

Stock Code: 2328

**PAN-INTERNATIONAL INDUSTRIAL CORP.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

JUNE 30, 2025 AND 2024

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'
REVIEW REPORT
JUNE 30, 2025 AND 2024
Table of Contents

Items	Page
I. Cover Page	1
II. Table of Contents	2
III. Independent Auditors' Review Report	3-5
IV. Consolidated Balance Sheets	6-7
V. Consolidated Statements of Comprehensive Income	8-9
VI. Consolidated Statements of Changes in Equity	10
VII. Consolidated Statements of Cash Flows	11
VIII. Notes to The Consolidated Financial Statements	12-68
(I) History and Organization	12
(II) Date and Procedures of Financial Report Approval	12
(III) Application of New Standards, Amendments and Interpretations	12-14
(IV) Summary of Material Accounting Policies	14-31
(V) Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty	31-32
(VI) Details of Significant Accounts	32-51
(VII) Related Party Transactions	49-54
(VIII) Pledged assets	54
(IX) Significant Contingent Liabilities and Unrecognized Contract Commitments	55
(X) Significant Disaster Loss	55
(XI) Significant Events After The Balance Sheet Date	55
(XII) Others	55-66
(XIII) Supplementary Disclosures	67
(XIV) Operating Segment Information	67-68

INDEPENDENT AUDITORS' REVIEW REPORT

(2025)Financial Audit Report No. 25001733

To the Board of Directors and Shareholders of Pan-International Industrial Corp.

Introduction

We have completed our review of the consolidated balance sheets of Pan-International Industrial Corp. and its subsidiaries as of June 30, 2025 and 2024, the consolidated statements of comprehensive income Three months ended June 30, 2025 and 2024 and Six months ended June 30, 2025 and 2024, and the consolidated statements of changes in equity and cash flows Six months ended June 30, 2025 and 2024, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies). According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, it is the responsibility of management to prepare and fairly present the consolidated financial statements. The responsibility of the independent auditors is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except for the matters described in the Basis for Qualified Conclusion paragraph, we conducted our review in accordance with Statement of Auditing Standards No. 2410 "Review of Financial Statements" of the Republic of China. A review of consolidated financial statements consists of making inquiries (primarily of persons responsible for financial and accounting matters), applying analytical procedures, and other review procedures. A review is substantially less in scope than an audit and consequently, the independent auditors may not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As described in Notes 4(3) and 6(7) to the consolidated financial statements, the financial statements of certain non-significant subsidiaries and investments accounted for using equity method included in the aforementioned consolidated financial statements for the same period were not reviewed by independent auditors. As of June 30, 2025 and 2024, their total assets were NT\$579,937 thousand and NT\$615,155 thousand respectively, representing 3% and 2% of the consolidated total assets (including investments accounted for using equity method); total liabilities were NT\$224,242 thousand and NT\$264,832 thousand respectively, representing 3% and 3% of the consolidated total liabilities; their comprehensive income (loss) Three months ended June 30, 2025 and 2024, and Six months ended June 30, 2025 and 2024 were losses of NT\$33,249 thousand, NT\$14,069 thousand, gain of NT\$9,552 thousand and loss of NT\$35,276 thousand respectively, representing 3%, (3%), (1%) and (4%) of the consolidated comprehensive income.

Conclusion

Based on our review results and the review reports of other accountants (please refer to Other Matters paragraph), except for possible adjustments to the consolidated financial statements that might have been determined had the financial statements of certain non-significant subsidiaries and investments accounted for using equity method been reviewed by certified public accountants as described in the Basis for Qualified Conclusion paragraph, we have not found any indication that the aforementioned consolidated financial statements have not been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission that would prevent them from presenting fairly the consolidated financial position of Pan-International Industrial Corp. and its subsidiaries as of June 30, 2025 and 2024, their consolidated financial performance Three months ended June 30, 2025 and 2024 and Six months ended June 30, 2025 and 2024, and their consolidated cash flows Six months ended June 30, 2025 and 2024.

Other Matter - Reference to Reviews of Other Independent Auditors

The financial statements of certain subsidiaries included in the consolidated financial statements of Pan-International Group were not reviewed by us but were reviewed by other independent auditors. We have performed necessary review procedures on the adjustments made to convert these subsidiaries' financial statements to conform with consistent accounting policies. Therefore, in our review report on the aforementioned consolidated financial statements, the amounts of these subsidiaries' financial statements before adjustments are based on the review reports of other independent auditors. The total assets of these subsidiaries as of June 30, 2025 and 2024 amounted to NT\$6,063,942 thousand and NT\$6,096,915 thousand, respectively, representing 26% and 24% of the consolidated total assets. The operating revenue Three months ended June 30, 2025 and 2024, and Six months ended June 30, 2025 and 2024 were NT\$1,652,425 thousand, NT\$1,642,796 thousand, NT\$3,661,717 thousand and NT\$3,236,003 thousand respectively, representing 29%, 30%, 32% and 32% of the consolidated operating revenue.

For and on Behalf of PricewaterhouseCoopers, Taiwan

Jen-Chieh Wu

CPA

Chieh-Ju Hsu

Financial Supervisory Commission Approval Number:

FSC-Securities-Review No. 1120348565

FSC-Securities-Review No. 1100348083

August 13, 2025

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

			June 30, 2025		December 31, 2024		June 30, 2024				
			Amount	%	Amount	%	Amount	%			
Assets											
Notes											
Current Assets											
1100	Cash and Cash Equivalents	6(1)	\$	6,407,049	28	\$	6,754,713	27	\$	6,564,051	26
1110	Financial Assets at Fair Value through Profit or Loss - Current	6(2)		190,675	1		11,767	-		11,225	-
1136	Financial Assets at Amortized Cost - Current	6(3) and 8		498,010	2		940,684	4		901,982	4
1150	Notes Receivable, Net	6(4)		353,033	2		425,217	2		206,598	1
1170	Accounts Receivable, Net	6(4)		3,262,636	14		3,391,375	14		3,550,328	14
1180	Accounts Receivable - Related Parties, Net	7		2,105,613	9		1,863,560	8		2,622,734	11
1200	Other Receivables			94,809	-		136,115	-		57,152	-
130X	Inventories	6(5)		3,474,340	15		3,793,072	15		3,648,180	15
1470	Other Current Assets			173,115	1		259,804	1		244,861	1
11XX	Total Current Assets			16,559,280	72		17,576,307	71		17,807,111	72
Non-current Assets											
1517	Financial Assets at Fair Value through Other Comprehensive Income - Non-current	6(6)		1,360,696	6		1,589,978	7		1,784,377	7
1535	Financial Assets at Amortized Cost - Non-current	6(3) and 8		291,636	1		290,000	1		290,000	1
1550	Investments Accounted for Using Equity Method	6(7) and 8		530,961	2		583,344	2		640,614	3
1600	Property, Plant and Equipment	6(8) and 8		3,548,781	16		3,830,436	16		3,572,423	14
1755	Right-of-use Assets	6(7), 7 and 8		407,473	2		471,685	2		519,808	2
1760	Net Investment Property	6(10) and 8		102,442	1		107,375	1		99,601	1
1780	Intangible Assets	6(11)		63,269	-		67,514	-		66,449	-
1840	Deferred Income Tax Assets			67,883	-		50,416	-		48,125	-
1900	Other Non-current Assets			80,598	-		71,049	-		72,473	-
15XX	Total Non-current Assets			6,453,739	28		7,061,797	29		7,093,870	28
1XXX	Total Assets		\$	23,013,019	100	\$	24,638,104	100	\$	24,900,981	100

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PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

			June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
Liabilities and Equity								
Current Liabilities								
2100	Short-term Borrowings	6(12)	\$ 973,949	4	\$ 1,039,279	4	\$ 1,142,330	5
2130	Contract Liabilities - Current	6(20) and 7	125,562	1	104,053	1	191,950	1
2150	Notes Payable		126,360	1	881,634	4	890,301	4
2170	Accounts Payable		3,026,829	13	3,469,237	14	3,547,820	14
2180	Accounts Payable - Related Parties	7	971,956	4	774,476	3	887,311	4
2200	Other Payables	6(13)	1,830,458	8	1,149,598	5	1,858,730	7
2230	Current Income Tax Liabilities		128,845	1	77,856	-	120,513	-
2280	Lease Liabilities - Current		103,502	-	104,036	-	102,237	-
2300	Other Current Liabilities		13,785	-	18,567	-	1,067	-
21XX	Total Current Liabilities		7,301,246	32	7,618,736	31	8,742,259	35
Non-Current Liabilities								
2570	Deferred Income Tax Liabilities		305,730	1	309,814	1	363,289	2
2580	Lease Liabilities - Non-Current		137,906	1	185,056	1	236,657	1
2600	Other Non-Current Liabilities		53,069	-	38,631	-	38,495	-
25XX	Total Non-Current Liabilities		496,705	2	533,501	2	638,441	3
2XXX	Total Liabilities		7,797,951	34	8,152,237	33	9,380,700	38
Equity attributable to owners of parent								
	Share Capital	6(15)						
3110	Common Stock Capital		5,183,462	23	5,183,462	21	5,183,462	21
	Capital surplus	6(16)						
3200	Capital surplus		1,503,606	7	1,503,606	6	1,503,606	5
	Retained earnings	6(17)						
3310	Legal reserve		1,641,445	7	1,526,876	6	1,526,876	6
3320	Special reserve		1,009,922	4	1,410,735	6	1,410,735	6
3350	Unappropriated retained earnings		5,838,806	25	5,664,293	23	5,041,709	20
	Other equity	6(18)						
3400	Other equity		(2,060,267)	(9)	(1,009,923)	(4)	(1,138,215)	(4)
31XX	Total Equity Attributable to Owners of Parent		13,116,974	57	14,279,049	58	13,528,173	54
36XX	Non-controlling interests	6(19)	2,098,094	9	2,206,818	9	1,992,108	8
3XXX	Total Equity		15,215,068	66	16,485,867	67	15,520,281	62
	Significant Subsequent Events	11						
3X2X	Total Liabilities and Equity		\$ 23,013,019	100	\$ 24,638,104	100	\$ 24,900,981	100

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

Chairman: Kuang-Ya Lee

Managerial Officer: Ming-Feng Tsai Accounting Supervisor: Chih-Hao Tai

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Three months ended		Three months ended		Six months ended		Six months ended	
			June 30, 2025		June 30, 2024		June 30, 2025		June 30, 2024	
Items	Notes		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating Revenue	6(20) and 7		\$ 5,732,721	100	\$ 5,446,118	100	\$ 11,447,475	100	\$ 10,103,988	100
5000 Operating Costs	6(5) and 7		(5,021,155)	(88)	(4,665,396)	(86)	(10,094,536)	(88)	(8,763,198)	(87)
5900 Gross Profit			<u>711,566</u>	<u>12</u>	<u>780,722</u>	<u>14</u>	<u>1,352,939</u>	<u>12</u>	<u>1,340,790</u>	<u>13</u>
Operating Expenses	6(23)									
6100 Selling Expenses			(69,205)	(1)	(72,592)	(1)	(131,769)	(1)	(150,832)	(2)
6200 General and Administrative Expenses			(195,473)	(3)	(216,848)	(4)	(376,918)	(3)	(409,296)	(4)
6300 Research and Development Expenses			(94,490)	(2)	(116,769)	(2)	(193,366)	(2)	(238,985)	(2)
6450 Impairment loss determined in accordance with IFRS 9	12(2)		(61)	-	(6,582)	-	1,432	-	(6,052)	-
6000 Total Operating Expenses			<u>(359,229)</u>	<u>(6)</u>	<u>(412,791)</u>	<u>(7)</u>	<u>(700,621)</u>	<u>(6)</u>	<u>(805,165)</u>	<u>(8)</u>
6900 Operating Profit			<u>352,337</u>	<u>6</u>	<u>367,931</u>	<u>7</u>	<u>652,318</u>	<u>6</u>	<u>535,625</u>	<u>5</u>
Non-operating Income and Expenses										
7100 Interest Income			33,432	1	36,957	-	68,092	-	77,029	1
7010 Other Income	6(21)		59,832	1	40,730	1	80,386	1	77,206	1
7020 Other Gains and Losses	6(22)		(44,799)	(1)	38,763	1	(39,958)	-	75,156	1
7050 Finance Costs	6(24)		(6,771)	-	(20,726)	(1)	(17,143)	-	(35,167)	(1)
7060 Share of Profit (Loss) of Associates and Joint Ventures	6(7)									
Accounted for Using Equity Method			<u>(39,976)</u>	<u>(1)</u>	<u>(14,070)</u>	<u>-</u>	<u>(42,460)</u>	<u>(1)</u>	<u>(23,781)</u>	<u>-</u>
7000 Total Non-operating Income and Expenses			<u>1,718</u>	<u>-</u>	<u>81,654</u>	<u>1</u>	<u>48,917</u>	<u>-</u>	<u>170,443</u>	<u>2</u>
7900 Profit before income tax			354,055	6	449,585	8	701,235	6	706,068	7
7950 Income Tax Expense	6(25)		(89,626)	(1)	(120,285)	(2)	(167,449)	(2)	(178,187)	(2)
8200 Profit for the period			<u>\$ 264,429</u>	<u>5</u>	<u>\$ 329,300</u>	<u>6</u>	<u>\$ 533,786</u>	<u>4</u>	<u>\$ 527,881</u>	<u>5</u>

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PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

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

			Three months ended		Three months ended		Six months ended		Six months ended		
			June 30, 2025		June 30, 2024		June 30, 2025		June 30, 2024		
Items			Notes	Amount	%	Amount	%	Amount	%	Amount	%
Items Not to Be Reclassified to Profit or Loss											
8316	Unrealized Gain on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	6(18)		(\$ 109,355)	(2)	(\$ 19,503)	-	(\$ 64,509)	-	\$ 27,298	-
8310	Items That Will Not Be Reclassified to Profit or Loss			(109,355)	(2)	(19,503)	-	(64,509)	-	27,298	-
Income Tax Related to Items That May Be Reclassified to Profit or Loss											
8361	Exchange Differences on Translation of Foreign Operations	6(18)		(1,380,726)	(24)	130,879	2	(1,107,360)	(10)	374,347	4
8360	Total of Items That May Be Reclassified to Profit or Loss			(1,380,726)	(24)	130,879	2	(1,107,360)	(10)	374,347	4
8300	Other Comprehensive Income (Loss), Net			(\$ 1,490,081)	(26)	\$ 111,376	2	(\$ 1,171,869)	(10)	\$ 401,645	4
8500	Total Comprehensive Income			(\$ 1,225,652)	(21)	\$ 440,676	8	(\$ 638,083)	(6)	\$ 929,526	9
Net Income (Loss) Attributable to:											
8610	Owners of Parent Company			\$ 242,898	5	\$ 275,438	5	\$ 458,450	3	\$ 445,136	4
8620	Non-controlling interests			21,531	-	53,862	1	75,336	1	82,745	1
				\$ 264,429	5	\$ 329,300	6	\$ 533,786	4	\$ 527,881	5
Total Comprehensive Income (Loss) Attributable to:											
8710	Owners of Parent Company			(\$ 1,080,020)	(18)	\$ 358,994	6	(\$ 591,894)	(6)	\$ 795,626	8
8720	Non-controlling interests			(145,632)	(3)	81,682	2	(46,189)	-	133,900	1
				(\$ 1,225,652)	(21)	\$ 440,676	8	(\$ 638,083)	(6)	\$ 929,526	9
Earnings per share											
		6(26)									
9750	Basic earnings per share			\$ 0.47		\$ 0.53		\$ 0.88		\$ 0.86	
9850	Diluted Earnings (Loss) Per Share			\$ 0.47		\$ 0.53		\$ 0.88		\$ 0.86	

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

Chairman: Kuang-Ya Lee

Managerial Officer: Ming-Feng Tsai

Accounting Supervisor:
Chih-Hao Tai

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of parent											
		Capital surplus				Retained earnings			Other equity				
					Capital surplus - Difference between consideration and carrying amount of subsidiaries acquired or disposed			Unappropriated retained earnings	Exchange Differences on Translation of Foreign Operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		Non-controlling interests	Total equity
Notes		Common Stock Capital	Capital surplus - Additional paid-in capital	Capital surplus - Treasury stock transactions		Legal reserve	Special reserve				Total		
Six months ended June 30, 2024													
		\$5,183,462	\$1,402,318	\$ 98,543	\$ 2,745	\$1,401,022	\$1,385,207	\$5,343,835	(\$1,142,062)	(\$268,673)	\$13,406,397	\$1,941,812	\$15,348,209
		-	-	-	-	-	-	445,136	-	-	445,136	82,745	527,881
	6(18)(19)	-	-	-	-	-	-	-	323,192	27,298	350,490	51,155	401,645
		-	-	-	-	-	-	445,136	323,192	27,298	795,626	133,900	929,526
2023 Earnings Distribution and Appropriation:													
	6(17)												
		-	-	-	-	125,854	-	(125,854)	-	-	-	-	-
		-	-	-	-	-	25,528	(25,528)	-	-	-	-	-
		-	-	-	-	-	-	(673,850)	-	-	(673,850)	-	(673,850)
	6(19)	-	-	-	-	-	-	-	-	-	-	(83,604)	(83,604)
	6(6)	-	-	-	-	-	-	77,970	-	(77,970)	-	-	-
		\$5,183,462	\$1,402,318	\$ 98,543	\$ 2,745	\$1,526,876	\$1,410,735	\$5,041,709	(\$818,870)	(\$319,345)	\$13,528,173	\$1,992,108	\$15,520,281
Six months ended June 30, 2025													
Balance at January 1, 2025													
		\$5,183,462	\$1,402,318	\$ 98,543	\$ 2,745	\$1,526,876	\$1,410,735	\$5,664,293	(\$583,894)	(\$426,029)	\$14,279,049	\$2,206,818	\$16,485,867
		-	-	-	-	-	-	458,450	-	-	458,450	75,336	533,786
	6(18)(19)	-	-	-	-	-	-	-	(985,835)	(64,509)	(1,050,344)	(121,525)	(1,171,869)
		-	-	-	-	-	-	458,450	(985,835)	(64,509)	(591,894)	(46,189)	(638,083)
2024 Earnings Distribution and Appropriation:													
	6(17)												
		-	-	-	-	114,569	-	(114,569)	-	-	-	-	-
		-	-	-	-	-	(400,813)	400,813	-	-	-	-	-
		-	-	-	-	-	-	(570,181)	-	-	(570,181)	-	(570,181)
	6(19)	-	-	-	-	-	-	-	-	-	-	(62,535)	(62,535)
		\$5,183,462	\$1,402,318	\$ 98,543	\$ 2,745	\$1,641,445	\$1,009,922	\$5,838,806	(\$1,569,729)	(\$490,538)	\$13,116,974	\$2,098,094	\$15,215,068

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

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>Six months ended June 30,</u> <u>2025</u>	<u>Six months ended June 30,</u> <u>2024</u>
<u>Cash Flows from Operating Activities</u>			
Net Income Before Income Tax for the Period		\$ 701,235	\$ 706,068
Adjustment Items			
Adjustments to Reconcile Profit or Loss			
Depreciation Expenses and Amortization	6(23)	320,098	338,142
Impairment loss determined in accordance with IFRS 9	12(2)	(1,432)	6,052
Net Gain on Financial Assets and Liabilities at Fair Value through Profit or Loss	6(22)	(9,501)	(161)
Interest Expenses	6(24)	17,143	35,167
Interest Income		(68,092)	(77,029)
Dividend Income	6(21)	(37,244)	(12)
Share of Profit (Loss) of Associates Accounted for Using Equity Method	6(7)	42,460	23,781
Net (gains) losses on disposal of property, plant and equipment	6(22)	(3,642)	1,459
Net Changes in Operating Assets/Liabilities			
Net Changes in Operating Assets			
Notes Receivable		37,755	(95,941)
Accounts Receivable		(42,941)	(105,320)
Accounts Receivable - Related Parties		(430,152)	299,732
Other Receivables		(5,852)	32,926
Inventories		69,586	150,968
Other Current Assets		73,155	(47,176)
Net Changes in Operating Liabilities			
Contract Liabilities		21,509	10,574
Notes Payable		(727,965)	(178,272)
Accounts Payable		(218,464)	(279,036)
Accounts Payable - Related Parties		269,266	(739,288)
Other Payables		236,906	(67,831)
Other Current Liabilities		(3,658)	(26,295)
Other Non-Current Liabilities		17,274	7,631
Cash inflow (outflow) Generated from Operations		257,444	(3,861)
Income Tax Paid		(115,471)	(228,097)
Net Cash Inflow (Outflow) from Operating Activities		141,973	(231,958)
<u>Cash Flows from Investing Activities</u>			
Financial Assets or Liabilities at Fair Value Through Profit or Loss		(178,613)	(210)
Proceeds from Disposal of Financial Assets at Fair Value through Other Comprehensive Income	6(6)	-	184,991
Decrease in Financial Assets at Amortized Cost		409,564	68,070
Acquisition of Property, Plant and Equipment Assets	6(27)	(231,260)	(557,836)
Proceeds from Disposal of Property, Plant and Equipment		26,530	1,591
Acquisition of Intangible Assets	6(11)	(310)	(11,918)
Decrease (Increase) in Refundable Deposits		(7,057)	484
Increase in Other Non-current Assets		(7,271)	(9,045)
Interest Received		68,092	77,029
Dividends Received		37,244	12
Net Cash Inflow (outflow) from Investing Activities		116,919	(246,832)
<u>Cash Flows from Financing Activities</u>			
Increase in Short-term Borrowings	6(28)	804,879	651,479
Decrease in Short-term Borrowings	6(28)	(804,151)	(105,882)
Payment of lease liabilities	6(28)	(43,959)	(38,521)
Interest Paid		(17,143)	(35,167)
Cash dividends paid to non-controlling interests	6(19)	(62,535)	(83,604)
Net Cash (Outflow) Inflow from Financing Activities		(122,909)	388,305
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(483,647)	214,328
Net Increase (decrease) in Cash and Cash Equivalents		(347,664)	123,843
Cash and Cash Equivalents at Beginning of Period		6,754,713	6,440,208
Cash and Cash Equivalents at End of Period		\$ 6,407,049	\$ 6,564,051

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

Chairman: Kuang-Ya Lee

Managerial Officer: Ming-Feng Tsai

Accounting Supervisor: Chih-Hao Tai

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

I. History and Organization

Pan-International Industrial Corp. ("the Company") was established in the Republic of China (R.O.C). The Company and its subsidiaries (collectively referred to herein as "the Group") are primarily engaged in the development, manufacturing, and sales of electronic signal cables, connectors, connection wires, precision molds, various plugs and sockets, telecommunication devices, wireless Bluetooth devices, printed circuit boards and other computer peripherals, medical device-related products, industrial control products, as well as automotive wire harnesses, automotive parts and accessories, and intelligent in-vehicle equipment.

II. Date and Procedures of Financial Report Approval

The consolidated financial statements were reported to the Board of Directors on August 13, 2025.

III. Application of New Standards, Amendments and Interpretations

- (I) Effects of adopting new and amended International Financial Reporting Standards (IFRS) that have been endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

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

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

The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

(II) Impact of Not Yet Adopting the Newly Issued and Amended IFRSs Endorsed by the FSC

The following table summarizes the newly issued, amended and revised standards and interpretations of International Financial Reporting Standards endorsed by the FSC that are applicable in 2026:

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

Except for those described below, the Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance:

1. Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments" - partial amendments
 - (1) Clarify and provide additional guidance for assessing whether financial assets meet the Solely Payments of Principal and Interest (SPPI) criterion, including contractual terms that modify cash flows based on contingent events (e.g., interest rates linked to ESG targets), non-recourse features, and contractually linked instruments.
 - (2) Add requirements to disclose qualitative descriptions of the nature of contingencies for instruments with contractual terms that can modify cash flows (such as instruments with features related to achieving Environmental, Social and Governance (ESG) targets); quantitative information about the range of possible contractual cash flow modifications arising from such contractual terms; and the gross carrying amount of financial assets and amortized cost of financial liabilities under such contractual terms.
 - (3) Clarify the dates for recognition and derecognition of certain financial assets and liabilities. When settling financial liabilities (or parts of financial liabilities) in cash using electronic payment systems, an entity is permitted to treat the financial liability as extinguished before the settlement date only when the entity initiates a payment instruction that results in the following circumstances:
 - A. The entity does not have the ability to revoke, stop, or cancel the payment instruction;
 - B. The entity does not have the practical ability to access the cash used for settlement due to the payment instruction;
 - C. The settlement risk associated with the electronic payment system is not significant.
 - (4) The fair value of equity instruments designated as at fair value through other comprehensive income (FVOCI) through irrevocable election should be disclosed by

class rather than for each individual instrument. Additionally, the fair value gains and losses recognized in other comprehensive income during the reporting period should be disclosed separately, showing the fair value gains and losses related to investments derecognized during the reporting period and those related to investments still held at the end of the reporting period; and the cumulative gains and losses transferred to equity for investments derecognized during the reporting period.

(III) Impact of International Financial Reporting Standards Issued by International Accounting Standards Board but Not Yet Endorsed by the Financial Supervisory Commission

The following table summarizes the new standards, amendments and revisions to standards and interpretations issued by the International Accounting Standards Board but not yet included in the International Financial Reporting Standards endorsed by the Financial Supervisory Commission:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associates or joint ventures"	To be determined by International Accounting Standards Board
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Except for those described below, the Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance:

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

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1, updates the structure of the statement of comprehensive income, adds disclosure requirements for management performance measures, and strengthens the principles of aggregation and disaggregation applied to primary financial statements and notes.

IV. Summary of Material Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all reporting periods.

(I) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC.

(II) Basis of Preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:

- (1) Financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

- (2) Financial assets at fair value through other comprehensive income measured at fair value.
 - (3) Defined benefit assets (liabilities) recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of Consolidation

1. Principles for Preparing Consolidated Financial Statements

- (1) The Group includes all subsidiaries in the preparation of the consolidated financial statements. Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost.
- (2) Intercompany transactions, balances and unrealized gains or losses have been eliminated. The accounting policies of subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.
- (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests; total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (4) Changes in ownership interests in subsidiaries that do not result in loss of control (transactions with non-controlling interests) are accounted for as equity transactions, i.e., transactions with owners in their capacity as owners. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.
- (5) When the Group loses control of a subsidiary, any remaining investment in the former subsidiary is remeasured at fair value, which becomes the fair value for initial recognition as a financial asset or the cost for initial recognition as an investment in an associate or joint venture. The difference between the fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to that subsidiary are reclassified from equity to profit or loss.

2. Subsidiaries included in the consolidated financial statements:

Name of investing company	Name of subsidiary	Nature of business	Percentage of ownership			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Pan-International Industrial Corp.	Pan-International Electronics, Inc.	Engaged in the import and sale of various electronic products.	100	100	100	(2)
Pan-International Industrial Corp.	Pan Global Holding Co., Ltd. (PGH)	Engaged in reinvestment in Asia Pacific and Mainland China businesses, and the production and manufacturing of electronic signal cables, connectors, and computer peripheral products.	100	100	100	
Pan-International Industrial Corp.	Yann-Yang Investment Corp.	Engaged in domestic investment business.	100	100	100	
Pan-International Industrial Corp.	Pan-International Electronics (Thailand) Co., Ltd.	Production and sale of connecting cables.	45	45	45	
Yann-Yang Investment Corp.	Tekcon Electronics Corp.	Engaged in the manufacturing, OEM production, and sales of various electronic products.	83.58	83.58	83.58	
Pan Global Holding Co., Ltd.	P.I.E. Industrial Berhad	A holding company for overseas reinvestment business.	51.42	51.42	51.42	
Pan Global Holding Co., Ltd.	Beyond Achieve Enterprises Limited	A holding company for overseas reinvestment business.	100	100	100	
Pan Global Holding Co., Ltd.	Team Union International Ltd.	A holding company for overseas reinvestment business.	100	100	100	(2)

Name of investing company	Name of subsidiary	Nature of business	Percentage of ownership			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Pan Global Holding Co., Ltd.	East Honest Holdings Limited	A holding company for overseas reinvestment business.	100	100	100	
Tekcon Electronics Corp.	Tekcon Bahamas Ltd.	A holding company for overseas reinvestment business.	100	100	100	(2)
Tekcon Bahamas Ltd.	Tekcon Huizhou Electronics Co., Ltd.	Manufacturing of connectors and connection cables on an OEM basis.	100	100	100	(2)
P.I.E. Industrial Berhad	Pan-International Wire & Cable (Malaysia) Sdn. Bhd.	Production and sales of electric wires.	100	100	100	
P.I.E. Industrial Berhad	Pan-International Electronics (Malaysia) Sdn. Bhd.	Production and sales of cables and electronic products.	100	100	100	
P.I.E. Industrial Berhad	Pan-International Electronics (Thailand) Co., Ltd.	Production and sale of connecting cables.	55	55	55	
Pan-International Electronics (Malaysia) Sdn. Bhd.	PIE Enterprise (M) Sdn. Bhd.	Sales of cables and electronic products.	100	100	100	
Pan-International Wire & Cable (Malaysia) Sdn. Bhd	P.I.W. Enterprise (Malaysia) Sdn. Bhd.	Sales of electric wires.	100	100	100	
Beyond Achieve Enterprises Limited	Newocean Precision Component (Jiangxi) Co.,Ltd	Production and operation of various plugs, sockets, telecommunications and communications, etc.	100	100	100	

Name of investing company	Name of subsidiary	Nature of business	Percentage of ownership			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Team Union International Ltd.	Pan-International Precision Electronic Co., Ltd.	Production and sales of electric wires.	100	100	100	
Team Union International Ltd.	Chaohu Ruichang Electric System Co., Ltd.	Production and sales of automotive wire harness products.	58	58	58	
EAST HONEST HOLDINGS LIMITED	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Production and assembly of printed circuit boards, etc.	100	100	100	
Honghuasheng Precision Electronics (YanTai) Co., Ltd.	CJ Electric Systems Co., Ltd.	Production and sales of automotive wire harness products.	30.35	25.37	25.37	(1)
Pan-International Precision Electronic Co., Ltd.	Pan-International Sunrise Trading Corp.	Sales of cables, computer accessories, wireless Bluetooth devices, and turnkey solutions.	100	100	100	(2)
Pan-International Precision Electronic Co., Ltd.	CJ Electric Systems Co., Ltd.	Production and sales of automotive wire harness products.	69.65	74.63	74.63	(1)
Pan-International Precision Electronic Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	Manufacturing of automotive parts and accessories, intelligent in-vehicle equipment, etc.	100	100	100	
CJ Electric Systems Co., Ltd.	Chaohu Ruichang Electric System Co., Ltd.	Production and sales of automotive wire harness products.	42	42	42	
CJ Electric Systems Co., Ltd.	Ordos City Ruichang ElectriSystem Co., Ltd.	Production and sales of automotive wire harness products.	100	100	100	
CJ Electric Systems Co., Ltd.	Wuhu Herzhong Automotive Electronics Co., Ltd.	Production and sales of automotive wire harness products.	100	100	100	
CJ Electric Systems Co., Ltd.	Anqing Ruiyu Automotive Electrical System Co., Ltd.	Production and sales of automotive wire harness products.	48.78	48.78	48.78	
Ordos City Ruichang ElectriSystem Co., Ltd.	Anqing Ruiyu Automotive Electrical System Co., Ltd.	Production and sales of automotive wire harness products.	51.22	51.22	51.22	

(1) In the second quarter of 2025, the Company's subsidiary Honghuasheng Precision

Electronics (YanTai) Co., Ltd. increased capital investment in its subsidiary CJ Electric Systems Co., Ltd., which resulted in the shareholding ratio of Pan-International Precision Electronic Co., Ltd. in that company decreasing to 69.65%. The combined shareholding ratio of Honghuasheng Precision Electronics (YanTai) Co., Ltd. and Pan-International Precision Electronic Co., Ltd. in that company is 100%.

(2) The financial reports as of June 30, 2025 and 2024 have not been reviewed by accountants.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments and handling methods for subsidiaries with different accounting periods: None.
5. Significant restrictions: None.
6. Subsidiaries with non-controlling interests that are material to the Group

The Group's total non-controlling interests as of June 30, 2025, December 31, 2024, and June 30, 2024 were \$2,098,094, \$2,206,818, and \$1,992,108, respectively. The following information pertains to non-controlling interests and their corresponding subsidiaries that are material to the Group:

Name of subsidiary	Principal place of business	Non-controlling interests					
		June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	Shareholding percentage	Amount	Shareholding percentage	Amount	Shareholding percentage
P.I.E. Industrial Berhad	Malaysia	\$2,078,825	49	\$2,188,574	49	\$1,965,058	49

Summarized financial information of P.I.E. Industrial Berhad:

Balance sheet

	June 30, 2025	December 31, 2024	March 31, 2024
Current Assets	\$ 3,947,829	\$ 4,054,927	\$ 4,210,679
Non-current Assets	1,937,549	2,059,190	1,744,207
Current Liabilities	(1,423,290)	(1,406,131)	(1,662,403)
Non-Current Liabilities	(19,877)	(24,486)	(76,679)
Total net assets	\$ 4,442,211	\$ 4,683,500	\$ 4,215,804

Statement of comprehensive income

	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenue	\$ 1,652,425	\$ 1,642,796
Profit before income tax	55,705	149,982
Income Tax Expense	(16,461)	(35,028)
Profit for the period	39,244	114,954
Other comprehensive income (loss), net of tax	(3,016)	54,362
Total Comprehensive Income for the Period	\$ 36,228	\$ 169,316

Total comprehensive income attributable to non-controlling interests	\$ 19,508	\$ 82,625
	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenue	\$ 3,661,717	\$ 3,236,003
Profit before income tax	186,517	234,843
Income Tax Expense	(38,679)	(55,830)
Profit for the period	147,838	179,013
Other comprehensive income (loss), net of tax	50,303	99,407
Total Comprehensive Income for the Period	\$ 198,141	\$ 278,420
Total comprehensive income attributable to non-controlling interests	\$ 98,631	\$ 135,507

Statement of cash flows

	Six months ended June 30, 2025	Six months ended June 30, 2024
Net cash inflow from operating activities	\$ 264,165	\$ 361,139
Net cash outflow from investing activities	(335,327)	(352,397)
Net cash (outflow) inflow from financing activities	(121,035)	145,726
Effect of exchange rate changes on cash and cash equivalents	72,676	18,966
Net Increase in Cash and Cash Equivalents	(119,521)	173,434
Cash and Cash Equivalents at Beginning of Period	748,100	416,440
Cash and Cash Equivalents at End of Period	\$ 628,579	\$ 589,874

(IV) Foreign currency translation

1. These consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency.
2. Foreign currency transactions and balances
 - (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation. Translation differences arising from such transactions are recognized in current profit or loss.
 - (2) Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Translation differences arising from such adjustments are recognized in current profit or loss.
 - (3) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are translated at the exchange rates prevailing at the balance sheet date, with translation differences recognized in current profit or loss; those measured at fair value through other comprehensive income are translated at the exchange rates prevailing at the balance sheet date, with translation differences recognized in other comprehensive income; those not measured at fair value are measured using the historical exchange rates at the dates of initial transactions.
 - (4) All foreign exchange gains and losses are reported in "Other gains and losses" in the income statement.

3. Translation of foreign operations

- (1) For all group entities and associates whose functional currency differs from the presentation currency, their operating results and financial position are translated into the presentation currency in the following manner:
 - A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;
 - B. Income and expenses presented for each statement of comprehensive income are translated at the average exchange rates of that period; and
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) When the foreign operation that is a subsidiary is partially disposed of or sold, the cumulative translation differences recognized in other comprehensive income are proportionally redistributed to the non-controlling interests of that foreign operation. However, when the Group loses control over a foreign operation that is a subsidiary, even though it retains partial ownership interest, it is treated as a disposal of the entire interest in that foreign operation.
- (3) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate at the balance sheet date.

(V) Classification of current and non-current items

1. Assets that meet any of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (1) Expected to be realized in the normal operating cycle, or intended to be sold or consumed.
 - (2) Held primarily for trading purposes.
 - (3) Expected to be realized within twelve months after the balance sheet date.
 - (4) Cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.
2. Liabilities that meet any of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (1) Expected to be settled within the normal operating cycle.
 - (2) Held primarily for trading purposes.
 - (3) Expected to be settled within twelve months after the balance sheet date.
 - (4) The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(VI) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial assets at fair value through profit or loss

1. These are financial assets that are neither at amortized cost nor at fair value through other comprehensive income.
2. On a regular way purchase or sale basis, financial assets and liabilities at fair value through

profit or loss are recognized and derecognized using trade date accounting.

3. The Group measures these financial assets at fair value at initial recognition, with transaction costs recognized in profit or loss. Subsequently, they are at fair value with gains or losses recognized in profit or loss.
4. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(VIII) Financial assets at fair value through other comprehensive income

1. These refer to equity instrument investments not held for trading where an irrevocable election is made at initial recognition to present changes in fair value in other comprehensive income; or debt instrument investments that meet both of the following conditions:
 - (1) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
 - (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts trade date accounting for financial assets at fair value through other comprehensive income that meet regular way transactions.
3. The Group measures such assets at fair value plus transaction costs at initial recognition, and subsequently at fair value:
 - (1) For equity instruments, changes in fair value are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income cannot be reclassified to profit or loss but are transferred to retained earnings. When the right to receive dividends is established, the economic benefits associated with the dividends are likely to flow in, and the dividend amount can be reliably measured, the Group recognizes dividend income in profit or loss.
 - (2) For debt instruments, changes in fair value are recognized in other comprehensive income. Impairment losses, interest income and foreign exchange gains and losses are recognized in profit or loss before derecognition. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

(IX) Financial assets at amortized cost

1. These refer to financial assets that simultaneously meet the following conditions:
 - (1) The financial asset is held within a business model whose objective is to collect contractual cash flows.
 - (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts trade date accounting for financial assets at amortized cost that meet regular way transactions.
3. The Group initially measures these assets at fair value plus transaction costs, and subsequently recognizes interest income using the effective interest method over the circulation period, recognizes impairment losses, and recognizes gains or losses in profit or loss upon derecognition.
4. The Group holds time deposits that do not qualify as cash equivalents. Due to their short

holding periods, the impact of discounting is insignificant, and they are measured at the investment amount.

(X) Accounts and Notes Receivable

1. These refer to accounts and notes receivable that represent unconditional rights to receive consideration in exchange for goods or services transferred, as stipulated in contracts.
2. For non-interest-bearing short-term accounts and notes receivable, due to the insignificant impact of discounting, the Group measures them at the original invoice amount.

(XI) Impairment of Financial Assets

For financial assets at amortized cost at each reporting date, the Group recognises the impairment provision for twelve months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(XII) Derecognition of Financial Assets

The Group derecognizes a financial asset when its contractual rights to receive cash flows from the financial asset expire.

(XIII) Lessor's Lease Transactions - Operating Leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XIV) Inventories

Inventories are measured at the lower of cost and net realizable value, with cost determined using the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs and production-related manufacturing overhead (allocated based on normal operating capacity), but excludes borrowing costs. When comparing cost and net realizable value, the item-by-item comparison method is used. Net realizable value refers to the estimated selling price in the normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(XV) Investments Accounted for Using Equity Method/Associates

1. Associates are entities over which the Group has significant influence but not control, generally accompanying a direct or indirect shareholding of 20% or more of the voting rights. The Group's investments in associates are accounted for using the equity method and are recognized at cost upon acquisition.
2. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

3. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's shareholding percentage in the associate, the Group recognizes the proportionate share of ownership changes as "Capital Surplus".
4. Unrealized gains and losses from transactions between the Group and its associates have been eliminated in proportion to the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. When the Group disposes of an associate and loses significant influence over it, the amounts previously recognized in other comprehensive income in relation to the associate are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. That is, when a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, such gain or loss is reclassified from equity to profit or loss when the significant influence over the associate is lost. If significant influence over the associate is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified according to the above method.
6. When the Group disposes of an associate and loses significant influence over it, the capital surplus related to the associate is reclassified to profit or loss; if significant influence over the associate is retained, the capital surplus is reclassified to profit or loss in proportion to the disposal.

(XVI) Property, Plant and Equipment

1. Property, plant and equipment are recorded at acquisition cost, with related interest capitalized during the construction period.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part should be derecognized. All other maintenance costs are recognized in profit or loss when incurred.
3. The subsequent measurement of property, plant and equipment follows the cost model, and except for land which is not depreciated, other assets are depreciated using the straight-line method over their estimated useful lives. If components of property, plant and equipment are significant, they are depreciated separately.
4. At the end of each financial year, the Group reviews the residual value, useful life, and depreciation method of each asset. If the expected residual value and useful life differ from previous estimates, or if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, the changes are accounted for as changes in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of change. The useful lives of various assets are as follows:

Buildings and structures	15-51 years
Machinery and equipment	3-9 years
Others	1-6 years

(XVII) Lessee's lease transactions - right-of-use assets/lease liabilities

1. Right-of-use assets and lease liabilities are recognized on the date when the leased assets become available for use by the Group. When the lease contract is a short-term lease or a lease of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.

2. Lease liabilities are recognized at the present value of the unpaid lease payments discounted using the Group's incremental borrowing rate on the lease commencement date. Lease payments include fixed payments, less any lease incentives receivable.

Subsequently measured at amortized cost using the interest method, with interest expense recognized over the lease term. When there are changes in the lease term or lease payments not arising from contract modifications, the lease liabilities are reassessed and the remeasurement adjustments are made to the right-of-use assets.

3. Right-of-use assets are recognized at cost on the lease commencement date, with the cost measured based on the initial amount of the lease liabilities.

Subsequently measured using the cost model, with depreciation expense recognized over the shorter of the useful life of the right-of-use asset or the lease term. When lease liabilities are reassessed, right-of-use assets are adjusted for any remeasurement of the lease liabilities.

(XVIII) Investment Property

Investment property is recognized at acquisition cost and subsequently measured using the cost model. Except for land, depreciation is recognized using the straight-line method over the estimated useful life of 15-51 years.

(XIX) Intangible Assets

1. Goodwill arises from business combinations using the acquisition method.

2. Computer software is recognized at acquisition cost and amortized on a straight-line basis over its estimated useful life of 3-10 years.

(XX) Impairment of Non-financial Assets

1. At the balance sheet date, the Group estimates the recoverable amount for assets with indications of impairment. When the recoverable amount is lower than its carrying amount, an impairment loss is recognized. The recoverable amount refers to the higher of an asset's fair value less costs of disposal or its value in use. Except for goodwill, when previously recognized impairment losses no longer exist or have decreased, the impairment losses are reversed. However, the increased carrying amount of an asset due to reversal of impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years.

2. Goodwill is regularly assessed for its recoverable amount. When the recoverable amount

is lower than its carrying amount, an impairment loss is recognized. Impairment losses recognized for goodwill are not reversed in subsequent years.

3. For impairment testing purposes, goodwill is allocated to cash-generating units. This allocation is based on operating segments, allocating goodwill to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that generated the goodwill.

(XXI) Borrowings

Refers to short-term funds borrowed from banks. At initial recognition, the Group measures borrowings at fair value less transaction costs. Subsequently, any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest expense in profit or loss over the circulation period using the effective interest method.

(XXII) Notes and Accounts Payable

1. Refers to obligations incurred from credit purchases of raw materials, goods or services, and notes payable arising from both operating and non-operating activities.
2. For non-interest bearing short-term accounts and notes payable, due to the insignificant effect of discounting, the Group measures them at the original invoice amount.

(XXIII) Financial Liabilities at Fair Value through Profit or Loss

1. Refers to financial liabilities that are held for trading, which are principally acquired for the purpose of repurchasing in the near term, and derivative instruments that are not designated as hedging instruments under hedge accounting.
2. The Group measures these financial assets at fair value at initial recognition, with transaction costs recognized in profit or loss. Subsequently, they are at fair value with gains or losses recognized in profit or loss.

(XXIV) Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled, or expired.

(XXV) Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and presented as a net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(XXVI) Non-hedging Derivatives and Embedded Derivatives

Non-hedging derivatives are initially measured at fair value on the date when the contract is signed and are recorded as financial assets or liabilities at fair value through profit or loss. Subsequently, they are measured at fair value with gains or losses recognized in profit or loss.

(XXVII) Provisions

Provisions (including warranties, etc.) are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the

obligation can be reliably estimated. Provisions are measured at the present value of the best estimate of expenditures required to settle the obligation at the balance sheet date. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability. The amortization of discounting is recognized as interest expense. Future operating losses shall not be recognized as provisions.

(XXVIII) Employee Benefits

1. Short-term Employee Benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and recognized as expenses when the related services are provided.

2. Pensions

(1) Defined Contribution Plans

For defined contribution plans, the contributions to be made to pension funds are recognized as pension costs in the current period on an accrual basis. Prepaid contributions are recognized as assets to the extent that they can result in cash refunds or reductions in future payments.

(2) Defined Benefit Plans

A. Net obligations under defined benefit plans are calculated by discounting the amount of future benefits that employees have earned in the current or prior periods, and are measured at the present value of the defined benefit obligations at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined by reference to market yields of high-quality corporate bonds that match the currency and maturity period of the defined benefit plans at the balance sheet date. In countries where there is no deep market for high-quality corporate bonds, the market yields of government bonds (at the balance sheet date) are used.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income when incurred and presented in retained earnings.

C. Pension costs for the interim period are calculated based on the pension cost rate determined by actuarial valuation at the end of the prior financial year, covering the period from the beginning of the year to the end of the current period. If there are significant market fluctuations, curtailments, settlements, or other significant one-time events after that end date, adjustments are made and related information is disclosed in accordance with the aforementioned policies.

3. Employee Compensation and Directors' Remuneration

Employee compensation and directors' remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. When there is a difference between the actual distribution amount subsequently resolved and the estimated amount, it is treated as a change in accounting estimate.

(XXIX) Income Tax

1. Income tax expense includes current and deferred income taxes. Except for income tax related to items included in other comprehensive income or directly recognized in equity, which are respectively included in other comprehensive income or directly recognized in equity, income tax is recognized in profit or loss.

2. The Group calculates current income tax based on the tax rates that have been enacted or substantively enacted at the balance sheet date in the countries where it operates and generates taxable income. Management regularly evaluates the status of income tax declarations in accordance with relevant income tax regulations, and when applicable, estimates income tax liabilities based on the expected tax payments to be made to tax authorities. The income tax imposed on undistributed earnings according to the Income Tax Act is recognized as undistributed earnings income tax expense based on the actual distribution of earnings, after the earnings distribution proposal is approved by the shareholders' meeting in the year following the year in which the earnings were generated.
3. Deferred income tax is recognized using the balance sheet method, based on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. If deferred income tax arises from the initial recognition of assets or liabilities in a transaction (excluding business combinations), and at the time of the transaction, it neither affects accounting profit nor taxable income (tax loss) and does not create corresponding taxable and deductible temporary differences, it is not recognized. If temporary differences arise from investments in subsidiaries and associates, and the Group can control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future, they are not recognized. Deferred income tax is measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized to the extent that it is probable that temporary differences will be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis or realize the asset and settle the liability simultaneously.
6. Deferred income tax assets are recognized for the carry-forward of unused tax credits resulting from purchases of equipment or technology, research and development expenditures, and equity investments, to the extent that it is probable that future taxable income will be available against which the unused tax credits can be utilized.
7. Income tax expense for the interim period is calculated by applying the estimated annual average effective tax rate to the pre-tax profit or loss for the interim period, and related information is disclosed in accordance with the aforementioned policies.
8. When tax rates change during the interim period, the Group recognizes the effect of the change in the current period. For items related to income tax that are recognized outside of profit or loss, the effect of the change is recognized in other comprehensive income or equity items. For items related to income tax that are recognized in profit or loss, the effect of the change is recognized in profit or loss.

(XXX) Dividend Distribution

Cash dividends distributed to the Company's shareholders are recognized as liabilities in the financial reports when resolved by the Company's Board of Directors, while stock dividends distributed to the Company's shareholders are recognized as stock dividends to be distributed in the financial reports when resolved by the Company's shareholders' meeting, and are reclassified as common stock on the ex-dividend date.

(XXXI) Revenue Recognition

1. The Group manufactures and sells electronic components. Sales revenue is recognized when control of the products is transferred to customers, which occurs when the products are delivered to buyers, buyers have discretion over the sales price of the products, and the Group has no unfulfilled performance obligations that could affect customer acceptance of the products. Delivery of goods occurs when products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to customers, and either the customer has accepted the products in accordance with the sales contract, or there is objective evidence that all acceptance criteria have been satisfied. Accounts receivable are recognized when goods are delivered to customers, as from that point onwards, the Group has an unconditional right to the contract payment and only the passage of time is required before payment is collected from customers.
2. Payment terms for sales transactions are typically due within 30 to 120 days after shipment. Since the time interval between the transfer of promised goods or services to customers and customer payment does not exceed one year, the Group has not adjusted the transaction price to reflect the time value of money.

(XXXII) Government Grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the grants and that the grants will be received. If the nature of the government grant is to compensate for expenses incurred by the Group, the government grant is recognized in profit or loss on a systematic basis over the periods in which the related expenses are incurred.

(XXXIII) Operating Segments

The Group's operating segment information is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to operating segments and assessing their performance.

V. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

In preparing these consolidated financial statements, management has exercised judgment in determining the accounting policies adopted and made accounting estimates and assumptions based on reasonable expectations of future events given the circumstances at the balance sheet date. The significant accounting estimates and assumptions made may differ from actual results, and will be continuously evaluated and adjusted considering historical experience and other factors. Such estimates and assumptions pose risks that may result in significant adjustments to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following descriptions of critical accounting judgments, estimates and assumption uncertainties:

(I) Critical Judgments in Applying the Group's Accounting Policies

Recognition of Revenue on a Gross or Net Basis

Based on the transaction type and economic substance, the Group determines whether the nature of its promise to customers constitutes a performance obligation to provide specific goods or services itself (i.e., the Group acts as principal) or to arrange for another party to provide those goods or services (i.e., the Group acts as agent). When the Group controls the goods or services before they are transferred to customers, the Group acts as principal and recognizes revenue at the gross amount of consideration it expects to receive in exchange for the specified goods or services transferred. If the Group does not control the specified goods or services before they are transferred to customers, the Group acts as agent, arranging for another party to provide the specified goods or services to customers, and recognizes revenue at the amount of any fee or commission it expects to be entitled to for arranging such services.

The Group determines whether it controls the goods or services before they are transferred to customers based on the following indicators:

1. Has primary responsibility for fulfilling the promise to provide the specified goods or services.
2. Bears inventory risk before the specified goods or services are transferred to customers or after transfer of control.
3. Has discretion in establishing prices for the specified goods or services.

(II) Critical Accounting Estimates and Assumptions

Evaluation of Inventories

Since inventories must be valued at the lower of cost or net realizable value, the Group must exercise judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to rapid technological changes, the Group evaluates the amount of inventory that is subject to normal wear and tear, obsolescence, or has no market value at the balance sheet date, and writes down inventory costs to net realizable value. This inventory valuation is primarily based on estimated product demand for specific future periods, and therefore may be subject to significant changes. As of June 30, 2025, please refer to Note 6(5) for the carrying amount of the Group's inventories.

VI. Details of Significant Accounts

(I) Cash and Cash Equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on Hand and Petty Cash	\$ 374	\$ 351	\$ 614
Checking Accounts and Demand Deposits	3,304,249	3,580,250	4,655,314
Time Deposits	3,102,426	3,074,112	596,457
Bonds Purchased under Resale Agreements	-	100,000	1,311,666
	<u>\$ 6,407,049</u>	<u>\$ 6,754,713</u>	<u>\$ 6,564,051</u>

1. The financial institutions that the Group deals with have good credit quality. The Group conducts business with multiple financial institutions to diversify credit risk, and the probability of default is very low.
2. The Group's pledged bank deposits as of June 30, 2025, December 31, 2024, and June 30, 2024 are classified as financial assets measured at amortized cost. Please refer to Notes 6(3) and Note 8.

(II) Financial assets at fair value through profit or loss

Items	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Financial Assets Mandatorily Measured at Fair Value through Profit or Loss			
Open-end Funds	\$ 190,436	\$ 11,767	\$ 11,225
Forward exchange contracts	239	-	-
	<u>\$ 190,675</u>	<u>\$ 11,767</u>	<u>\$ 11,225</u>

1. The Group recognized net gains of \$9,383, net gains of \$100, net gains of \$9,501 and net gains of \$161 from financial instruments held during April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024, respectively.
2. Information regarding transactions and contracts of non-hedging derivative financial assets is described as follows:

Derivative financial assets	June 30, 2025		
	Contract Amount (Notional Principal)		Contract Period
Current items:			
Forward exchange contracts	RMB (BUY)	71,824	2025/06~ 2025/07
	USD (SELL)	10,030	2025/06~ 2025/07

Forward exchange contracts

The forward foreign exchange transactions signed by the Group are forward transactions to pre-sell US dollars (sell USD and buy RMB), which are intended to hedge against exchange rate risks of operating capital, but hedge accounting is not applied.

3. The Group has not pledged financial assets measured at fair value through profit or loss as collateral.

(III) Financial assets at amortized cost

Items	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Time deposits with maturities over three months	\$ 300,000	\$ -	\$ -
Restricted bank deposits	149,435	835,996	893,567
Pledged time deposits	48,575	104,688	8,415
Total	<u>\$ 498,010</u>	<u>\$ 940,684</u>	<u>\$ 901,982</u>
Non-current items:			
Corporate bonds	\$ 290,000	\$ 290,000	\$ 290,000
Pledged time deposits	1,636	-	-
Total	<u>\$ 291,636</u>	<u>\$ 290,000</u>	<u>\$ 290,000</u>

For details on the Group's financial assets measured at amortized cost that are pledged as collateral, please refer to Note 8.

(IV) Notes and accounts receivable

Items	June 30, 2025	December 31, 2024	June 30, 2024
Notes Receivable	\$ 353,073	\$ 425,261	\$ 206,700
Less: Loss allowance	(40)	(44)	(102)
Total	<u>\$ 353,033</u>	<u>\$ 425,217</u>	<u>\$ 206,598</u>
Accounts Receivable	\$ 3,267,780	\$ 3,398,560	\$ 3,557,696
Less: Loss allowance	(5,144)	(7,185)	(7,368)
Total	<u>\$ 3,262,636</u>	<u>\$ 3,391,375</u>	<u>\$ 3,550,328</u>

1. The Group does not hold any collateral.
2. The balances of accounts receivable and notes receivable as of June 30, 2025, December 31, 2024, and June 30, 2024 were all generated from contracts with customers. Additionally, the balance of notes and accounts receivable from customer contracts as of January 1, 2024 was \$6,330,158.
3. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk for the Group's notes and accounts receivable as of June 30, 2025, December 31, 2024, and June 30, 2024 is represented by the carrying amount of each class of notes and accounts receivable.
4. For related credit risk information, please refer to Note 12(2).

(V) Inventories

	June 30, 2025		
	Cost	Allowance for Valuation Loss	Carrying Amount
Raw materials	\$ 1,161,281	(\$ 47,105)	\$ 1,114,176
Work in progress	980,363	(13,814)	966,549
Finished goods	1,507,754	(114,139)	1,393,615
	<u>\$ 3,649,398</u>	<u>(\$ 175,058)</u>	<u>\$ 3,474,340</u>
	December 31, 2024		
	Cost	Allowance for Valuation Loss	Carrying Amount
Raw materials	\$ 1,255,734	(\$ 50,604)	\$ 1,205,130
Work in progress	769,479	(12,320)	757,159
Finished goods	1,943,706	(112,923)	1,830,783
	<u>\$ 3,968,919</u>	<u>(\$ 175,847)</u>	<u>\$ 3,793,072</u>
	June 30, 2024		
	Cost	Allowance for Valuation Loss	Carrying Amount
Raw materials	\$ 1,013,715	(\$ 44,128)	\$ 969,587
Work in progress	869,863	(14,667)	855,196
Finished goods	1,926,024	(102,627)	1,823,397
	<u>\$ 3,809,602</u>	<u>(\$ 161,422)</u>	<u>\$ 3,648,180</u>

The Group's inventory costs recognized as expenses for the current period:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Cost of inventories sold	\$ 5,048,866	\$ 4,688,422
Inventory valuation loss	577	3,597
Income from sale of scraps and waste materials(	28,288)(	26,623)
	<u>\$ 5,021,155</u>	<u>\$ 4,665,396</u>

	Six months ended June 30, 2025	Six months ended June 30, 2024
Cost of inventories sold	\$ 10,130,862	\$ 8,797,145
Inventory valuation loss	10,969	10,953
Income from sale of scraps and waste materials(	47,295)(	44,900)
	<u>\$ 10,094,536</u>	<u>\$ 8,763,198</u>

(VI) Financial assets at fair value through other comprehensive income - non-current

Items	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Equity instruments			
Listed and OTC stocks	\$ 580,047	\$ 711,425	\$ 860,620
Non-listed, non-OTC, and non-emerging stocks	780,649	878,553	923,757
Total	<u>\$ 1,360,696</u>	<u>\$ 1,589,978</u>	<u>\$ 1,784,377</u>

1. The Group chose to classify strategic equity investments as financial assets measured at fair value through other comprehensive income.
2. The Group did not sell any listed company stocks during the period from January 1 to June 30, 2025. Due to working capital needs, listed company stocks with a fair value of \$184,991 were sold during the period from January 1 to June 30, 2024, resulting in accumulated disposal gains (recorded in retained earnings) of \$77,970.
3. For changes in fair value recognized in other comprehensive income by the Group during the periods Six months ended June 30, 2025 and 2024, please refer to Note 6(18) Other Equity Items.
4. The Group's financial assets measured at fair value through other comprehensive income were not pledged as collateral as of June 30, 2025, December 31, 2024, and June 30, 2024.

(VII) Investments Accounted for Using Equity Method

	June 30, 2025	December 31, 2024	June 30, 2024
Long Time Technology Co., Ltd	527,819	570,279	639,738
Pan-International Corporation (S) Pte Ltd.	3,142	13,065	876
	<u>\$ 530,961</u>	<u>\$ 583,344</u>	<u>\$ 640,614</u>

1. The Group's share of operating results from associates is summarized as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Net loss from continuing operations for the period	(\$ 39,976)	(\$ 14,070)
Total Comprehensive Income for the Period	(\$ 39,976)	(\$ 14,070)
	Six months ended June 30, 2025	Six months ended June 30, 2024
Net loss from continuing operations for the period	(\$ 42,460)	(\$ 23,781)
Total Comprehensive Income for the Period	(\$ 42,460)	(\$ 23,781)

2. The Group's investments accounted for using equity method Three months ended June 30, 2025 and 2024 were evaluated based on the self-prepared financial reports of the associates for the same period, which were not reviewed by certified public accountants.
3. For details of the Group's investments accounted for using equity method that were pledged as collateral for contract liabilities, please refer to Note 8.

(VIII) Property, Plant and Equipment

	Land	Buildings and Structures	Machinery and Equipment	Others	Construction in Progress and Equipment Awaiting Inspection	Total
January 1, 2025						
Cost	\$ 368,415	\$ 1,560,239	\$ 6,531,497	\$ 1,079,664	\$ 127,554	\$ 9,667,369
Accumulated depreciation	-	(545,496)	(4,488,724)	(802,713)	-	(5,836,933)
	<u>\$ 368,415</u>	<u>\$ 1,014,743</u>	<u>\$ 2,042,773</u>	<u>\$ 276,951</u>	<u>\$ 127,554</u>	<u>\$ 3,830,436</u>
<u>2025</u>						
January 1	\$ 368,415	\$ 1,014,743	\$ 2,042,773	\$ 276,951	\$ 127,554	\$ 3,830,436
Additions	-	27,327	55,648	42,746	87,706	213,427
Disposals	-	-	(22,065)	(823)	-	(22,888)
Transfers	559-	89,296	4,100-	4,771	(98,726)	-
Depreciation expense	-	(39,972)	(174,732)	(39,070)	-	(253,774)
Net exchange differences	(433)	(49,562)	(138,914)	(23,926)	(5,585)	(218,420)
June 30	<u>\$ 368,541</u>	<u>\$ 1,041,832</u>	<u>\$ 1,766,810</u>	<u>\$ 260,649</u>	<u>\$ 110,949</u>	<u>\$ 3,548,781</u>
June 30, 2025						
Cost	\$ 368,541	\$ 1,578,938	\$ 6,062,922	\$ 1,038,320	\$ 110,949	\$ 9,159,670
Accumulated depreciation	-	(537,106)	(4,296,112)	(777,671)	-	(5,610,889)
	<u>\$ 368,541</u>	<u>\$ 1,041,832</u>	<u>\$ 1,766,810</u>	<u>\$ 260,649</u>	<u>\$ 110,949</u>	<u>\$ 3,548,781</u>

	Land	Buildings and Structures	Machinery and Equipment	Others	Construction in Progress and Equipment Awaiting Inspection	Total
January 1, 2024						
Cost	\$ 23,726	\$ 902,497	\$ 5,841,688	\$ 993,444	\$ 259,751	\$ 8,021,106
Accumulated depreciation	-	(473,363)	(4,029,805)	(700,596)	-	(5,203,764)
	<u>\$ 23,726</u>	<u>\$ 429,134</u>	<u>\$ 1,811,883</u>	<u>\$ 292,848</u>	<u>\$ 59,751</u>	<u>\$ 2,817,342</u>
<u>2025</u>						
January 1	\$ 23,726	\$ 429,134	\$ 1,811,883	\$ 292,848	\$ 259,751	\$ 2,817,342
Additions	-	10,700	339,003	15,457	94,643	459,803
Disposals	-	-	(2,174)	(849)	(27)	(3,050)
Transfers	344,349	139,573	-	-	-	483,922
Depreciation expense	-	(19,518)	(194,197)	(52,562)	-	(266,277)
Net exchange differences	(214)	12,074	52,996	7,620	-	80,683
June 30	<u>\$ 367,861</u>	<u>\$ 571,963</u>	<u>\$ 2,007,511</u>	<u>\$ 262,514</u>	<u>\$ 8,207</u>	<u>\$ 3,572,423</u>
					362,574	
June 30, 2024						
Cost	\$ 367,861	\$ 1,075,178	\$ 6,264,597	\$ 1,029,960	\$ -	\$ 9,100,170
Accumulated depreciation	-	(503,215)	(4,257,086)	(767,446)	362,574	(5,527,747)
	<u>\$ 367,861</u>	<u>\$ 571,963</u>	<u>\$ 2,007,511</u>	<u>\$ 262,514</u>	<u>\$ -</u>	<u>\$ 3,572,423</u>

1. Please refer to Note 8 for the pledged information of the Group's property, plant and equipment.
2. The Company's Board of Directors resolved to purchase a pre-sale factory office building on November 30, 2021, and in the first quarter of 2024, when it reached a usable state, it was transferred from prepaid property payments (listed under other non-current assets) to land, buildings and structures.

(IX) Lease transactions - Lessee

1. The Group's leased assets include land and factory buildings, with lease contract periods typically ranging from 1 to 5 years. The lease contracts are individually negotiated and contain various terms and conditions. Apart from the restriction that leased assets cannot be used as loan collateral, no other restrictions are imposed.
2. The lease periods for office equipment and transportation equipment leased by the Group do not exceed 12 months.

3. The carrying amount of right-of-use assets and recognized depreciation expenses are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying Amount	Carrying Amount	Carrying Amount
Land	\$ 171,181	\$ 188,539	\$ 185,709
Buildings	236,292	283,146	334,099
	\$ 407,473	\$ 471,685	\$ 519,808

	Three months ended June 30, 2025	Three months ended June 30, 2024
	Depreciation Expense	Depreciation Expense
Land	\$ 2,359	\$ 2,299
Buildings	27,080	38,543
	\$ 29,439	\$ 40,842

	Six months ended June 30, 2025	Six months ended June 30, 2024
	Depreciation Expense	Depreciation Expense
Land	\$ 4,806	\$ 4,542
Buildings	55,713	59,944
	\$ 60,519	\$ 64,486

4. The Group's additions to right-of-use assets amounted to \$57,529 and \$270,391 Three months ended June 30, 2025 and 2024, respectively.
5. Information on profit and loss items related to lease contracts is as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024
<u>Items affecting current profit and loss</u>		
Interest expense on lease liabilities	\$ 2,350	\$ 3,040
Expenses relating to short-term lease contracts	6,498	4,927
	Six months ended June 30, 2025	Six months ended June 30, 2024
<u>Items affecting current profit and loss</u>		
Interest expense on lease liabilities	\$ 5,102	\$ 5,222
Expenses relating to short-term lease contracts	14,131	14,984

6. The Group's total lease cash outflows amounted to \$35,397, \$44,987, \$63,192 and \$58,727 during April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024, respectively.
7. Please refer to Note 8 for the pledge of the Group's right-of-use assets.

(X) Investment Property

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Total</u>
January 1, 2025			
Cost	\$ 83,448	\$ 112,283	\$ 195,731
Accumulated depreciation and impairment	-	(88,356)	(88,356)
	<u>\$ 83,448</u>	<u>\$ 23,927</u>	<u>\$ 107,375</u>
<u>2025</u>			
January 1	\$ 83,448	\$ 23,927	\$ 107,375
Depreciation expense	-	(853)	(853)
Net exchange differences	3,610)	(470)	(4,080)
June 30	<u>\$ 79,838</u>	<u>\$ 22,604</u>	<u>\$ 102,442</u>
June 30, 2025			
Cost	\$ 79,838	\$ 109,453	\$ 189,291
Accumulated depreciation and impairment	-	(86,849)	(86,849)
	<u>\$ 79,838</u>	<u>\$ 22,604</u>	<u>\$ 102,442</u>
	<u>Land</u>	<u>Buildings and Structures</u>	<u>Total</u>
January 1, 2024			
Cost	\$ 79,051	\$ 106,546	\$ 185,597
Accumulated depreciation and impairment	-	(85,674)	(85,674)
	<u>\$ 79,051</u>	<u>\$ 20,872</u>	<u>\$ 99,923</u>
<u>2025</u>			
January 1	\$ 79,051	\$ 20,872	\$ 99,923
Depreciation expense	-	(799)	(799)
Net exchange differences	1,136	(659)	477
June 30	<u>\$ 80,187</u>	<u>\$ 19,414</u>	<u>\$ 99,601</u>
June 30, 2024			
Cost	\$ 80,187	\$ 107,783	\$ 187,970
Accumulated depreciation and impairment	-	(88,369)	(88,369)
	<u>\$ 80,187</u>	<u>\$ 19,414</u>	<u>\$ 99,601</u>

1. Rental income and direct operating expenses of investment property:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Rental income from investment property	\$ 8,587	\$ 7,710
Direct operating expenses arising from investment property that generated rental income during the period	\$ 421	\$ 404
	Six months ended June 30, 2025	Six months ended June 30, 2024
Rental income from investment property	\$ 16,072	\$ 14,767
Direct operating expenses arising from investment property that generated rental income during the period	\$ 853	\$ 799

2. The fair values of investment properties held by the Group as of June 30, 2025, December 31, 2024, and June 30, 2024 were \$394,928, \$392,544, and \$378,147, respectively. These valuations were performed using the comparison method based on market transaction information obtained by the Group, and the results fall under Level 3 fair value.

3. For details on the pledging of the Group's investment properties, please refer to Note 8.

(XI) Intangible Assets

	Computer Software	Goodwill	Total
January 1, 2025			
Cost	\$ 34,746	\$ 38,125	\$ 72,871
Accumulated amortization and impairment	(5,357)	-	(5,357)
	<u>\$ 29,389</u>	<u>\$ 38,125</u>	<u>\$ 67,514</u>
<u>2025</u>			
January 1	\$ 29,389	\$ 38,125	\$ 67,514
Additions	310	-	310
Reclassifications	3,019	-	3,019
Amortization expense (mainly listed under administrative expenses)	(2,113)	-	(2,113)
Net exchange differences	(2,595)	(2,866)	(5,461)
June 30	<u>\$ 28,010</u>	<u>\$ 35,259</u>	<u>\$ 63,269</u>
June 30, 2025			
Cost	\$ 34,935	\$ 35,259	\$ 70,194
Accumulated amortization and impairment	(6,925)	-	(6,925)
	<u>\$ 28,010</u>	<u>\$ 35,259</u>	<u>\$ 63,269</u>

	Computer Software	Goodwill	Total
January 1, 2025			
Cost	\$ 20,397	\$ 36,141	\$ 56,538
Accumulated amortization and impairment	(2,866)	-	(2,866)
	<u>\$ 17,531</u>	<u>\$ 36,141</u>	<u>\$ 53,672</u>
2024			
January 1	\$ 17,531	\$ 36,141	\$ 53,672
Additions	11,918	-	11,918
Amortization expense (mainly listed under administrative expenses)	(1,917)	-	(1,917)
Net exchange differences	1,765	1,011	2,776
June 30	<u>\$ 29,297</u>	<u>\$ 37,152</u>	<u>\$ 66,449</u>
June 30, 2024			
Cost	\$ 32,947	\$ 37,152	\$ 70,099
Accumulated amortization and impairment	(3,650)	-	(3,650)
	<u>\$ 29,297</u>	<u>\$ 37,152</u>	<u>\$ 66,449</u>

1. The above intangible asset - goodwill mainly arose from the Group's acquisition of East Honest Holdings Limited in 2012 using the acquisition method, and indirectly acquiring its invested subsidiary in China, Honghuasheng Precision Electronics (YanTai) Co., Ltd.
2. The goodwill is allocated to the Group's cash-generating units identified by operating segments, which belong to electronic components division and other divisions. For information disclosure regarding operating segments, please refer to Note 14.
3. The goodwill allocated to the Group's cash-generating units identified by operating segments is assessed for recoverable amount based on value in use, which is calculated using pre-tax cash flow projections based on financial budgets approved by management. The Group's recoverable amount calculated based on value in use exceeds the carrying amount, therefore no impairment of goodwill has occurred.

(XII) Short-term Borrowings

Nature of borrowings	June 30, 2025	Interest rate range	Collateral
Bank loans - secured borrowings	\$ 245,460	3.5%	Note 1.
Bank loans - unsecured borrowings	728,489	2.6%~4.72%	None
	<u>\$ 973,949</u>		
Nature of borrowings	December 31, 2024	Interest rate range	Collateral
Bank loans - secured borrowings	\$ 551,177	3.2%~4.97%	Note 1.
Bank loans - unsecured borrowings	488,102	2.35%~3.65%	None
	<u>\$ 1,039,279</u>		
Nature of borrowings	June 30, 2024	Interest rate range	Collateral
Bank loans - secured borrowings	\$ 506,568	2.35%-3.85%	Note 1.
Bank loans - unsecured borrowings	635,762	5.542%-5.55%	None
	<u>\$ 1,142,330</u>		

1. The Group has signed credit facility agreements with banks where subsidiaries provide joint

guarantee limits. Please refer to Note 13 for details.

2. As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group's unused credit facilities amounted to \$7,881,480, \$7,829,276, and \$7,688,986, respectively.

(XIII) Other Payables

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends payable	\$ 570,181	\$ -	\$ 673,850
Salaries, bonuses and employee compensation payable	560,441	602,260	541,827
Utilities payable	58,011	35,933	38,573
Supplies payable	45,951	64,378	40,697
Repairs payable	41,990	61,186	35,209
Equipment payable	29,803	50,264	34,645
Others	524,081	335,577	493,929
	<u>\$ 1,830,458</u>	<u>\$ 1,149,598</u>	<u>\$ 1,858,730</u>

(XIV) Pension

1. Defined benefit pension plan

- (1) The Company and Tekcon Electronics Corp. (hereinafter referred to as "Tekcon") have established defined benefit pension plans in accordance with the Labor Standards Act, which apply to the years of service for all regular employees before July 1, 2005, when the Labor Pension Act was implemented, as well as the subsequent years of service for employees who chose to continue being subject to the Labor Standards Act after the implementation of the Labor Pension Act. For employees who meet retirement conditions, pension payments are calculated based on years of service and the average salary of the 6 months before retirement. For each year of service up to 15 years (inclusive), two basis points are given, and for each year of service beyond 15 years, one basis point is given, with a maximum accumulation limit of 45 basis points. The Company and Tekcon contribute 6% and 2% of total monthly salaries respectively to the pension fund, which is deposited in a dedicated account under the name of the Labor Pension Fund Supervisory Committee in the Trust Department of Bank of Taiwan. Additionally, at the end of each year, the Company estimates the balance of the aforementioned labor pension reserve account. If the balance is insufficient to pay the estimated pension amount calculated according to the above method for employees who are expected to meet retirement conditions in the following year, the Company will make a one-time contribution to cover the difference by the end of March of the following year.
- (2) During April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024, the Group's pension costs recognized under the aforementioned pension plan amounted to \$7, \$403, \$17 and \$1,076, respectively.
- (3) The Group's expected contribution to the pension plan for the year 2026 is \$42.

2. Defined Contribution Pension Plan

- (1) Starting from July 1, 2005, the Company and Tekcon have established a defined contribution pension plan in accordance with the "Labor Pension Act," which applies to employees with Republic of China nationality. For employees who have chosen to adopt the labor pension system under the "Labor Pension Act," the Company and Tekcon contribute 6% of their monthly salaries to their individual pension accounts at the

Bureau of Labor Insurance. Upon retirement, employees can receive their pension payments either as monthly pension payments or as a lump sum based on the balance of their individual pension accounts and accumulated earnings.

(2) The subsidiaries included in the consolidated financial statements have not established their own pension plans. Pan-International Electronics, Inc. ∙ P.I.E. Industrial Berhad, and subsidiaries in mainland China are required by local government regulations to contribute a certain percentage of employees' total salaries to mandatory provident funds, which are stored in individual accounts for each employee. The retirement benefits for each employee are managed and arranged by the government. The aforementioned companies have no further obligations beyond making monthly contributions.

(3) During April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024, the Group's pension costs recognized under the aforementioned pension plan amounted to \$40,632, \$41,071, \$84,680 and \$82,449, respectively.

(XV) Share Capital

As of June 30, 2025, the Company's authorized number of shares was 600,000,000 shares (including 30,000,000 shares reserved for employee stock options or convertible bonds with stock rights), with 518,346,282 shares issued and outstanding, at a par value of NT\$10 per share.

(XVI) Capital surplus

According to the Company Act, capital surplus from share premium in excess of par value and donations received can only be used to offset losses. When the company has no accumulated losses, it can be distributed as new shares or cash to shareholders in proportion to their original shareholdings. Additionally, according to the relevant provisions of the Securities and Exchange Act, when using the aforementioned capital surplus for capital increase, the annual total amount is limited to no more than 10% of the paid-in capital. The company shall not use capital surplus to offset capital losses unless the legal reserve is insufficient to cover such losses.

(XVII) Retained earnings

1. According to the Company's Articles of Incorporation, if there are profits in the annual final accounts, after paying all taxes in accordance with the law, the profits shall first be used to offset previous years' losses, then 10% shall be set aside as legal reserve. Any remaining profits shall be retained or distributed according to the resolution of the shareholders' meeting.
2. The Company authorizes the Board of Directors, with the attendance of more than two-thirds of directors and a resolution approved by a majority of the attending directors, to distribute all or part of the dividends and bonuses, capital surplus or legal reserve in cash. Such distribution is not subject to the requirement of shareholders' meeting resolution as mentioned in the preceding paragraph.
3. The Company is currently in a growth stage. The Company's dividend distribution policy must take into account factors such as current and future investment environment, capital requirements, domestic and international competition, capital budget, shareholders' interests, and long-term financial planning. Shareholders' dividends shall be appropriated from accumulated distributable earnings, of which no less than 15% of the current year's distributable earnings shall be distributed, and cash dividends shall constitute no less than 10% of the total shareholders' dividends.
4. The legal reserve shall not be used except for offsetting company losses and distributing

new shares or cash in proportion to shareholders' original shareholding. However, when distributing new shares or cash, it is limited to the portion of such reserve that exceeds 25% of the paid-in capital.

5. When distributing earnings, the Company shall, in accordance with regulations, set aside special reserve for the debit balance of other equity items on the balance sheet date before distribution. When the debit balance of other equity items is subsequently reversed, the reversed amount can be included in distributable earnings.
6. The Company's shareholders' meetings held on May 26, 2025 and May 31, 2024 approved the following earnings distributions for 2024 and 2023:

	2024		2023	
	Amount	Dividend Per Share (NT\$)	Amount	Dividend Per Share (NT\$)
Legal reserve	\$ 114,569		\$ 125,854	
(Reversal of) Special reserve	(400,813)		25,528	
Cash Dividends	570,181	\$ 1.10	673,850	\$ 1.30
	<u>\$ 283,937</u>		<u>\$ 825,232</u>	

The above 2024 earnings distribution is consistent with the resolution of the Board of Directors on June 30, 2025. Please refer to the Market Observation Post System of the Taiwan Stock Exchange for details.

(XVIII) Other equity items

	Financial Assets Measured at Fair Value Through Other Comprehensive Income	Foreign Currency Translation Differences	Total
January 1, 2025	(\$ 426,029)	(\$ 583,894)	(\$ 1,009,923)
Unrealized gains and losses on financial instruments - Group	(64,509)	-	(64,509)
Foreign currency translation differences - Group	-	(985,835)	(985,835)
June 30, 2025	<u>(\$ 490,538)</u>	<u>(\$ 1,569,729)</u>	<u>(\$ 2,060,267)</u>

	Financial Assets Measured at Fair Value Through Other Comprehensive Income	Foreign Currency Translation Differences	Total
January 1, 2024	(\$ 268,673)	(\$ 1,142,062)	(\$ 1,410,735)
Unrealized gains and losses on financial instruments - Group	27,298	-	27,298
Valuation adjustments transferred to retained earnings - Group	(77,970)	-	(77,970)
Foreign currency translation differences - Group	-	323,192	323,192
June 30, 2024	<u>(\$ 319,345)</u>	<u>(\$ 818,870)</u>	<u>(\$ 1,138,215)</u>

(XIX) Non-controlling interests

	<u>2025</u>	<u>2024</u>
January 1	\$ 2,206,818	\$ 1,941,812
Share attributable to non-controlling interests:		
Profit for the period	75,336	82,745
Exchange differences on translation of foreign financial statements	(121,525)	51,155
Cash dividends distribution	(62,535)	(83,604)
June 30	<u>\$ 2,098,094</u>	<u>\$ 1,992,108</u>

(XX) Operating Revenue

	<u>Three months ended June 30, 2025</u>	<u>Three months ended June 30, 2024</u>
Revenue from contracts with customers	\$ 5,732,721	\$ 5,446,118
	<u>Six months ended June 30, 2025</u>	<u>Six months ended June 30, 2024</u>
Revenue from contracts with customers	\$ 11,447,475	\$ 10,103,988

The Group's revenue is derived from goods and services transferred at a point in time. For detailed revenue disaggregation information, please refer to Note 14.

Contract Liabilities

The Group recognizes contract liabilities related to revenue from contracts with customers as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>January 1, 2024</u>
Contract Liabilities	\$ 125,562	\$ 104,053	\$ 191,950	\$ 181,376

Revenue recognized from contract liabilities at beginning of period:

	<u>Three months ended June 30, 2025</u>	<u>Three months ended June 30, 2024</u>
Revenue recognized from contract liabilities balance at beginning of period	\$ 13,113	\$ 16,986
	<u>Six months ended June 30, 2025</u>	<u>Six months ended June 30, 2024</u>
Revenue recognized from contract liabilities balance at beginning of period	\$ 62,432	\$ 74,721

(XXI) Other Income

	Three months ended June 30, 2025	Three months ended June 30, 2024
Rental income	\$ 11,667	\$ 10,300
Dividend Income	37,244	7
Grant income	7,999	4,267
Other income - others	2,922	26,156
	<u>\$ 59,832</u>	<u>\$ 40,730</u>

	Six months ended June 30, 2025	Six months ended June 30, 2024
Rental income	\$ 21,779	\$ 22,264
Dividend Income	37,244	12
Grant income	17,017	15,390
Other income - others	4,346	39,540
	<u>\$ 80,386</u>	<u>\$ 77,206</u>

(XXII) Other Gains and Losses

	Three months ended June 30, 2025	Three months ended June 30, 2024
Net gains on financial assets and liabilities at fair value through profit or loss	\$ 9,383	\$ 100
Gains (loss) on disposal of property, plant and equipment	(513)	(1,487)
Net foreign currency exchange (loss) gain	(48,261)	37,038
Others	(5,408)	3,112
	<u>(\$ 44,799)</u>	<u>\$ 38,763</u>

	Six months ended June 30, 2025	Six months ended June 30, 2024
Net gains on financial assets and liabilities at fair value through profit or loss	\$ 9,501	\$ 161
Gains (loss) on disposal of property, plant and equipment	3,642	(1,459)
Net foreign currency exchange (loss) gain	(37,566)	75,017
Others	(15,535)	1,437
	<u>(\$ 39,958)</u>	<u>\$ 75,156</u>

(XXIII) Employee benefits expenses, depreciation and amortization expenses

By nature	Three months ended June 30, 2025	Three months ended June 30, 2024
Employee benefits expenses		
Salary expenses	\$ 584,769	\$ 751,638
Labor and health insurance expenses	16,656	23,027
Pension expenses	40,639	41,474
Other personnel expenses	131,365	56,787
	773,429	872,926
Depreciation expense	150,658	178,593
Amortization expenses	\$ 2,214	\$ 4,411

By nature	Six months ended June 30, 2025	Six months ended June 30, 2024
Employee benefits expenses		
Salary expenses	\$ 1,291,845	\$ 1,421,371
Labor and health insurance expenses	45,932	45,623
Pension expenses	84,697	83,525
Other personnel expenses	237,717	100,877
	\$ 1,660,191	\$ 1,651,396
Depreciation expense	315,146	331,562
Amortization expenses	\$ 4,952	\$ 6,580

1. According to the Company's Articles of Incorporation, if the Company makes a profit for the year (profit refers to the profit before tax and before the distribution of employee compensation and director compensation), no less than 5% shall be allocated as employee compensation and no more than 0.5% shall be allocated as director compensation. These allocations shall be distributed by special resolution of the Board of Directors and reported to the shareholders' meeting. However, when the Company still has accumulated losses, the amount for compensation should be reserved in advance.
2. For the periods from April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024, the Company's estimated employee compensation amounted to \$15,207, \$17,035, \$28,399 and \$26,950, respectively. The estimated Directors' compensation amounted to \$1,521, \$1,704, \$2,840 and \$2,695, respectively, which were recorded under salary expenses.

The amounts Six months ended June 30, 2025 and 2024 were estimated based on the profitability for the period (current year) according to the proportions specified in the Company's Articles of Incorporation.

The employee compensation and director compensation for 2024 as resolved by the Board of Directors were \$62,126 and \$6,213 respectively, which were consistent with the amounts recognized in the 2024 financial statements and will be distributed in cash. As of June 30, 2025, the unpaid amounts of employee compensation and director compensation for 2024 were \$62,126 and \$6,213 respectively, which were listed under "Other Payables".

The above information regarding employee compensation and director compensation approved by the Company's Board of Directors can be found on the Market Observation Post System.

(XXIV) Finance Costs

	Three months ended June 30, 2025	Three months ended June 30, 2024
Interest expense on bank borrowings	\$ 4,110	\$ 12,813
Interest expense on lease liabilities	2,350	3,040
Other finance costs	311	4,873
	<u>\$ 6,771</u>	<u>\$ 20,726</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Interest expense on bank borrowings	\$ 9,521	\$ 20,354
Interest expense on lease liabilities	5,102	5,222
Other finance costs	2,520	9,591
	<u>\$ 17,143</u>	<u>\$ 35,167</u>

(XXV) Income Tax

1. Income tax expense

Components of income tax expense:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Current income tax:		
Income tax generated from current income	\$ 73,589	\$ 139,042
Additional tax on unappropriated earnings	43,088	21,666
Over estimated income tax of prior years	(16,166)	(3,923)
Total current income tax	<u>100,511</u>	<u>156,785</u>
Deferred income tax:		
Initial recognition and reversal of temporary differences	(10,885)	(36,500)
Income Tax Expense	<u>\$ 89,626</u>	<u>\$ 120,285</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Current income tax:		
Income tax generated from current income	\$ 155,258	\$ 156,562
Additional tax on unappropriated earnings	43,088	21,666
Over estimated income tax of prior years	(13,156)	(596)
Total current income tax	<u>185,190</u>	<u>177,632</u>
Deferred income tax:		
Initial recognition and reversal of temporary differences	(17,741)	555
Income Tax Expense	<u>\$ 167,449</u>	<u>\$ 178,187</u>

2. The Company's business income tax has been approved by the tax authority through 2023.
3. The Group has applied the exception provisions for recognizing deferred tax assets and liabilities related to Pillar Two income tax and disclosing relevant information.
4. The Group falls within the scope of the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development. The Pillar Two legislation has become effective in the jurisdictions where some of the Group's subsidiaries are registered. As of June 30, 2025, the Group has appropriately recognized the related current income tax expenses.

The Group has applied the amendments to IAS 12 "Income Taxes" issued on May 23, 2023, implementing the exception provisions for recognizing deferred tax assets and liabilities related to Pillar Two income tax and relevant information.

(XXVI) Earnings per share

Three months ended June 30, 2025			
	After-tax Amount	Weighted Average Number of Outstanding Shares (Thousands)	Earnings Per Share (NT\$)
<u>Basic earnings per share</u>			
Net Income Attributable to Common Shareholders of the Parent Company	\$ 242,898	\$ 518,346	\$ 0.47
<u>Diluted Earnings (Loss) Per Share</u>			
Net Income Attributable to Common Shareholders of the Parent Company	242,898	518,346	
Effect of Potentially Dilutive Common Shares-			
Employee Compensation	-	708	
Net Income Attributable to Common Shareholders of the Parent Company Plus Effect of Potentially Dilutive Common Shares	\$ 242,898	\$ 519,054	\$ 0.47
Three months ended June 30, 2024			
	After-tax Amount	Weighted Average Number of Outstanding Shares (Thousands)	Earnings Per Share (NT\$)
<u>Basic earnings per share</u>			
Net Income Attributable to Common Shareholders of the Parent Company	\$ 275,438	\$ 518,346	\$ 0.53
<u>Diluted Earnings (Loss) Per Share</u>			
Net Income Attributable to Common Shareholders of the Parent Company	275,438	518,346	
Effect of Potentially Dilutive Common Shares-			
Employee Compensation	-	673	
Net Income Attributable to Common Shareholders of the Parent Company Plus Effect of Potentially Dilutive Common Shares	\$ 275,438	\$ 519,019	\$ 0.53
Six months ended June 30, 2025			
	After-tax Amount	Weighted Average Number of Outstanding Shares (Thousands)	Earnings Per Share (NT\$)
<u>Basic earnings per share</u>			
Net Income Attributable to Common Shareholders of the Parent Company	\$ 458,450	\$ 518,346	\$ 0.88
<u>Diluted Earnings (Loss) Per Share</u>			
Net Income Attributable to Common Shareholders of the Parent Company	458,450	518,346	
Effect of Potentially Dilutive Common Shares-			
Employee Compensation	-	1,217	
Net Income Attributable to Common Shareholders of the Parent Company Plus Effect of Potentially Dilutive Common Shares	\$ 458,450	\$ 519,563	\$ 0.88
Six months ended June 30, 2024			
	After-tax Amount	Weighted Average Number of Outstanding Shares (Thousands)	Earnings Per Share (NT\$)
<u>Basic earnings per share</u>			
Net Income Attributable to Common Shareholders of the Parent Company	\$ 445,136	\$ 518,346	\$ 0.86
<u>Diluted Earnings (Loss) Per Share</u>			
Net Income Attributable to Common Shareholders of the Parent Company	445,136	518,346	
Effect of dilutive potential ordinary shares - employee compensation	-	1,564	
Net income attributable to ordinary shareholders of the parent plus effect of potential ordinary shares	\$ 445,136	\$ 519,910	\$ 0.86

(XXVII) Supplemental Cash Flow Information

1. Investing Activities Partially Paid in Cash:

	Six months ended June 30, 2025	Six months ended June 30, 2024
Purchase of Property, Plant and Equipment	\$ 213,427	\$ 459,803
Add: Equipment Payable, Beginning of Period	50,264	129,870
Less: Equipment Payable, End of Period	(29,803)	(34,645)
Effect of Exchange Rate Changes	(2,628)	(2,808)
Cash Paid for the Period	<u>\$ 231,260</u>	<u>\$ 557,836</u>

2. Non-cash financing activities:

	Six months ended June 30, 2025	Six months ended June 30, 2024
Declared cash dividends from earnings	\$ 570,181	\$ 673,850
Dividends payable	(570,181)	(673,850)
Cash Paid for the Period	<u>\$ -</u>	<u>\$ -</u>

(XXVIII) Changes in Liabilities from Financing Activities

	2025		
	Short-term Borrowings	Lease Liabilities	Total Liabilities from Financing Activities
January 1	\$ 1,039,279	\$ 289,092	\$ 1,328,371
Changes in Financing Cash Flows	728	(43,959)	(43,231)
Effect of Exchange Rate Changes	(66,058)	(23,838)	(89,896)
Other Non-cash Changes	-	20,112	20,112
June 30	<u>\$ 973,949</u>	<u>\$ 241,407</u>	<u>\$ 1,215,356</u>
	2024		
	Short-term Borrowings	Lease Liabilities	Total Liabilities from Financing Activities
January 1	\$ 565,372	\$ 99,702	\$ 665,074
Changes in Financing Cash Flows	545,597	(38,521)	507,076
Effect of Exchange Rate Changes	31,361	5,006	36,367
Other Non-cash Changes	-	272,707	272,707
June 30	<u>\$ 1,142,330</u>	<u>\$ 338,894</u>	<u>\$ 1,481,224</u>

VII. Related Party Transactions

(I) Names and Relationships of Related Parties

Names of Related Parties	Relationship with the Group
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (HON HAI and subsidiaries)	Has significant influence over the Group
SHARP CORPORATION and its subsidiaries (SHARP and subsidiaries)	Other Related Parties
Foxconn Technology Co., Ltd. and its subsidiaries (FOXCONN and subsidiaries)	Other Related Parties
GENERAL INTERFACE SOLUTION LIMITED	Other Related Parties
Cybertan Technology, Inc. and its subsidiaries	Other Related Parties
Ennoconn Corporation	Other Related Parties
Long Time Technology Co., Ltd	Affiliated Companies
Pan-International Corporation (S) Pte Ltd.	Affiliated Companies

(II) Significant Transactions with Related Parties

1. Operating Revenue

Sales of goods:	Three months ended June 30, 2025	Three months ended June 30, 2024
Entity with significant influence - HON HAI and subsidiaries	\$ 1,697,060	\$ 1,427,631
Other Related Parties	-	215,413
Affiliated Companies	728	308
	<u>1,697,788</u>	<u>1,643,352</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Entity with significant influence - HON HAI and subsidiaries	\$ 3,100,277	\$ 2,231,175
Other Related Parties	-	595,747
Affiliated Companies	4,648	437
	<u>3,104,925</u>	<u>2,827,359</u>

Except for transactions where there are no similar transactions for reference and prices and credit terms are determined through mutual negotiation, the Group's selling prices to the above related parties are similar to those for general customers; the Group's collection period for related parties is approximately 30-120 days after the end of the month.

2. Purchases

	Three months ended June 30, 2025	Three months ended June 30, 2024
Entity with significant influence - HON HAI and subsidiaries	\$ 748,928	\$ 553,867
Other Related Parties	-	(159,252)
Affiliated Companies	747	1,149
	<u>\$ 749,675</u>	<u>\$ 395,764</u>

	Six months ended June 30, 2025	Six months ended June 30, 2024
Entity with significant influence - HON HAI and subsidiaries	\$ 1,354,209	\$ 1,060,611
Other Related Parties	-	46,441
Affiliated Companies	1,767	2,147
	<u>\$ 1,355,976</u>	<u>\$ 1,109,199</u>

The above amounts include purchases, discounts and returns. The purchase prices and payment terms are determined through mutual negotiation. The payment terms for related parties are approximately 30-120 days after monthly closing.

3. Receivables from related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable:			
Entity with significant influence - HON HAI and subsidiaries	\$ 2,102,872	\$ 1,762,346	\$ 2,030,752
Other Related Parties	-	101,587	592,657
Affiliated Companies	4,499	1,083	407
	<u>2,107,371</u>	<u>1,865,016</u>	<u>2,623,816</u>
Less: Loss allowance	(1,758)	(1,456)	(1,082)
	<u>\$ 2,105,613</u>	<u>\$ 1,863,560</u>	<u>\$ 2,622,734</u>

The amounts receivable from related parties primarily arise from sales and purchasing agency transactions, with payment terms of approximately 30-120 days after the end of the month. The receivables are unsecured and non-interest bearing.

4. Amounts payable to related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable:			
Entity with significant influence - HON HAI and subsidiaries	\$ 971,747	\$ 769,799	\$ 887,056
Other Related Parties	-	4,588	6
Affiliated Companies	209	89	249
	<u>\$ 971,956</u>	<u>\$ 774,476</u>	<u>\$ 887,311</u>

The payables to related parties mainly arise from purchase and purchase agency transactions, and these payables are non-interest bearing.

5. Contract liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Entity with significant influence - HON HAI and subsidiaries	-	-	46,463

As of June 30, 2025, December 31, 2024 and June 30, 2024, the aforementioned contract liabilities of \$0, \$0 and \$46,463 were secured by the Group's investments accounted for using equity method with 7,812,500 shares pledged as collateral. Please refer to Note 8 for details. The amount was fully repaid as of November 2024.

6. Lease transactions - lessee

(1) The Group leases plants from the group with significant influence over the Group. The lease contracts are for 5 years, and the rent is paid at the end of each month.

(2) Acquisition of right-of-use assets

Six months ended June 30, 2025 and 2024, the Group acquired right-of-use assets from related parties amounting to \$0 and \$185,003, respectively.

(3) Lease liabilities:

A. Ending balance

	June 30, 2025	December 31, 2024	June 30, 2024
Groups with significant influence over the Group	\$ 122,337	\$ 152,193	\$ 168,927

B. Interest expense

	Three months ended June 30, 2025	Three months ended June 30, 2024
Groups with significant influence over the Group	\$ 808	\$ 1,065

	Six months ended June 30, 2025	Six months ended June 30, 2024
Groups with significant influence over the Group	\$ 1,720	\$ 2,160

(III) Key management personnel compensation information

	Three months ended June 30, 2025	Three months ended June 30, 2024
Short-term employee benefits	\$ 1,653	\$ 1,710
Post-employment benefits	60	60
Total	1,713	1,770

	Six months ended June 30, 2025	Six months ended June 30, 2024
Short-term employee benefits	\$ 5,668	\$ 5,932
Post-employment benefits	120	120
Total	\$ 5,788	\$ 6,052

VIII. Pledged assets

Details of the Group's assets pledged as collateral are as follows:

<u>Asset items</u>	<u>Carrying amount</u>			<u>Purpose of pledge</u>
	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	
Pledged time deposits and restricted bank deposits (listed under financial assets measured at amortized cost - current)	\$ 198,010	\$ 940,684	\$ 901,982	Guarantee deposits for bank acceptance bills, letters of credit, etc.
Pledged time deposits and restricted bank deposits (listed under financial assets measured at amortized cost - non-current)	1,636	-	-	Guarantee deposits for bank acceptance bills and customs duties
Property, Plant and Equipment	33,881	35,947	30,572	Collateral for bank credit facilities (Note)
Investment Property	10,316	10,946	10,086	Collateral for bank credit facilities (Note)
Right-of-use Assets	-	-	53,411	Guarantee deposits for bank acceptance bills
Investment accounted for using equity method (LONG TIME TECH)	-	-	178,501	Contract Liabilities
	\$ 243,843	\$ 987,577	\$ 1,174,552	

Note: The above land, buildings and structures were pledged as collateral for bank overdraft facilities in 2005. As of June 30, 2025, the overdraft facilities have been fully repaid but the pledges have not yet been canceled.

IX. Significant contingent liabilities and unrecognized contract commitments

(I) Contingencies

The Group does not have any significant contingent liabilities arising from legal claims in the ordinary course of business.

(II) Commitments

None.

X. Significant Disaster Loss

None.

XI. Significant Subsequent Events

On August 13, 2025, the Board of Directors resolved to increase capital investment in its Malaysian subsidiary, Global Greenchain Innovation Sdn. Bhd. (GGCI), by MYR 60,500 thousand to meet customer production demands in Malaysia. The Company plans for GGCI to acquire local facilities to serve as the primary entity for future local orders, production, and exports.

XII. Others

(I) Capital Management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern, maintain an optimal capital structure to reduce the cost of capital, and provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors its capital using the net debt ratio, which is calculated by dividing net debt by total equity. The calculation of net debt is total borrowings (including "current and non-current borrowings" reported in the consolidated balance sheet) less cash and cash equivalents. The calculation of total equity is "equity" reported in the consolidated balance sheet less total intangible assets.

The Group's strategy in 2025 remains the same as in 2024, which is to maintain the net debt ratio below 70%.

(II) Financial Instruments

1. Categories of Financial Instruments

The relevant amounts and information for the Group's financial assets measured at amortized cost under IFRS 9 (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable (including related parties), and other receivables) and financial liabilities measured at amortized cost (including short-term borrowings, notes payable, accounts payable (including related parties), and other payables) are detailed in the consolidated balance sheet and Note 6. The carrying amounts of financial assets/liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are detailed in Notes 6(2) and 6(6).

2. Risk Management Policy

(1) Types of Risks

The Group adopts a comprehensive financial risk management and control system to clearly identify, measure, and control various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) Management Objectives

A. Among the aforementioned risks, except for market risk which is controlled by external factors, the rest can be eliminated through internal controls or operational procedures. Therefore, the management objective is to reduce each of these risks to zero.

B. As for market risk, through rigorous analysis, recommendations, execution, and procedures, appropriate consideration is given to external overall trends, internal operational conditions, and the actual impact of market fluctuations, with the objective of optimizing the overall position.

C. The Group's overall risk management policy focuses on unpredictable events in financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(3) Management System

- A. Risk management tasks are executed by the Group's Finance Department in accordance with policies approved by the Board of Directors. Through close collaboration with the Group's operating units, the Finance Department is responsible for identifying, evaluating, and hedging financial risks.
- B. The Board of Directors has established written principles for overall risk management and provides written policies for specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investment of excess liquidity.

3. Nature and Extent of Significant Financial Risks

(1) Market Risk

Foreign Exchange Risk

A. Nature: As a multinational electronic manufacturing services provider, the Group's foreign exchange risks from operating activities primarily arise from:

- a. Foreign exchange risks arising from timing differences between accounts receivable and accounts payable recorded in non-functional currencies, resulting in exchange rate variations against the functional currency. Due to the small net amount after offsetting assets and liabilities, the resulting profit or loss impact is also minimal. (Note: The Group has operations in multiple countries worldwide, resulting in foreign exchange risks from various currencies, but primarily in US dollars, Chinese Yuan, and Malaysian Ringgit.)
- b. In addition to the commercial transactions (operating activities) on the income statement mentioned above, foreign exchange risks also arise from recognized assets and liabilities on the balance sheet, as well as net investments in foreign operations.

B. Management

- a. For these types of risks, the Group has established policies requiring each company within the Group to manage foreign exchange risks relative to their functional currency.
- b. As for foreign exchange risks arising between functional currencies and the reporting currency of consolidated financial statements, these are managed centrally by the Group's Treasury Department.

C. Extent

The Group's operations involve several non-functional currencies (the functional currency of the Company and some subsidiaries is TWD, while some subsidiaries' functional currencies are Chinese Yuan and Malaysian Ringgit), and are therefore affected by exchange rate fluctuations. The information on foreign currency assets and liabilities significantly affected by exchange rate fluctuations is as follows:

June 30, 2025					
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)	Sensitivity analysis	
				Degree of variation	Impact on profit or loss
	<u>Financial assets</u>				
	<u>Monetary items</u>				
	USD:NTD	\$96,649	29.30	\$2,831,816	5%
USD:RMB	64,207	7.1586	1,880,355	5%	94,018
USD:MYR	41,965	4.2159	1,229,575	5%	61,479
EUR:MYR	4,910	4.9424	168,659	5%	8,433
<u>Foreign operations</u>					
USD:NTD	365,079	29.30	10,696,812		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	87,958	29.30	2,577,169	5%	128,858
USD:RMB	4,468	7.1586	130,849	5%	6,542
USD:MYR	34,388	4.2159	1,007,568	5%	50,378
December 31, 2024					
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)	Sensitivity analysis	
				Degree of variation	Impact on profit or loss
	<u>Financial assets</u>				
	<u>Monetary items</u>				
	USD:NTD	\$75,631	32.79	\$2,479,940	5%
USD:RMB	60,169	7.1884	1,936,819	5%	96,841
USD:MYR	50,367	4.4703	1,651,534	5%	82,577
EUR:MYR	3,502	4.6543	119,558	5%	5,978
<u>Foreign operations</u>					
USD:NTD	341,844	32.79	11,209,062		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	77,645	32.79	2,545,980	5%	127,299
USD:RMB	4,900	7.1884	157,729	5%	7,886
USD:MYR	33,784	4.4703	1,107,777	5%	55,389

	June 30, 2024				
	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)	Sensitivity analysis	
				Degree of variation	Impact on profit or loss
(Foreign currency:functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$86,792	32.45	\$2,816,400	5%	\$140,820
USD:RMB	75,598	7.1268	2,394,841	5%	119,742
USD:MYR	56,221	4.7170	1,824,371	5%	91,219
EUR:MYR	4,286	5.0455	148,767	5%	7,438
THB:MYR	267,797	0.1289	239,229	5%	11,961
<u>Foreign operations</u>					
USD:NTD	329,134	32.45	10,680,388		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	85,684	32.45	2,780,446	5%	139,022
USD:RMB	5,330	7.1268	168,847	5%	8,442
USD:MYR	34,612	4.7170	1,123,159	5%	56,158

D. Nature

Due to exchange rate fluctuations, the Group's monetary items were significantly impacted. The total recognized exchange gains and losses (including realized and unrealized) for April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024 were losses of \$48,261, gains of \$37,038, losses of \$37,566, and gains of \$75,017, respectively.

Price risk

- A. The Group's equity instruments exposed to price risk are classified as financial assets at fair value through other comprehensive income. To manage the price risk of equity instrument investments, the Group diversifies its investment portfolio according to the limits set by the Group.
- B. The Group primarily invests in equity instruments issued by domestic and foreign companies. The prices of these equity instruments are affected by uncertainties in the future value of the investment targets. If these equity instrument prices increased or decreased by 1%, with all other factors remaining constant, the impact on other comprehensive income for the periods Six months ended June 30, 2025 and 2024 would increase or decrease by \$13,607 and \$17,844 respectively, due to gains or losses from equity investments classified as financial assets at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Based on assessment, the Group does not have significant interest rate risk.

(2) Credit risk

- A. The Group's credit risk refers to the risk of financial loss due to customers or counterparties of financial instruments failing to fulfill their contractual obligations. This risk mainly arises from counterparties' inability to settle accounts receivable according to payment terms and contractual cash flows from debt instrument investments classified as measured at amortized cost.
- B. According to the internally specified credit policy, each operating entity within the Group must conduct management and credit risk analysis for each new customer before establishing payment and delivery terms and conditions. Internal risk control is achieved by evaluating customers' credit quality through consideration of their financial status, past experience, and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and credit limit usage is regularly monitored.
- C. The Group's basis for determining whether there has been a significant increase in credit risk of financial instruments since initial recognition is as follows:
When contractual payments are more than 60 days past due according to agreed payment terms, it is considered that the credit risk of financial assets has significantly increased since initial recognition.
- D. When contractual payments are more than 90 days past due according to agreed payment terms, the Group considers it as a default.
- E. The Group categorizes notes and accounts receivable from customers based on customer rating characteristics and adopts a simplified approach using the loss rate method as the basis for estimating expected credit losses.
- F. The Group's indicators for determining whether debt instrument investments are credit-impaired are as follows:
(A) The issuer experiences significant financial difficulties, or the probability of entering bankruptcy or other financial reorganization significantly increases;
(B) The active market for the financial asset disappears due to the issuer's financial difficulties;
(C) The issuer delays or defaults on interest or principal payments;
(D) Adverse changes in national or regional economic conditions that lead to issuer default.
- G. The aging analysis of notes and accounts receivable (including related parties) is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	\$ 5,720,510	\$ 5,679,785	\$ 6,368,912
Within 90 days	6,980	8,529	17,872
91-180 days	399	199	1,389
Over 181 days	335	324	39
	<u>\$ 5,728,224</u>	<u>\$ 5,688,837</u>	<u>\$ 6,388,212</u>

The above is an aging analysis based on the number of days past due.

H. Other receivables (including related parties):

The Group's other receivables mainly consist of tax refund receivables and receivables for payments made on behalf of others. For individually significant other receivables that have defaulted, expected credit losses are estimated individually. For the remaining counterparties with no significant concerns about default or repayment, the allowance for losses is measured based on 12-month expected credit losses. The Group's allowance for losses balance as of June 30, 2025, December 31, 2024, and June 30, 2024 were \$95,168, \$106,504, and \$105,400, respectively.

I. The Group categorizes accounts receivable from customers based on credit rating standards and characteristics. The loss rates established using historical and current information for specific periods are adjusted for forward-looking considerations to estimate the allowance for losses on notes and accounts receivable. The loss rate methods as of June 30, 2025, December 31, 2024, and June 30, 2024 are as follows:

	Group 1	Group 2	Group 3	Group 4	Total
<u>June 30, 2025</u>					
Expected loss rate	0.04%	0.04%	0.09%	0.1%~100%	
Total carrying amount	\$ 5,395,854	\$ 297,346	\$ 26,755	\$ 8,269	\$ 5,728,224
Loss allowance	\$ 2,158	\$ 119	\$ 24	\$ 4,641	\$ 6,942
<u>December 31, 2024</u>					
Expected loss rate	0.04%	0.04%	0.09%	0.1%~100%	
Total carrying amount	\$ 5,161,058	\$ 504,748	\$ 5,364	\$ 17,667	\$ 5,688,837
Loss allowance	\$ 2,064	\$ 202	\$ 5	\$ 6,414	\$ 8,685
<u>June 30, 2024</u>					
Expected loss rate	0.04%	0.04%	0.09%	0.1%~100%	
Total carrying amount	5,525,014	\$ 850,661	\$ 1,799	\$ 10,738	\$ 6,388,212
Loss allowance	\$ 2,211	\$ 340	\$ 2	\$ 5,999	\$ 8,552

Group 1: Standard & Poor's, Fitch, or Moody's rating of A grade, or entities without external agency ratings but rated as A grade according to the Group's credit rating standards.

Group 2: Standard & Poor's or Fitch rating of BBB grade, Moody's rating of Baa grade, or entities without external agency ratings but rated as B or C grade according to the Group's credit rating standards.

Group 3: Standard & Poor's or Fitch rating of BB+ grade and below, or Moody's rating of Ba1 grade and below.

Group 4: Entities without external agency ratings and not rated as A, B, or C grade according to the Group's credit rating standards.

J. The changes in loss allowance for accounts receivable (including notes) and other receivables (including related parties) under the Group's simplified approach are as follows:

	2025	2024
January 1	\$ 8,685	\$ 6,041
Reversal of impairment loss	(1,432)	6,052
Effect of Exchange Rate Changes	(311)	(3,541)
June 30	<u>\$ 6,942</u>	<u>\$ 8,552</u>

K. The Group's financial assets measured at amortized cost as of June 30, 2025, December 31, 2024, and June 30, 2024, are all considered low credit risk, therefore their carrying amounts are measured based on 12-month expected credit losses after the balance sheet date.

(3) Liquidity risk

- A. Cash flow forecasts are performed by each operating entity within the Group and aggregated by the Group's finance department. The Group's finance department monitors the forecast of the Group's liquidity requirements to ensure it has sufficient funds to meet operational needs and maintains adequate unused borrowing facilities at all times to prevent the Group from breaching borrowing limits or covenants. These forecasts take into consideration the Group's debt financing plans, covenant compliance, meeting internal balance sheet ratio targets, and compliance with external regulatory requirements such as foreign exchange controls.
- B. When the remaining cash held by the Group exceeds the required working capital management needs, the finance department invests the surplus funds in interest-bearing demand deposits, time deposits, money market deposits, and securities. The selected instruments have appropriate maturities or sufficient liquidity to accommodate the aforementioned forecasts and provide adequate flexibility, and are expected to generate immediate cash flows to manage liquidity risk.
- C. The following table groups the Group's non-derivative financial liabilities by their relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the following table are undiscounted amounts.

June 30, 2025	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<u>Non-derivative financial liabilities:</u>				
Lease Liabilities	\$ 110,100	\$ 75,986	\$ 66,462	\$ 252,548
December 31, 2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<u>Non-derivative financial liabilities:</u>				
Lease Liabilities	\$ 110,974	\$ 101,025	\$ 87,244	\$ 299,243
June 30, 2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<u>Non-derivative financial liabilities:</u>				
Lease Liabilities	\$ 110,652	\$ 109,845	\$ 136,552	\$ 357,049

Except for those mentioned above, all non-derivative financial liabilities of the Group will mature within one year.

(III) Fair value information

1. The definitions of different levels of valuation techniques used for measuring the fair value of financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market where transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the Group's investments in listed/OTC stocks and beneficiary certificates belong to this category.

Level 2: Observable inputs for the asset or liability, either directly or indirectly, other than quoted prices included in Level 1. The fair values of the Group's derivative instruments and other investments belong to this category.

Level 3: Unobservable inputs for the asset or liability. The Group's investments in equity instruments with no active market belong to this category.

2. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, other current assets, notes payable, accounts payable, other payables, lease liabilities and other current liabilities) are reasonable approximations of their fair values.

3. For financial and non-financial instruments measured at fair value by the Group, the Group classifies them based on the nature, characteristics and risks of assets and liabilities, and their fair value hierarchy levels. The relevant information is as follows:

- (1) The Group classifies assets and liabilities based on their nature. The relevant information is as follows:

<u>June 30, 2025</u>	Level 1	Level 2	Level 3	Total
Financial assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - Open-end funds	\$ 190,436	\$ -	\$ -	\$ 190,436
-Forward exchange contracts	-	239	\$ -	\$ 239
	<u>\$ 190,436</u>	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ 190,675</u>
Financial assets at fair value through other comprehensive income - Equity securities	\$ 580,047	\$ -	\$ 780,649	\$ 1,360,696
<u>December 31, 2024</u>	Level 1	Level 2	Level 3	Total
Financial assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - Open-end funds	\$ 11,767	\$ -	\$ -	\$ 11,767
Financial assets at fair value through other comprehensive income - Equity securities	\$ 711,425	\$ -	\$ 878,553	\$ 1,589,978
<u>June 30, 2024</u>	Level 1	Level 2	Level 3	Total
Financial assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - Open-end funds	\$ 11,225	\$ -	\$ -	\$ 11,225
Financial assets at fair value through other comprehensive income - Equity securities	\$ 860,620	\$ -	\$ 923,757	\$ 1,784,377

The methods and assumptions used by the Group to measure fair value are described as follows:

- A. The market quotations used by the Group as fair value inputs (Level 1) are listed below according to the characteristics of the instruments:

	Listed (OTC) company stocks	Open-end Funds
Market quotation	Closing price	Net asset value

- B. Except for the financial instruments with active markets mentioned above, the fair values of other financial instruments are obtained through valuation techniques or by referring to counterparty quotations. The fair value obtained through valuation techniques can be determined by referring to the current fair value of other financial instruments with substantially similar terms and characteristics, or by using other valuation techniques, including models utilizing market information available at the consolidated balance sheet date.
- C. The valuation of derivative financial instruments is based on valuation models widely accepted by market participants, such as discounted cash flow method and option pricing models. Forward foreign exchange contracts are usually valued based on

current forward exchange rates.

D. The output of valuation models represents approximate estimates, and valuation techniques may not reflect all relevant factors of financial and non-financial instruments held by the Group. Therefore, the estimated values from valuation models are appropriately adjusted based on additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policy and related control procedures, management believes that valuation adjustments are appropriate and necessary to properly present the fair values of financial and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the valuation process are carefully evaluated and appropriately adjusted according to current market conditions.

E. The Group incorporates credit risk valuation adjustments into the fair value calculation of financial and non-financial instruments to reflect counterparty credit risk and the Group's credit quality respectively.

4. There were no transfers between Level 1 and Level 2 Six months ended June 30, 2025 and 2024.

5. The following table shows the movements of Level 3 items Six months ended June 30, 2025 and 2024:

	Equity securities	
	2025	2024
January 1	\$ 878,553	\$ 849,276
Gains (loss) recognized in other comprehensive income	(12,241)	29,844
Effect of Exchange Rate Changes	(85,663)	44,637
June 30	<u>\$ 780,649</u>	<u>\$ 923,757</u>

6. There were no transfers into or out of Level 6 Three months ended June 30, 2025 and 2024.

7. The Group's valuation process for fair value classified as Level 3 is conducted by the investment management department, which is responsible for independent fair value verification of financial instruments. The process ensures that valuation results are close to market conditions by using independent source data, confirming that data sources are independent, reliable, consistent with other resources and represent executable prices. The department also regularly calibrates valuation models, performs back-testing, updates required inputs and data for valuation models, and makes any necessary fair value adjustments to ensure reasonable valuation results.

Additionally, the investment management department establishes fair value valuation policies and procedures for financial instruments and ensures compliance with relevant International Financial Reporting Standards.

8. The quantitative information about significant unobservable inputs used in Level 3 fair value measurement and the sensitivity analysis of changes in significant unobservable inputs are described below:

	June 30, 2025 Fair Value	Valuation technique	Significant unobservab le inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks	\$ 716,307	Net asset value method	Lack of market liquidity discount	23%	The higher the market liquidity discount, the lower the fair value
Unlisted stocks	64,342	Comparable company method	Price-to-book ratio	1.07	The higher the multiple, the higher the fair value
			Lack of market liquidity discount	20%	The higher the market liquidity discount, the lower the fair value
	Fair value as of December 31, 2024	Valuation technique	Significant unobservab le input value	Range (weighted average)	Input value and fair value relationship
Non-derivative equity instruments:					
Unlisted stocks	\$ 813,637	Net asset value method	Lack of market liquidity discount	23%	The higher the market liquidity discount, the lower the fair value
Unlisted stocks	64,916	Comparable company method	Price-to-book ratio	1.12	The higher the multiple, the higher the fair value
			Lack of market liquidity discount	20%	The higher the market liquidity discount, the lower the fair value
	June 30, 2024 Fair Value	Valuation technique	Significant unobservab le inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks	\$ 838,735	Net asset value method	Lack of market liquidity discount	22%	The higher the market liquidity discount, the lower the fair value
Unlisted stocks	85,022	Comparable company method	Price-to-book ratio	1.51	The higher the multiple, the higher the fair value
			Lack of market liquidity discount	20%	The higher the market liquidity discount, the lower the fair value

9. The Group carefully evaluates and selects the valuation models and parameters used. However, using different valuation models or parameters may lead to different valuation results. For financial assets and financial liabilities classified as Level 3, if valuation parameters change, the impacts on current profit/loss or other comprehensive income are as follows:

Financial assets	Period	Input value	Change	Recognized in other comprehensive income	
				Favorable change	Unfavorable change
Equity instruments	June 30, 2025	Lack of market liquidity discount	±1%	\$ 2,948	(\$ 2,948)
Equity instruments	June 30, 2025	Price-to-book ratio	±1%	\$ 601	(\$ 601)
Financial assets	Period	Input value	Change	Recognized in other comprehensive income	
				Favorable change	Unfavorable change
Equity instruments	December 31, 2024	Lack of market liquidity discount	±1%	\$ 3,194	(\$ 3,194)
Equity instruments	December 31, 2024	Price-to-book ratio	±1%	\$ 580	(\$ 580)
Financial assets	Period	Input value	Change	Recognized in other comprehensive income	
				Favorable change	Unfavorable change
Equity instruments	June 30, 2024	Lack of market liquidity discount	±1%	\$ 3,363	(\$ 3,363)
Equity instruments	June 30, 2024	Price-to-book ratio	±1%	\$ 563	(\$ 563)

XIII. Supplementary Disclosures

(I) Information on significant transactions

1. Loans to others: Please refer to Table 1.
2. Endorsements/guarantees provided for others: Please refer to Table 2.
3. Significant securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Purchases from or sales to related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Table 4.
5. Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
6. Business relationships and significant intercompany transactions between the parent company and subsidiaries, and among subsidiaries: Please refer to Table 6.

(II) Information on Investee Companies

Names, locations and related information of investee companies (excluding investees in Mainland China): Please refer to Table 7.

(III) Information on Investment in Mainland China

1. Basic information: Please refer to Schedule 8.

2. Significant transactions conducted with investee companies in Mainland China directly or indirectly through other companies in the third areas: Please refer to Table 4, 5 and 6.

XIV. Operating Segment Information

(I) General Information

The Group's main business activities include the development, manufacturing and sales of electronic components and computer peripherals such as electronic signal cables, connectors, electronic signal cables with connectors, printed circuit boards, and precision molds. The chief operating decision maker manages various business operations from a product category perspective, developing businesses based on different market characteristics and demands. Currently, the operations are mainly divided into "Electronic Components Segment" and "Consumer Electronics and Computer Peripherals Segment," both of which are reportable segments.

The information of each operating segment is prepared in accordance with the Group's accounting policies. The Group's chief operating decision maker primarily uses revenue and profit before tax of each operating segment as indicators for performance evaluation and resource allocation.

(II) Segment Information

The reportable segment information provided to the chief operating decision maker is as follows:

<u>Three months ended June 30, 2025</u>	Consumer Electronics and		
	Electronic Components	Computer Peripherals	Total
Segment Revenue	\$ 3,567,897	\$ 2,164,824	\$ 5,732,721
Segment Profit (Loss)	\$ 382,771	\$ 88,508	\$ 471,279

<u>Three months ended June 30, 2024</u>	Consumer Electronics and		
	Electronic Components	Computer Peripherals	Total
Segment Revenue	\$ 3,386,312	\$ 2,059,806	\$ 5,446,118
Segment Profit (Loss)	\$ 218,569	\$ 230,179	\$ 448,748

<u>Six months ended June 30, 2025</u>	Consumer Electronics and		
	Electronic Components	Computer Peripherals	Total
Segment Revenue	\$ 6,776,228	\$ 4,671,247	\$ 11,447,475
Segment Profit (Loss)	\$ 553,056	\$ 266,744	\$ 819,800

<u>Six months ended June 30, 2024</u>	Consumer Electronics and		
	Electronic Components	Computer Peripherals	Total
Segment Revenue	\$ 6,103,133	\$ 4,000,855	\$ 10,103,988
Segment Profit (Loss)	\$ 333,101	\$ 351,944	\$ 685,045

Note: Since the measurement amount of operating segment assets is not provided to the operating decision maker, the measurement amount of assets to be disclosed is zero.

(III) Reconciliation Information for Reportable Segment Revenue and Profit (Loss)

Since the revenue of reportable segments equals enterprise revenue, no reconciliation is needed. Furthermore, the reconciliation between reportable segment profit (loss) and profit (loss) before

tax from continuing operations is as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Profit (Loss)		
Reportable Segment Profit (Loss)	\$ 471,279	\$ 448,748
Other Profit (Loss)	(117,224)	837
Profit (Loss) before Tax from Continuing Operations	\$ 354,055	\$ 449,585
	Six months ended June 30, 2025	Six months ended June 30, 2024
Profit (Loss)		
Reportable Segment Profit (Loss)	\$ 819,800	\$ 685,045
Other Profit (Loss)	(118,565)	21,023
Profit (Loss) before Tax from Continuing Operations	\$ 701,235	\$ 706,068

(Blank Below)

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
LENDING OF CAPITAL TO OTHERS

Six months ended June 30, 2025

Table 1

Unit: NT\$ thousand (unless otherwise noted)

No. (Note 1)	Fund Lending Company	Borrower	Transacti on Items (Note 2)	Related Party or Not	Maximum Balance for the Period (Note 3)	Ending Balance (Note 9)	Actual Amount Drawn	Interest rate range	Nature of Fund Lending (Note 4)	Amount of Business Transacti ons (Note 5)	Reason for Short-term Financing Necessity (Note 6)	Allowance for Bad Debts	Collateral		Individual Fund Lending Limit	Total Fund Lending Limit	Notes
													Name	Value			
1	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	CJ Electric Systems (Wuhu)Co., Ltd.	Other Receivables - Related Parties	Yes	\$320,110	\$286,370	\$286,370	2.79%	Short-term Financing	\$ -	Working Capital	\$ -	None	None	\$8,651,584	\$17,303,168	Note 7

Note 1: The descriptions of the number column are as follows:
(1) The issuer fills in 0.
(2) Investee companies are numbered sequentially starting from Arabic numeral 1 by company.

Note 2: Items recorded as receivables from affiliated enterprises, receivables from related parties, shareholder transactions, prepayments, temporary payments, etc., if they are of a lending nature, must all be filled in this field.

Note 3: The maximum balance of funds lent to others during the current year.

Note 4: The nature of fund lending should be specified as either business transaction-related or necessary for short-term financing.

Note 5: For fund lending that is business transaction-related in nature, the business transaction amount should be filled in. The business transaction amount refers to the amount of business transactions between the lending company and the borrower in the most recent fiscal year.

Note 6: For fund lending that is necessary for short-term financing, specific reasons for the necessary lending and the borrower's intended use of funds should be explained, such as: loan repayment, equipment purchase, business operations, etc.

Note 7: When Honghuasheng Precision Electronics (YanTai) Co., Ltd. engages in fund lending, the total amount shall not exceed 400% of the lender's net worth; the limit for individual borrowers shall not exceed 200% of the lender's net worth.

Note 8: If a public company submits each fund lending case to the Board of Directors for resolution in accordance with Article 14, Paragraph 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," even though the funds have not yet been disbursed, the amount approved by the Board should still be included in the announced balance to disclose the risk undertaken; however, subsequent fund repayments should be disclosed with the remaining balance after repayment to reflect the risk adjustment. If a public company authorizes the Chairman to make loans in installments or on a revolving basis within a certain limit and a one-year period through a Board resolution in accordance with Article 14, Paragraph 2 of the Regulations, the fund lending limit approved by the Board should still be used as the announced balance. Even though funds may be repaid subsequently, considering that they could be loaned again, the fund lending limit approved by the Board should still be used as the announced balance.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES FOR OTHERS

Six months ended June 30, 2025

Table 2

Unit: NT\$ thousand (unless otherwise noted)

Endorsement/ Guarantee Recipients														
No. (Note 1)	Name of Endorser/ Guarantor Company	Company Name	Relationship (Note 2)	Maximum Individual Endorsement/ Guarantee Amount (Note 3)	Maximum Balance of Endorsements/ Guarantees During Current Period (Note 4)	Balance of Endorsements/ Guarantees at the End of Period (Note 5)	Actual Amount Drawn (Note 6)	Amount of Endorsements/ Guarantees Secured with Collateral	Ratio of Accumulated Endorsement/ Guarantee Amount to Net Worth in Latest Financial Statements	Maximum Endorsement/ Guarantee Amount (Note 3)	Endorsements/ Guarantees Made by Parent Company to Subsidiaries (Note 7)	Endorsements/ Guarantees Made by Subsidiaries to Parent Company (Note 7)	Endorsements/ Guarantees Made to Companies in China (Note 7)	Notes
1	P.I.E. Industrial Berhad	Pan-International Wire & Cable (Malaysia) Sdn. Bhd.	2	\$ 2,221,106	\$ 1,287,142	\$ 1,145,113	\$ 415,859	\$ -	8.73	\$4,442,211	N	N	N	
2	P.I.E. Industrial Berhad	Pan-International Wire & Cable (Malaysia) Sdn. Bhd.	2	2,221,106	98,493	89,125	6,114	-	0.68	4,442,211	N	N	N	
3	Pan-International Precision Electronic Co., Ltd.	CJ Electric Systems Co., Ltd.	4	1,690,936	866,304	703,652	245,460	-	5.36	1,690,936	N	N	Y	
4	Pan-International Precision Electronic Co., Ltd.	Chaohu Ruichang Electric System Co., Ltd.	4	1,690,936	45,730	-	-	-	0.00	1,690,936	N	N	Y	
5	Pan-International Precision Electronic Co., Ltd.	Wuhu Herzhong Automotive Electronics Co., Ltd.	4	1,690,936	22,865	-	-	-	0.00	1,690,936	N	N	Y	
Note 1:	The descriptions of the number column are as follows: (1).The issuer fills in 0. (2).Investee companies are numbered sequentially starting from Arabic numeral 1 by company.													
Note 2:	There are 7 types of relationships between the endorser/guarantor and the endorsed/guaranteed party. Simply mark the type: (1) Companies with business relationship. (2) Companies in which the Company directly or indirectly holds more than 50% of voting shares. (3) Companies that directly and indirectly hold more than 50% of voting shares in the Company. (4) Between companies in which the Company directly and indirectly holds 90% or more of voting shares. (5) Companies that mutually guarantee each other as required by contracts for needs of contracting construction work or joint builders. (6) Companies that are guaranteed by all shareholders in proportion to their shareholding percentages due to joint investment relationship. (7) Joint and several guarantees for performance of pre-sale housing sales contracts between companies in the same industry in accordance with the Consumer Protection Act.													
Note 3:	The total amount of endorsements or guarantees provided by the Company to others shall not exceed 100% of the Company's net worth; the limit for endorsements or guarantees provided to any individual entity shall not exceed 50% of the Company's net worth; The total amount of endorsements or guarantees provided by the Company and its subsidiaries as a whole to others shall not exceed 100% of the Company's net worth; the amount of endorsements or guarantees provided by the Company and its subsidiaries as a whole to any single enterprise shall not exceed 50% of the Company's net worth. The total amount of endorsements or guarantees provided by P.I.E Industrial Berhad to others shall not exceed 100% of its net worth; the limit for endorsements or guarantees provided to any individual entity shall not exceed 50% of its net worth. For endorsements or guarantees between foreign subsidiaries in which the Company directly and indirectly holds 100% of voting shares, the total amount shall not exceed 100% of the guarantor's net worth, and the limit for any individual entity shall not exceed 100% of the guarantor's net worth.													
Note 4:	The maximum balance of endorsements or guarantees provided to others during the current year.													
Note 5:	The amount approved by the Board of Directors should be filled in. However, if the Board of Directors authorizes the Chairman to make decisions according to Article 12, Paragraph 8 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", this refers to the amount decided by the Chairman.													
Note 6:	The actual amount drawn by the guaranteed company within the balance of endorsements/guarantees should be entered.													
Note 7:	'Y' should only be filled in for endorsements/guarantees provided by listed parent companies to subsidiaries, by subsidiaries to listed parent companies, or for endorsements/guarantees in Mainland China.													

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES

SECURITIES HELD AT END OF PERIOD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

June 30, 2025

Table 3 Unit: NT\$ thousand (unless otherwise noted)

Holding Company	Type of Securities	Name of Securities	Relationship with Securities Issuer	Account Subject	End of Period				
					Number of Shares/ Beneficiary Certificates	Book Value (Note 1)	Shareholding Ratio	Fair Value	Notes
Pan-International Industrial Corp.	Corporate bonds	Shin Kong Life Insurance Co., Ltd. 2023 First Unsecured Cumulative Subordinated Corporate Bonds	None	Financial Assets Measured at Amortized Cost - Non-current	-	\$290,000	-	\$90,000	
Pan-International Industrial Corp.	Common Stock	Innolux Corporation	None	Financial Assets at Fair Value through Other Comprehensive Income - Non-current	49,576,655	580,047	0.62	580,047	
P.I.E. Industrial Berhad	Open-end Funds	Affin Hwang Aiiman Money Market Fund I	None	Financial Assets at Fair Value through Profit or Loss - Current	46,482,643	190,344	1.98	190,344	
Pan Global Holding Co., Ltd.	Class B Shares	Cybertan Technology Corp.	Companies using equity method to evaluate investments in this company are the same as this company	Financial assets at fair value through other comprehensive income - non-current	28,498,993	684,626	16.87	684,626	

Note 1: The disclosure standard for securities held at the end of period is securities with carrying amount reaching 5% or more of the total amount of that account.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES

PURCHASES OR SALES WITH RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

Six months ended Jun 30, 2025

Table 4 Unit: NT\$ thousand
(Unless Otherwise Specified)

Transaction Details							Differences in Transaction Terms from Regular Transactions and Reasons		Notes and Accounts Receivable (Payable)		
Purchasing (Selling) Company	Trading Counterparty	Relationship	Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)	Notes
Pan-International Industrial Corp.	Pan-International Electronics Inc.	The Company's indirectly invested subsidiary	Sales	128,872	3	120-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	24,521		1
Pan-International Industrial Corp.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Hon Hai Precision's Indirectly Invested Subsidiary	Sales	397,689	9	90-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	254,504		11
Pan-International Industrial Corp.	Hon Hai Precision Industry Co., Ltd.	Company accounted for using equity method by the Company	Sales	1,540,460	34	90-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	1,043,035		46
Newocean Precision Component (Jiangxi) Co.,Ltd	Foxconn Interconnect Technology Limited	Hon Hai Precision's Indirectly Invested Subsidiary	Sales	622,430	97	60 days End of Month (EOM)	No sales to other customers for price comparison	No significant difference	337,514		98
CJ Electric Systems Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	The Company's indirectly invested subsidiary	Sales	201,634	13	30 days End of Month (EOM)	No sales to other customers for price comparison	No significant difference	342,600		33
Pan-International Industrial Corp.	FIH (Hong Kong) Limited	Hon Hai Precision's Indirectly Invested Subsidiary	Sales	146,910	3	90-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	100,640		4
Pan-International Industrial Corp.	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	The Company's indirectly invested subsidiary	Purchases	1,957,003	47	90 days End of Month (EOM)	No comparison basis due to single supplier	No significant difference	(847,362)		(45)
Pan-International Industrial Corp.	Pan-International Precision Electronic Co., Ltd.	The Company's indirectly invested subsidiary	Purchases	423,106	10	90 days End of Month (EOM)	No comparison basis due to single supplier	No significant difference	(147,567)		(8)
Pan-International Industrial Corp.	Foxconn Interconnect Technology Limited	Hon Hai Precision's Indirectly Invested Subsidiary	Purchases	764,548	18	90 days End of Month (EOM)	No comparison basis due to single supplier	No significant difference	(491,586)		(26)
Tekcon Electronics Corp.	Foxconn Interconnect Technology Limited	Hon Hai Precision's Indirectly Invested Subsidiary	Purchases	436,271	94	120 days End of Month (EOM)	No comparison basis due to single supplier	No significant difference	(227,760)		(88)
Tekcon Electronics (Huizhou) Corp.	Huaian Fultong Trading Co., Ltd.	Hon Hai Precision's Indirectly Invested Subsidiary	Purchases	103,068	97	90 days End of Month (EOM)	No comparison basis due to single supplier	No significant difference	(203,357)		(95)

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL

June 30, 2025

Table 5

Unit: NT\$ thousand
(Unless Otherwise Specified)

Company Recording Receivables	Trading Counterparty	Relationship	Balance of Receivables from Related Parties (Note 1)	Turnover Rate	Overdue Receivables from Related Parties		Amount of Receivables From Related Parties Subsequently Collected	Allowance for Loss Provided
					Amount	Action Taken		
Pan-International Industrial Corp.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Hon Hai Precision's Indirectly Invested Subsidiary	\$ 254,504	2.99	\$ -	-	\$ 115,934	\$ 102
Pan-International Industrial Corp.	Hon Hai Precision Industry Co., Ltd.	Company accounted for using equity method by the Company	1,043,035	3.71	123	Subsequent collection	508,119	418
Pan-International Industrial Corp.	FIH (Hong Kong) Limited	Hon Hai Precision's Indirectly Invested Subsidiary	100,640	3.16	-	-	15,649	40
Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Pan-International Industrial Corp.	Parent company of our company	847,362	4.06	-	-	-	379
Pan-International Precision Electronic Co., Ltd.	Pan-International Industrial Corp.	Parent company of our company	147,567	6.13	-	-	73,500	-
Newocean Precision Component (Jiangxi) Co.,Ltd	Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Hon Hai Precision's Indirectly Invested Subsidiary	337,514	3.88	-	-	39,751	128
CJ Electric Systems Co., Ltd..	YiBing Pan-International Vehicle Wire Co., Ltd.	The Company's indirectly invested subsidiary	342,600	1.31	-	-	-	-

Note 1: For information regarding receivables from related party financing that reach NT\$100 million or 20% of paid-in capital, please refer to the explanation in Table 1.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
**BUSINESS RELATIONSHIPS, SIGNIFICANT TRANSACTIONS AND AMOUNTS BETWEEN PARENT COMPANY,
SUBSIDIARIES AND AMONG SUBSIDIARIES**

Six months ended Jun 30, 2025

Table 6

Unit: NT\$ thousand
(Unless Otherwise Specified)

				Trading Details (Note 4, Note 7)			
No. (Note 1)	Trading Party Name	Trading Counterparty	Relationship with Trading Party (Note 2)	Account	Amount	Trading Terms	Percentage of Consolidated Revenue or Total Assets (Note 3)
0	Pan-International Industrial Corp.	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	1	Purchases	1,957,003	Note 5	17
0	Pan-International Industrial Corp.	Pan-International Precision Electronic Co., Ltd.	1	Purchases	423,106	Note 5	4
0	Pan-International Industrial Corp.	Pan-International Electronics, Inc.	1	Sales	128,872	Note 5	1
1	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Pan-International Industrial Corp.	2	Accounts Receivable	847,362	Note 5	4
2	Pan-International Precision Electronic Co., Ltd.	Pan-International Industrial Corp.	2	Accounts Receivable	147,567	Note 5	1
3	CJ Electric Systems Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	3	Sales	201,634	Note 6	2
3	CJ Electric Systems Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	3	Accounts Receivable	342,600	Note 6	1
Note 1:	Business transactions between the parent company and subsidiaries should be indicated separately in the number column. The numbering method is as follows: (1) Parent company is numbered 0 (2) Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to company.						
Note 2:	There are three types of relationships with transaction parties. Simply indicate the type (If it's the same transaction between parent-subsidiary or between subsidiaries, no need for repeated disclosure). For example: for transactions between parent and subsidiary, if the parent company has already disclosed it, then the subsidiary does not need to disclose it again; for transactions between subsidiaries, if one company has already disclosed it, then the other subsidiary does not need to disclose it again): (1) Parent company to subsidiary. (2) Subsidiary to parent company. (3) Subsidiary to subsidiary.						
Note 3:	For calculating the ratio of transaction amounts to consolidated total revenue or total assets: for balance sheet items, calculate using the ending balance as a percentage of consolidated total assets; for income statement items, calculate using the accumulated amount at period end as a percentage of consolidated total revenue.						
Note 4:	The disclosure standard for the above business transactions between parent company and subsidiaries is when the amounts of purchases, sales, and receivables from related parties reach 1% of total assets or 5% of revenue.						
Note 5:	Transaction prices are negotiated, and payment terms are 90 days monthly closing.						
Note 6:	Transaction prices are negotiated, and payment terms are 30 days monthly closing.						
Note 7:	For information regarding receivables from related party financing that reach NT\$100 million or 20% of paid-in capital, please refer to the explanation in Table 1.						

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
**NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE COMPANIES (EXCLUDING INVESTEES IN
MAINLAND CHINA)**

June 30, 2025

Table 7

Unit: NT\$ thousand
(Unless Otherwise Specified)

Name of Investing Company	Name of Investee Company	Location	Main Business Activities	Original Investment Amount		End Of Period Holding		Carrying Amount	Current Period Profit/Loss of Investee Company	Investment Profit/Loss Recognized in Current Period	Notes
				End of Current Period	End of Last Year	Number of Shares	Ratio				
Pan-International Industrial Corp.	Pan Global Holding Co., Ltd.	British Virgin Islands	Holding Company	\$ 1,759,731	\$ 1,759,731	6,726	100	\$ 10,291,043	\$ 421,922	\$ 421,922	
Pan-International Industrial Corp.	Pan-International Electronics, Inc.	United States	Sales of Electronic Related Products	73,142	73,142	28,000	100	240,728	905	905	
Pan-International Industrial Corp.	Yann-Yang Investment Corp.	Taiwan	Investment Company	363,997	363,997	33,316,236	100	106,848	5,803	5,803	
Pan-International Industrial Corp.	Pan-International Electronics (Thailand) Co., Ltd.	Thailand	Production and Sales of Connection Cables	176,587	176,587	4,090,900	45	165,033	(10,860)	(4,887)	
Yann-Yang Investment Corp.	Tekcon Electronics Corp.	Taiwan	Production and Sales of Electronic Signal Cables with Connectors	393,898	393,898	21,960,504	83.58	98,077	6,955	5,813	
Pan Global Holding Co., Ltd.	P.I.E. Industrial Berhad (PIB)	Malaysia	Holding Company	40,874	40,874	197,459,985	51.42	2,200,354	147,838	78,531	Note 1
Pan Global Holding Co., Ltd.	Beyond Achieve Enterprises Limited	British Virgin Islands	Holding Company	281,280	281,280	9,600,000	100	702,059	8,841	8,841	Note 2
Pan Global Holding Co., Ltd.	Team Union International Ltd.	Hong Kong	Holding Company	539,120	539,120	18,768,601	100	1,751,301	51,173	51,173	Note 3
Pan Global Holding Co., Ltd.	East Honest Holdings Limited (EHH)	Hong Kong	Holding Company	3,141,469	3,141,469	665,799,420	100	4,326,168	320,147	320,147	Note 4
Pan Global Holding Co., Ltd.	Long Time Technology Co., Ltd	Taiwan	Electronic Components	646,000	646,000	20,187,500	16.93	380,539	(180,837)	(30,615)	
Tekcon Electronics Corp.	Long Time Technology Co., Ltd	Taiwan	Electronic Components	250,000	250,000	7,812,500	5.48	147,280	(180,837)	(11,845)	
Pan-International Electronics (Malaysia) Sdn. Bhd.	Pan-International Corporation (S) Pte. Ltd (PIS)	Singapore	Production and Sales of Electronic Signal Cables with Connectors	2,300	2,300	100,000	30	3,142	184	-	Note 5

Note 1: The Company mainly invests indirectly through PIB in Pan-International Electronics (Malaysia) Sdn. Bhd. and Pan-International Wire & Cable (Malaysia) Sdn. Bhd. for the production of cables with connectors or electronic products and sales in Malaysia.

Note 2: The Company mainly invests indirectly through BAE in Newocean Precision Component (Jiangxi) Co., Ltd. For the disclosure of investment information in Mainland China, please refer to Table 8.

Note 3: The Company mainly invests indirectly through TUI in Pan-International Precision Electronic Co., Ltd. For the disclosure of investment information in Mainland China, please refer to Table 8.

Note 4: The Company mainly invests indirectly through EHH in Honghuasheng Precision Electronics (YanTai) Co., Ltd. For the disclosure of investment information in Mainland China, please refer to Table 8.

Note 5: The Company's subsidiary PIS conducted a cash capital increase in the first quarter of 2023, and the Group did not subscribe according to its shareholding ratio, resulting in a decrease in shareholding ratio to 30%.

Note 6: The figures in this table are presented in New Taiwan Dollars. For amounts involving foreign currencies, they are converted to New Taiwan Dollars using the exchange rate as of the financial report date.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA - BASIC INFORMATION

SIX MONTHS ENDED JUNE 30, 2025

Table 8

Unit: NT\$ thousand (unless otherwise noted)

Name of Investee Company in Mainland China	Main Business Activities	Paid-in Capital:	Investment Method (Note 2)	Accumulated Investment Amount Remitted from Taiwan at Beginning of Period	Investment Amount Remitted or Repatriated in Current Period		Accumulated Investment Amount Remitted from Taiwan at End of Period	Current Period Profit/Loss of Investee Company	Shareholding Ratio of Direct or Indirect Investment by the Company	Investment Gain (Loss) Recognized in Current Period (Note 3)	Investment Carrying Amount at End of Period	Accumulated Investment Income Repatriated as of Current Period	Notes
					Remitted	Repatriated							
Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Manufacturing and sales of rigid single/double-sided printed circuit boards, rigid multi-layer printed circuit boards, flexible multi-layer printed circuit boards and other printed circuit boards	\$2,513,940	2	\$2,593,050	-	-	\$2,593,050	\$320,147	100	\$320,147	\$4,325,792	\$517,097	Note 4
Pan-International Precision Electronic Co., Ltd.	Manufacturing and sales of wires, cables, connection wires, connectors, and wire plugs	480,520	2	366,250	-	-	366,250	48,774	100	48,774	1,690,936	-	Note 6
Pan-International Sunrise Trading Corp.	Sales of cables, computer accessories, wireless Bluetooth devices, and turnkey solutions	12,273	3	-	-	-	-	4,588	100	4,588	109,498	-	Note 8
Fuyu properties (Shanghai) Co., Ltd.	Engaged in industrial design, other specialized design services, car rental, other general merchandise retail, computer and peripheral equipment, software sales, communication equipment retail, audio-visual equipment retail, auto and motorcycle parts and accessories retail, and e-commerce business for the aforementioned retail goods and equipment	4,792,709	2	798,425	-	-	798,425	10,271	16.87	-	684,626	-	
Newocean Precision Component (Jiangxi) Co.,Ltd	Production and operation of various plugs, sockets, and telecommunications business	281,280	2	-	-	-	-	8,841	100	8,841	702,058	-	
CJ Electric Systems Co., Ltd.	Production and sales of automotive wire harness products	319,073	3	0	0	0	0	(8,635)	100	(8,635)	1,245,214	0	
YiBing Pan-International Vehicle Wire Co., Ltd.	Manufacturing of auto parts and accessories, intelligent in-vehicle equipment, etc.	153,331	3	0	0	0	0	(7,169)	100	(7,169)	61,483	0	

	Accumulated Investment Amount Remitted from Taiwan to Mainland China at the end of Current Period (Notes 5, 6)	Investment Amount Approved by the Investment Commission, MOEA	Investment limit in Mainland China According to Regulations of the Investment Commission, MOEA (Note 7)	
Company Name				
Pan-International Industrial Corp.	\$ 4,154,476	\$ 5,990,074	\$ -	
Note 1:	The figures in this table are presented in New Taiwan Dollars. For amounts involving foreign currencies, they are converted to New Taiwan Dollars using the exchange rate as of the financial report date.			
Note 2:	Investment methods are classified into the following three categories: 1. Direct investment in Mainland China. 2. Investment in Mainland China through a third-region company Pan Global Holding Co., Ltd 3. Other methods. Companies reinvested in Mainland China through Mainland China investment enterprises include Pan-International Sunrise Trading Corp., CJ Electric Systems Co., Ltd., and YiBing Pan-International Vehicle Wire Co., Ltd. Except for those Mainland China investment enterprises that are holding companies, their reinvestments must obtain prior approval from the Investment Commission of the Ministry of Economic Affairs, while other reinvestments do not require application to the Investment Commission.			
Note 3:	The recognized investment gains/losses column, except for Pan-International Sunrise Trading Corp., are recognized based on financial reports that have been audited or reviewed by accountants.			
Note 4:	In the first quarter of 2012, the Company acquired 100% equity of East Honest Holdings Limited through its subsidiary Pan Global Holding Co., Ltd., and indirectly acquired Honghuasheng Precision Electronics (YanTai) Co., Ltd., with an approved investment amount of USD 107,217 thousand from the Investment Commission of the Ministry of Economic Affairs.			
Note 5:	As of March 31, 2025, the Company has obtained approval from the Investment Commission of the Ministry of Economic Affairs for the following investment withdrawal cases:			
	Date	Approval Document Number	Name of Investee Company	Original Investment Amount Remitted from Taiwan
	2003.09.05	0920028972	Dongguan Junwang Technology Co., Ltd.	USD 91 thousand
	2010.12.09	09900496780	Saibo Digital Technology (Guangzhou) Co., Ltd.	476 thousand
	2011.05.30	10000205680	Yunnan Saibo Digital Technology Co., Ltd.	190 thousand
	2011.05.30	10000205690	Chongqing Saibotel Digital Square Co., Ltd.	454 thousand
	2011.05.30	10000205700	Nanchong Saibo Digital Square Co., Ltd.	58 thousand
				USD 1,269 thousand
	Due to losses of these reinvested companies, the original investment amount remitted from Taiwan cannot be deducted from the mainland China investment quota.			
Note 6:	In November 2011, the Company obtained approval from the Investment Commission, Ministry of Economic Affairs (Letter No. 10000518690) to cancel the approved but unexecuted investment amount of USD 500 thousand in Pan-International Precision Electronic (Dongguan) Co., Ltd.;			
	On October 30, 2014, obtained approval from the Investment Commission, Ministry of Economic Affairs (Letter No. 10300233110) for the transfer of 42 companies including Qingdao Saibo Digital Technology Square Co., Ltd. to LEZHIWANRANCH HOLDING INVESTMENT LIMITED of Samoa;			
	In March 2017, obtained approval from the Investment Commission, Ministry of Economic Affairs (Letter No. 10600038030) to cancel the approved but unexecuted investment amount of USD 5,200 thousand in Original Energy Battery (Shenzhen) Co., Ltd.			
Note 7:	In December 2022, the Company obtained the certificate of compliance with operational headquarters scope from the Industrial Development Bureau, Ministry of Economic Affairs (Letter No. 11120436260), effective from November 29, 2022 to November 28, 2025, during which period no investment limit calculation is required.			
Note 8:	In the second quarter of 2021, the Company's subsidiary Pan Global Holding Co., Ltd. sold its 16.87% Class A shares in Cybertan Technology Corp., indirectly disposing of its mainland China investment enterprise Fuyu Properties (Shanghai) Co., Ltd.,			
	As of March 31, 2025, the Company indirectly holds 16.87% Class B shares in its reinvested enterprise Fuyu Properties (Shanghai) Co., Ltd.			