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**HOWTEH TECHNOLOGY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE SIX MONTHS ENDED
JUNE 30, 2025 AND 2024**

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. IN the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

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Independent Auditors' Review Report

To the Board of Directors and Shareholders of

HOWTEH TECHNOLOGY CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of HOWTEH TECHNOLOGY CO., LTD. (the "Company") and its subsidiaries (the "Group") as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and of cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$312,800 thousand and NT\$325,326 thousand, constituting 13% and 13%, of the consolidated total assets respectively, and total liabilities of NT\$21,928 thousand and NT\$24,031 thousand, constituting 2% and 2%, of the consolidated total liabilities as of June 30, 2025 and 2024, respectively and total comprehensive income (loss) of NT\$(13,700) thousand, NT\$1,017 thousand, NT\$(8,698) thousand, and NT\$4,085 thousand, constituting 11%, 3%, 7%, and 4%, of the consolidated total comprehensive income (loss) for the three months and six months ended, 2025 and 2024, respectively. The information related to above subsidiaries disclosed in Note 13 was not reviewed by independent auditors either.

Qualified Conclusion

Except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and the information been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, and of its consolidated cash flows for the six months then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission of the Republic of China.

Chang, Chiao-Ying

Chang, Chih-Ming

Ernst & Young, Taiwan

August 13, 2025

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

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

Expressed in thousands of New Taiwan Dollars

CODE	ASSETS	NOTES	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	CURRENT ASSETS							
1100	Cash and cash equivalents	6,12	\$750,220	31	\$900,014	36	\$884,991	34
1150	Notes receivable, net	6,12	14,395	-	1,399	-	1,785	-
1170	Accounts receivable, net	6,7,12	930,813	39	895,439	36	853,879	33
1200	Other receivables	12	182	-	91	-	2,340	-
1220	Current tax assets		113	-	4,365	-	153	-
130x	Inventories	6	268,339	11	233,597	9	275,368	11
1410	Prepayments	6	15,203	1	10,977	-	49,262	2
1460	Non-current assets held for sale		2,173	-	-	-	-	-
11xx	Total current assets		<u>1,981,438</u>	<u>82</u>	<u>2,045,882</u>	<u>81</u>	<u>2,067,778</u>	<u>80</u>
	NONCURRENT ASSETS							
1517	Non-current financial assets at fair value through other comprehensive income	6,12	221,382	9	271,961	11	296,420	12
1600	Property, plant and equipment	6,8	108,067	5	109,364	5	108,925	5
1755	Right-of-use assets	6	5,427	-	10,967	-	16,524	1
1760	Investment property, net	6,12	6,208	-	8,437	-	8,493	-
1780	Intangible assets	6	1,235	-	553	-	676	-
1840	Deferred income tax assets		14,498	1	4,851	-	7,109	-
1920	Guarantee deposits paid	9,12	53,578	2	58,491	2	57,948	2
1990	Other non-current assets, others		14,049	1	14,319	1	9,000	-
15xx	Total noncurrent assets		<u>424,444</u>	<u>18</u>	<u>478,943</u>	<u>19</u>	<u>505,095</u>	<u>20</u>
1xxx	TOTAL ASSETS		<u>\$2,405,882</u>	<u>100</u>	<u>\$2,524,825</u>	<u>100</u>	<u>\$2,572,873</u>	<u>100</u>

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

Expressed in thousands of New Taiwan Dollars

CODE	LIABILITIES AND EQUITY	NOTES	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	CURRENT LIABILITIES							
2100	Current borrowings	6,8,9,12	\$575,000	24	\$572,000	23	\$570,000	22
2130	Current contract liabilities	6	5,671	-	55,032	2	1,214	-
2170	Accounts payable	12	232,039	10	171,545	7	250,052	10
2200	Other payables	7,12	151,473	6	93,841	4	158,366	7
2230	Current tax liabilities		12,455	1	37	-	4,698	-
2280	Current lease liabilities	6,12	4,796	-	10,249	-	11,249	-
2399	Other current liabilities, others		558	-	1,088	-	690	-
21xx	Total current liabilities		<u>981,992</u>	<u>41</u>	<u>903,792</u>	<u>36</u>	<u>996,269</u>	<u>39</u>
	NONCURRENT LIABILITIES							
2570	Deferred tax liabilities		13,455	1	10,677	-	6,816	-
2580	Non-current lease liabilities	6,12	340	-	795	-	5,654	-
2645	Guarantee deposits received	12	517	-	517	-	349	-
2600	Other non-current liabilities, others		260	-	248	-	244	-
25xx	Total non-current liabilities		<u>14,572</u>	<u>1</u>	<u>12,237</u>	<u>-</u>	<u>13,063</u>	<u>-</u>
2xxx	TOTAL LIABILITIES		<u>996,564</u>	<u>42</u>	<u>916,029</u>	<u>36</u>	<u>1,009,332</u>	<u>39</u>
31xx	EQUITY							
3100	Share capital							
3110	Common stock	6	651,298	27	651,298	27	651,298	25
3200	Capital surplus		52,062	2	52,062	2	52,062	2
3300	Retained earnings	6						
3310	Legal reserve	6	247,871	10	235,751	9	235,751	9
3320	Special reserve		3,340	-	3,340	-	3,340	-
3350	Unappropriated retained earnings		345,392	14	433,590	17	374,724	15
	Total retained earnings		<u>596,603</u>	<u>24</u>	<u>672,681</u>	<u>26</u>	<u>613,815</u>	<u>24</u>
3400	Other equity interest		109,355	5	232,755	9	246,366	10
3xxx	TOTAL EQUITY		<u>1,409,318</u>	<u>58</u>	<u>1,608,796</u>	<u>64</u>	<u>1,563,541</u>	<u>61</u>
	TOTAL LIABILITIES AND EQUITY		<u>\$2,405,882</u>	<u>100</u>	<u>\$2,524,825</u>	<u>100</u>	<u>\$2,572,873</u>	<u>100</u>

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months and six months ended June 30, 2025 and 2024

Expressed in thousands of New Taiwan Dollars										
CODE	ITEMS	NOTES	For the three months ended June 30				For the six months ended June 30			
			2025		2024		2025		2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6,7	\$885,943	100	\$707,459	100	\$1,523,213	100	\$1,339,104	100
5000	Operating costs	6	(797,879)	(90)	(636,283)	(90)	(1,381,137)	(91)	(1,209,320)	(90)
5900	Gross profit		88,064	10	71,176	10	142,076	9	129,784	10
6000	Operating expenses	6,7								
6100	Selling expenses		(28,631)	(3)	(28,380)	(4)	(56,339)	(3)	(56,232)	(4)
6200	Administrative expenses		(10,011)	(1)	(24,016)	(3)	(23,593)	(2)	(44,779)	(3)
6450	Reversal of credit loss (expected credit loss)		2,181	-	(2,967)	(1)	(1,485)	-	3,384	-
	Total operating expenses		(36,461)	(4)	(55,363)	(8)	(81,417)	(5)	(97,627)	(7)
6900	Operating income		51,603	6	15,813	2	60,659	4	32,157	3
7000	Non-operating income and expenses	6,12								
7100	Interest income		3,834	-	3,751	1	6,607	-	5,459	-
7010	Other income		1,020	-	586	-	3,207	-	3,514	-
7020	Other gains and losses		(68,666)	(8)	12,004	2	(55,187)	(3)	44,350	3
7050	Finance costs		(2,886)	-	(2,929)	(1)	(5,835)	-	(5,814)	-
	Total non-operating income and expense		(66,698)	(8)	13,412	2	(51,208)	(3)	47,509	3
7900	Income before income tax		(15,095)	(2)	29,225	4	9,451	1	79,666	6
7950	Income tax expense	6	(2,113)	-	(6,767)	(1)	(7,373)	-	(17,337)	(1)
8200	Net income		(17,208)	(2)	22,458	3	2,078	1	62,329	5
8300	Other comprehensive income (loss)	6								
8310	Items that will not be reclassified subsequently to profit or loss									
8316	Unrealize gain on equity instrument at fair value through other comprehensive income		(21,559)	(2)	(3,731)	(1)	(50,579)	(3)	(2,488)	-
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences arising on translation of foreign operations		(84,184)	(10)	10,517	2	(72,821)	(5)	34,987	2
	Total other comprehensive income, net of tax		(105,743)	(12)	6,786	1	(123,400)	(8)	32,499	2
8500	Total comprehensive income		<u>\$(122,951)</u>	<u>(14)</u>	<u>\$29,244</u>	<u>4</u>	<u>\$(121,322)</u>	<u>(7)</u>	<u>\$94,828</u>	<u>7</u>
8600	Net income attributable to:									
8610	Net income, attributable to owners of parent		(\$17,208)	(2)	\$22,458	3	\$2,078	-	\$62,329	5
8620	Comprehensive income, attributable to non-controlling interests		-	-	-	-	-	-	-	-
			<u>\$(17,208)</u>	<u>(2)</u>	<u>\$22,458</u>	<u>3</u>	<u>\$2,078</u>	<u>-</u>	<u>\$62,329</u>	<u>5</u>
8700	Comprehensive income attributable to:									
8710	Comprehensive income, attributable to owners of parent		(\$122,951)	(14)	\$29,244	4	\$(121,322)	(8)	\$94,828	7
8720	Comprehensive income, attributable to non-controlling interests		-	-	-	-	-	-	-	-
			<u>\$(122,951)</u>	<u>(14)</u>	<u>\$29,244</u>	<u>4</u>	<u>\$(121,322)</u>	<u>(8)</u>	<u>\$94,828</u>	<u>7</u>
	Earnings per share									
9750	Basic earnings per share (in NTD)	6	<u>\$(0.26)</u>		<u>\$0.34</u>		<u>\$0.03</u>		<u>\$0.96</u>	
9850	Diluted earnings per share (in NTD)		<u>\$(0.26)</u>		<u>\$0.34</u>		<u>\$0.03</u>		<u>\$0.95</u>	

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six months ended June 30, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

	ITEMS	Common Stock	Capital Surplus	Retained Earnings			Other Equity Interest		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	
Code		3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance, January 1, 2024	\$651,298	\$52,062	\$225,647	\$3,340	\$400,655	\$(13,034)	\$226,901	\$1,546,869
	Appropriation of 2023 earnings								
B1	Legal reserve	-	-	10,104	-	(10,104)	-	-	-
B5	Cash dividends	-	-	-	-	(78,156)	-	-	(78,156)
D1	Net income for the six months ended June 30, 2024	-	-	-	-	62,329	-	-	62,329
D3	Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	34,987	(2,488)	32,499
D5	Total comprehensive income	-	-	-	-	62,329	34,987	(2,488)	94,828
Z1	Balance, June 30, 2024	<u>\$651,298</u>	<u>\$52,062</u>	<u>\$235,751</u>	<u>\$3,340</u>	<u>\$374,724</u>	<u>\$21,953</u>	<u>\$224,413</u>	<u>\$1,563,541</u>
A1	Balance, January 1, 2025	\$651,298	\$52,062	\$235,751	\$3,340	\$433,590	\$32,801	\$199,954	\$1,608,796
	Appropriation of 2024 earnings								
B1	Legal reserve	-	-	12,120	-	(12,120)	-	-	-
B5	Cash dividends	-	-	-	-	(78,156)	-	-	(78,156)
	Stock dividends	-	-	-	-	-	-	-	-
D1	Net income for the six months ended June 30, 2025	-	-	-	-	2,078	-	-	2,078
D3	Other comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	(72,821)	(50,579)	(123,400)
D5	Total comprehensive income	-	-	-	-	2,078	(72,821)	(50,579)	(121,322)
Z1	Balance, June 30, 2025	<u>\$651,298</u>	<u>\$52,062</u>	<u>\$247,871</u>	<u>\$3,340</u>	<u>\$423,548</u>	<u>\$(40,020)</u>	<u>\$149,375</u>	<u>\$1,409,318</u>

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

Code	ITEMS	Six months ended June 30	
		2025	2024
		AMOUNT	AMOUNT
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES:		
A10000	Income before income tax	\$9,451	\$79,666
A20000	Adjustments for:		
A20010	Income and expenses having no effect on cash flows		
A20100	Depreciation expense	6,620	6,680
A20200	Amortization expense	118	164
A20300	Reversal of expected credit loss	1,485	(3,384)
A29900	Gain from lease modification	(3)	-
A20900	Finance costs	5,835	5,814
A21200	Interest income	(6,607)	(5,459)
A30000	Changes in operating assets and liabilities:		
A31130	Decrease (increase) in notes receivable	(12,271)	(1,464)
A31150	Decrease (increase) in accounts receivable	(34,786)	32,339
A31180	Decrease (increase) in other receivables	(91)	23
A31200	Decrease (increase) in inventories	(34,742)	(17,771)
A31230	Decrease (increase) in prepayments	(4,226)	(39,512)
A32125	Increase (decrease) in contract liabilities	(49,361)	(687)
A32150	Increase (decrease) in accounts payables	60,494	(15,201)
A32180	Increase (decrease) in other payables	(20,523)	(5,528)
A32230	Increase (decrease) other current liabilities	(530)	(398)
A33000	Cash generated from operations	(79,137)	35,282
A33100	Interest received	6,607	5,459
A33500	Income tax paid	2,428	(1,096)
AAAA	Net cash generated from operating activities	(70,102)	39,645
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES:		
B02700	Acquisition of property, plant and equipment	(167)	(284)
B03700	Refundable deposits	-	(28)
B04500	Acquisition of intangible assets	(800)	-
BBBB	Net cash used in investing activities	(967)	(312)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loan	1,348,000	1,250,000
C00200	Decrease in short-term loan	(1,345,000)	(1,270,000)
C03100	Decrease in guarantee deposit received	-	(2,960)
C04020	Payment of the principal portion of lease liabilities	(6,848)	(6,966)
C05600	Interest paid	(5,667)	(5,452)
CCCC	Net cash used in financing activities	(9,515)	(35,378)
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(69,210)	32,055
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(149,794)	36,010
E00100	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	900,014	848,981
E00200	CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$750,220	\$884,991

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. HISTORY AND ORGANIZATION

Howtech Technology Co., Ltd. (referred to “the Company”) which was formerly known as Howtech Enterprise Co., Ltd, has applied to change its name to Howtech Technology Co., Ltd. on December 28, 2000, and was incorporated on September 23, 1978. The Company is engaged mainly in trading and agency business in passive electronic components, active electronic components, integrated circuit carrier board equipment, chemicals and raw materials, semiconductors and optical equipment. The Company’s common shares were publicly listed on the Taipei Exchange (TPEX) on March 25, 2004. The Company’s registered office and the main business location is at 6F, No. 25, Section 1, Dunhua South Road, Taipei City, Republic of China (R.O.C.).

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements of Howtech Technology Co., Ltd. and subsidiaries (referred to “the Group”) were authorized for issuance by the Board of Directors on August 13, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, International Accounting Standards Board “IASB” which are not endorsed by FSC, and adopted by the Group as at the end of the reporting period are listed below.

	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
d	Contracts Referencing Nature dependent Electricity –Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation, and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2022. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(c) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(d) Contracts Referencing Nature dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the requirements for "own use".

(2) When a contract is used as a hedging vehicle, hedging accounting is allowed.

(3) Added note disclosure requirements to help investors understand the impact of such contracts on the financial performance and cash flow of enterprises.

The above amendments are applicable to fiscal years starting after January 1, 2026 and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 18 “Presentation and Disclosure in Financial Statements” (IFRS 18)

IFRS 18 replace IAS 1 Presentation of Financial statements. The main changes are as below:

- (i) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(ii) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(iii) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(c) Disclosure Initiative –Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (b), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements of the Group six months ended June 30, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 "Interim Financial Reporting" as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars ("NT\$") unless otherwise specified.

(3) Basis of consolidation

The preparation principles of the Group's consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended 2024. Please refer to the Group's 2024 consolidated financial statements for further details.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%) , As of		
			June 30, 2025	December 31, 2024	June 30, 2024
The Company	Giteh Electronic Industries Co.,Ltd.	Buy and Sale	100%	100%	100%
The Company	Howteh International Inc.	Buy and Sale and Investment	100%	100%	100%
The Company	KunShan Howteh International Trading Inc.	Buy and Sale	100%	100%	100%
Giteh Electronic Industries Co.,Ltd.	ShenZhen Howteh Technology Co., Ltd.	Buy and Sale	100%	100%	100%
Howteh International Inc.	ShangHai Howteh International Trading Inc.	Buy and Sale	100%	100%	100%
Howteh International Inc.	Howteh Vietnam Co., Ltd.	Buy and Sale	100%	100%	100%

The financial statements of certain consolidated subsidiaries listed above were not reviewed by auditors. As of June 30, 2025 and June 30, 2024, those statements reflect total assets of NT\$312,800 thousand and NT\$325,326 thousand, and the related total liabilities amounted to \$21,928 and \$24,031, respectively. The comprehensive income (loss) of these subsidiaries amounted to \$(13,700), \$1,017, \$(8,698) and \$4,085 for the three months and six months ended June 30, 2025 and 2024 respectively.

- (4) Except for the accounting policies stated below, the accounting policies adopted in these consolidated financial statements are consistent with those applied in the Group's consolidated financial statements for the year ended 2024. For a summary of significant accounting policies, please refer to Note 4 to the Group's consolidated financial statements for the year 2024.

- (A) Pension costs incurred during the interim period are calculated based on the pension cost rate determined by actuarial valuation as of the end of the prior financial year. The calculation is applied from the beginning of the year to the end of the interim reporting period and is adjusted and disclosed to reflect any significant market fluctuations or material curtailments, settlements, or other one-time events that occurred after the end of the prior financial year.
- (B) Income tax expense for the interim period is accrued and disclosed based on the tax rate expected to be applicable to the total annual earnings of the current year. In other words, the estimated annual average effective tax rate is applied to the pre-tax income of the interim period. The estimation of the annual average effective tax rate includes only current income tax expenses. Deferred income tax is recognized and measured in a manner consistent with the annual financial statements, in accordance with IAS 12 "Income Taxes." Any impact of changes in tax rates during the interim period on deferred income tax is recognized in full in profit or loss, other comprehensive income, or directly in equity, depending on the original recognition of the related item.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The significant accounting judgments, estimates, and sources of estimation uncertainty applied in these consolidated financial statements are consistent with those applied in the Group's consolidated financial statements for the year ended 2024. For details regarding the Group's significant accounting judgments, estimates, and sources of estimation uncertainty, please refer to Note 5 of the Group's consolidated financial statements for the year 2024.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and petty cash	\$371	\$339	\$347
Checking accounts	63,742	64,370	50,661
Demand deposits	470,755	632,874	611,149
Time deposits (Note)	215,352	202,431	222,834
Total	<u>\$750,220</u>	<u>\$900,014</u>	<u>\$884,991</u>

Note : Refers to time deposits with original maturities of 1 to 3 months, which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Equity instrument investments measured at fair value through other comprehensive income – noncurrent:			
Listed companies stocks	<u>\$221,382</u>	<u>\$271,961</u>	<u>\$296,420</u>

The Group's financial assets at fair value through other comprehensive income were not pledged.

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the six months ended June 30, 2025 and 2024 were both calculated and assessed at NT\$ 0.

(3) Notes receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivables arising from operating activities	<u>\$15,153</u>	<u>\$1,431</u>	<u>\$1,878</u>
Less: loss allowance	<u>(758)</u>	<u>(32)</u>	<u>(93)</u>
Total	<u>\$14,395</u>	<u>\$1,399</u>	<u>\$1,785</u>

The Group's notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(14) for more details on loss allowance and Note 12 for details on credit risk.

(4) Accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivables	<u>\$937,965</u>	<u>\$901,918</u>	<u>\$868,387</u>
Less: loss allowance	<u>(7,152)</u>	<u>(6,479)</u>	<u>(14,508)</u>
Total	<u>\$930,813</u>	<u>\$895,439</u>	<u>\$853,879</u>

The Group's accounts receivables were not pledged.

Accounts receivable are generally on 30 to 120 days terms. The total carrying amount as of June 30, 2025, December 31, 2024, and June 30, 2024 were \$937,965, \$901,918 and \$868,387 respectively. Please refer to Note 6(14) for more details on loss allowance of accounts receivables six months ended June 30, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(5) Inventories

(A) Net of inventories include:

	June 30, 2025	December 31, 2024	June 30, 2024
Merchandise inventories	<u>\$268,339</u>	<u>\$233,597</u>	<u>\$275,368</u>

(B) Operating costs details recognized by the Group: :

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Cost of inventories sold	\$794,701	\$637,227	\$1,374,313	\$1,210,936
Gain on inventory valuation	3,125	(1,039)	6,739	(1,735)
Others	53	95	85	119
Total	<u>\$797,879</u>	<u>\$636,283</u>	<u>\$1,381,137</u>	<u>\$1,209,320</u>

The Group's recognition of inventory recovery benefits for the three months and six months ended June 30, 2025 and 2024 was due to the gradual removal of substandard products and the recovery in selling prices of some products, which resulted in the disappearance of the factor that the net realizable value of the previous inventory was lower than the cost.

(C) The Group's inventories were not pledged.

(6) Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for merchandise purchase	\$5,632	\$4,521	\$41,928
Others	9,571	6,456	7,334
Total	<u>\$15,203</u>	<u>\$10,977</u>	<u>\$49,262</u>

(7) Property, plant and equipment

	June 30, 2025	December 31, 2024	June 30, 2024
Owner occupied property, plant and equipment	<u>\$108,067</u>	<u>\$109,364</u>	<u>\$108,925</u>

	Land	Buildings	Office equipment	Transportation equipment	Other Equipment	Total
Cost :						
At January 1, 2025	\$89,203	\$41,677	\$2,635	\$2,533	\$94	\$136,142
Additions	-	-	167	-	-	167
Disposals	-	-	(53)	-	-	(53)
Exchange differences	-	(1,326)	(83)	(172)	-	(1,581)
At June 30, 2025	\$89,203	\$40,351	\$2,666	\$2,361	\$94	\$134,675
At January 1, 2024	\$89,203	\$41,020	\$3,745	\$1,909	\$94	\$135,971
Additions	-	-	284	-	-	284
Disposals	-	-	(941)	-	-	(941)
Exchange differences	-	513	41	52	-	606
At June 30, 2024	\$89,203	\$41,533	\$3,129	\$1,961	\$94	\$135,920
Depreciation and impairment :						
At January 1, 2025	\$-	\$23,687	\$1,568	\$1,450	\$73	\$26,778
Depreciation	-	605	316	110	16	1,047
Disposals	-	-	(53)	-	-	(53)
Exchange differences	-	(995)	(66)	(103)	-	(1,164)
At June 30, 2025	\$-	\$23,297	\$1,765	\$1,457	\$89	\$26,608
At January 1, 2024	\$-	\$21,991	\$2,516	\$1,909	\$42	\$26,458
Depreciation	-	611	405	-	16	1,032
Disposals	-	-	(941)	-	-	(941)
Exchange differences	-	361	33	52	-	446
At June 30, 2024	\$-	\$22,963	\$2,013	\$1,961	\$58	\$26,995
Net carrying amount as of:						
June 30, 2025	\$89,203	\$17,054	\$901	\$904	\$5	\$108,067
December 31, 2024	\$89,203	\$17,990	\$1,067	\$1,084	\$21	\$109,364
June 30, 2024	\$89,203	\$18,570	\$1,116	\$-	\$36	\$108,925

“Significant components” of buildings primarily comprised the main buildings which are depreciated based on their useful economic life of 60 years.

Please refer to Note 8 for more details on property, plant and equipment pledged as collateral.

(8) Investment property

The Group’s investment properties include owned investment properties. The Group has entered into commercial property leases on its owned investment properties with terms of between 7 and 8 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Total
Cost :			
At January 1, 2025	\$6,816	\$4,249	\$11,065
Additions from subsequent expenditure	-	-	-
Reclassified as non-current assets held for sale	(2,173)	-	(2,173)
At June 30, 2025	\$4,643	\$4,249	\$8,892
At January 1, 2024	\$6,816	\$4,249	\$11,065
Additions from subsequent expenditure	-	-	-
At June 30, 2024	\$6,816	\$4,249	\$11,065
Depreciation and impairment :			
At January 1, 2025	\$-	\$2,628	\$2,628
Depreciation	-	56	56
At June 30, 2025	\$-	\$2,684	\$2,684
At January 1, 2024	\$-	\$2,517	\$2,517
Depreciation	-	55	55
At June 30, 2024	\$-	\$2,572	\$2,572
Net carrying amount as of :			
June 30, 2025	\$4,643	\$1,565	\$6,208
December 31, 2024	\$6,816	\$1,621	\$8,437
June 30, 2024	\$6,816	\$1,677	\$8,493

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Rental income from investment property	\$739	\$499	\$1,478	\$998
Less: Direct operating expenses arising from investment property that generated rental income	(38)	(37)	(76)	(74)
Total	\$701	\$462	\$1,402	\$924

The Group's investment property was not pledged during the period.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3.

Investment properties held by the Group are mainly located at Zhongshan area and Nangang area in Taipei city. The fair value of investment properties was NT\$151,445 thousand upon the valuation performed by an independent appraiser in the first quarter of 2013. The valuation methods used are Comparative approach and Income Capitalization approach and Coparative approach and Land development analysis approach. By considering the nature of the subject

property, condition of use, development scope and the credibility of the baseline data, the price per square feet is estimated using the weighted amount calculated by one of the two methods listed per below:

- (a) 60% Comparative approach + 40% Income Capitalization approach
- (b) 40% Comparative approach + 60% Land development analysis approach.

Calculations used within the valuation methods:

- (A) The main evaluation parameter used for the comparative approach is calculated by investigating and estimating the cases nearby the subject property.
- (B) The main parameter of the income capitalization rate approach is to calculate the price per square feet based on the annual lease amount according to the market survey, and then calculate the price per square feet based on the income capitalization rate of 1.85%.
- (C) As for the land development analysis approach, it is to evaluate the reasonable acquisition price of the development land.

Considering that the capitalization rate of income from the domestic real estate market in the most recent year is comparable to the valuation date mentioned above, the Group therefore refers to the valuation results and the above-mentioned recent real estate market as the fair value of the investment real estate on the cut-off date of each financial report.

The Group conducted the estimation of the investment property on June 30, 2025, December 31, 2024, and June 30, 2024, respectively. The estimation results were obtained by using the actual transaction price of each year and the market transaction price of similar properties in the vicinity of the relevant assets (including the Real Price Enquiry Service Network of Real Estate Transactions of the Ministry of the Interior and the Real Price Inquiry Service Website of Housing Arbitration Industry). The estimation was equivalent to the valuation results mentioned above.

The Group has signed a real estate sales contract with a natural person on May 14, 2024. The company intends to sell a house acquired through a joint venture with a builder using land as investment property. The purchase price under the sales contract is NT\$83,500 thousand. However, as of the date of this report, the relevant statutory change procedures such as house inspection and transfer have not been completed. Therefore, the above assets meet the definition and recognition criteria of IFRS 5 Non-current assets held for sale and discontinued operations, and are therefore recorded under net non-current assets held for sale. Based on the consideration in the sales contract, there is no impairment loss to be recognized for the non-current assets awaiting sale.

(9) Intangible assets

	Computer Software
Cost :	
At January 1, 2025	\$1,185
Additions	800
At June 30, 2025	<u>\$1,985</u>
At January 1, 2024	\$1,633
Additions	-
At June 30, 2024	<u>\$1,633</u>
Amortization and impairment :	
At January 1, 2025	\$632
Amortization	118
At June 30, 2025	<u>\$750</u>
At January 1, 2024	\$793
Amortization	164
At June 30, 2024	<u>\$957</u>
Net carrying amount as of :	
At June 30, 2025	<u>\$1,235</u>
At December 31, 2024	<u>\$553</u>
At June 30, 2024	<u>\$676</u>

Amounts of amortization recognized under the statement of comprehensive income are as follows:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Selling expense	\$33	\$46	\$66	\$91
Administrative expense	26	36	52	73
Total	<u>\$59</u>	<u>\$82</u>	<u>\$118</u>	<u>\$164</u>

(10) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$383,000	\$398,000	\$426,000
Secured bank loans	192,000	174,000	144,000
Total	<u>\$575,000</u>	<u>\$572,000</u>	<u>\$570,000</u>

The Group's annual interest rates for unsecured bank loans are 1.950%~2.036%, 1.900%~2.120%, and 2.020%~2.114%, as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.

The Group's annual interest rate for secured bank loans are 1.835%, 1.835%, and 1.835%, as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.

The Group's unused short-term lines of credits amount to NT\$1,169,517 thousand, NT\$1,101,570 thousand and NT\$1,128,900 thousand, as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.

Please refer to Note 8 for more details on assets pledged as collateral.

(11) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the the three months ended June 30, 2025 and 2024 were NT\$1,111 thousand and NT\$1,080 thousand, respectively ; expenses under the defined contribution plan for the the six months ended June 30, 2025 and 2024 were NT\$2,275 thousand and NT\$2,265 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan three months ended June 30, 2025 and 2024 were NT\$15 thousand and NT\$15 thousand, respectively ; expenses under the defined benefits plan six months ended June 30, 2025 and 2024 were NT\$30 thousand and NT\$30 thousand, respectively.

(12) Equities

(A) Common stock

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Company's authorized capital was 800,000 thousand shares, with a par value of NT\$10 per share. The issued and outstanding capital consisted of 65,130 thousand shares, equivalent to NT\$651,298 thousand in paid-in capital. Each common share entitles the holder to one voting right and the right to receive dividends.

(B) Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
Additional paid-in capital	\$45,647	\$45,647	\$45,647
Gain on disposal of assets	834	834	834
Employee stock option	5,581	5,581	5,581
Total	<u>\$52,062</u>	<u>\$52,062</u>	<u>\$52,062</u>

According to the Company Act, the capital surplus shall not be used except for offsetting the deficit of the company. When a company has no accumulated deficit, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(C) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors (contribution of at least 30% should be made for the Unappropriated retained earnings portions) and resolved in the shareholders' meeting. For cash dividends issued, the amount should be at least 20% but not above 100% of the shareholders' bonus, after deducting the cash dividend the remaining amount should be issued as stock dividends.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to offset the deficit of the Company. When the Company has no accumulated deficit, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributes earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution. The amount for Special reserve appropriated as of June 30, 2025, December 31, 2024, and June 30, 2024 are NT\$3,340 thousand.

Details of the 2024 and 2023 earnings distribution and dividends per share as resolved by the shareholders' meeting on June 19, 2025 and June 19, 2024, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$12,120	\$10,104		
Common stock-cash dividend				
(Note)	78,156	78,156	\$1.2	\$1.2
Total	<u>\$90,276</u>	<u>\$88,260</u>		

Note : As of June 30, 2025 and 2024, the cash dividends distributions were resolved by shareholders' meeting and the cash dividends to be distributed were recognized under other payables.

Please refer to Note 6(16) for details on employees' compensation and remuneration to directors and supervisors.

(13) Operating revenue

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Revenue from customer contracts				
Sales of goods	\$885,536	\$707,185	\$1,522,661	\$1,338,766
Service revenue	407	274	552	338
Total	<u>\$885,943</u>	<u>\$707,459</u>	<u>\$1,523,213</u>	<u>\$1,339,104</u>

Analysis of revenue from contracts with customers for the three months and six months ended June 30, 2025 and 2024 are as follows:

(A) Disaggregation of revenue

Three months ended June 30, 2025

		Republic of China and Southeast	
	Taiwan Dept.	Asia Dept.	Group Total
Sales of goods	\$678,209	\$207,327	\$885,536
Service revenue	407	-	407
Total	<u>\$678,616</u>	<u>\$207,327</u>	<u>\$885,943</u>

Timing of revenue recognition:

At a point in time

<u>\$678,616</u>	<u>\$207,327</u>	<u>\$885,943</u>
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Three months ended June 30, 2024

		Republic of China and Southeast	
	Taiwan Dept.	Asia Dept.	Group Total
Sales of goods	\$473,150	\$234,035	\$707,185
Service revenue	274	-	274
Total	<u>\$473,424</u>	<u>\$234,035</u>	<u>\$707,459</u>

Timing of revenue recognition:

At a point in time

<u>\$473,424</u>	<u>\$234,035</u>	<u>\$707,459</u>
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Six months ended June 30, 2025

		Republic of China and Southeast	
	Taiwan Dept.	Asia Dept.	Group Total
Sales of goods	\$1,115,274	\$407,387	\$1,522,661
Service revenue	552	-	552
Total	<u>\$1,115,826</u>	<u>\$407,387</u>	<u>\$1,523,213</u>

Timing of revenue recognition:

At a point in time

<u>\$1,115,826</u>	<u>\$407,387</u>	<u>\$1,523,213</u>
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Six months ended June 30, 2024

		Taiwan Dept.	Republic of China and Southeast Asia Dept.	Group Total
Sales of goods		\$888,172	\$450,594	\$1,338,766
Service revenues		338	-	338
Total		<u>\$888,510</u>	<u>\$450,594</u>	<u>\$1,339,104</u>
Timing of revenue recognition :				
At a point in time		<u>\$888,510</u>	<u>\$450,594</u>	<u>\$1,339,104</u>

(B) Contract balances

Contract liabilities - current

	June 30, 2025	December 31, 2024	June 30, 2024	January 31, 2024
Sales of goods	<u>\$5,671</u>	<u>\$55,032</u>	<u>\$1,214</u>	<u>\$1,901</u>

The significant changes in the Group's balances of contract liabilities for the six months ended June 30, 2025 and 2024 are as follows:

	Six months ended June 30	
	2025	2024
The opening balance transferred to revenue	<u>\$(54,669)</u>	<u>\$(1,840)</u>
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	5,698	1,153
Exchange differences	(390)	-

(14) Expected credit loss (reversal of credit loss)

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Operating expenses –(reversal of credit loss) expected credit loss				
Accounts receivable	<u>\$(2,181)</u>	<u>\$2,967</u>	<u>\$1,485</u>	<u>\$(3,384)</u>

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance for receivables (including notes and accounts receivable) based on lifetime expected credit losses. As of June 30, 2025, December 31, 2024, and June 30, 2024, the related explanations of the assessed loss allowance are as follows:

Based on the Group's historical credit loss experience, there are no significant differences in loss patterns among different customer groups. Therefore, the Group does not distinguish between customer segments when measuring the allowance, and applies a provision matrix approach to assess expected credit losses. Details are as follows:

As of June 30, 2025

	Aging schedule					Total
	<=90 days	91-120 days	121-150 days	151-180 days	>=181 days	
Notes receivable	\$15,153	\$-	\$-	\$-	\$-	\$15,153
Accounts receivable	737,285	129,810	66,948	3,427	495	937,965
Carrying amount	\$752,438	\$129,810	\$66,948	\$3,427	\$495	\$953,118
Loss ratio	0~5%	0~2%	0~7%	0~27%	0~100%	
Lifetime expected credit losses	(757)	(2,430)	(4,210)	(100)	(413)	(7,910)
Total	\$751,681	\$127,380	\$62,738	\$3,327	\$82	\$945,208

As of December 31, 2024

	Aging schedule					Total
	<=90 days	91-120 days	121-150 days	151-180 days	>=181 days	
Notes receivable	\$1,431	\$-	\$-	\$-	\$-	\$1,431
Accounts receivable	696,140	144,847	58,205	1,674	1,052	901,918
Carrying amount	\$697,571	\$144,847	\$58,205	\$1,674	\$1,052	\$903,349
Loss ratio	0~5%	0~2%	0~7%	0~27%	0~100%	
Lifetime expected credit losses	(32)	(2,349)	(3,367)	(81)	(682)	(6,511)
Total	\$697,539	\$142,498	\$54,838	\$1,593	\$370	\$896,838

As of June 30, 2024

	Aging schedule					Total
	<=90 days	91-120 days	121-150 days	151-180 days	>=181 days	
Notes receivable	\$425	\$-	\$1,453	\$-	\$-	\$1,878
Accounts receivable	635,970	145,494	63,245	19,907	3,771	868,387
Carrying amount	\$636,395	\$145,494	\$64,698	\$19,907	\$3,771	\$870,265
Loss ratio	0~1%	0~2%	0~7%	0~27%	0~100%	
Lifetime expected credit losses	(21)	(2,455)	(3,602)	(4,982)	(3,541)	(14,601)
Total	\$636,374	\$143,039	\$61,096	\$14,925	\$230	\$855,664

The movements in the allowance for impairment of notes receivable and accounts receivable for the six-month periods ended June 30, 2025 and 2024 are as follows:

	Notes receivable	Accounts receivable	Total
As at January 1, 2025	\$32	\$6,479	\$6,511
Addition/(reversal) for the current period	754	731	1,485
Exchange differences	(28)	(58)	(86)
As at June 30, 2025	<u>\$758</u>	<u>\$7,152</u>	<u>\$7,910</u>
Bal. as at January 1, 2024	\$-	\$17,874	\$17,874
Addition/(reversal) for the current period	92	(3,476)	(3,384)
Exchange differences	1	110	111
As at June 30, 2024	<u>\$93</u>	<u>\$14,508</u>	<u>\$14,601</u>

(15) Leases

(A) Group as a lessee

The Group leases assets including real estate (buildings and structures) and movable property (transportation equipment). The lease terms range from 2 to 4 years.

The effects of leases on the Group's consolidated financial position, financial performance, and cash flows are as follows:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	\$3,297	\$8,837	\$13,196
Transportation equipment	2,130	2,130	3,328
Total	<u>\$5,427</u>	<u>\$10,967</u>	<u>\$16,524</u>

During the periods ended June 30, 2025 and 2024, the Group's additions to right-of-use assets of the group amounting to NT\$711 thousand and NT\$1,865 thousand, respectively.

(b) Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities	<u>\$5,136</u>	<u>\$11,044</u>	<u>\$16,903</u>
Current	<u>\$4,796</u>	<u>\$10,249</u>	<u>\$11,249</u>
Non-current	<u>\$340</u>	<u>\$795</u>	<u>\$5,654</u>

Please refer to Note 6(17)(D) for the interest on lease liabilities recognized during the six months ended June 30, 2025 and 2024 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Buildings	\$2,306	\$2,412	\$4,783	\$4,794
Transportation equipment	271	399	734	799
Total	<u>\$2,577</u>	<u>\$2,811</u>	<u>\$5,517</u>	<u>\$5,593</u>

C. Income and costs relating to leasing activities

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
The expenses relating to short-term leases	\$1,605	\$1,662	\$3,323	\$3,520
Gain on lease modification	-	-	(3)	-
Total	<u>\$1,605</u>	<u>\$1,662</u>	<u>\$3,320</u>	<u>\$3,520</u>

D. Cash outflow relating to leasing activities

During the six months ended June 30, 2025 and 2024, the Group's total cash outflows for leases amounting to NT\$10,171 thousand and NT\$10,486 thousand, respectively.

E. Other information relating to leasing activities

(a) Variable lease payments

Some of the Group's printer rental agreements contain variable payment terms that are linked to certain percentages of the usage amount generated from the leased printer, which is very common in the industry of the Group.

As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities.

(b) Extension and termination options

Some of the Group's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options

are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(B) Group as lessor

Please refer to Note 6(8) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Lease income for operating leases				
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$739	\$499	\$1,478	\$998

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of June 30, 2025, December 31, 2024, and June 30, 2024 are as follow:

	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
Not later than one year	\$2,957	\$2,957	\$1,996
Later than one year but not later than two years	-	1,231	1,996
Total	\$2,957	\$4,188	\$3,992

(16) Summary statement of employee benefits, depreciation and amortization is as follows:

Capability Nature	Three months ended June 30					
	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits expense						
Salaries	\$-	\$13,739	\$13,739	\$-	\$24,907	\$24,907
Labor and health insurance	-	1,452	1,452	-	1,572	1,572
Pension	-	1,126	1,126	-	1,095	1,095
Other employee benefits expense	-	1,410	1,410	-	4,347	4,347
Depreciation	-	3,113	3,113	-	3,346	3,346
Amortization	-	59	59	-	82	82

Capability Nature	Six months ended June 30					
	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits expense						
Salaries	\$-	\$28,598	\$28,598	\$-	\$46,466	\$46,466
Labor and health insurance	-	3,267	3,267	-	3,235	3,235
Pension	-	2,305	2,305	-	2,295	2,295
Other employee benefits expense	-	2,887	2,887	-	6,373	6,373
Depreciation	-	6,620	6,620	-	6,680	6,680
Amortization	-	118	118	-	164	164

In accordance with the company's Articles of Incorporation, the Company shall allocate no less than 3% of annual profit as employee remuneration (The amount of employee remuneration for this item, no less than 20% should be allocated for the distribution of remuneration to grassroots employees), and no more than 5% as remuneration to directors. In the event of an accumulated deficit, the amount shall first be reserved to offset the deficit. Employee remuneration may be distributed in the form of shares or cash, as resolved by the Board of Directors with the attendance of at least two-thirds of all directors and approval by a majority of directors present. Such resolutions shall be reported to the shareholders' meeting. Information regarding the Board's resolution on the remuneration to employees and directors is available on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

Based on the profitability for the three months ended June 30, 2025, the Company accrued (reversed) NT\$(610) thousand and NT\$(809) thousand for employee remuneration and director remuneration, respectively. For the six months ended June 30, 2025, the Company accrued (reversed) NT\$190 thousand and NT\$316 thousand for employee remuneration and director remuneration, respectively. These amounts were recognized under salary expenses.

Based on the profitability for the three months ended June 30, 2024, the Company accrued (reversed) NT\$900 thousand and NT\$1,000 thousand for employee remuneration and director remuneration, respectively. For the six months ended June 30, 2024, the Company accrued (reversed) NT\$2,500 thousand and NT\$2,000 thousand for employee remuneration and director remuneration, respectively. These amounts were recognized under salary expenses.

On March 12, 2025, the Board of Directors resolved to distribute NT\$4,500 thousand in cash each to employees and directors as remuneration for fiscal year 2024. The distributed amounts were consistent with those previously accrued in the 2024 financial statements.

On March 14, 2024, the Board of Directors resolved to distribute NT\$4,000 thousand and NT\$3,000 thousand in cash to employees and directors, respectively, as remuneration for fiscal year 2023. The distributed amounts were also consistent with the amounts accrued in the 2023 financial statements.

(17) Non-operating income and expenses

(A) Interest income

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Interest income				
Financial assets at amortized cost	\$3,834	\$3,751	\$6,607	\$5,459

(B) Other income

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Rental income	\$739	\$499	\$1,478	\$998
Others	281	87	1,729	2,516
Total	\$1,020	\$586	\$3,207	\$3,514

(C) Other gains and losses

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Foreign exchange gains (losses), net	\$(69,776)	\$12,154	\$(55,427)	\$44,590
Other gains- Other	1,557	-	1,557	-
Other losses- Other	(447)	(150)	(1,317)	(240)
Total	\$(68,666)	\$12,004	\$(55,187)	\$44,350

Note : Other gains- Other including the difference in square footage between the two properties when we exchanged homes with a builder in May 2025.

(D) Finance costs

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Interests on borrowings from bank	\$(2,820)	\$(2,758)	\$(5,666)	\$(5,452)
Interests on lease liabilities	(66)	(171)	(169)	(362)
Total	<u>\$(2,886)</u>	<u>\$(2,929)</u>	<u>\$(5,835)</u>	<u>\$(5,814)</u>

(18) Components of other comprehensive income

Three months ended June 30, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to component s of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss :					
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$(21,559)	\$-	\$(21,559)	\$-	\$(21,559)
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising from translation of foreign operations	(84,184)	-	(84,184)	-	(84,184)
Total	<u>\$(105,743)</u>	<u>\$-</u>	<u>\$(105,743)</u>	<u>\$-</u>	<u>\$(105,743)</u>

Three months ended June 30, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to component s of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss :					
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$(3,731)	\$-	\$(3,731)	\$-	\$(3,731)
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising from translation of foreign operations	10,517	-	10,517	-	10,517
Total	<u>\$6,786</u>	<u>\$-</u>	<u>\$6,786</u>	<u>\$-</u>	<u>\$6,786</u>

Six months ended June 30, 2025

	Arising during the period	Reclassific ation adjustments during the period	Other comprehen sive income, before tax	Income tax relating to component s of other comprehen sive income	Other comprehen sive income, net of tax
Items that will not be reclassified subsequently to profit or loss :					
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$(50,579)	\$-	\$(50,579)	\$-	\$(50,579)
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising from translation of foreign operations	(72,821)	-	(72,821)	-	(72,821)
Total	<u>\$(123,400)</u>	<u>\$-</u>	<u>\$(123,400)</u>	<u>\$-</u>	<u>\$(123,400)</u>

Six months ended June 30, 2024

	Arising during the period	Reclassific ation adjustments during the period	Other comprehen sive income, before tax	Income tax relating to component s of other comprehen sive income	Other comprehen sive income, net of tax
Items that will not be reclassified subsequently to profit or loss :					
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$(2,488)	\$-	\$(2,488)	\$-	\$(2,488)
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising from translation of foreign operations	34,987	-	34,987	-	34,987
Total	<u>\$32,499</u>	<u>\$-</u>	<u>\$32,499</u>	<u>\$-</u>	<u>\$32,499</u>

(19) Income tax

The major components of income tax expense (benefit) three months and six months ended June 30, 2025 and 2024 are as follows:

Income tax expense (benefit) recognized in profit or loss

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Current income tax expense (benefit):				
Current income tax charge	\$5,663	\$5,950	\$14,189	\$7,503
Deferred tax expense (benefit):				
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(12,198)	(83)	(16,764)	8,034
Temporary differences not recognized in previous years are recognized in this period	8,648	900	9,948	1,800
Total	<u>\$2,113</u>	<u>\$6,767</u>	<u>\$7,373</u>	<u>\$17,337</u>

Income tax relating to components of other comprehensive income

No income tax relating to components of other comprehensive income during the periods ended June 30, 2025 and 2024.

The assessment of income tax returns

The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(20) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
(A) Basic earnings per share				
Profit attributable to the parent company (in thousand NT\$)	<u>\$(17,208)</u>	<u>\$22,458</u>	<u>\$2,078</u>	<u>\$62,329</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>65,130</u>	<u>65,130</u>	<u>65,130</u>	<u>65,130</u>
Basic earnings per share (NT\$)	<u>\$(0.26)</u>	<u>\$0.34</u>	<u>\$0.03</u>	<u>\$0.96</u>

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
(B) Diluted earnings per share				
Profit attributable to the parent company after dilution (in thousand NT\$)	<u>\$ (17,208)</u>	<u>\$ 22,458</u>	<u>\$ 2,078</u>	<u>\$ 62,329</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	65,130	65,130	65,130	65,130
Effect of dilution:				
Employee compensation — stock (in thousands)	<u>-</u>	<u>29</u>	<u>76</u>	<u>143</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>65,130</u>	<u>65,159</u>	<u>65,206</u>	<u>65,273</u>
Diluted earnings per share (NT\$)	<u>\$ (0.26)</u>	<u>\$ 0.34</u>	<u>\$ 0.03</u>	<u>\$ 0.95</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

Net profit attributable to common shareholders of the parent company was a net loss after tax for the six months ended June 30, 2025. Potential common shares have an anti-dilutive effect, so only basic loss per share is presented.

7. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Tailyn Technologies, Inc.	Substantive related party

Significant related party transactions

(1) Key management personnel compensation

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 2,152	\$ 4,519	\$ 8,633	\$ 11,248
Post-employment benefits	81	52	108	103
Total	<u>\$ 2,233</u>	<u>\$ 4,571</u>	<u>\$ 8,741</u>	<u>\$ 11,351</u>

(2) Sales revenue

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Substantive related party Tailyn Technologies, Inc.	\$194	\$67	\$284	\$185

The sales price to the above related parties was determined through mutual agreement based on the market conditions. The collection periods for sales to related parties and to third parties were all month-end 30~120 days. The outstanding balances as of June 30, 2025 and 2024 were unsecured, non-interest bearing and to be settled in cash. The receivables from the related parties were not guaranteed.

(3) Accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Substantive related party Tailyn Technologies, Inc.	\$194	\$118	\$94

(4) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Substantive related party Tailyn Technologies, Inc.	\$22	\$23	\$20

(5) Lease - related parties

Lease payments

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Substantive related party Tailyn Technologies, Inc.	\$91	\$91	\$182	\$182

The rental prices and collection terms to the above related parties are not much different from third parties. The mutual agreement of rental prices is determined by local market conditions, and is based on the location, floors and scopes of the lease.

8. PLEDGED ASSETS

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

Items	Carrying amount			Secured liabilities
	June 30, 2025	December 31, 2024	June 30, 2024	
Property, plant and equipment - land	\$89,074	\$89,074	\$89,074	Short-term bank loan
Property, plant and equipment - buildings	12,602	12,782	12,961	Short-term bank loan
Total	<u>\$101,676</u>	<u>\$101,856</u>	<u>\$102,035</u>	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The guarantee notes issued by the Group as of June 30, 2025:

Client	Nature	Amount
Flexium Interconnect Inc.	Performance guarantee	<u>\$14,465</u>

(2) The Company has signed an agency contract with Company S to sell Company S's products, and the Company shall pay the agency deposit to Company S as a performance guarantee according to the contract. As of June 30, 2025, the Company has provided US\$1.5 million as a performance bond, which amounted to approximately NT\$44,775 thousand and is accounted under Refundable deposits paid.

(3) Based on business needs, endorsement and guarantee amounted to US\$300 thousand by the Group as of June 30, 2025. Please refer to Attached Table.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Categories of financial instruments

<u>Financial assets</u>	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through other comprehensive income	\$221,382	\$271,961	\$296,420
Financial assets measured at amortized cost (Note)	1,748,817	1,855,095	1,800,596
Total	<u>\$1,970,199</u>	<u>\$2,127,056</u>	<u>\$2,097,016</u>

Financial liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities at amortized cost:			
Short-term borrowings	\$575,000	\$572,000	\$570,000
Notes payable and accounts payable	232,039	171,545	250,052
Other payables	151,473	93,841	158,366
Lease liabilities(including noncurrent)	5,136	11,044	16,903
Guarantee deposits	517	517	349
Total	<u>\$964,165</u>	<u>\$848,947</u>	<u>\$995,670</u>

Note: Including cash and cash equivalents (cash on hand not included), notes receivable, accounts receivable, other receivables and refundable deposits.

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency A and foreign currency B. The information of the sensitivity analysis is as follows:

- (1) When NTD strengthens against USD by 1%, the profit six months ended June 30, 2025 and 2024 would decrease by NT\$10,617 thousand and NT\$10,956 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk arises mainly from investments in debt instruments with fixed-rate and variable-rate borrowings.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit six months ended June 30, 2025 and 2024 to decrease by NT\$349 thousand and NT\$305 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

As of June 30, 2025 and 2024, a change of 5% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$11,069 thousand and NT\$14,821 thousand on the equity attributable to the Group six months ended June 30, 2025 and 2024, respectively.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for account and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of June 30, 2025, December 31, 2024, and June 30, 2024, the credit concentration risk of accounts receivable is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group uses IFRS 9 to evaluate the expected credit losses, receivables are measured as allowance losses over the life of expected credit losses, the remainder are not investments in debt instruments measured at fair value through profit or loss, and their original purchase is based on the assumption of low credit risk, and whether credit risk has increased significantly since the original recognition at each balance sheet date to determine the method of measuring the allowance loss and its loss rate. The debt instrument mentioned above that are not measured at fair value through profit and loss are cash and cash equivalents (excluding cash on hand), and their carrying amount as of June 30, 2025 and 2024 were NT\$803,427 thousand and NT\$942,592 thousand, respectively, and the loss rates were both 0%.

In addition, the Group also writes off financial assets when it evaluates that it cannot reasonably be expected to recover financial assets (e.g. significant financial difficulties of the issuer or debtor, or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	>5 years	Total
As of June 30, 2025					
Short-term borrowings (estimated interests to be paid included)	\$575,289	\$-	\$-	\$-	\$575,289
Lease liabilities (Non-current included)	5,761	205	-	-	5,966
Payables	232,039	-	-	-	232,039
Other payables	151,473	-	-	-	151,473
Guarantee deposits	517	-	-	-	517
As of December 31, 2024					
Short-term borrowings (estimated interests to be paid included)	\$572,280	\$-	\$-	\$-	\$572,280
Lease liabilities (Non-current included)	10,471	799	-	-	11,270
Payables	171,545	-	-	-	171,545
Other payables	93,841	-	-	-	93,841
Guarantee deposits	517	-	-	-	517
As of June 30, 2024					
Short-term borrowings (estimated interests to be paid included)	\$570,756	\$-	\$-	\$-	\$570,756
Lease liabilities (Non-current included)	12,478	5,709	-	-	18,187
Payables	250,052	-	-	-	250,052
Other payables	158,366	-	-	-	158,366
Guarantee deposits	349	-	-	-	349

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the six months ended June 30, 2025:

	Short-term borrowings	Guarantee deposits	Leases liabilities	Total liabilities from financing activities
At January 1, 2025	\$572,000	\$517	\$11,044	\$583,561
Cash flows	3,000	-	(6,848)	(3,848)
Non-cash changes	-	-	940	940
At June 30, 2025	<u>\$575,000</u>	<u>\$517</u>	<u>\$5,136</u>	<u>\$580,653</u>

Reconciliation of liabilities for the six months ended June 30, 2024:

	Short-term borrowings	Guarantee deposits	Leases liabilities	Total liabilities from financing activities
At January 1, 2024	\$590,000	\$3,309	\$21,033	\$614,342
Cash flows	(20,000)	(2,960)	(6,966)	(29,926)
Non-cash changes	-	-	2,836	2,836
At June 30, 2024	<u>\$570,000</u>	<u>\$349</u>	<u>\$16,903</u>	<u>\$587,252</u>

(7) Fair values of financial instruments

(A) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- A. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- D. The fair value of other financial assets and financial liabilities is determined on the basis of discounted cash flow analysis, and their interest rates and discount rates are mainly based on information related to similar instruments, yield curves applicable over the life of the period, etc.

(B) Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(C) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(B) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

At June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	\$221,382	\$-	\$-	\$221,382

At December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	\$271,961	\$-	\$-	\$271,961

At June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	\$296,420	\$-	\$-	\$296,420

Transfers between Level 1 and Level 2 during the period

During the six months periods ended June 30, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Fair value measurements in Level 3 of the fair value hierarchy for movements

As of June 30, 2025 and 2024, there were no financial assets that are measured at fair value within Level 3. Therefore the valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy isn't needed. Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy.

Evaluation process for Level 3 fair value measurement

As of June 30, 2025 and 2024, there were no financial assets that are measured at fair value within Level 3. Therefore the valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy isn't needed.

- (C) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6)	\$-	\$-	\$151,445	\$151,445

As of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6)	\$-	\$-	\$151,445	\$151,445

As of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6)	\$-	\$-	\$151,445	\$151,445

(9) Significant financial assets and liabilities denominated in foreign currencies

The significant financial assets and liabilities denominated in foreign currencies were as follow:

Amounts expressed in thousand			
June 30, 2025			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$42,712	29.85	\$1,274,997
Financial liabilities			
Monetary items:			
USD	\$7,144	29.85	\$213,247
December 31, 2024			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$42,085	32.785	\$1,379,747
Financial liabilities			
Monetary items:			
USD	\$4,816	32.785	\$157,890
June 30, 2024			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$40,868	32.450	\$1,326,181
Financial liabilities			
Monetary items:			
USD	\$7,105	32.450	\$230,547

Since the Group's entities have different functional currencies, it is not feasible to disclose the foreign exchange gains or losses on monetary financial assets and liabilities by each significant foreign currency. The Group's net foreign currency exchange (loss) gain for the three-month periods ended June 30, 2025 and 2024 amounted to NT\$(69,776) thousand and NT\$12,154 thousand, respectively. The Group's net foreign currency exchange (loss) gain for the six-month periods ended June 30, 2025 and 2024 amounted to NT\$(55,427) thousand and NT\$44,590 thousand, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure the maintenance of a strong credit rating and sound capital ratios to support its operations and maximize shareholder value. In response to economic conditions, the Group may maintain or adjust its capital structure by adjusting dividend distributions, returning capital to shareholders, or issuing new shares.

13. SUPPLEMENTARY DISCLOSURE

(1) Significant transactions information

- (A) Financing provided to others: None.
- (B) Endorsement/Guarantees provided to others: Please refer to Attachment 2.
- (C) Securities on held at the end of the period : Please refer to Attachment 3.
- (D) Related parties transactions for purchases and sales amount exceeding NT\$100 million or 20 percent of the capital stock: None.
- (E) Receivables from related parties with amount exceeding NT\$100 million or 20 percent of the capital stock: None.
- (F) Others: The business relationships and important transactions between the parent company and the subsidiaries, and among subsidiaries, along with their respective amounts are detailed in Attachment 4.

(2) Information on investees

- (A) Information about the investee company that direct or indirect has significant influence or control over the investee company: Please refer to Attachment 5 and 6.
- (B) Information of significant transaction within the investee company of which that has significant influence or control over the investee company, directly or indirectly :
 - A. Financing provided to others: Please refer to Attachment 1.
 - B. Endorsement/Guarantees provided to others: None.
 - C. Securities held at the end of the period: None
 - D. Related party transaction for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock: None.
 - E. Receivables from related parties with amount exceeding NT\$100 million or 20 percent of capital stock: None.

(3) Information on investments in Mainland China

- (A) Investee company name, main businesses and products, total amount of capital, investment method, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment profit and loss, carrying amount of investment at the end of the period, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 6.

(B) Direct or indirect significant transactions with investee in Mainland China through third regions: Please refer to Attachment 4.

A. The amount and percentage of goods purchased and the closing balance and percentage of the related payables six months ended June 30, 2025 : Please refer to attachment 4.

B. Property transactions and the amount of profit and loss arising from the transactions: : None.

C. The closing balance and purpose of the guarantee of payment instrument by endorsement or collateral provided : None.

D. The highest balance, closing balance, interest rate range and total interest of the period for the capital and finance : Please refer to attachment 1.

E. Other transactions that have a significant impact on the profit or loss or financial position of the current period, such as the provision or receipt of services etc. : None.

14. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

- (1) Taiwan Segment : The segment is mainly responsible for the agency sales of electronic components and process equipments in Taiwan.
- (2) China and South East Asia segment : The segment is mainly responsible for the distribution of electronic components in Eastern and Southern China (including Hong Kong) and Vietnam.

The China and Southeast Asia segment are the aggregation of the operating departments of the subsidiary in Eastern and Southern China and Vietnam. Since the Eastern and Southern China operating departments both focus on providing agency sales of the same electronic components and have similar economic characteristics, they have been aggregated into a single operating department along with the Vietnam operating department.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss before tax. There was no material difference between the accounting policies of the operating segment and those described in Note 4. However, income taxes are managed at a group level and are not allocated to operating segments.

Transfer prices between operating segments is based on regular transactions similar to those with external third parties.

Three months ended June 30, 2025

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination (Note)	Consolidated
External customer	\$678,616	\$207,327	\$885,943	\$-	\$885,943
Inter-segment	52,027	95,164	147,191	(147,191)	-
Total revenue	<u>\$730,643</u>	<u>\$302,491</u>	<u>\$1,033,134</u>	<u>\$(147,191)</u>	<u>\$885,943</u>
Segment profit	<u>\$(18,026)</u>	<u>\$18,716</u>	<u>\$690</u>	<u>\$(15,785)</u>	<u>\$(15,095)</u>

Three months ended June 30, 2024

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination (Note)	Consolidated
External customer	\$473,424	\$234,035	\$707,459	\$-	\$707,459
Inter-segment	54,922	87,850	142,772	(142,772)	-
Total revenue	<u>\$528,346</u>	<u>\$321,885</u>	<u>\$850,231</u>	<u>\$(142,772)</u>	<u>\$707,459</u>
Segment profit	<u>\$27,543</u>	<u>\$11,744</u>	<u>\$39,287</u>	<u>\$(10,062)</u>	<u>\$29,225</u>

Six months ended June 30, 2025

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination (Note)	Consolidated
External customer	\$1,115,826	\$407,387	\$1,523,213	\$-	\$1,523,213
Inter-segment	101,332	195,015	296,347	(296,347)	-
Total revenue	<u>\$1,217,158</u>	<u>\$602,402</u>	<u>\$1,819,560</u>	<u>\$(296,347)</u>	<u>\$1,523,213</u>
Segment profit	<u>\$5,706</u>	<u>\$28,616</u>	<u>\$34,322</u>	<u>\$(24,871)</u>	<u>\$9,451</u>

Six months ended June 30, 2024

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination (Note)	Consolidated
External customer	\$888,510	\$450,594	\$1,339,104	\$-	\$1,339,104
Inter-segment	102,470	171,045	273,515	(273,515)	-
Total revenue	<u>\$990,980</u>	<u>\$621,639</u>	<u>\$1,612,619</u>	<u>\$(273,515)</u>	<u>\$1,339,104</u>
Segment profit	<u>\$76,860</u>	<u>\$21,700</u>	<u>\$98,560</u>	<u>\$(18,894)</u>	<u>\$79,666</u>

Note: Inter-segment revenue is excluded at the time of consolidation, and reflected under "Reconciliation and Elimination", and all other reconciliations and removals are disclosed separately in further details.

The following table presents segment assets of the Group's operating segments as June 30, 2025, December 31, 2024, and June 30, 2024:

Assets of the Group's operating segments

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination	Consolidated
June 30, 2025	\$2,529,551	\$778,193	\$3,307,744	\$(901,862)	\$2,405,882
December 31, 2024	\$2,688,084	\$783,331	\$3,471,415	\$(946,590)	\$2,524,825
June 30, 2024	\$2,687,191	\$785,542	\$3,472,733	\$(899,860)	\$2,572,873

Liabilities of the Group's operating segments

	Taiwan Segment	China and Southeast Asia	Subtotal	Adjustment and elimination	Consolidated
June 30, 2025	\$960,799	\$175,768	\$1,136,567	\$(140,003)	\$996,564
December 31, 2024	\$901,612	\$151,634	\$1,053,246	\$(137,217)	\$916,029
June 30, 2024	\$945,761	\$177,947	\$1,123,708	\$(114,376)	\$1,009,332

Other reconciliations of reportable segments

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Total profit or loss for reportable segments	\$690	\$39,287	\$34,322	\$98,560
Elimination of inter-segment profit	(15,785)	(10,062)	(24,871)	(18,894)
Income before income tax from continuing operations	\$(15,095)	\$29,225	\$9,451	\$79,666

Attached table 1: Financings Provided

Expressed in thousands of New Taiwan Dollars

(EXCEPT AS OTHERWISE INDICATED)

No. (Note 1)	Financier	Counter-party	Item (Note 2)	Related-party	Maximum Balance (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate Range	Financing Provided (Note 4)	Transaction Amount (Note 5)	Financing Reasons (Note 6)	Allowance for Bad Debt	Collateral		Financial Limit for Each Counter-party	Limit on Financier's Total Financing
													Name	Value		
1	ShangHai Howtech International Trading Inc.	KunShan Howtech International Trading Inc.	Other receivables	Yes	\$29,850 (USD1,000)	\$29,850 (USD1,000)	\$5,883	0.00%	1	-	Business dealings	-	-	-	\$63,012 (Note 10)	\$94,518 (Note 10)
1	ShangHai Howtech International Trading Inc.	ShenZhen Howtech Technology Co., Ltd.	Other receivables	Yes	16,692 (RMB4,000)	16,692 (RMB4,000)	-	4.35%	2	-	Short-term financing	-	-	-	63,012 (Note 10)	94,518 (Note 10)
2	ShenZhen Howtech Technology Co., Ltd.	ShangHai Howtech International Trading Inc.	Other receivables	Yes	16,692 (RMB4,000)	16,692 (RMB4,000)	-	3.35%	2	-	Short-term financing	-	-	-	30,796 (Note 11)	46,193 (Note 11)

Note 1: The description of the number column is as follows:

- (1) Issuer fill in 0.
- (2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: Accounts of receivables related enterprise payments, receivables related party payments, shareholder transactions, advance payments, temporary payments... and other subjects, if they are in the nature of capital loans, must be filled in this form.

Note 3: The highest balance of funds lent to others in the current year.

Note 4: The nature of the loan should be filled in as a business transaction or a need for short-term financing.

- (1) Business transaction fill in 1.
- (2) Short-term financing fill in 2.

Note 5: If the nature of the loan is a business transaction, the business transaction amount should be filled in, which refers to the business transaction amount of the company and the loan target who lent the funds in the latest year.

Note 6: If the nature of the capital loan is necessary for short-term financing funds, the reason for the necessary loan and the purpose of the funds to be borrowed should be specified, such as: repayment of loans, purchase of equipment, business turnover, etc.

Note 7: The maximum loan limit set by the Company shall not exceed 40% of the net value of the Company, and the maximum loan limit shall not exceed 20% of the net value of the Company for a single object.

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: Counter-party:

According to Article 15 of the Company Law, the company's funds shall not be lent to shareholders or any other person except in the following circumstances:

- (1) Intercompany business dealers.
- (2) There is a need for short-term financing between companies. The amount of financing shall not exceed 40% of the net value of enterprise.
For the purposes of the preceding paragraph, short-term term refers to one year. However, if the company's business cycle is longer than one year, the business cycle shall prevail.
- (3) The financing amount referred to in the preceding paragraph is the cumulative balance of the Company's short-term financing funds.
- (4) The Company directly and indirectly holds 100% of the voting shares of foreign companies engaged in capital loans, which are not subject to the restrictions of the preceding paragraph.

Note 10: The total limit of capital loans set by ShangHai HOWTEH International Trading Inc. shall not exceed 60% of the net value of the company, and the maximum loan limit for a single object shall not exceed 40% of the net value of the company.

Note 11: The total limit of capital loan and total set by ShenZhen HOWTEH Technology Co., Ltd. shall not exceed 60% of the net value of the company, and the maximum loan limit for a single object shall not exceed 40% of the net value of the company.

Attached table 2: Collaterals/Guarantee Provided

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

No. (Note 1)	Collaterals/Guarantee Provider	Counter-part		Limits on Each Counter-party's Collateral/Guarantee Amounts (Note 3)	Maximum balance accumulated up to the end of this month (Note 4 + 8)	Ending Balance (Note 5 + 8)	Actual Amount Drawn Down (Note 6)	Amount of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement (%)	Maximum Collateral/Guarantee Amounts Allowable (Note 3)	Provision of Endorsements by Parent Company to Subsidiary (Note 6)	Provision of Endorsements by Subsidiary to Parent Company (Note 7)	Provision of Endorsements to the Company in Mainland China (Note 7)
		Name (Note 2)	Relationship (Note 2)										
0	Howtech Technology Co., Ltd.	Gitech Electronic Industries Co., Ltd.	2	\$-	\$89,550 (USD 3,000)	\$-	\$-	\$-	-%	\$-	Y	N	N
0	Howtech Technology Co., Ltd.	Howtech Vietnam Co., Ltd.	2	352,330	8,955 (USD 300)	8,955 (USD 300)	-	-	0.64%	-	Y	N	N

Note 1: The description of the number column is as follows:

- (1) Issuer fill in 0.
- (2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: There are the following seven types of relationships between the endorsement guarantor and the endorsed guarantee object, and the types can be indicated:

- (1) There are business dealings between companies.
- (2) Companies in which the company directly and indirectly holds more than 50% of the voting shares.
- (3) A company in which more than 50% of the voting rights are directly or indirectly held in the company.
- (4) A company in which the company directly and indirectly holds more than 90% of the voting shares.
- (5) A company that is mutually insured by inter-industry or co-sponsors in accordance with the provisions of the contract.
- (6) A company that is endorsed and guaranteed by all contributing shareholders in accordance with their shareholding ratio due to a co-investment relationship.
- (7) The performance guarantee of the pre-sale house sales contract is jointly and severally guaranteed in accordance with the Consumer Protection Law.

Note 3: Endorsement guarantee method: The total amount of endorsement guarantee shall not exceed 50% of the company's net value, and the amount of endorsement guarantee for a single enterprise shall not exceed 25% of the company's net value.

Note 4: The maximum amount accumulated up to this month is the highest guaranteed balance of endorsement for the current year.

Note 5: By the end of the year, the company shall bear the endorsement or guarantee liability when the amount of the endorsement guarantee deed or instrument signed by the company to the bank is approved; Other relevant cases with endorsement guarantee should be included in the balance of endorsement guarantee.

Note 6: The actual amount of expenditure is the amount of expenditure under the guaranteed amount of the parent company.

Note 7: Those who are endorsement guarantors of the parent company of the listed stock exchange to the subsidiary, endorsement guarantors of the subsidiaries to the parent company of the listed stock exchange, and endorsement certificates belonging to the mainland region must fill in Y.

Note 8 The exchange rate is based on the ending exchange rate.

Attached Table 3: Marketable securities held (excluding investment subsidiaries, affiliated enterprises and joint venture control part)

Expressed in thousands of New Taiwan Dollars

Holding Company	Securities Type and Name(Note 1)	Relationship with the Holding Company(Note 2)	Financial Statement Account	As of December 31, 2023				Notes(Note 4)
				Shares (1,000)	Carrying Value(Note 3)	Percentage of Ownership(%)	Fair Value	
Howtech Technology Co., Ltd.	<u>Financial assets at fair value through other comprehensive income-non-current</u>							
	Tailyn Technologies, Inc.	The Chairman of the company is a director of the Tailyn company	Investments in equity instruments measured at fair value through other comprehensive income - noncurrent	8,291,475	\$221,382	10.98%	\$221,382	No collateral is provided
	Feedpool Technology Co.,Ltd.	-	//	566,030	-	2.52%	-	//
			Total		<u>\$221,382</u>		<u>\$221,382</u>	

Note 1: For the purposes of this table, marketable securities refer to stocks, bonds, beneficiary certificates and securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments".

Note 2: If the issuer of securities is not a related person, this column is exempted.

Note 3: For fair value measured, please fill in the book balance after adjustment of fair value evaluation and deduction of accumulated impairment in the carrying amount field; For those not measured at fair value, please fill in the carrying amount of the original acquisition cost or amortized cost less the accumulated impairment book balance.

Note 4: The use of marketable securities is restricted because of the provision of guarantees, pledge loans, or other agreements. The number of shares to be guaranteed or pledged, the amount and restricted use should be indicated in the remarks column.

Note 5: The Company determines securities presented in this chart based on principles of materiality.

Attached Table 4: Business relationships and important transactions between parent and subsidiary companies

Expressed in thousands of New Taiwan Dollars

No. (Note 1)	Purchaser/seller	Counter-party	Relationship with the counter- party(Note 2)	Transactions			
				Account	Amount (Note 4)	Trading conditions	Ratio to total consolidated revenue or total assets (Note 3)
0	Howtech Technology Co., Ltd.	ShangHai Howtech International Trading Inc.	1	Sales revenue	\$40,185	120days	2.64%
0	"	"	1	Accounts receivable	17,204	"	0.72%
0	"	Gitech Electronic Industries Co., Ltd.	1	Sales revenue	45,058	60days	2.96%
0	"	"	1	Accounts receivable	10,709	"	0.45%
0	"	"	1	Purchase	78,813	"	5.17%
0	"	"	1	Accounts payable	48,481	"	2.02%
0	"	ShenZhen Howtech Technology Co., Ltd.	1	Sales revenue	16,089	"	1.06%
1	Gitech Electronic Industries Co., Ltd.	ShangHai Howtech International Trading Inc.	3	Sales revenue	26,849	120days	1.76%
1	"	"	3	Accounts receivable	22,657	"	0.94%
1	"	ShenZhen Howtech Technology Co., Ltd.	3	Sales revenue	55,095	60days	3.62%
1	"	"	3	Accounts receivable	22,657	"	0.94%
2	ShenZhen Howtech Technology Co., Ltd.	ShangHai Howtech International Trading Inc.	3	Purchase	27,387	60days	1.80%
2	"	"	3	Accounts payable	15,644	"	0.65%

Note 1: The description of the number column is as follows:

(1) Issuer fill in 0.

(2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: There are three types of transaction relationships

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: The transaction amount is calculated using total revenue or total asset ratio. In the case of balance sheet accounts, the ratio of the closing amount to the total assets is used;

In the case of income statement accounts, the ratio of cumulative amounts in the period to total revenue is used.

Note 4: The important transactions in this table shall be listed by the company in accordance with the materiality principle.

Note 5: Eliminated in the consolidated financial statements.

Note 6: Business relationships and dealings between parents and subordinates that do not reach 1,000 million will not be disclosed

Attached Table 5: Information on the name and location of the invested company (excluding invested companies in Mainland China)

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

Investor Company	Investee Company (Note 1 、 2)	Location	Main Business activities	Initial investment amount		Held by the company			Current gain (loss)(Note 2(2))	Investment gain (loss)(Note 2(3))	Note
				Ending of this period	Ending of last year	Number of shares	Rate%	Carrying amount			
Howteh Technology Co., Ltd.	Gitech Electronic Industries Co., Ltd.	Hong Kong	Trading of electronic parts	\$45,708 (HKD 12,000)	\$50,664 (HKD 12,000)	-	100.00%	\$604,759	\$24,596	\$24,642	
Howteh Technology Co., Ltd.	Howteh International Inc.	Samoa	Investment in Shanghai and entrepot trade	53,730 (USD 1,800)	59,013 (USD 1,800)	-	100.00%	165,143	(111)	(154)	
Howteh International Inc.	Howteh Vietnam Co., Ltd.	Vietnam	Trading of electronic parts	8,955 (USD 300)	9,836 (USD 300)	-	100.00%	1,275	(1,023)	(1,023)	

Note 1: If a public offering company has a foreign holding company and uses consolidated statements as its main financial statements in accordance with local laws and regulations, the disclosure of information about the foreign invested company may only disclose the relevant information of the holding company.

Note 2: Except for the circumstances described in Note 1, fill in according to the following provisions:

- (1) "Investee Company" 、 "Location" 、 "Main Business activities" 、 "Initial investment amount" and "Ending of this period", the reinvestment situation of the (public offering) company and the reinvestment situation of each investee company directly or indirectly controlled should be filled in order, and the relationship between each investee company and the public offering company should be indicated in the remarks column (if it is a subsidiary or grandchild).
- (2) "Current gain (loss)", the current profit or loss amount of each investee company should be filled in.
- (3) "Investment gain (loss)", only the profit and loss amount of each subsidiary of the public offering company recognized for direct transfer investment and each investee company evaluated by the equity method must be filled in, and the remaining information is exempted.

When filling in the "Investment gain (loss)", it should be confirmed that the current profit and loss amount of each subsidiary already includes the investment profit or loss that should be recognized according to the regulations for its reinvestment.

Note 3: Eliminated in the consolidated financial statements.

Attached Table 6: Information on investments in China

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of current year	Amount of investment remitted or recovered during the current period		Accumulated amount of remittance from Taiwan at the end of current year	Current profit (loss) of the invested company	Shareholding ratio of the company's investment (direct or indirect)	Investment income (loss) recognized in the current period (Note 2)	Book value of investment at the end of the period	Investment income remitted back to Taiwan as of the current period
					Remitted	Recovered						
ShangHai Howteh International Trading Inc.	International trade, entrepot trade, inter-enterprise trade and trade agency in the bonded zone, enterprise agency with import and export operation rights and non-bonded zone enterprises engaged in trade business, commercial simple processing in the bonded	\$49,253 (USD 1,650)	(2) Howteh International Inc.	\$41,790 (USD 1,400)	\$-	\$-	\$41,790 (USD 1,400)	\$1,348	100%	\$1,305 (Note 2、(2)、(3))	\$158,731 (Note 2、(2)、(3))	None
ShenZhen Howteh Technology Co., Ltd.	Chemical products, rubber, plastics, metal products, electronic components, testing instruments, general parts, mechanical equipment, electronic equipment and related accessories, communication equipment and related accessories, electrical and electrical equipment and their spare parts wholesale, commission agency, import and export and related supporting business. Electronic product information consulting, economic information consulting, enterprise management consulting.	26,663 (HKD 7,000)	(2) Gitech Electronic Industries Co., Ltd.	-	-	-	-	2,277	100%	2,253 (Note 2、(2)、(3))	79,161 (Note 2、(2)、(3))	None
KunShan Howteh International Trading Inc.	International trade, entrepot trade, trade and trade agency between enterprises in the bonded zone, enterprise agency with import and export operation rights and non-bonded zone enterprises engaged in trade business, commercial simple processing in the bonded zone, business consulting services in the bonded zone, etc.	8,955 (USD 300)	(1) Howteh Technology Co., Ltd.	8,955 (USD 300)	-	-	8,955 (USD 300)	386	100%	386 (Note 2、(2)、(3))	(6,479) (Note 2、(2)、(3))	None

Accumulative amount of investment remitted from Taiwan to the mainland at the end of this period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
\$50,745 (USD1,700)	\$90,965 (USD 1,950) (HKD 8,600)	\$845,591

Note 1: Investment methods are divided into the following three types:

- (1) Direct investment in mainland China.
- (2) Reinvesting in the mainland through a third region company (please specify the investment company in the third region).
- (3) Other methods.

Note 2: In investment income (loss) recognized in the current period column:

- (1) If there is no investment profit or loss in the preparation of the company, it should be indicated.
- (2) There are three bases for recognition of investment gains and losses, which should be indicated.
 1. The amount recognized was based on the financial statements that were audited by a cooperative relationship with the Republic of China CPA firm.
 2. The amount recognized was based on the financial statements that were audited by parent company's CPA firm.
 3. The financial statements of the investee that have not been reviewed by accountants.
 4. Other.

Note 3: The figures in this table should be presented in New Taiwan Dollars at the following exchange rates:

Ending exchange rate	Average Exchange Rate :
USD=29.85	USD=31.3175
HKD=3.809	HKD=4.0155
RMB=4.173	RMB=4.3255

Note 4: Eliminated in the consolidated financial statements.