

ABC Taiwan Electronics
Corporation and Subsidiaries
Consolidated Financial
Statements and Independent
Auditors' Review Report
Quarter 2, 2025 and 2024

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Independent Auditors' Review Report

To: ABC Taiwan Electronics Corp

Introduction

We have audited the accompanying Consolidated Balance Sheet of ABC Taiwan Electronics Corp and subsidiaries for June 30, 2025 and 2024, and the consolidated statements of comprehensive income for April 1 to June 30 of 2025 and 2024, and January 1 to June 30 of 2025 and 2024, changes in equity and cash flows for January 1 to June 30 of 2025 and 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 Interim Financial Reporting (IAS 34) endorsed and issued into effect by the Financial Supervisory Commission (FSC). The Independent Auditors are responsible to form a conclusion on the consolidated Financial Statements based on the review outcomes.

Scope

The review work is performed by independent auditors in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information." The procedures for the review of the Consolidated Financial Statements include inquiries (mainly inquiries with the personnel of finance and accounting), analytical procedures and other review procedures. The scope of the review work is distinctly smaller than the scope of the audit work. Hence, the independent auditors were unable to express an audit opinion as it was not possible to detect all of the material matters identified by the audit work.

Conclusion

Based on the review, nothing has come to the attention of the certified public accountant that causes the certified public accountant to believe that the accompanying consolidated financial statements are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission, and do not present fairly the consolidated financial position of ABC Taiwan Electronics Corporation and subsidiaries as of June 30, 2025 and 2024, the consolidated financial performance as of April 1 to June 30 of 2025 and 2024, and the consolidated financial performance and consolidated cash flow from January 1 to June 30 of 2025 and 2024.

Deloitte & Touche
CPA Wen, Chih-Yuan

CPA Yeh, Tung-Hui

Approval reference number of the FSC
Jin-Guan-Zheng-Shen-Zi No. 1130349292

Approval reference number of the FSC
Jin-Guan-Zheng-Shen-Zi No. 0980032818

August 8, 2025

June 30, 2025, and December 31 and June 30 of 2024

Unit: NTD thousand

| Code | Assets | June 30, 2025 | | December 31, 2024 | | June 30, 2024 | | Code | Liabilities and equity | June 30, 2025 | | December 31, 2024 | | June 30, 2024 | |
|------|---|---------------|-----|-------------------|-----|---------------|-----|------|--|---------------|------|-------------------|------|---------------|------|
| | | Amount | % | Amount | % | Amount | % | | | Amount | % | Amount | % | Amount | % |
| | Current assets | | | | | | | | Current liabilities | | | | | | |
| 1100 | Cash and cash equivalents (Note VI) | \$ 671,757 | 22 | \$ 745,011 | 24 | \$ 751,884 | 24 | 2100 | Short-term borrowings (Note XVI) | \$ 250,000 | 8 | \$ 190,000 | 6 | \$ 260,000 | 8 |
| 1110 | Financial assets measured at fair value through profit or loss - current (Note VII) | 21,304 | 1 | 23,170 | 1 | 22,820 | 1 | 2110 | Short-term notes payable (Note XVI) | - | - | 29,964 | 1 | 29,964 | 1 |
| 1170 | Notes and accounts receivable, net (Note IX) | 175,201 | 6 | 162,947 | 5 | 180,817 | 5 | 2170 | Notes and accounts payable | 245,679 | 8 | 259,666 | 9 | 245,192 | 8 |
| | | | | | | | | 2206 | Employees' compensation and remuneration of directors payable (Note XXI) | 1,445 | - | 1,445 | - | 11,383 | - |
| 1180 | Accounts receivable - related parties (Notes IX and XXVII) | 161,209 | 5 | 107,910 | 4 | 138,931 | 4 | 2219 | Other payables (Note XVII) | 134,134 | 5 | 98,968 | 3 | 139,276 | 5 |
| 1200 | Other receivables | 67,321 | 2 | 28,700 | 1 | 26,823 | 1 | 2230 | Current income tax liabilities | 11,372 | 1 | 1,824 | - | 6,329 | - |
| 1220 | Current income tax assets | 4,549 | - | 10,416 | - | 6,883 | - | 2280 | Lease liabilities - current (Note XIII) | 1,402 | - | 1,275 | - | 647 | - |
| 130X | Inventories (Note X) | 229,929 | 8 | 260,743 | 8 | 249,076 | 8 | 2322 | Long-term loans with maturity within one year (Notes XVI and XXVIII) | 242,388 | 8 | 257,191 | 8 | 280,114 | 9 |
| 1410 | Prepayments | 26,058 | 1 | 32,442 | 1 | 27,192 | 1 | 2399 | Other current liabilities (Notes XVII and XX) | 2,483 | - | 2,842 | - | 1,994 | - |
| 1470 | Other current assets (Note XV) | 4 | - | 112 | - | 374 | - | 21XX | Total of current liabilities | 888,903 | 30 | 843,175 | 27 | 974,899 | 31 |
| 11XX | Total current assets | 1,357,332 | 45 | 1,371,451 | 44 | 1,404,800 | 44 | | Non-current liabilities | | | | | | |
| | Non-current assets | | | | | | | 2540 | Long-term loans (Notes XVI and XXVIII) | 632,462 | 21 | 628,769 | 20 | 586,730 | 18 |
| 1517 | Financial assets at fair value through other comprehensive income - Non-current (Note VIII) | 29,944 | 1 | 34,285 | 1 | 44,133 | 2 | 2570 | Deferred income tax liabilities (Note XXII) | 67,903 | 2 | 81,224 | 3 | 84,588 | 3 |
| 1600 | Property, plant and equipment (Notes XII, XXVIII) | 1,456,681 | 49 | 1,584,523 | 51 | 1,606,296 | 51 | 2580 | Lease liabilities - non-current (Note XIII) | 766 | - | 488 | - | 10 | - |
| 1755 | Right-of-use assets (Note XIII) | 6,576 | - | 6,699 | - | 5,653 | - | 2630 | Long-term deferred revenue (Note XXIV) | 5,033 | - | 6,212 | - | 6,868 | - |
| 1780 | Intangible assets (Note XIV) | 47,820 | 2 | 50,170 | 2 | 55,496 | 2 | 2670 | Other non-current liabilities (Notes XVII) | 533 | - | 2,136 | - | 2,323 | - |
| 1915 | Prepayment for equipment purchase | 76,671 | 3 | 43,694 | 2 | 35,879 | 1 | 25XX | Total non-current liabilities | 706,697 | 23 | 718,829 | 23 | 680,519 | 21 |
| 1975 | Net defined benefit assets - non-current (Note XVIII) | 10,934 | - | 10,928 | - | 6,500 | - | 2XXX | Total liabilities | 1,595,600 | 53 | 1,562,004 | 50 | 1,655,418 | 52 |
| 1990 | Other non-current assets (Note XV) | 4,621 | - | 5,069 | - | 5,030 | - | | Equity attributable to shareholders of the Company (Note XIX) | | | | | | |
| 15XX | Total non-current assets | 1,635,247 | 55 | 1,735,368 | 56 | 1,758,987 | 56 | | Share capital | | | | | | |
| | | | | | | | | 3110 | Common stock share capital | 1,050,006 | 35 | 1,050,006 | 34 | 1,050,006 | 33 |
| | | | | | | | | 3200 | Additional paid-in capital | 181,063 | 6 | 181,063 | 6 | 181,063 | 6 |
| | | | | | | | | | Retained earnings | | | | | | |
| | | | | | | | | 3310 | Legal reserve | 153,658 | 5 | 159,922 | 5 | 152,922 | 5 |
| | | | | | | | | 3320 | Special reserves | 86,236 | 3 | 152,144 | 5 | 152,144 | 5 |
| | | | | | | | | 3350 | Undistributed earnings | 103,125 | 4 | 94,917 | 3 | 85,710 | 2 |
| | | | | | | | | 3300 | Total retained earnings | 343,109 | 12 | 399,983 | 13 | 390,776 | 12 |
| | | | | | | | | 3400 | Other equity items | (177,109) | (6) | (86,237) | (3) | (113,476) | (3) |
| | | | | | | | | 31XX | Total equity attributable to the Company's owners | 1,396,979 | 47 | 1,544,815 | 50 | 1,508,369 | 48 |
| | | | | | | | | | | | | | | | |
| 1XXX | Total assets | \$ 2,992,579 | 100 | \$ 3,106,819 | 100 | \$ 3,163,787 | 100 | | Total liabilities and equity | \$ 2,992,579 | 100 | \$ 3,106,819 | 100 | \$ 3,163,787 | 100 |

The accompanying notes form part of the Consolidated Financial Statements.

Chairman: Joseph M. E. Hsu

Managerial Officer: Francis Fan

Accounting supervisor: Ya-Yun Cheng

ABC Taiwan Electronics Corporation and Subsidiaries

Consolidated Statements Of Comprehensive Income

April 1 to June 30 of 2025 and 2024, and January 1 to June 30 of 2025 and 2024

Unit: NTD thousand, except that net profit (loss) per share in NTD

| Code | | April 1 to June 30, 2025 | | April 1 to June 30, 2024 | | January 1 to June 30, 2025 | | January 1 to June 30, 2024 | |
|------|--|--------------------------|---------------|--------------------------|--------------|----------------------------|---------------|----------------------------|--------------|
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| 4000 | Net operating revenue (Notes XX and XXVII) | \$ 527,463 | 100 | \$ 456,645 | 100 | \$ 977,449 | 100 | \$ 899,988 | 100 |
| 5000 | Operating cost (Notes X and XXI) | <u>408,745</u> | <u>77</u> | <u>351,015</u> | <u>77</u> | <u>752,373</u> | <u>77</u> | <u>719,429</u> | <u>80</u> |
| 5900 | Gross profit | <u>118,718</u> | <u>23</u> | <u>105,630</u> | <u>23</u> | <u>225,076</u> | <u>23</u> | <u>180,559</u> | <u>20</u> |
| | Operating expenses (Notes XXI and XXVII) | | | | | | | | |
| 6100 | Sales and marketing expenses | 18,503 | 4 | 18,782 | 4 | 36,269 | 3 | 35,128 | 4 |
| 6200 | Management expenses | 55,398 | 10 | 63,426 | 14 | 124,649 | 13 | 126,493 | 14 |
| 6300 | R&D expenses | 25,143 | 5 | 28,665 | 6 | 48,891 | 5 | 57,926 | 6 |
| 6450 | ECL impairment loss (reversal of gain) | (<u>548</u>) | - | <u>1,295</u> | - | (<u>961</u>) | - | <u>1,109</u> | - |
| 6000 | Total operating expenses | <u>98,496</u> | <u>19</u> | <u>112,168</u> | <u>24</u> | <u>208,848</u> | <u>21</u> | <u>220,656</u> | <u>24</u> |
| 6900 | Net operating profit (loss) | <u>20,222</u> | <u>4</u> | (<u>6,538</u>) | (<u>1</u>) | <u>16,228</u> | <u>2</u> | (<u>40,097</u>) | (<u>4</u>) |
| | Non-operating income and expenses | | | | | | | | |
| 7100 | Interest revenue (Note XXI) | 1,232 | - | 2,889 | - | 1,657 | - | 4,388 | 1 |
| 7010 | Other income (Notes XXI, XXIV, and XXVII) | 389 | - | 352 | - | 914 | - | 698 | - |
| 7020 | Other gains and losses (Notes VII, XXI and XXVII) | (<u>43,186</u>) | (<u>8</u>) | 30,466 | 7 | (<u>30,543</u>) | (<u>3</u>) | 48,381 | 5 |
| 7050 | Financial costs (Note XXI) | (<u>4,894</u>) | (<u>1</u>) | (<u>4,835</u>) | (<u>1</u>) | (<u>9,613</u>) | (<u>1</u>) | (<u>9,582</u>) | (<u>1</u>) |
| 7000 | Total non-operating income and expenses | (<u>46,459</u>) | (<u>9</u>) | <u>28,872</u> | <u>6</u> | (<u>37,585</u>) | (<u>4</u>) | <u>43,885</u> | <u>5</u> |
| 7900 | Pre-tax (loss)profit | (<u>26,237</u>) | (<u>5</u>) | 22,334 | 5 | (<u>21,357</u>) | (<u>2</u>) | 3,788 | 1 |
| 7950 | Income tax benefit(expenses) (Note XXII) | <u>6,041</u> | <u>1</u> | (<u>8,750</u>) | (<u>2</u>) | <u>1,143</u> | - | (<u>5,639</u>) | (<u>1</u>) |
| 8200 | Net (loss)income | (<u>20,196</u>) | (<u>4</u>) | <u>13,584</u> | <u>3</u> | (<u>20,214</u>) | (<u>2</u>) | (<u>1,851</u>) | - |
| | Other comprehensive income | | | | | | | | |
| 8310 | Items not reclassified to profit or loss: | | | | | | | | |
| 8316 | Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income (Note XIX) | (<u>1,608</u>) | - | 7,637 | 2 | (<u>4,341</u>) | - | 4,944 | - |
| 8360 | Items that may be reclassified subsequently as profit or loss: | | | | | | | | |
| 8361 | Exchange difference on translation of financial statements of foreign operations (Note XIX) | (<u>111,647</u>) | (<u>21</u>) | <u>13,455</u> | <u>3</u> | (<u>86,531</u>) | (<u>9</u>) | <u>33,725</u> | <u>4</u> |
| 8300 | Total other comprehensive income | (<u>113,255</u>) | (<u>21</u>) | <u>21,092</u> | <u>5</u> | (<u>90,872</u>) | (<u>9</u>) | <u>38,669</u> | <u>4</u> |
| 8500 | Total comprehensive (loss)income | (<u>\$ 133,451</u>) | (<u>25</u>) | <u>\$ 34,676</u> | <u>8</u> | (<u>\$ 111,086</u>) | (<u>11</u>) | <u>\$ 36,818</u> | <u>4</u> |
| | Net (loss)profit per share (Note XXIII) | | | | | | | | |
| 9750 | Basic | (<u>\$ 0.19</u>) | | <u>\$ 0.13</u> | | (<u>\$ 0.19</u>) | | (<u>\$ 0.02</u>) | |
| 9850 | Diluted | | | <u>\$ 0.13</u> | | | | | |

The accompanying notes form part of the Consolidated Financial Statements.

Chairman: Joseph M. E. Hsu

Managerial Officer: Francis Fan

Accounting supervisor: Ya-Yun Cheng

ABC Taiwan Electronics Corporation and Subsidiaries
Consolidated Statements Of Changes In Equity
January 1 to June 30, 2025 and 2024

Unit: NTD thousand, unless stated otherwise

| | | Equity attributable to the Company's shareholders | | | | | | Other equity | | Total equity |
|------|---|---|---------------------|----------------------------|-------------------|-------------------|------------------------|---|--|---------------------|
| | | Share capital | | Additional paid-in capital | Retained earnings | | Undistributed earnings | Exchange differences on the translation of financial statements of foreign operations | Unrealized (loss) gain on equity instruments at fair value through other comprehensive incomes | |
| Code | | Shares (in thousand) | Amount | | Legal reserve | Special reserves | | | | |
| A1 | Balance as of January 1, 2024 | 105,001 | \$ 1,050,006 | \$ 181,063 | \$ 148,446 | \$ 128,123 | \$ 139,158 | (\$ 178,536) | \$ 26,391 | \$ 1,494,651 |
| | Distribution of earnings for 2023 | | | | | | | | | |
| B1 | Legal reserve | - | - | - | 4,476 | - | (4,476) | - | - | - |
| B3 | Special reserves | - | - | - | - | 24,021 | (24,021) | - | - | - |
| B5 | Cash dividend to shareholders | - | - | - | - | - | (23,100) | - | - | (23,100) |
| D1 | Net loss for the period from January 1 to June 30, 2024 | - | - | - | - | - | (1,851) | - | - | (1,851) |
| D3 | Other comprehensive income (loss) for the three months period ended June 30, 2024 | - | - | - | - | - | - | 33,725 | 4,944 | 38,669 |
| D5 | Total comprehensive income (loss) for the three months period ended June 30, 2024 | - | - | - | - | - | (1,851) | 33,725 | 4,944 | 36,818 |
| Z1 | Balance as of June 30, 2024 | <u>105,001</u> | <u>\$ 1,050,006</u> | <u>\$ 181,063</u> | <u>\$ 152,922</u> | <u>\$ 152,144</u> | <u>\$ 85,710</u> | (<u>\$ 144,811</u>) | <u>\$ 31,335</u> | <u>\$ 1,508,369</u> |
| A1 | Balance as of January 1, 2025 | 105,001 | \$ 1,050,006 | \$ 181,063 | \$ 152,922 | \$ 152,144 | \$ 94,917 | (\$ 107,724) | \$ 21,487 | \$ 1,544,815 |
| | Distribution of earnings for 2024 | | | | | | | | | |
| B1 | Legal reserve | - | - | - | 736 | - | (736) | - | - | - |
| B17 | Special reserves | - | - | - | - | (65,908) | 65,908 | - | - | - |
| B5 | Cash dividend to shareholders | - | - | - | - | - | (36,750) | - | - | (36,750) |
| D1 | Net loss for the period from January 1 to June 30, 2025 | - | - | - | - | - | (20,214) | - | - | (20,214) |
| D3 | Other comprehensive income (loss) for the three months period ended June 30, 2025 | - | - | - | - | - | - | (86,531) | (4,341) | (90,872) |
| D5 | Total comprehensive income (loss) for the three months period ended June 30, 2025 | - | - | - | - | - | (20,214) | (86,531) | (4,341) | (111,086) |
| Z1 | Balance as of June 30, 2025 | <u>105,001</u> | <u>\$ 1,050,006</u> | <u>\$ 181,063</u> | <u>\$ 153,658</u> | <u>\$ 86,236</u> | <u>\$ 103,125</u> | (<u>\$ 194,255</u>) | <u>\$ 17,146</u> | <u>\$ 1,396,979</u> |

The accompanying notes form part of the Consolidated Financial Statements.

Chairman: Joseph M. E. Hsu

Manager: Fan, Liang-Fang

Accounting Officer: Cheng, Ya-Yun

ABC Taiwan Electronics Corporation and Subsidiaries

Consolidated Statements Of Cash Flows

January 1 to June 30, 2025 and 2024

Unit: NTD thousand

| Code | | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|--------|---|-------------------------------|-------------------------------|
| | Cash flow from operating activities | | |
| A10000 | Pre-tax (loss)profit for the current period | (\$ 21,357) | \$ 3,788 |
| A20010 | Income/expenses that do not affect cash flow: | | |
| A20100 | Depreciation expense | 81,481 | 84,882 |
| A20200 | Amortized expenses | 8,160 | 8,960 |
| A20300 | ECL impairment loss (reversal of gain) | (961) | 1,109 |
| A20400 | Net gains on financial assets measured at fair value through profit or loss | (150) | (194) |
| A20900 | Financial cost | 9,613 | 9,582 |
| A21200 | Income from interest | (1,657) | (4,388) |
| A22500 | Net (profit) loss from disposal of property, plant and equipment | (395) | (35,471) |
| A23700 | Inventory devaluation loss | 18,854 | 25,787 |
| A24100 | Net loss(gains) on foreign currency exchange | 2,311 | (6,820) |
| A24600 | Loss from lease modification | - | 13,152 |
| A29900 | Government subsidies income | (687) | (698) |
| A30000 | Net changes in operating assets and liabilities | | |
| A31130 | Notes and accounts receivable | (33,399) | (33,056) |
| A31160 | Accounts receivable - related parties | (53,299) | (29,560) |
| A31180 | Other receivables | (38,610) | 1,464 |
| A31200 | Inventory | 12,786 | (2,117) |
| A31230 | Prepayments | 6,384 | 245 |
| A31240 | Other current assets | 108 | 497 |
| A31990 | Other assets | 13 | 49 |
| A32130 | Notes and accounts payable | 3,483 | 33,931 |
| A32180 | Other payables | (5,487) | (6,491) |
| A32200 | Liability reserve | (131) | 39 |
| A32230 | Other current liabilities | (359) | (78) |
| A32240 | Net defined benefit assets | (6) | 85 |
| A32990 | Employees' compensation and remuneration of directors payable | - | 98 |
| A33000 | Cash (outflow)inflow from operations | (13,305) | 64,795 |
| A33100 | Interest received | 1,657 | 4,388 |
| A33300 | Interest paid | (9,613) | (9,582) |
| A33500 | Income tax refund(paid) | 3,305 | 30,663 |
| AAAA | Net cash (outflow)inflow from operating activities | (17,956) | 28,938 |

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(Continued from previous page)

| Code | | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|--------|---|-------------------------------|-------------------------------|
| | Cash flows from investing activities | | |
| B02700 | Acquisition of property, plant and equipment | (\$ 25,361) | (\$ 134,425) |
| B02800 | Proceeds from disposal of property, plant and equipment | 36,522 | 45,770 |
| B03800 | Decrease in refundable deposits | 435 | 724 |
| B04500 | Acquisition of intangible assets | (5,810) | (33,143) |
| B07100 | Increase in prepaid equipment purchase | (32,977) | - |
| B07200 | Decrease in prepaid equipment purchase | - | 51,595 |
| BBBB | Net cash outflow from investing activities | (<u>27,191</u>) | (<u>67,479</u>) |
| | Cash flow from financing activities | | |
| C00100 | Increase in short-term borrowings | 550,000 | 800,000 |
| C00200 | Decrease in short-term borrowings | (490,000) | (770,000) |
| C00500 | Increase (decrease) in short-term notes payable | (29,964) | (29,963) |
| C01600 | Proceeds from long-term debt | 100,000 | 197,173 |
| C01700 | Repayments of long-term debt | (111,110) | (210,733) |
| C04020 | Repayment of lease liability principal | (<u>1,020</u>) | (<u>696</u>) |
| CCCC | Net cash (outflow) inflow from financing activities | <u>17,906</u> | (<u>14,219</u>) |
| DDDD | Effect of exchange rate fluctuations on cash and cash equivalents | (<u>46,013</u>) | <u>17,289</u> |
| EEEE | Net decrease of cash and cash equivalents for the current period | (73,254) | (35,471) |
| E00100 | Cash and cash equivalents, beginning of the year | <u>745,011</u> | <u>787,355</u> |
| E00200 | Cash and cash equivalents, end of the year | <u>\$ 671,757</u> | <u>\$ 751,884</u> |

The accompanying notes form part of the Consolidated Financial Statements.

Chairman: Joseph M. E. Hsu Managerial Officer: Francis Fan Accounting supervisor: Ya-Yun Cheng

ABC Taiwan Electronics Corporation and Subsidiaries

Notes to Consolidated Financial Statements

January 1 to June 30, 2025 and 2024

(Amounts in NTD thousand unless stated otherwise)

I. Company history

ABC Taiwan Electronics Corp (hereinafter referred to as "ABC Taiwan") was approved for establishment by the Ministry of Economic Affairs (MOEA) on May 25, 1979. Its principal business is providing chip inductors, power inductors, filter inductive components, transformers, micro-porous ceramic (MPC) heat sinks, various precision metal stamping parts, LED lighting fixtures, and other related products and their raw materials that are used in various electronic products, communication electronic products, computer and peripheral equipment, industrial electronic equipment, automotive electronic equipment and other circuits, various product molds and production equipment, their manufacturing, processing and trading, as well as the import and export business for each of the aforementioned items.

The ABC Taiwan's shares have been listed for trading on the Taipei Exchange since December 2, 2004.

The Consolidated Financial Statements of ABC Taiwan are presented in the Company's functional currency, the New Taiwan dollar.

II. Financial Statement Approval Date and Procedures

The Consolidated Financial Statements were approved by the Board of Directors on August 8, 2025.

III. Application of new and revised standards and interpretation

- (I) Initial adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") that have been endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Amendments to IAS 21 "Lack of Exchangeability"

The application of amendments to IAS 21 "Lack of Exchangeability" will not result in significant changes to the accounting policies of the Company and entities controlled by the Company (hereinafter referred to as "the consolidated companies").

(II) FSC-endorsed IFRSs applicable from 2026 onwards

| <u>New / Revised / Amended Standards and Interpretation</u> | <u>Effective date issued by the International Accounting Standards Board (IASB)</u> |
|---|---|
| IFRS 9 and IFRS 7 Amendments "Classification and Measurement of Financial Instruments" | January 1, 2026 |
| IFRS 9 and IFRS 7 Amendments "Contracts with Natural Dependency on Electricity" | January 1, 2026 |
| "IFRS Annual Improvements - Volume 11" | January 1, 2026 |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 " First-time Application of IFRS 17 and IFRS 9 - Comparative Information" | January 1, 2023 |

Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"

1. Amendments to Application Guidance on Classification of Financial Assets

The amendments primarily modify the classification requirements for financial assets, including:

- (1) For financial assets that contain a contingent feature that could change the timing or amount of contractual cash flows, and where the nature of the contingency is not directly related to changes in basic lending risks and costs (such as whether a borrower achieves specific carbon emission reductions), such financial assets still have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding when both of the following conditions are met:
 - The contractual cash flows in all possible scenarios (before or after the contingency occurs) are solely payments of principal and interest on the principal amount outstanding; and
 - The contractual cash flows in all possible scenarios do not differ significantly from the cash flows of a financial instrument with identical contractual terms but without the contingent feature.
- (2) Clarification that financial assets with non-recourse features refer to those where the entity's contractual right to receive cash flows is ultimately limited only to the cash flows generated by specific assets.
- (3) Explanation that contractually linked instruments establish multiple tranches of securities through a waterfall payment structure to establish payment priorities among financial asset holders, thereby concentrating credit risk and causing disproportionate allocation of cash shortfalls from the underlying pool across different tranches.

2. Amendments to Application Guidance on Derecognition of Financial Liabilities

The amendment primarily explains that when an entity uses an electronic payment system to settle financial liabilities in cash, if the following conditions are met, the entity may elect to derecognize the financial liability before the settlement date:

- The entity does not have the practical ability to withdraw, stop, or cancel the payment instruction;
- The entity does not have the practical ability to access the cash that will be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system is not significant.

As of the date these consolidated financial statements were authorized for issuance, the consolidated companies are still evaluating the impact of this amendment on financial position and financial performance.

- (III) IFRSs issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

| <u>New / Revised / Amended Standards and Interpretation</u> | <u>Effective date announced by IASB (Note)</u> |
|--|--|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined |
| IFRS 18 "Presentation and Disclosure in Financial Statements" | January 1, 2027 |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures" | January 1, 2027 |

Note : Unless stated otherwise, the above New / Revised / Amended Standards and Interpretation are effective for annual periods beginning on or after their respective effective dates.

1. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements" and the main changes include:

- Items of income and expense are required to be classified into categories including operating, investing, financing, income tax, and discontinued operations in the statement of profit or loss.
- The income statement should present subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and profit or loss.
- Guidance is provided to strengthen aggregation and disaggregation requirements: The Group must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, ensuring that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar

characteristics should be disaggregated in the primary financial statements and notes. The Group should label items as "other" only when it is unable to find a more informative label.

- Enhanced disclosure of management-defined performance measures: When the Group communicates publicly outside the financial statements and communicates management's view of a specific aspect of the company's overall financial performance to financial statement users, it should disclose information about management-defined performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, its reconciliation to subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of reconciling items.

In addition to the impact referred to above, the Group will continue to evaluate other impacts of amendments of each standard and interpretations on the financial position and financial performance as of the release date of these Consolidated Financial Statements, and will disclose the relevant impact when the evaluation is completed.

IV. Summary of significant accounting policies

(I) Statement of Compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRSs information disclosures required for the full annual financial report.

(II) Basis of preparation

The Consolidated Financial Statements have been prepared on the historical cost basis except for the financial instruments measured at fair value and the net defined liabilities (assets) recognized at the present value of the defined benefit obligation less the fair value of plan assets.

The measurement of fair value is divided into Level 1 to Level 3 according to the observable degree and importance of the relevant input value:

1. Level 1 input value: Refers to the quotation (unadjusted) of the same asset or liability in an active market on the measurement date.
2. Level 2 input value: Refers to inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3. Level 3 input value: Refers to unobservable inputs for the asset or liability.

(III) Basis for consolidation

The Consolidated Financial Statements include ABC Taiwan Electronics and the financial statements of its controlling entities (subsidiaries). Adjustments have been made to the financial statements of the subsidiaries to enable consistency in the accounting policies of the parent company and the subsidiaries. All of the transactions, account balances, income and expense losses between the entities were eliminated during the preparation of the consolidated financial statements.

Please refer to Notes XI and XXX (II) for the statements, shareholding and operation items of the subsidiaries.

(IV) Other significant accounting policies

Please refer to the 2024 significant accounting policies compilation and explanation in addition to the below explanation.

1. Defined benefit - Benefits after retirement

The pension cost in the interim period adopts the pension cost rate determined by actuarial calculation at the end of the previous year. The period from the beginning to the end of the current year is taken as the basis for calculation. Adjustments are made based on the major market fluctuations and major plan revisions, liquidations or other one time matters.

2. Income tax expenses

Income tax expenses are the aggregate of the income taxes and deferred taxes during the period. Income tax for the interim period is evaluated using the fiscal year as the basis. Calculations for income before tax of the midterm period are made taking the applicable tax rates of the expected total annual earnings.

V. Major Sources of Uncertainty over Significant Accounting Judgments, Assumptions, and Estimation

With regard to the adoption of accounting policies by the consolidated company, management must make judgments, estimates and assumptions based on historical experience and other relevant factors if relevant information is not readily available from other sources. The actual outcome may be different from the estimates.

When developing significant accounting estimates, the consolidated companies incorporate the potential impact of U.S. reciprocal tariff measures into considerations of significant estimates related to cash flow projections, growth rates, discount rates, profitability, and other relevant factors. Management will continue to review estimates and underlying assumptions.

Significant accounting judgments, estimates and assumptions adopted by these consolidated financial statements mainly derive from similar sources to that of the 2024 consolidated financial statements.

VI. Cash and cash equivalents

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--|-------------------|-------------------|-------------------|
| Bank checks and demand deposits | \$ 641,256 | \$ 711,468 | \$ 686,053 |
| Cash on hand and petty cash | 1,201 | 758 | 931 |
| Equivalent cash | | | |
| Bank time deposits with original maturity date within 3 months | 29,300 | 32,785 | 64,900 |
| | <u>\$ 671,757</u> | <u>\$ 745,011</u> | <u>\$ 751,884</u> |

The market interest rate intervals of bank deposits on the balance sheet date were as follows:

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|-------------------|---------------|-------------------|---------------|
| Deposits in banks | 0.005%~4.22% | 0.001%~4.30% | 0.001%~5.40% |

VII. Financial instruments measured at fair value through profit or loss

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--|------------------|-------------------|------------------|
| <u>Financial assets - Current</u> | | | |
| Mandatorily measured at fair value through profit or loss | | | |
| Financial products | <u>\$ 21,304</u> | <u>\$ 23,170</u> | <u>\$ 22,820</u> |

VIII. Financial assets at fair value through other comprehensive income

Investment in equity instruments

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|------------------------|------------------|-------------------|------------------|
| <u>Non-current</u> | | | |
| Domestic investment | | | |
| TWSE/TPEX listed stock | <u>\$ 29,944</u> | <u>\$ 34,285</u> | <u>\$ 44,133</u> |

The Group invested in the common shares of the domestic companies in line with its mid and long-term investment strategic objective with the anticipation of return from long-term investment. The Group's management does not recognize the short-term fair value volatility of such investments as profit or loss aligned with the abovementioned long-term investment planning. Therefore, management decided to designate such investments measured at fair value through other comprehensive incomes.

IX. Notes and accounts receivable, net amount

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--|-------------------|-------------------|-------------------|
| <u>Notes and accounts receivable</u> | | | |
| Measured at amortized cost | | | |
| Total book value | \$ 180,534 | \$ 169,453 | \$ 187,693 |
| Less: Allowance for losses | (5,333) | (6,506) | (6,876) |
| | <u>\$ 175,201</u> | <u>\$ 162,947</u> | <u>\$ 180,817</u> |
| <u>Accounts receivable - related parties</u> | | | |
| Measured at amortized cost | | | |
| Total book value | \$ 161,209 | \$ 107,910 | \$ 138,931 |
| Less: Allowance for losses | - | - | - |
| | <u>\$ 161,209</u> | <u>\$ 107,910</u> | <u>\$ 138,931</u> |

Accounts receivable at amortized cost

The average credit period for the Group's sales of goods on a monthly basis is 30 to 150 days, and the accounts receivable do not accrue interest. To mitigate the credit risk, the Group's management has designated a team responsible for determining the line of credit cap, loan approval and adopting other adequate monitoring procedures, through which to ascertain if adequate action has been taken on recalling overdue receivables. Meanwhile, the Group reviews the recoverable amount of each receivable on the balance sheet date to recognize appropriate impairment loss for the unrecoverable receivables. Hence, the Group's management believes that the Group's credit risks have been significantly reduced.

The Group adopts the simplified method in IFRS 9 to recognize the allowance for loss of the accounts receivable according to the expected credit losses throughout the duration. Expected credit losses throughout the duration are calculated using Provision Matrix, which considers the historical default records and current financial status, industry economic conditions. As indicated by the Group's historical experience in credit loss, the loss patterns among varied customer bases show no significant difference at all. In the preparation matrix, therefore, the customer bases were not further classified. Instead, we fixed the anticipated rate of credit loss only based on the number of days overdue in the accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect the recoverable amount back, the Group will directly write off the relevant accounts receivable, but will continue its recourses, and the amount recovered will be recognized in profit or loss.

The Group uses a provision matrix to measure the allowance for losses of receivables as follows:

June 30, 2025

| | Not overdue | Past Due by 1 ~ 60 Days | Past Due 61 ~ 90 Days | Past Due 91 ~ 120 Days | Overdue over 120 days | Total |
|---|-------------------|----------------------------|--------------------------|---------------------------|--------------------------|-------------------|
| Total book value | \$ 171,372 | \$ 2,636 | \$ 1,465 | \$ 98 | \$ 4,963 | \$ 180,534 |
| Loss allowance (expected credit losses throughout the duration) | - | (88) | (184) | (98) | (4,963) | (5,333) |
| Cost after amortization | <u>\$ 171,372</u> | <u>\$ 2,548</u> | <u>\$ 1,281</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 175,201</u> |

December 31, 2024

| | Not overdue | Past Due by 1 ~ 60 Days | Past Due 61 ~ 90 Days | Past Due 91 ~ 120 Days | Overdue over 120 days | Total |
|---|-------------------|----------------------------|--------------------------|---------------------------|--------------------------|-------------------|
| Total book value | \$ 160,967 | \$ 2,089 | \$ 263 | \$ 20 | \$ 6,114 | \$ 169,453 |
| Loss allowance (expected credit losses throughout the duration) | - | (363) | (9) | (20) | (6,114) | (6,506) |
| Cost after amortization | <u>\$ 160,967</u> | <u>\$ 1,726</u> | <u>\$ 254</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 162,947</u> |

June 30, 2024

| | Not overdue | Past Due by 1 ~ 60 Days | Past Due 61 ~ 90 Days | Past Due 91 ~ 120 Days | Overdue over 120 days | Total |
|---|-------------|----------------------------|--------------------------|---------------------------|--------------------------|------------|
| Total book value | \$ 172,103 | \$ 6,892 | \$ 3,243 | \$ 195 | \$ 5,260 | \$ 187,693 |
| Loss allowance (expected credit losses throughout the duration) | - | (249) | (1,172) | (195) | (5,260) | (6,876) |
| Cost after amortization | \$ 172,103 | \$ 6,643 | \$ 2,071 | \$ - | \$ - | \$ 180,817 |

Accounts receivable - related parties are non-overdue accounts.

The information about changes in the allowance for loss on accounts receivable is as follows:

| | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---|----------------------------|----------------------------|
| Balance at the beginning of the period | \$ 6,506 | \$ 5,681 |
| Less: Impairment loss provided (reversed) in current period | (961) | 1,109 |
| Foreign currency exchange difference | (212) | 86 |
| Balance at end of period | \$ 5,333 | \$ 6,876 |

X. Inventories

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|----------------------------|---------------|-------------------|---------------|
| Commodities | \$ 2,136 | \$ 1,656 | \$ 2,330 |
| Finished goods | 125,750 | 147,803 | 133,465 |
| Work-in-progress | 3,974 | 3,706 | 4,858 |
| Raw materials and supplies | 98,069 | 107,578 | 108,423 |
| | \$ 229,929 | \$ 260,743 | \$ 249,076 |

The nature of the cost of goods sold is as follows:

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cost of inventories sold | \$ 395,355 | \$ 347,484 | \$ 733,519 | \$ 693,642 |
| Inventory devaluation loss | 13,390 | 3,531 | 18,854 | 25,787 |
| | \$ 408,745 | \$ 351,015 | \$ 752,373 | \$ 719,429 |

XI. Subsidiaries

(I) Subsidiaries listed in the consolidated financial statements

The entities included in the preparation of this consolidated financial statements:

| Name of investment company | Name of subsidiary | Type of business | Shareholding ratio | | | Explanation |
|----------------------------|--|--|--------------------|-------------------|---------------|------------------------|
| | | | June 30, 2024 | December 31, 2024 | June 30, 2024 | |
| The Company | ATEC HOLDING COMPANY (AHC) | Reinvestment of the holding company in Mainland China | 100% | 100% | 100% | Subsidiaries |
| AHC | ABC AMERICA ELECTRONICS CORP. (AAE) | Trading of electronic components | 100% | 100% | 100% | Subsidiaries |
| | ATEC UNIVERSAL COMPANY (AUC) | Reinvestment of the holding company in Mainland China | 100% | 100% | 100% | Second-tier subsidiary |
| | A-TEC INTERNATIONAL COMPANY (AIC) | Reinvestment of the holding company in Mainland China | 100% | 100% | 100% | Second-tier subsidiary |
| | AOBA TECHNOLOGY (M) SDN. BHD. (AOBA) | Manufacture, processing, and sale of electronic machine components, etc. | 100% | 100% | 100% | Second-tier subsidiary |
| AUC | Guangzhou ABC Electronics Corp. (Guangzhou ABC Company) | Manufacture, processing, and sale of electronic machine components, etc. | 100% | 100% | 100% | Third-tier subsidiary |
| AIC | ABC Electronics (Shanghai) Corp. (ABC (Shanghai) Company) | Manufacture, processing, and sale of electronic machine components, etc. | 100% | 100% | 100% | Third-tier subsidiary |
| | Shanghai Qianchi Electronics Trading Company Ltd. (Shanghai Qianchi Company)(Note) | Sale of electronic machine components, etc. | 100% | - | - | Third-tier subsidiary |

Note : In May 2025, the Group established Shanghai Qianchi Company through AIC.

For the subsidiaries listed in the consolidated financial statements for the period between January 1 to June 30, 2025 and 2024, the financial statements of important subsidiaries have been reviewed by independent auditors with exception of insignificant subsidiary AAE. The management of the Group thinks that the financial statements of AAE that are not reviewed by the independent auditors will not result in material impact.

XII. Property, plant and equipment

| Own use | | | | | | | | | |
|--|---------------------|--------------------------|-------------------------|------------------------------------|--------------------------|----------------------------|-------------------------|--------------------------------|---------------------|
| | June 30, 2025 | | | December 31, 2024 | | | June 30, 2024 | | |
| | <u>\$ 1,458,681</u> | | | <u>\$ 1,584,523</u> | | | <u>\$ 1,606,296</u> | | |
| | Land | Housing and construction | Machinery and equipment | Research and development equipment | Transportation equipment | Income-producing equipment | Miscellaneous equipment | Real estate under construction | Total |
| <u>Cost</u> | | | | | | | | | |
| Balance as of January 1, 2025 | \$ 351,512 | \$ 652,752 | \$ 1,169,488 | \$ 332,835 | \$ 12,171 | \$ 24,180 | \$ 84,556 | \$ 5,231 | \$ 2,632,725 |
| Increase | - | 3,994 | 11,236 | 10,005 | - | 501 | 4,203 | 1,008 | 30,947 |
| Disposal | - | - | (118,773) | - | - | - | (2,731) | - | (121,504) |
| Reclassification | - | 296 | - | - | - | - | - | (296) | - |
| Net exchange difference | (2,743) | (20,054) | (70,554) | - | (404) | (1,618) | (3,463) | (487) | (99,323) |
| Balance as of June 30, 2025 | <u>\$ 348,769</u> | <u>\$ 636,988</u> | <u>\$ 991,397</u> | <u>\$ 342,840</u> | <u>\$ 11,767</u> | <u>\$ 23,063</u> | <u>\$ 82,565</u> | <u>\$ 5,456</u> | <u>\$ 2,442,845</u> |
| <u>Accumulated depreciation</u> | | | | | | | | | |
| Balance as of January 1, 2025 | \$ - | \$ 182,506 | \$ 698,608 | \$ 97,559 | \$ 6,616 | \$ 17,973 | \$ 44,940 | \$ - | \$ 1,048,202 |
| Depreciation expense | - | 9,103 | 47,680 | 16,574 | 644 | 1,156 | 5,197 | - | 80,354 |
| Disposal | - | - | (83,068) | - | - | - | (2,309) | - | (85,377) |
| Net exchange difference | - | (11,658) | (43,609) | - | (273) | (1,251) | (2,224) | - | (59,015) |
| Balance as of June 30, 2025 | <u>\$ -</u> | <u>\$ 179,951</u> | <u>\$ 619,611</u> | <u>\$ 114,133</u> | <u>\$ 6,987</u> | <u>\$ 17,878</u> | <u>\$ 45,604</u> | <u>\$ -</u> | <u>\$ 984,164</u> |
| Net amount as of June 30, 2025 | <u>\$ 348,769</u> | <u>\$ 457,037</u> | <u>\$ 371,786</u> | <u>\$ 228,707</u> | <u>\$ 4,780</u> | <u>\$ 5,185</u> | <u>\$ 36,961</u> | <u>\$ 5,456</u> | <u>\$ 1,458,681</u> |
| Net amount as of December 31, 2024 and January 1, 2025 | <u>\$ 351,512</u> | <u>\$ 470,246</u> | <u>\$ 470,880</u> | <u>\$ 235,276</u> | <u>\$ 5,555</u> | <u>\$ 6,207</u> | <u>\$ 39,616</u> | <u>\$ 5,231</u> | <u>\$ 1,584,523</u> |
| <u>Cost</u> | | | | | | | | | |
| Balance as of January 1, 2024 | \$ 346,725 | \$ 455,851 | \$ 1,086,931 | \$ 252,350 | \$ 10,216 | \$ 22,654 | \$ 82,278 | \$ 178,480 | \$ 2,435,485 |
| Increase | - | 2,513 | 22,771 | 75,206 | 361 | 127 | 4,644 | 16,518 | 122,140 |
| Disposal | - | (14,104) | (8,118) | - | (1,163) | (40) | (633) | - | (24,058) |
| Reclassification | - | 175,164 | 1,779 | - | - | - | - | (175,164) | 1,779 |
| Net exchange difference | 1,368 | 7,091 | 28,018 | - | 108 | 552 | 1,194 | 87 | 38,418 |
| Balance as of June 30, 2024 | <u>\$ 348,093</u> | <u>\$ 626,515</u> | <u>\$ 1,131,381</u> | <u>\$ 327,556</u> | <u>\$ 9,522</u> | <u>\$ 23,293</u> | <u>\$ 87,483</u> | <u>\$ 19,921</u> | <u>\$ 2,573,764</u> |
| <u>Accumulated depreciation</u> | | | | | | | | | |
| Balance as of January 1, 2024 | \$ - | \$ 166,930 | \$ 583,813 | \$ 65,787 | \$ 6,416 | \$ 13,355 | \$ 38,316 | \$ - | \$ 874,617 |
| Depreciation expense | - | 9,441 | 51,138 | 15,372 | 498 | 2,012 | 5,627 | - | 84,088 |
| Disposal | - | (7,437) | (4,734) | - | (1,075) | (40) | (473) | - | (13,759) |
| Reclassification | - | - | 1,779 | - | - | - | - | - | 1,779 |
| Net exchange difference | - | 3,576 | 15,945 | - | 94 | 368 | 760 | - | 20,743 |
| Balance as of June 30, 2024 | <u>\$ -</u> | <u>\$ 172,510</u> | <u>\$ 647,941</u> | <u>\$ 81,159</u> | <u>\$ 5,933</u> | <u>\$ 15,695</u> | <u>\$ 44,230</u> | <u>\$ -</u> | <u>\$ 967,468</u> |
| Net amount as of June 30, 2024 | <u>\$ 348,093</u> | <u>\$ 454,005</u> | <u>\$ 483,440</u> | <u>\$ 246,397</u> | <u>\$ 3,589</u> | <u>\$ 7,598</u> | <u>\$ 43,253</u> | <u>\$ 19,921</u> | <u>\$ 1,606,296</u> |

Unrecognized or reversed impairment losses for January 1 to June 30, 2024 and 2024

Property, plant, and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

| | |
|------------------------------------|---------------|
| Housing and construction | |
| Plant and main building | 3 to 50 years |
| Engineering system | 2 to 20 years |
| Machinery and equipment | 2 to 10 years |
| Research and development equipment | 2 to 15 years |
| Transportation equipment | 4 to 10 years |
| Income-producing equipment | 1 to 10 years |
| Miscellaneous equipment | 2 to 20 years |

Please refer to Note XXVIII for the amount of property, plant and equipment pledged as collateral for borrowings.

XIII. Lease agreement

(I) Right-of-use assets

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--|--------------------------|--------------------------|----------------------------|
| Book value of right-of-use assets | | | |
| Land | \$ 4,442 | \$ 4,957 | \$ 5,014 |
| Building | 1,411 | 1,667 | 489 |
| Transportation equipment | 723 | 75 | 150 |
| | <u>\$ 6,576</u> | <u>\$ 6,699</u> | <u>\$ 5,653</u> |
| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 |
| Increase in right-of-use assets | | | <u>\$ 1,507</u> |
| Depreciation expense for right-of-use assets | | | <u>\$ -</u> |
| Land | \$ 46 | \$ 55 | \$ 92 |
| Building | 428 | 270 | 785 |
| Transportation equipment | 113 | 38 | 250 |
| | <u>\$ 587</u> | <u>\$ 363</u> | <u>\$ 1,127</u> |

In June 30, 2024, the Group early terminated certain land lease agreements, derecognizing right-of-use assets amounting to NT\$13,291 thousand, and recognized a lease termination loss of NT\$13,152 thousand and foreign currency exchange loss of NT\$139 thousand.

Other than the early terminations, additions, and recognition of depreciation expenses listed above, the Group's right-of-use assets did not experience significant subleasing or impairment situations during the periods from January 1 to June 30, 2025 and 2024.

(II) Lease liabilities

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|---------------------------------|-----------------|-------------------|---------------|
| Book value of lease liabilities | | | |
| Current | <u>\$ 1,402</u> | <u>\$ 1,275</u> | <u>\$ 647</u> |
| Non-current | <u>\$ 766</u> | <u>\$ 488</u> | <u>\$ 10</u> |

The range of the discount rate for lease liabilities is as follows:

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--------------------------|---------------|-------------------|---------------|
| Building | 5% | 5% | 5% |
| Transportation equipment | 1.56%~2.10% | 1.56% | 1.56% |

(III) Important lease activities and terms

The lands and buildings that the consolidated company leases are used as factories and employee dormitories with a lease period of 1~2 years. At the end of the lease period, there were no preferential purchase rights for the lands and buildings leased by the consolidated company.

(IV) Other lease information

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Expenses of short-term leases | \$ 518 | \$ 726 | \$ 1,095 | \$ 1,285 |
| Expenses for lease of low-value assets | \$ 185 | \$ 211 | \$ 408 | \$ 438 |
| Total cash (outflow) for leases | | | (\$ 2,573) | (\$ 2,438) |

The Group chooses to apply the exemption to the recognition of office equipment that meets the criteria of short-term lease and low-value asset lease, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

XIV. Intangible assets

| | Computer software | Technology authorization | Technology | Customer relationship | Trademark rights | Goodwill | Total |
|--|-------------------|--------------------------|------------|-----------------------|------------------|----------|------------|
| <u>Cost</u> | | | | | | | |
| Balance as of January 1, 2025 | \$ 37,279 | \$ 6,864 | \$ 10,825 | \$ 23,873 | \$ - | \$ 5,340 | \$ 84,181 |
| Increase | 2,218 | 3,592 | - | - | - | - | 5,810 |
| Disposal | (2,585) | (940) | - | - | - | - | (3,525) |
| Balance as of June 30, 2025 | \$ 36,912 | \$ 9,516 | \$ 10,825 | \$ 23,873 | \$ - | \$ 5,340 | \$ 86,466 |
| <u>Accumulated amortization</u> | | | | | | | |
| Balance as of January 1, 2025 | \$ 6,785 | \$ 3,681 | \$ 7,345 | \$ 16,200 | \$ - | \$ - | \$ 34,011 |
| Amortized expenses | 4,299 | 1,383 | 773 | 1,705 | - | - | 8,160 |
| Disposal | (2,585) | (940) | - | - | - | - | (3,525) |
| Balance as of June 30, 2025 | \$ 8,499 | \$ 4,124 | \$ 8,118 | \$ 17,905 | \$ - | \$ - | \$ 38,646 |
| Net amount as of June 30, 2025 | \$ 28,413 | \$ 5,392 | \$ 2,707 | \$ 5,968 | \$ - | \$ 5,340 | \$ 47,820 |
| Net amount as of December 31, 2024 and January 1, 2025 | \$ 30,494 | \$ 3,183 | \$ 3,480 | \$ 7,673 | \$ - | \$ 5,340 | \$ 50,170 |
| <u>Cost</u> | | | | | | | |
| Balance as of January 1, 2024 | \$ 11,982 | \$ 7,422 | \$ 19,800 | \$ 28,809 | \$ 3,372 | \$ 5,340 | \$ 76,725 |
| Increase | 32,209 | 934 | - | - | - | - | 33,143 |
| Disposal | (2,715) | (892) | (8,975) | (4,936) | (3,372) | - | (20,890) |
| Balance as of June 30, 2024 | \$ 41,476 | \$ 7,464 | \$ 10,825 | \$ 23,873 | \$ - | \$ 5,340 | \$ 88,978 |
| <u>Accumulated amortization</u> | | | | | | | |
| Balance as of January 1, 2024 | \$ 6,787 | \$ 2,775 | \$ 14,774 | \$ 17,725 | \$ 3,351 | \$ - | \$ 45,412 |
| Amortized expenses | 5,048 | 1,413 | 773 | 1,705 | 21 | - | 8,960 |
| Disposal | (2,715) | (892) | (8,975) | (4,936) | (3,372) | - | (20,890) |
| Balance as of June 30, 2024 | \$ 9,120 | \$ 3,296 | \$ 6,572 | \$ 14,494 | \$ - | \$ - | \$ 33,482 |
| Net amount as of June 30, 2024 | \$ 32,356 | \$ 4,168 | \$ 4,253 | \$ 9,379 | \$ - | \$ 5,340 | \$ 55,496 |

The above intangible assets with limited durability are amortized on a straight-line basis based on the following durability years:

| | |
|--------------------------|---------------|
| Computer software | 1 to 10 years |
| Technology authorization | 2 to 5 years |
| Technology | 7 years |
| Customer relationship | 7 years |
| Trademark rights | 10 years |

XV. Other assets

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|---------------------|-----------------|-------------------|-----------------|
| <u>Current</u> | | | |
| Retained tax credit | \$ 4 | \$ 104 | \$ 4 |
| Others | - | 8 | 370 |
| | <u>\$ 4</u> | <u>\$ 112</u> | <u>\$ 374</u> |
| <u>Non-current</u> | | | |
| Refundable deposits | \$ 1,873 | \$ 2,308 | \$ 2,242 |
| Others | <u>2,748</u> | <u>2,761</u> | <u>2,788</u> |
| | <u>\$ 4,621</u> | <u>\$ 5,069</u> | <u>\$ 5,030</u> |

XVI. Borrowings

(I) Short-term borrowings

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--------------------------------------|-------------------|-------------------|-------------------|
| <u>Unsecured borrowings</u> | | | |
| - Borrowings of working capital fund | <u>\$ 250,000</u> | <u>\$ 190,000</u> | <u>\$ 260,000</u> |

The interest rates of working capital borrowings as of June 30, 2025 and December 31 and June 30, 2024 were 1.85%~1.88%, 1.87%~1.925% and 1.82%~1.87%, respectively.

(II) Short-term notes payable

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--------------------------|---------------|-------------------|------------------|
| Commercial paper payable | <u>\$ -</u> | <u>\$ 29,964</u> | <u>\$ 29,964</u> |

Outstanding short-term notes payable are as follows:

June 30, 2025 : None

December 31, 2024

| Guarantee/ Acceptance Agency | Par value | Discount amount | Book value | Interest rate range | Name of collateral | Book value of collateral |
|---------------------------------------|------------------|--------------------|------------------|------------------------|-----------------------|-----------------------------|
| <u>Commercial paper payable</u> | | | | | | |
| China Bills Finance Corporation (CBF) | <u>\$ 30,000</u> | <u>\$ 36</u> | <u>\$ 29,964</u> | 1.988% | Unsecured | <u>\$ -</u> |

June 30, 2024

| Guarantee/ Acceptance Agency | Par value | Discount amount | Book value | Interest rate range | Name of collateral | Book value of collateral |
|---------------------------------------|------------------|--------------------|------------------|------------------------|-----------------------|-----------------------------|
| <u>Commercial paper payable</u> | | | | | | |
| China Bills Finance Corporation (CBF) | <u>\$ 30,000</u> | <u>\$ 36</u> | <u>\$ 29,964</u> | 1.998% | Unsecured | <u>\$ -</u> |

(III) Long-term borrowings

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|---|--------------------|--------------------|--------------------|
| <u>Secured borrowings (Note XXVIII)</u> | | | |
| Mid and long-term bank borrowings (1) | \$ 114,854 | \$ 121,685 | \$ 130,355 |
| <u>Unsecured borrowings</u> | | | |
| Mid and long-term bank borrowings (2) | <u>759,996</u> | <u>764,275</u> | <u>736,489</u> |
| Sub-total | <u>874,850</u> | <u>885,960</u> | <u>866,844</u> |
| Due within one year | (<u>242,388</u>) | (<u>257,191</u>) | (<u>280,114</u>) |
| | <u>\$ 632,462</u> | <u>\$ 628,769</u> | <u>\$ 586,730</u> |

1. Bank loans as of June 30, 2025, December 31, 2024, and June 30, 2024 carried interest rates of 1.925%~2.14%.
2. Bank credit loans as of June 30, 2025, December 31, 2024, and June 30, 2024 carried interest rates of 0.635%~2.196%, 0.635%~2.1947%, and 0.635%~2.2649%, respectively.

Long-term bank borrowings

The Group has made commitments for some of its long-term borrowings and so must maintain the financial ratio and regulations in its end-of-year consolidated financial statements each year for the duration of the credit extension, as shown below:

Starting from the date of the fund transfer, the annual consolidated financial statements shall be reviewed at the end of July each year. Among these, (1) the financial liabilities must not be over 100%, and (2) the minimum net worth shall be NT\$1,200,000 thousand. If this standard is not met the first time for any of the items, a review will be made for the next half of the annual report. If the standard is still not met, an interest rate of 0.25% will be added to the originally approved interest rate. The originally approved interest rate can be resumed once the standard has been met during the next review. If the standard is not met for two consecutive annual consolidated financial statements, the bank will deem all or part of the interest of the credit amount used as matured.

Each of the financial rates in the consolidated financial statements of the Group for June 30, 2025 and December 31 and June 30, 2024 satisfies the limitations of the aforementioned financial rates.

XVII. Other liabilities

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|---|-------------------|-------------------|-------------------|
| <u>Current</u> | | | |
| Other payables | | | |
| Cash dividends | \$ 36,750 | \$ - | \$ 23,100 |
| Salary | 25,945 | 20,998 | 30,609 |
| Bonus | 13,149 | 21,957 | 19,330 |
| Provision for equipment | 9,120 | 3,534 | 15,662 |
| Payable leave benefit | 7,177 | 7,308 | 7,297 |
| Freight and import/export expenses | 2,321 | 2,550 | 2,335 |
| Labor service expenses | 2,081 | 2,529 | 2,019 |
| Commission | 1,086 | 843 | 567 |
| Others | 36,505 | 39,249 | 38,357 |
| | <u>\$ 134,134</u> | <u>\$ 98,968</u> | <u>\$ 139,276</u> |
| <u>Current</u> | | | |
| Other liabilities | | | |
| Collection of funds on behalf of others | \$ 1,590 | \$ 1,810 | \$ 1,835 |
| Contract liabilities | 893 | 917 | 159 |
| Others | - | 115 | - |
| | <u>\$ 2,483</u> | <u>\$ 2,842</u> | <u>\$ 1,994</u> |
| <u>Non-current</u> | | | |
| Other liabilities | | | |
| Deferred credits | \$ 533 | \$ 2,136 | \$ 2,323 |

XVIII. Retirement benefit plan

The related pension fees of the defined benefit plan recognized for April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024 are calculated based on the pension cost rate determined by actuarial calculation for December 31, 2024 and 2023. The amounts are NTD262 thousand and NTD364 thousand and NTD527 thousand and NTD873 thousand, respectively.

XIX. Equity

(I) Share capital

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--------------------------------------|---------------------|---------------------|---------------------|
| Authorized shares (in thousand) | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> |
| Authorized shares | <u>\$ 1,500,000</u> | <u>\$ 1,500,000</u> | <u>\$ 1,500,000</u> |
| Issued and paid shares (in thousand) | <u>105,001</u> | <u>105,001</u> | <u>105,001</u> |
| Issued capital stock | <u>\$ 1,050,006</u> | <u>\$ 1,050,006</u> | <u>\$ 1,050,006</u> |

The shares issued were common shares with a par value of NT\$10 per share, and each share was entitled to one voting right and the right to receive dividends.

(II) Additional paid-in capital

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|---|-------------------|-------------------|-------------------|
| <u>Can be used to offset losses, distribute cash, or capitalize on shares (Note)</u> | | | |
| Premium from stock issuance | \$ 169,469 | \$ 169,469 | \$ 169,469 |
| Transaction of treasury stock | 10,819 | 10,819 | 10,819 |
| The difference between the equity actually acquired or disposed of and the book value | <u>775</u> | <u>775</u> | <u>775</u> |
| | <u>\$ 181,063</u> | <u>\$ 181,063</u> | <u>\$ 181,063</u> |

Note: Such capital surplus may be used to offset a deficit, or, when the Company has no deficit, to distribute cash or stock capital, provided that the capital reserve shall be no more than a certain percentage of the Company's share capital each year.

(III) Retained earnings and dividend policy

According to the earnings distribution policy of the Company, any earnings at the end of the year are subject to tax, and reimbursement of accumulated losses according to laws, followed by 10% of the earnings as legal reserve, and the remainder as provision or reverse of special reserves. If there are earnings remaining, together with the undistributed earnings, the board of directors is to draft a motion for earnings distribution and submit to the shareholders' meeting for resolution and distribution of dividends to shareholders. Please refer to Note XXI (VII) regarding the policy for remuneration to the employees and the directors as stipulated in the Company's Articles of Incorporation.

Furthermore, in accordance with the Company's Articles of Incorporation, the Company's dividend policy takes into consideration current and future development plans, investment environment, capital requirements, domestic and international competitive conditions, and shareholders' interests. The Company shall distribute no less than 20% of distributable

earnings as dividends to shareholders annually; however, when accumulated distributable earnings are less than 2% of paid-in capital, distribution may be waived. When distributing dividends to shareholders, distribution may be made in cash or stock, with cash dividends comprising no less than 10% of total dividends.

Appropriation of legal reserve shall be made until the balance is equivalent to the amount of the Company's share capital. Legal reserve may be used to offset a deficit. If the Company has no deficit, the portion of legal reserve that exceeds 25% of the share capital may be capitalized or distributed in cash.

The Company held shareholders' annual general meetings on June 5, 2025 and June 3, 2024. Earnings distribution proposals for 2024 and 2023 have been resolved and passed as follows:

| | 2024 | 2023 |
|---|----------------------|------------------|
| Legal reserve | <u>\$ 736</u> | <u>\$ 4,476</u> |
| Provision (reverse) of special reserves | (<u>\$ 65,908</u>) | <u>\$ 24,021</u> |
| Cash dividends | <u>\$ 36,750</u> | <u>\$ 23,100</u> |
| Cash dividend per share (NTD) | \$ 0.35 | \$ 0.22 |

(IV) Special reserves

| | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---|-------------------------------|-------------------------------|
| Balance at the beginning of the period | \$ 152,144 | \$ 128,123 |
| Provision (reverse) of special reserves | (<u>65,908</u>) | <u>24,021</u> |
| Balance at end of period | <u>\$ 86,236</u> | <u>\$ 152,144</u> |

Of which, NT\$39,767 thousand came from the recognition of the accumulated translation adjustments presented to the Company into retained earnings upon initial adoption of the IFRSs.

(V) Other equity items

1. Exchange differences on the translation of financial statements of foreign operations

| | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---|-------------------------------|-------------------------------|
| Balance at the beginning of the period | (\$ 107,724) | (\$ 178,536) |
| Exchange differences arising from the translation of the net assets of foreign operations | (<u>86,531</u>) | <u>33,725</u> |
| Balance at end of period | (<u>\$ 194,255</u>) | (<u>\$ 144,811</u>) |

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

| | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|--|-------------------------------|-------------------------------|
| Balance at the beginning of the period | \$ 21,487 | \$ 26,391 |
| Incurred in the current period | | |
| Unrealized gain or loss | | |
| Equity instruments | (4,341) | 4,944 |
| Balance at end of period | <u>\$ 17,146</u> | <u>\$ 31,335</u> |

XX. Income

(I) Revenue from contracts

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Revenue from contracts with customers | | | | |
| Revenue from sale of goods | <u>\$ 527,463</u> | <u>\$ 456,645</u> | <u>\$ 977,449</u> | <u>\$ 899,988</u> |

(II) Balance of contract

| | June 30, 2025 | December 31, 2024 | June 30, 2025 | January 1, 2024 |
|----------------------------|---------------|-------------------|---------------|-----------------|
| Contract liabilities | | | | |
| Revenue from sale of goods | <u>\$ 893</u> | <u>\$ 917</u> | <u>\$ 159</u> | <u>\$ 349</u> |

(III) Breakdown of revenue from contracts with customers

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>Main regional markets</u> | | | | |
| USA | \$ 255,067 | \$ 214,432 | \$ 479,113 | \$ 398,780 |
| Germany | 96,280 | 91,565 | 174,317 | 179,547 |
| China | 73,268 | 48,568 | 133,495 | 120,007 |
| Taiwan | 21,599 | 19,109 | 39,201 | 43,664 |
| Others | <u>81,249</u> | <u>82,971</u> | <u>151,323</u> | <u>157,990</u> |
| | <u>\$ 527,463</u> | <u>\$ 456,645</u> | <u>\$ 977,449</u> | <u>\$ 899,988</u> |

XXI. Net income and other comprehensive income

(I) Income from interest

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Income from interest | | | | |
| Deposits in banks | <u>\$ 1,232</u> | <u>\$ 2,889</u> | <u>\$ 1,657</u> | <u>\$ 4,388</u> |

(II) Other income

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|--------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Deferred government subsidies income | \$ 333 | \$ 352 | \$ 687 | \$ 698 |
| Rental income | <u>56</u> | <u>-</u> | <u>227</u> | <u>-</u> |
| | <u>\$ 389</u> | <u>\$ 352</u> | <u>\$ 914</u> | <u>\$ 698</u> |

(III) Other gains and losses

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Net (loss)gains on foreign exchange | (\$ 42,193) | \$ 8,816 | (\$ 30,813) | \$ 28,653 |
| Net gains on financial assets measured at fair value through profit or loss | 71 | 95 | 150 | 194 |
| Net (loss) profit from disposal of property, plant and equipment | (489) | 35,509 | 395 | 35,471 |
| Loss from lease modification | - | (13,152) | - | (13,152) |
| Others | (575) | (802) | (275) | (2,785) |
| | <u>(\$ 43,186)</u> | <u>\$ 30,466</u> | <u>(\$ 30,543)</u> | <u>\$ 48,381</u> |

(IV) Financial cost

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|-------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Interest of bank loans | \$ 4,868 | \$ 4,828 | \$ 9,563 | \$ 9,563 |
| Interest on lease liabilities | 26 | 7 | 50 | 19 |
| | <u>\$ 4,894</u> | <u>\$ 4,835</u> | <u>\$ 9,613</u> | <u>\$ 9,582</u> |

(V) Depreciation and amortization

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Depreciation expense summarized by function | | | | |
| Operating cost | \$ 25,412 | \$ 28,955 | \$ 53,332 | \$ 59,413 |
| Operating expenses | 14,009 | 13,929 | 28,149 | 25,469 |
| | <u>\$ 39,421</u> | <u>\$ 42,884</u> | <u>\$ 81,481</u> | <u>\$ 84,882</u> |
| Amortization expense summarized by function | | | | |
| Operating cost | \$ 102 | \$ 92 | \$ 203 | \$ 206 |
| Operating expenses | 4,033 | 4,487 | 7,957 | 8,754 |
| | <u>\$ 4,135</u> | <u>\$ 4,579</u> | <u>\$ 8,160</u> | <u>\$ 8,960</u> |

(VI) Employee benefit expenses

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|--------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>Benefits after retirement</u> | | | | |
| Defined contribution plan | \$ 1,490 | \$ 1,668 | \$ 2,988 | \$ 3,317 |
| Defined benefit plan (Note XVIII) | 262 | 364 | 527 | 873 |
| | 1,752 | 2,032 | 3,515 | 4,190 |
| Other employee benefits | 115,768 | 113,909 | 223,930 | 222,200 |
| Total employee benefit expenses | <u>\$ 117,520</u> | <u>\$ 115,941</u> | <u>\$ 227,445</u> | <u>\$ 226,390</u> |
| Summarized by function | | | | |
| Operating cost | \$ 75,395 | \$ 62,781 | \$ 125,318 | \$ 120,795 |
| Operating expenses | 42,125 | 53,160 | 102,127 | 105,595 |
| | <u>\$ 117,520</u> | <u>\$ 115,941</u> | <u>\$ 227,445</u> | <u>\$ 226,390</u> |

(VII) Employees' compensation and directors' remuneration

According to the Company's Articles of Incorporation, the employees' and directors' remuneration are allocated based on 12%~16% and no more than 6% of the pre-tax income before deduction of the employees' and directors' remuneration, respectively. In accordance with the August 2024 amendments to the Securities and Exchange Act, the Company expects to amend its Articles of Incorporation at the 2025 shareholders' meeting to stipulate that no less than 30% of the employee compensation appropriated for the current year shall be distributed as compensation to entry level employees. For the period from January 1 to June 30, 2025, there was an operating loss; therefore, no employee compensation and directors' compensation were estimated. For the periods from April 1 to June 30, 2024 and from January 1 to June 30, 2024, employees' compensation and directors' remuneration were accrued at 12% and 3%, respectively, of the aforementioned profit before tax. The accrued amounts are as follows:

Amount

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Compensation to employees | (\$ 536) | \$ 78 | \$ - | \$ 78 |
| Remuneration to directors | (\$ 134) | \$ 20 | \$ - | \$ 20 |

If there is a change in the actual amount of remuneration after the Consolidated Financial Statements were authorized for issue, the difference is treated as a change in accounting estimate and adjusted into the books in the following year.

The remuneration to employees and directors for 2024 and 2023 were approved by the Board of Directors on March 10, 2025 and March 11, 2024, respectively, as follows:

| | 2024 | | 2023 | |
|---------------------------|----------|-----------------|----------|-----------------|
| | Cash | Shares of stock | Cash | Shares of stock |
| Compensation to employees | \$ 1,156 | \$ - | \$ 8,630 | \$ - |
| Remuneration to directors | 289 | - | 2,655 | - |

There is no difference between the actual amounts of employees' remuneration and directors' remuneration paid for 2024 and 2023 and the amounts recognized in the Consolidated Financial Statements for 2024 and 2023.

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

(VIII) Net (loss) gain on foreign currency exchange

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Total foreign exchange gains | \$ 20,898 | (\$ 3,646) | \$ 36,364 | \$ 30,524 |
| Total loss on foreign currency exchange | (63,091) | 12,462 | (67,177) | (1,871) |
| Net (loss) gains on foreign currency exchange | (\$ 42,193) | \$ 8,816 | (\$ 30,813) | \$ 28,653 |

XXII. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Income tax for the current period | | | | |
| Incurred in the current period | \$ 7,069 | \$ 6,112 | \$ 12,178 | \$ 6,963 |
| Surtax on undistributed retained earnings | (1,789) | - | - | - |
| Adjustments for previous year | - | 2,977 | - | 2,977 |
| | 5,280 | 9,089 | 12,178 | 9,940 |
| Deferred income tax | | | | |
| Incurred in the current period | (11,321) | (339) | (13,321) | (4,301) |
| Income tax (benefit)expenses recognized in profit or loss | (\$ 6,041) | \$ 8,750 | (\$ 1,143) | \$ 5,639 |

(II) Authorization of income tax

The Company 's profit-seeking enterprise income tax returns up to 2022 have been approved by the tax collection authority.

XXIII. Net income (loss) per share

Unit: NTD per share

| | Before retrospective adjustment | | After retrospective adjustment | |
|-----------------------------------|---------------------------------|-----------------------------|--------------------------------|-------------------------------|
| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
| Basic net income (loss) per share | (\$ 0.19) | \$ 0.13 | (\$ 0.19) | (\$ 0.02) |
| Diluted net income per share | | \$ 0.13 | | |

The net income(loss) and weighted average number of ordinary shares used to calculate net income(loss) per share are as follows:

Net income(loss)

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Net income (loss) used in the calculation of basic and diluted net income(loss) per share | (\$ 20,196) | \$ 13,584 | (\$ 20,214) | (\$ 1,851) |

Number of shares

Unit: Thousand shares

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Weighted average common stock shares used to calculate basic net income (loss) per share | 105,001 | 105,001 | 105,001 | 105,001 |
| Effect of potentially dilutive ordinary shares: | | | | |
| Compensation to employees | - | 4 | - | - |
| Weighted average common stock shares used to calculate diluted net income per share | 105,001 | 105,005 | 105,001 | 105,001 |

The Group can elect to distribute employees' compensation by stock or by cash. If compensation is in the form of shares, when calculating the diluted net income (loss) per share, the Company should presume that the entire amount of compensation will be settled in shares, and the resulting potential shares should be included in the weighted-average number of shares outstanding to be used in calculating diluted net income (loss) per share if the shares have a dilutive effect. The dilutive effects of the potential shares needs to be included in the calculation of diluted net income (loss) per share until the shareholders resolve the number of shares to be distributed to employees' in the following year.

XXIV. Government subsidies

Guangzhou ABC Company has acquired the “Special Fund for Advanced Manufacturing Development” government subsidy of RMB 2,315 thousand. It is recognized as deferred revenue. The deferred revenue is transferred to profit and loss within the limited durability of the related assets. As of June 30, 2025 and 2024, a total of RMB157 thousand and RMB159 thousand were recognized as subsidy income.

XXV. Capital risk management

The Group manages capital to ensure the Group’s enterprises to maximize shareholder’s returns by optimizing the balance of debt and equity under the precondition of continuing operation. The capital structure of the Group is composed of the Group's equity (i.e. share capital, additional paid-in capital, retained earnings, and other equity items).

XXVI. Financial Instruments

(I) Fair value information - Financial instruments that are not measured at fair value

The financial assets not at fair value and the book value of financial liabilities were considered by the Group's management to be close to their fair value and have no reliable, fair value measurement.

(II) Fair value - financial instruments at fair value on a recurring basis

1. Fair value hierarchy

June 30, 2025

| | Class 1 | Class 2 | Class 3 | Total |
|---|-----------|-----------|---------|-----------|
| Financial assets measured at fair value through profit or loss | | | | |
| Financial products | \$ - | \$ 21,304 | \$ - | \$ 21,304 |
| Financial assets at fair value through other comprehensive income | | | | |
| TWSE(TPEX) domestic listed companies' stocks | \$ 29,944 | \$ - | \$ - | \$ 29,944 |

December 31, 2024

| | <u>Class 1</u> | <u>Class 2</u> | <u>Class 3</u> | <u>Total</u> |
|---|------------------|------------------|----------------|------------------|
| Financial assets measured at fair value through profit or loss | | | | |
| Financial products | \$ <u>-</u> | \$ <u>23,170</u> | \$ <u>-</u> | \$ <u>23,170</u> |
| Financial assets at fair value through other comprehensive income | | | | |
| TWSE(TPEX) domestic listed companies' stocks | \$ <u>34,285</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>34,285</u> |

June 30, 2024

| | <u>Class 1</u> | <u>Class 2</u> | <u>Class 3</u> | <u>Total</u> |
|---|------------------|------------------|----------------|------------------|
| Financial assets measured at fair value through profit or loss | | | | |
| Financial products | \$ <u>-</u> | \$ <u>22,820</u> | \$ <u>-</u> | \$ <u>22,820</u> |
| Financial assets at fair value through other comprehensive income | | | | |
| TWSE(TPEX) domestic listed companies' stocks | \$ <u>44,133</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>44,133</u> |

There were no transfers between Class 1 and Class 2 fair value measurements in January 1 to June 30 of 2025 and 2024.

(III) Type of financial instrument

| | <u>June 30, 2025</u> | <u>December 31, 2024</u> | <u>June 30, 2024</u> |
|---|----------------------|--------------------------|----------------------|
| <u>Financial assets</u> | | | |
| Measured at fair value through profit or loss | \$ 21,304 | \$ 23,170 | \$ 22,820 |
| Measured at fair value through other comprehensive income | 29,944 | 34,285 | 44,133 |
| Measured at amortized cost (Note 1) | 1,077,361 | 1,046,876 | 1,100,697 |
| <u>Financial liabilities</u> | | | |
| Measured at amortized cost (Note 2) | 1,469,358 | 1,466,003 | 1,529,559 |

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes and accounts receivable, accounts receivable - related parties, other receivables, and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, short-term notes payable, notes and accounts payable, other payables (excluding dividends payable), and long-term borrowings (including current portion of long-term borrowings).

(IV) Financial risk management objective and policies

The Group's primary financial instruments include equity investment, accounts receivable, accounts payable, borrowings, and lease liabilities. The Group's financial management department shall provide services to each business unit, to plan and coordinate operations in the domestic financial markets, and to monitor and manage the Group's operation-related financial risks through the internal risk report, with the risk exposure analyzed in accordance with the degree and breadth of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The financial management department is an independent organization dedicated exclusively to monitoring risks and implementing policies to mitigate risk exposure and it reports to ABC Taiwan's Board of Directors quarterly.

1. Market risk

The main financial risks for the Group's operating activities are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below).

The exposure of the market risk of the financial instruments of the Group and the management and measurement of such exposure risk remain unchanged.

(1) Currency risk

Part of the Group's cash inflows and outflows are denominated in foreign currencies, and therefore part of them have a natural hedging effect. The Group's management of currency risk is for hedging and not for profit seeking.

For the book values of monetary assets and monetary liabilities denominated in non-functional currencies of the Group as at the balance sheet date, please refer to Note XXIX for details.

Sensitivity analysis

The Group is mainly affected by fluctuations in the exchange rates of USD and CNY.

The following table details the consolidated company's sensitivity analysis when the New Taiwan dollar (functional currency) increases and decreases by 5% against each relevant foreign currency. The sensitivity analysis included only the outstanding foreign currency monetary items and foreign exchange forward contracts designated as cash flow hedges, and the conversion at the end of the period was adjusted based on a 5% change in exchange rates. The scope of sensitivity analysis includes cash and cash equivalents, accounts receivable (including related parties), other receivables, accounts payable, and other payables. The positive numbers in the table below indicate the amount by which

the net profit (loss) before tax will increase (decrease) when NTD depreciates by 5% against the relevant foreign currencies. When NTD appreciates by 5% against the relevant foreign currencies, the effect on net profit before tax will be the negative number of the same amount.

| | Effect of US Dollars | | Effect of Renminbi | |
|---------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | January 1 to June 30, 2025 | January 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
| Income (loss) | \$ 19,301 | \$ 21,581 | (\$ 6,658) | (\$ 5,796) |

The management believes that the sensitivity analysis cannot represent the inherent risk of exchange rate, as foreign currency risk exposure at the balance sheet date cannot reflect the risk exposure at mid-year.

(2) Interest rate risks

Because individual entities within the Group borrow funds at fixed and floating interest rates at the same time, interest rate risks can arise.

The book value of financial assets and liabilities of the Group with interest rate exposure on the balance sheet date is as follows:

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|-------------------------------|---------------|-------------------|---------------|
| Fair value interest rate risk | | | |
| - Financial assets | \$ 29,300 | \$ 32,785 | \$ 64,900 |
| - Financial liabilities | 132,168 | 171,727 | 140,621 |
| Cash flow interest rate risk | | | |
| - Financial assets | 641,245 | 711,460 | 686,031 |
| - Financial liabilities | 994,850 | 935,960 | 1,016,844 |

Sensitivity analysis

The following sensitivity analysis are based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. The analysis of floating rate liabilities is based on the assumption that the amount of liabilities outstanding on the balance sheet date is outstanding throughout the reporting period.

If the interest rate decreased/increased by 0.1%, with all other variables remaining unchanged, the Group's net income before tax in January 1 to June 30 of 2025 and 2024, would increase/decrease by NTD177 thousand and NTD165 thousand, respectively, mainly due to the Group's variable interest rate/net asset interest rate exposure.

(3) Other price risk

The Group's exposure to the equity price risk is due to the investment in the TWSE/TPEX listed equity securities. The equity investment was not held for trading but was classified as a strategic investment. The Group does not trade such investments actively. The Group's equity price risk is mainly concentrated on equity instruments in the electronics industry, which are traded on Taiwan Stock Exchanges and TPEX.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risk exposure at the balance sheet date.

If the equity price increased/decreased by 5%, other comprehensive income before tax in January 1 to June 30 of 2025 and 2024 would have increased/decreased by NTD1,497 thousand and NTD2,207 thousand, respectively, due to changes in the fair value of financial assets through other comprehensive income.

2. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in financial loss for the Group. As of the balance sheet date, the Group's maximum credit risk of financial losses may be caused by counterparties' failure to fulfill obligations. The risk exposure mainly comes from the book value of financial assets recognized in the Consolidated Statements Of Balance Sheets.

To mitigate the credit risk, the Group's management has designated a team responsible for determining the line of credit cap, loan approval and adopting other adequate monitoring procedures, through which to ascertain if adequate action has been taken on recalling overdue receivables. Meanwhile, the Group reviews the recoverable amount of each receivable on the balance sheet date to recognize appropriate impairment loss for the unrecoverable receivables. Hence, the Group's management believes that the Group's credit risks have been significantly reduced.

In addition, because the counterparty of the current fund is a reputable bank, the credit risk is limited.

The Group's credit risk is mainly concentrated in the top ten consolidated customers. As of June 30, 2025, December 31 and June 30 2024, the ratio of the total accounts receivable from the aforementioned customers was 79%, 67% and 71%, respectively.

3. Liquidity risk

The Group manages and maintains sufficient positions of cash and cash equivalents to pay for the Group's operations and mitigate the impact of fluctuating cash flows. The management of the Group supervises the utilization of the banking facilities and ensures compliance with the terms of the loan contract.

Bank borrowings were an important source of liquidity for the Group. For the bank financing facilities not drawn down by the Group, please refer to the description of (2) financing facilities below.

(1) Liquidity and interest rate risk tables for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the consolidated company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings that the consolidated company could be demanded to repay immediately were listed in the earliest time period of the below table, regardless of the probability of the bank executing the right. Maturity analysis of other non-derivative financial liabilities was compiled based on the agreed repayment date.

June 30, 2025

| | Weighted average effective interest rate (%) | Payment on demand or less than 1 month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | More than 5 years |
|---|---|--|-------------------|-----------------------|-------------------|----------------------|
| <u>Non-derivative financial liabilities</u> | | | | | | |
| Non-interest bearing liabilities | - | \$ 192,313 | \$ 138,087 | \$ 42,821 | \$ - | \$ - |
| Floating interest rate instruments | 0.64~2.20 | 112,093 | 137,749 | 125,172 | 569,396 | 91,313 |
| Fixed interest rate instruments | 1.86~1.87 | 130,202 | - | - | - | - |
| Lease liabilities | 1.56~5.00 | 141 | 272 | 1,040 | 776 | - |
| | | <u>\$ 434,749</u> | <u>\$ 276,108</u> | <u>\$ 169,033</u> | <u>\$ 570,172</u> | <u>\$ 91,313</u> |

Further information on maturity analysis of the undiscounted total payments of lease liabilities is as follows:

| | Less than 1 year | 1 to 5 years | 5 to 10 years | 10 to 15 years | 15 to 20 years | More than 20 years |
|-------------------|---------------------|---------------|---------------|----------------|----------------|-----------------------|
| Lease liabilities | <u>\$ 1,453</u> | <u>\$ 776</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

December 31, 2024

| | Weighted average effective interest rate (%) | Payment on demand or less than 1 month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | More than 5 years |
|---|---|--|-------------------|-----------------------|-------------------|----------------------|
| <u>Non-derivative financial liabilities</u> | | | | | | |
| Non-interest bearing liabilities | - | \$ 150,399 | \$ 154,171 | \$ 47,292 | \$ - | \$ - |
| Floating interest rate instruments | 0.64~2.19 | 13,357 | 85,567 | 220,918 | 540,963 | 120,093 |
| Fixed interest rate instruments | 1.87~1.99 | 80,220 | 90,282 | - | - | - |
| Lease liabilities | 1.56~5.00 | 143 | 273 | 909 | 496 | - |
| | | <u>\$ 244,119</u> | <u>\$ 330,293</u> | <u>\$ 269,119</u> | <u>\$ 541,459</u> | <u>\$ 120,093</u> |

Further information on maturity analysis of the undiscounted total payments of lease liabilities is as follows:

| | Less than 1 year | 1 to 5 years | 5 to 10 years | 10 to 15 years | 15 to 20 years | More than 20 years |
|-------------------|---------------------|---------------|---------------|----------------|----------------|-----------------------|
| Lease liabilities | <u>\$ 1,325</u> | <u>\$ 496</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

June 30, 2024

| | Weighted average effective interest rate (%) | Payment on demand or less than 1 month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | More than 5 years |
|---|--|---|-------------------|-----------------------|-------------------|----------------------|
| <u>Non-derivative financial liabilities</u> | | | | | | |
| Non-interest bearing liabilities | - | \$ 172,606 | \$ 138,406 | \$ 76,683 | \$ - | \$ - |
| Floating interest rate instruments | 0.64~2.26 | 35,276 | 162,656 | 245,065 | 467,268 | 153,215 |
| Fixed interest rate instruments | 1.82~2.00 | 140,167 | - | - | - | - |
| Lease liabilities | 1.56~5.00 | 93 | 177 | 387 | 10 | - |
| | | <u>\$ 348,142</u> | <u>\$ 301,239</u> | <u>\$ 322,135</u> | <u>\$ 467,278</u> | <u>\$ 153,215</u> |

Further information on maturity analysis of the undiscounted total payments of lease liabilities is as follows:

| | Less than 1 year | 1 to 5 years | 5 to 10 years | 10 to 15 years | 15 to 20 years | More than 20 years |
|-------------------|---------------------|--------------|---------------|----------------|----------------|-----------------------|
| Lease liabilities | <u>\$ 657</u> | <u>\$ 10</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(2) Financing amount

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|---|---------------------|---------------------|---------------------|
| The secured bank loan facility may be extended upon mutual consent of both parties. | | | |
| - Amount used | \$ 258,060 | \$ 280,463 | \$ 303,936 |
| - Unutilized amount | <u>10,465</u> | <u>10,674</u> | <u>9,967</u> |
| | <u>\$ 268,525</u> | <u>\$ 291,137</u> | <u>\$ 313,903</u> |
| The unsecured bank loan facility may be extended upon mutual consent of both parties. | | | |
| - Amount used | \$ 869,707 | \$ 828,954 | \$ 856,136 |
| - Unutilized amount | <u>376,422</u> | <u>394,657</u> | <u>439,177</u> |
| | <u>\$ 1,246,129</u> | <u>\$ 1,223,611</u> | <u>\$ 1,295,313</u> |

XXVII. Related party transactions

All of the transactions, account balances, income and expense losses between the Company and subsidiaries (refer to as the related party) were eliminated. Thus, it is not disclosed in this Note. The transactions between the Group and other related party are as below.

(I) Names of related parties and their relationships

| Name of Related Party | Relationship with the Group |
|-----------------------|-----------------------------|
| Bourns, Inc. | Substantive related party |

(II) Operating revenues

| Account items | Category/name of related party | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|----------------|--------------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Sales revenues | Substantive related party | | | | |
| | Bourns, Inc. | <u>\$ 248,099</u> | <u>\$ 205,130</u> | <u>\$ 460,030</u> | <u>\$ 381,772</u> |

The sales of goods between the Group and related parties are performed based on general transaction rules.

(III) Receivables from related parties (not including loans to the related party)

| Account items | Category/name of related party | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|---------------------------------------|--------------------------------|-------------------|-------------------|-------------------|
| Accounts receivable - related parties | Substantive related party | | | |
| | Bourns, Inc. | <u>\$ 161,209</u> | <u>\$ 107,910</u> | <u>\$ 138,931</u> |

No guarantee is collected for outstanding receivables from related parties. Receivables from related parties for January 1 to June 30, 2025 and 2024 are not yet listed as provision for allowance for losses. The collection period is open 60 to 120 days on a monthly basis.

(IV) Transactions with other related parties

| Account items | Category/name of related party | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|----------------|---|--------------------------|--------------------------|----------------------------|----------------------------|
| Other income | Substantive related party Bourns, Inc. | \$ - | \$ 138 | \$ - | \$ 138 |
| Other expenses | Substantive related party Bourns, Inc. | \$ 1,139 | (\$ 66) | \$ 1,139 | \$ 2,001 |

(V) Remuneration to the management

| | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|------------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Short-term employee benefits | \$ 7,734 | \$ 9,237 | \$ 15,995 | \$ 18,046 |
| Benefits after retirement | 215 | 250 | 426 | 477 |
| | <u>\$ 7,949</u> | <u>\$ 9,487</u> | <u>\$ 16,421</u> | <u>\$ 18,523</u> |

The remuneration to directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXVIII. Assets pledged as collateral

In addition to those disclosed in other notes, the following assets have been provided as collateral for bankers' acceptances and long-term bank borrowings:

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--------------------------|-------------------|-------------------|-------------------|
| Land | \$ 348,769 | \$ 351,512 | \$ 348,093 |
| Housing and construction | <u>382,523</u> | <u>392,628</u> | <u>389,834</u> |
| | <u>\$ 731,292</u> | <u>\$ 744,140</u> | <u>\$ 737,927</u> |

XXIX. Significant assets and liabilities denominated in foreign currencies

The following information is aggregated by foreign currencies other than the functional currency of each entity of the Group. The disclosed exchange rates refer to the exchange rates at which the foreign currencies were converted into functional currencies. Significant assets and liabilities denominated in foreign currencies are as follows:

June 30, 2025

| | Foreign currency | Exchange rate | Book value |
|--|------------------|--------------------|------------|
| Assets denominated in foreign currencies | | | |
| <u>Monetary items</u> | | | |
| US Dollars | \$ 12,759 | 29.3000 (USD: NTD) | \$ 373,844 |
| US Dollars | 1,017 | 4.3793 (USD: MYR) | 29,787 |
| Euros | 4,935 | 34.3500 (EUR: NTD) | 169,507 |
| Euros | 364 | 5.1341 (EUR: MYR) | 12,497 |
| Renminbi | 11,337 | 4.0830 (RMB: NTD) | 46,290 |
| NTD | 10,005 | 0.1495 (NTD: MYR) | 10,005 |

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| Liabilities denominated in foreign currencies | | | | | |
|---|----|--------|--------------------|----|---------|
| <u>Monetary items</u> | | | | | |
| US Dollars | \$ | 477 | 29.3000 (USD: NTD) | \$ | 13,968 |
| Renminbi | | 43,951 | 4.0830 (RMB: NTD) | | 179,453 |

December 31, 2024

| | Foreign currency | | Exchange rate | | Book value | |
|---|------------------|--------|--------------------|--|------------|---------|
| Assets denominated in foreign currencies | | | | | | |
| <u>Monetary items</u> | | | | | | |
| US Dollars | \$ | 10,487 | 32.7850 (USD: NTD) | | \$ | 343,805 |
| US Dollars | | 2,835 | 4.6402 (USD: MYR) | | | 92,935 |
| EUR | | 3,138 | 34.1400 (EUR: NTD) | | | 107,143 |
| RMB | | 13,482 | 4.4470 (RMB: NTD) | | | 60,263 |
| NTD | | 10,955 | 0.1415 (NTD: MYR) | | | 10,955 |

| Liabilities denominated in foreign currencies | | | |
|---|--------|--------------------|---------|
| <u>Monetary items</u> | | | |
| US Dollars | 317 | 32.7850 (USD: NTD) | 10,380 |
| RMB | 35,325 | 4.4470 (RMB: NTD) | 157,902 |

June 30, 2024

| | Foreign currency | Exchange rate | Book value |
|---|------------------|--------------------|------------|
| Assets denominated in foreign currencies | | | |
| Monetary items | | | |
| US Dollars | \$ 12,106 | 32.4500 (USD: NTD) | \$ 392,847 |
| US Dollars | 2,247 | 4.9182 (USD: MYR) | 72,916 |
| Euros | 4,243 | 34.7100 (EUR: NTD) | 147,290 |
| Euros | 490 | 5.2607 (EUR: MYR) | 17,000 |
| Renminbi | 9,729 | 4.4370 (RMB: NTD) | 43,168 |
| NTD | 13,357 | 0.1516 (NTD: MYR) | 13,357 |

| Liabilities denominated in foreign currencies | | | |
|---|--------|--------------------|---------|
| <u>Monetary items</u> | | | |
| US Dollars | 530 | 32.4500 (USD: NTD) | 17,191 |
| US Dollars | 424 | 4.9182 (USD: MYR) | 13,744 |
| Renminbi | 35,854 | 4.4370 (RMB: NTD) | 159,084 |

For April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024, the Group's net (loss)profit on foreign currency exchanged (realized and unrealized) were NTD(42,193) thousand, NTD8,816 thousand, NTD(30,813) thousand and NTD28,653 thousand, respectively. It is impossible to disclose exchange gains and losses by different currencies based on the significant impacts due to the variety of functional currencies used by the Group.

XXX. Disclosures in notes

(I) Information about significant transactions:

- Loans to others: None.
- Endorsements and guarantees for others: None.
- Marketable securities held at the end of the period (excluding investment in subsidiaries, associates, and joint ventures):

Unit: NTD thousand, unless stated otherwise

| Company held | Type of marketable securities | Name of marketable securities | Relationship with issuer of securities | Accounting titles in book | End of period | | | | Remarks |
|------------------------|-------------------------------|---|--|---|------------------|------------|-----------------------------|-----------------------|---------|
| | | | | | Number of shares | Book value | Percentage of Ownership (%) | Fair value/book value | |
| The Company | Shares of stock | PROSPERITY DIELECTRICS CO., LTD. | — | Financial assets at fair value through other comprehensive income | 803,880 | \$ 29,944 | 0.47 | \$ 29,944 (Note) | — |
| ABC (Shanghai) Company | Financial products | Bank of Shanghai - Bank of Shanghai Winner RMB Financial Products | — | Financial assets measured at fair value through profit or loss | - | 21,304 | - | 21,304 | — |

Note: Calculated based on the stock closing price on June 30, 2025.

- Amount on purchase from and sale to related parties reaching NT\$100 million or more than 20% of the Paid-in capital:

Unit: NTD thousand, unless stated otherwise

| Purchasing (selling) company | Counterparty | Relationship | Status of transactions | | | | Trading terms different from general trade and reasons | | Notes and accounts receivable (payable) | | Remarks |
|------------------------------|-----------------------|--|----------------------------|------------|-------------------------------------|-------------------------------|--|--------------------------|---|--|---------|
| | | | Purchasing (selling) goods | Amount | Percentage of total purchase (sale) | Credit period | Unit price | Credit period | Balance | As a percentage of total notes and accounts receivable (payable) | |
| The Company | Guangzhou ABC Company | Third-tier subsidiaries held 100% by the Company | Purchase goods | \$ 531,125 | 82% | Monthly settlement of 60 days | Same as Note XXX(I) 6. | Same as Note XXX(I) 6. | (\$ 139,091) | (57%) | — |
| | Bourns, Inc. | Substantive related party of the Company | Sales of goods | 460,030 | 47% | Monthly settlement of 60 days | Same as Note XXVII (II) | Same as Note XXVII (III) | 161,209 | 48% | — |

- Accounts receivable from related parties reaching NT\$ 100 million or more than 20% of the paid-in capital:

Unit: NTD thousand, unless stated otherwise

| The company that accounts for the accounts receivable | Name of counterparty | Relationship | Balance for receivables from related parties | Turnover | Overdue accounts receivable from related parties | | Subsequent recovery of receivables from related parties | Allowance for Doubtful Accounts |
|---|----------------------|---------------------------|--|----------|--|-----------------|---|---------------------------------|
| | | | | | Amount | Disposal method | | |
| The Company | Bourns Inc | Substantive related party | \$ 161,209 | 6.84 | \$ - | — | \$ 101,491 | \$ - |
| Guangzhou ABC Company | The Company | Parent company | 139,091 (Note) | 7.60 | - | — | 64,846 | - |

Note: Eliminated in full in the consolidated financial statements.

- Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them:

| Unit: NTD thousand, unless stated otherwise | | | | | | |
|---|--------------------------|---|-------------------------------------|------------|--|--|
| | | Relationship with the counterparty (Note I) | Status of transaction | | Trading terms and conditions (Note II) | Percentage in consolidated total revenue or total assets |
| Name | Counterparty | | Accounting titles | Amount | | |
| January 1 to June 30, 2025 | | | | | | |
| The Company | Guangzhou ABC Company | 1 | Purchases | \$ 531,125 | - | 54% |
| | | 1 | Accounts payable to related parties | 139,091 | - | 5% |
| | AOBA | 1 | Purchases | 31,663 | - | 3% |
| | Shanghai Qianchi Company | 1 | Purchases | 40,621 | - | 4% |
| | | 1 | Accounts payable to related parties | 38,585 | - | 1% |
| AIC | ABC (Shanghai) Company | 3 | Other receivables - related parties | 20,415 | - | 1% |
| ABC (Shanghai) Company | Guangzhou ABC Company | 3 | Purchases | 16,195 | - | 2% |
| | | 3 | Sales | 71,893 | - | 7% |

Note 1: 1 Refers to transactions by parent company to subsidiary.

3 Refers to transactions between subsidiaries.

Note 2: The sales and purchases of goods between the Company and related parties are performed based on general transaction rules and there are no other related product prices available for comparison. The payment period is from 30 to 60 days on a monthly basis while the collection period is from 60 to 120 days on a monthly basis. In order to cooperate with the operations of subsidiaries, the Company temporarily collects and pays accounts based on its funding status.

Note 3: The materiality threshold means that amounts less than NTD 10,000 thousand may be omitted from disclosure.

(II) Information about reinvestment business:

Unit: NTD thousand, unless stated otherwise

| Name of investment company | Name of investee company | Location of the Company | Main business items | Initial investment amount | | Held at the end of period | | | Gains (losses) on investees for the current period | Investment income (loss) recognized by the Company | Remarks |
|----------------------------|--------------------------|-------------------------|--|-----------------------------------|-----------------------------------|---------------------------|----------------|--------------|--|--|--------------------------------------|
| | | | | End of current period | End of last year | Number of shares | Percentage (%) | Book value | | | |
| The Company | AHC | Mauritius | Reinvestment of the holding company in Mainland China | US\$ 33,004 Thousand (\$ 967,017) | USD 33,004 Thousand (\$1,082,036) | 33,184,161 | 100 | \$ 1,115,374 | (\$ 46,651) | (\$ 44,626) | Subsidiary of the Company |
| | AAE | USA | Trading of electronic components | US\$ 100 Thousand (\$ 3,077) | USD 105 Thousand (\$ 3,442) | 220,000 | 100 | 1,310 | 261 | 261 | Subsidiary of the Company |
| AHC | AUC | Mauritius | Reinvestment of the holding company in Mainland China | US\$ 6,274 Thousand (\$ 183,828) | USD 6,274 Thousand (\$ 205,693) | 6,274,457 | 100 | 484,026 | 5,628 | 5,628 | Sub-subsidiaries of the Company |
| | AIC | Mauritius | Reinvestment of the holding company in Mainland China | US\$ 5,691 Thousand (\$ 166,746) | USD 5,691 Thousand (\$ 186,579) | 5,110,938 | 100 | 245,079 | 677 | 677 | Sub-subsidiaries of the Company |
| | AOBA | Malaysia | Manufacture, processing, and sale of electronic machine components, etc. | US\$ 21,078 Thousand (\$ 617,585) | USD 21,078 Thousand (\$ 691,042) | 67,022,080 | 100 | 381,552 | (52,402) | (52,402) | Sub-subsidiaries of the Company |
| AUC | Guangzhou ABC Company | Guangzhou City, China | Manufacture, processing, and sale of electronic machine components, etc. | US\$ 6,274 Thousand (\$ 183,828) | USD 6,274 Thousand (\$ 205,693) | - | 100 | 484,026 | 5,628 | 5,628 | Third-tier subsidiary of the Company |
| AIC | ABC (Shanghai) Company | Shanghai City, China | Manufacture, processing, and sale of electronic machine components, etc. | US\$ 5,691 Thousand (\$ 166,746) | USD 5,691 Thousand (\$ 186,579) | - | 100 | 194,140 | 2,541 | 2,541 | Third-tier subsidiary of the Company |
| | Shanghai Qianchi Company | Shanghai City, China | Sale of electronic machine components, etc. | US\$ 959 Thousand (\$ 28,099) | - | - | 100 | 30,539 | 2,039 | 2,039 | Third-tier subsidiary of the Company |

(III) Investment in Mainland China:

- The name of the investee company in Mainland China, the main businesses and products, its paid-in capital, method of investment, information on inflow and outflow of capital, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area.

Unit: NTD thousand, unless stated otherwise

| Name of investees in Mainland China | Main business Items | Paid-in capital | Method of investment | Accumulated Investment Amount from Taiwan at Beginning of Period | Investment amount for outward remittance or recovered in the current period | | Accumulated Investment Amount from Taiwan at End of Period | Gains (losses) on investees for the current period | The Company's shareholding percentage by direct or indirect investment (Note II) | Recognition of investment gain (loss) in the current period (Note II) | Book value of investments at end of period (Note II) | Investment income remitted back as of the current period |
|-------------------------------------|--|----------------------------------|----------------------|--|---|----------|--|--|--|---|--|--|
| | | | | | Outward remittance | Withdraw | | | | | | |
| Guangzhou ABC Company | Manufacture, processing, and sale of electronic machine components, etc. | US\$ 6,274 Thousand (\$ 183,828) | Note 1 | US\$ 3,479 Thousand (\$ 101,935) | \$ - | \$ - | US\$ 3,479 Thousand (\$ 101,935) | \$ 5,628 | 100% | \$ 5,628 | \$ 484,026 | \$ - |
| ABC (Shanghai) Company | Manufacture, processing, and sale of electronic machine components, etc. | US\$ 5,691 Thousand (\$ 166,746) | Note 1 | US\$ 5,691 Thousand (\$ 166,746) | - | - | US\$ 5,691 Thousand (\$ 166,746) | 2,541 | 100% | 2,541 | 194,140 | US\$ 959 Thousand (\$ 28,099) |
| Shanghai Qianchi Company | Sale of electronic machine components, etc. | US\$ 959 Thousand (\$ 28,099) | Note 1 | - | US\$ 959 Thousand (\$ 28,099) | - | US\$ 959 Thousand (\$ 28,099) | 2,039 | 100% | 2,039 | 30,539 | - |

| Accumulated investment from Taiwan to Mainland China at end of period | Investment Amount Approved by Investment Commission, Ministry of Economic Affairs (MOEA), R.O.C. | Upper limits of investment to Mainland China as specified by the Investment Commission, MOEA, R.O.C. |
|---|--|--|
| US\$10,129 thousand (\$296,780) | US\$11,076 thousand (\$324,527) | \$838,187 |

Note 1: Investing in companies in Mainland China through companies invested and incorporated in a third region.

Note 2: Calculated based on the financial statements reviewed by the independent auditors of the parent company in Taiwan and the consolidated shareholding ratio.

Note 3: Figures in this table that involve foreign currencies are converted into NTD at the exchange rate on the date of the financial reporting.

2. Any of the following significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Please refer to Note XXX (I) 6.

XXXI. Departmental information

This information is provided to the chief operating decision-maker for the purpose of allocating resources to the departments and to measure performances with a focus on the type of product or labor work delivered or provided. Departments of the Group to be reported are as follows:

Inductor Business Unit

Other departments

(I) Department revenue and operating results

The revenue and operating results of the continuing business unit of the Group are based on the analysis for the departments to be reported as follows:

| | Departmental revenue | | Departmental profit and loss | |
|--|----------------------------|----------------------------|------------------------------|----------------------------|
| | January 1 to June 30, 2025 | January 1 to June 30, 2024 | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
| Inductor Business Unit | \$ 963,742 | \$ 874,918 | \$ 224,442 | \$ 180,000 |
| Other departments | 13,707 | 25,070 | 634 | 559 |
| Total amount for continuing operations | <u>\$ 977,449</u> | <u>\$ 899,988</u> | 225,076 | 180,559 |
| Amount not yet amortized: | | | | |
| Operating expenses | | | (208,848) | (220,656) |
| Non-operating income and expenses | | | (37,585) | 43,885 |
| Pre-tax profit | | | (<u>\$ 21,357</u>) | <u>\$ 3,788</u> |

The revenues reported above are generated from external customer transactions. There have been no inter-department sales for January 1 to June 30, 2025 and 2024.

Departmental profit and loss refers to the profits made by each of the departments, not including operating expenses to be amortized and non-operating income and expenses. This measurement is provided to the chief operating decision-maker for the purpose of allocating resources to the departments and to measure performance.

(II) Departmental assets

The measurement of the Group assets have not been provided to the operating chief decision-maker. Hence, there is no disclosure of asset measurement amount.