	\$ -	
Huzhou Iron Force Metal Products Co., Ltd.	Manufacturing and sales of automotive safety components	1,951,294	(2)	703,149	-	-	703,149	253,756	100%	253,756	4,163,896	266,036	Note 5

Company name	of end of the period	Accumulated amount remitted from Taiwan to Mainland China as	Investment amount approved by	Limit on investment amount imposed
		MOEA	MOEA	by MOEA
Iron Force Industrial Corporation	\$ 846,495	\$ 846,495	\$ 2,664,730	

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 June 30, 2024, the accumulated amount of investment income remitted back to Taiwan by Huzhou Iron Force Metal Products Co., Ltd. amounted to US\$8,625 thousand.