

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report

For the Nine Months Ended September 30, 2025 and 2024

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders

VSO Electronics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of VSO Electronics Co., Ltd. and its subsidiaries (the “Group”) as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months ended and the nine months ended September 30, 2025 and 2024, and changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the 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” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the 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 Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. 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 disclosed in Note 11 to the consolidated financial statements, the financial statements of certain non-significant subsidiaries, including VSO (Viet nam) Electronics Co., Ltd. and Vsovn

Electronics (HANOI) Company Limited, which were included in the accompanying consolidated financial statements, were not reviewed by independent auditors. As of September 30, 2025 and 2024, the total assets of these non-significant subsidiaries amounted to NT\$333,158 thousand and NT\$272,918 thousand, respectively, representing 12.59% and 11.82% of the consolidated total assets, and their total liabilities amounted to NT\$69,923 thousand and NT\$39,187 thousand, respectively, representing 6.49% and 4.86% of the consolidated total liabilities.

The total comprehensive income of these subsidiaries for the three-month and nine-month periods ended September 30, 2025 and 2024, amounted to NT\$7,683 thousand, NT\$2,869 thousand, NT\$(46,975) thousand, and NT\$15,549 thousand, respectively, representing 7.54%, 5.04%, (44.37)%, and 11.05%, respectively, of the consolidated total comprehensive income.

As further disclosed in Note 12 to the consolidated financial statements, the carrying amounts of investments accounted for under the equity method by VSO Electronics Co., Ltd. and its subsidiaries as of September 30, 2025 and 2024 were NT\$46,514 thousand and NT\$48,556 thousand, respectively. The Group's share of comprehensive income from associates recognized for the three-month periods ended September 30, 2025 and 2024, and the nine-month periods ended September 30, 2025 and 2024, amounted to NT\$2,347 thousand, NT\$1,347 thousand, NT\$(921) thousand, and NT\$3,169 thousand, respectively. These amounts were recognized and disclosed based on the associates' financial statements for the respective periods, which were not reviewed by independent auditors.

In addition, as disclosed in Note 35 to the consolidated financial statements, certain investment-related information pertaining to the above-mentioned subsidiaries and associates was also not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the possible effects of any adjustments that might have been determined to be necessary had the financial statements of the non-significant subsidiaries and related parties mentioned in the preceding paragraph been reviewed, 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 September 30, 2025 and 2024, the consolidated financial performance for the periods from July 1 to September 30, 2025 and 2024, and the consolidated financial performance and consolidated cash flows for the periods from January 1 to September 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and made effective by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yeh Shu-Chuan and Huang Kuo-Ning.

Deloitte & Touche

Taipei, Taiwan

Republic of China

Nov. 11 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2025 and December 31, 2024 and September 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and Cash Equivalents (Note 6)	\$ 547,631	21	\$ 320,793	13	\$ 644,627	28
1110	Financial assets at fair value through profit or loss - current (Notes 7 and 30)	5,114	-	5,056	-	5,037	-
1136	Financial assets measured at amortized cost - current (Notes 8, 30, and 32)	428	-	338,208	14	62,277	3
1150	Notes receivable (Notes 9 and 23)	2,912	-	8,052	-	4,724	-
1170	Accounts Receivable (Notes 9 and 23)	941,205	35	762,301	32	655,846	28
1180	Accounts Receivable - Related Parties (Notes 9, 23, and 31)	42,919	2	41,681	2	39,682	2
1200	Other receivables (Notes 9 and 30)	2,457	-	2,933	-	4,461	-
1210	Other Receivables - Related Parties (Note 31)	22	-	-	-	17	-
1220	Current Income Tax Assets	439	-	2,366	-	2,874	-
130X	Inventories (Note 10)	289,365	11	231,983	10	227,801	10
1470	Other Current Assets (Note 16)	24,111	1	26,805	1	14,973	1
11XX	Total Current Assets	<u>1,856,603</u>	<u>70</u>	<u>1,740,178</u>	<u>72</u>	<u>1,662,319</u>	<u>72</u>
	Non-current assets						
1550	Equity Method Investments (Note XII)	46,514	2	48,495	2	48,556	2
1600	Property, plant, and equipment (Notes 13, 28, 32, and 33)	587,203	22	417,009	17	402,487	18
1755	Right-of-use assets (Notes 14 and 32)	103,818	4	120,477	5	123,273	5
1780	Intangible Assets (Notes 15 and 33)	18,015	1	23,302	1	25,174	1
1840	Deferred income tax assets	11,014	-	9,052	1	6,772	-
1900	Other Non-Current Assets (Notes 16 and 32)	23,435	1	42,082	2	40,202	2
15XX	Total Non-Current Assets	<u>789,999</u>	<u>30</u>	<u>660,417</u>	<u>28</u>	<u>646,464</u>	<u>28</u>
1XXX	Total Assets	<u>\$ 2,646,602</u>	<u>100</u>	<u>\$ 2,400,595</u>	<u>100</u>	<u>\$ 2,308,783</u>	<u>100</u>
	Liabilities and Equity						
	Current Liabilities						
2100	Short-term borrowings (Notes 17, 28, 29, and 32)	\$ 143,330	6	\$ 34,750	1	\$ 89,989	4
2120	Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	7,369	-	-	-	-	-
2130	Contract liabilities - current (Note 23)	1,156	-	1,042	-	112	-
2170	Accounts Payable (Note 18)	420,673	16	371,451	16	330,814	14
2180	Accounts Payable - Related Parties (Note 31)	1,367	-	2,531	-	-	-
2200	Other Payables (Note 19)	317,665	12	286,133	12	277,022	12
2220	Other Payables - Related Parties (Note 31)	72	-	701	-	942	-
2230	Current Income Tax Liability	24,762	1	14,148	1	14,991	1
2,250	Provision for Liabilities - Current (Note 20)	2,687	-	2,107	-	1,820	-
2280	Lease liabilities - current (Notes 14 and 29)	9,195	-	7,545	-	8,629	1
2300	Other current liabilities (Notes 19, 23, and 28)	4,630	-	4,774	-	3,770	-
21XX	Total Current Liabilities	<u>932,906</u>	<u>35</u>	<u>725,182</u>	<u>30</u>	<u>728,089</u>	<u>32</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes 17, 28, and 29)	58,509	2	9,853	1	-	-
2570	Deferred income tax liabilities	76,531	3	74,317	3	68,778	3
2580	Lease liabilities - non-current (Notes 14 and 29)	9,506	1	8,868	-	9,647	-
2640	Other Non-Current Liabilities (Note 19)	487	-	105	-	-	-
25XX	Total Non-Current Liabilities	<u>145,033</u>	<u>6</u>	<u>93,143</u>	<u>4</u>	<u>78,425</u>	<u>3</u>
2XXX	Total Liabilities	<u>1,077,939</u>	<u>41</u>	<u>818,325</u>	<u>34</u>	<u>806,514</u>	<u>35</u>
	Equity (Note 22)						
	Equity of the Company						
3110	Share Capital - Common Shares	438,488	17	417,165	17	416,203	18
3200	Capital reserve	568,361	21	565,514	24	562,814	24
	Retained Earnings						
3310	Legal reserve	105,221	4	86,676	3	86,676	4
3320	Special Surplus Reserve	34,452	1	52,481	2	52,481	2
3350	Retained earnings	446,314	17	402,057	17	322,977	14
3300	Total Retained Earnings	585,987	22	541,214	22	462,134	20
3400	Other equity	(85,508)	(3)	(34,451)	(1)	(29,259)	(1)
3500	Treasury stock	(28,969)	(1)	-	-	-	-
31XX	Total Equity Attributable to Owners of the Company	1,478,359	56	1,489,442	62	1,411,892	61
36XX	Non-controlling interests	90,304	3	92,828	4	90,377	4
3XXX	Total Equity	<u>1,568,663</u>	<u>59</u>	<u>1,582,270</u>	<u>66</u>	<u>1,502,269</u>	<u>65</u>
	Total Liabilities and Equity	<u>\$ 2,646,602</u>	<u>100</u>	<u>\$ 2,400,595</u>	<u>100</u>	<u>\$ 2,308,783</u>	<u>100</u>

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

(Please refer to the review report dated November 10, 2025, issued by Deloitte & Touche LLC)

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED September 30, 2025 AND 2024
(AMOUNTS IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

Code		For the Three Months Ended September 30				For the Nine Months Ended September 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net Operating Revenue (Notes 23, 31, and 36)	\$ 726,974	100	\$ 572,335	100	\$ 1,953,480	100	\$ 1,511,319	100
5000	Cost of Sales (Notes 10, 15, 24, and 31)	<u>522,486</u>	<u>72</u>	<u>412,768</u>	<u>72</u>	<u>1,410,093</u>	<u>72</u>	<u>1,116,081</u>	<u>74</u>
5900	Gross Profit	<u>204,488</u>	<u>28</u>	<u>159,567</u>	<u>28</u>	<u>543,387</u>	<u>28</u>	<u>395,238</u>	<u>26</u>
	Operating Expenses (Notes 9, 15, 24, and 31)								
6100	Selling Expenses	34,228	5	26,063	5	91,136	5	72,909	5
6200	Administrative Expenses	51,938	7	42,878	7	148,817	8	119,189	8
6300	Research and Development Expenses	35,107	5	28,505	5	90,033	4	65,150	4
6450	Expected Credit Losses (Reversal Gains)	(665)	-	(814)	-	(416)	-	1,013	-
6000	Total Operating Expenses	<u>120,608</u>	<u>17</u>	<u>96,632</u>	<u>17</u>	<u>329,570</u>	<u>17</u>	<u>258,261</u>	<u>17</u>
6900	Net Operating Profit	<u>83,880</u>	<u>11</u>	<u>62,935</u>	<u>11</u>	<u>213,817</u>	<u>11</u>	<u>136,977</u>	<u>9</u>
	Non-operating income and expenses								
7100	Interest Income (Note 24)	1,882	-	1,338	-	6,593	-	5,794	-
7010	Other Income (Notes 24 and 28)	3,365	-	667	-	6,408	-	3,387	-
7050	Financial Expenses (Notes 24 and 28)	(2,511)	-	(1,511)	-	(5,367)	-	(4,203)	-
7060	Share of profit or loss of associates accounted for using the equity method	361	-	482	-	1,249	-	1,082	-
7210	Other gains and losses (Notes 7 and 24)	<u>3,573</u>	<u>1</u>	<u>(6,052)</u>	<u>(1)</u>	<u>(22,748)</u>	<u>(1)</u>	<u>9,282</u>	<u>1</u>
7000	Total Non-Operating Income and Expenses	<u>6,670</u>	<u>1</u>	<u>(5,076)</u>	<u>(1)</u>	<u>(13,865)</u>	<u>(1)</u>	<u>15,342</u>	<u>1</u>
7900	Pre-tax profit	90,550	12	57,859	10	199,952	10	152,319	10
7950	Income tax expense (Note 25)	(18,033)	(2)	<u>12,056</u>	<u>(2)</u>	<u>(40,275)</u>	<u>(2)</u>	<u>37,285</u>	<u>(3)</u>
8200	Net Profit for the Period	72,517	10	45,803	8	159,677	8	115,034	7
8300	Other Comprehensive Income (Note 22)								
8360	Items that may subsequently be reclassified to profit or loss								
8361	Foreign currency translation differences on financial statements of foreign operations	27,449	4	10,256	2	(51,624)	(3)	23,605	2
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	<u>1,986</u>	<u>-</u>	<u>865</u>	<u>-</u>	<u>(2,170)</u>	<u>-</u>	<u>2,087</u>	<u>-</u>
8500	Total Comprehensive Income for the Period	<u>\$ 101,952</u>	<u>14</u>	<u>\$ 56,924</u>	<u>10</u>	<u>\$ 105,883</u>	<u>5</u>	<u>\$ 140,726</u>	<u>9</u>
	Net profit attributable to:								
8610	Company owners	\$ 68,307	9	\$ 42,759	7	\$ 149,064	8	\$ 106,363	7
8620	Non-controlling interests	<u>4,210</u>	<u>1</u>	<u>3,044</u>	<u>1</u>	<u>10,613</u>	<u>-</u>	<u>8,671</u>	<u>1</u>
8600	Total comprehensive income attributable to:	<u>\$ 72,517</u>	<u>10</u>	<u>\$ 45,803</u>	<u>8</u>	<u>\$ 159,677</u>	<u>8</u>	<u>\$ 115,034</u>	<u>8</u>
	earnings per share:								
8710	Company owners	\$ 95,178	13	\$ 52,832	9	\$ 98,007	5	\$ 129,585	8
8720	Non-controlling interests	<u>6,774</u>	<u>1</u>	<u>4,092</u>	<u>1</u>	<u>7,876</u>	<u>-</u>	<u>11,141</u>	<u>1</u>
8700	Earnings per Share (Note 26)	<u>\$ 101,952</u>	<u>14</u>	<u>\$ 56,924</u>	<u>10</u>	<u>\$ 105,883</u>	<u>5</u>	<u>\$ 140,726</u>	<u>9</u>
9710	Basic	<u>\$ 1.57</u>		<u>\$ 1.07</u>		<u>\$ 3.41</u>		<u>\$ 2.67</u>	
9810	Diluted	<u>\$ 1.56</u>		<u>\$ 1.06</u>		<u>\$ 3.40</u>		<u>\$ 2.65</u>	

The accompanying notes form an integral part of these consolidated financial statements.
(Please refer to the review report dated November 10, 2025, issued by Deloitte Touche Tohmatsu CPA Firm)

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED September 30, 2025 AND 2024
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity Attributable to Owners of the Parent Company										
		Share Capital (Note 22)		Capital Surplus	Retained Earnings (Notes 22 and 25)			Exchange differences on translation of foreign operations	Non-controlling interests			
Code		Number of Shares (Thousands)	Common stock capital	(Note 22)	Legal Reserve	Special Surplus Reserve	Retained Earnings	(Note 22)	Treasury Stock	Total	(Note 22)	Total Equity
A1	Balance as of January 1, 2024	37,530	\$ 375,302	\$ 227,844	\$ 75,181	\$ 40,666	\$ 315,846	(\$ 52,481)	\$ -	\$ 982,358	\$ 87,594	\$ 1,069,952
	112 Annual Surplus Appropriation and Distribution											
B1	Legal Reserve	-	-	-	11,495	-	(11,495)	-	-	-	-	-
B3	Special Surplus Reserve	-	-	-	-	11,815	(11,815)	-	-	-	-	-
B5	Cash Dividends to Shareholders	-	-	-	-	-	(75,921)	-	-	(75,921)	-	(75,921)
E1	Cash Capital Increase	3,660	36,600	328,977	-	-	-	-	-	365,577	-	365,577
N1	Employee stock option compensation expense	-	-	1,733	-	-	-	-	-	1,733	-	1,733
N1	Common shares issued under the employee stock option plan	430	4,301	4,301	-	-	-	-	-	8,602	-	8,602
M7	Changes in ownership interests in subsidiaries	-	-	(41)	-	-	(1)	-	-	(42)	42	-
O1	Subsidiary distributes cash dividends to non-controlling interest shareholders	-	-	-	-	-	-	-	-	-	(8,400)	(8,400)
D1	Net Profit from January 1 to September 30, 2024	-	-	-	-	-	106,363	-	-	106,363	8,671	115,034
D3	Other Comprehensive Income After Tax for the Period from January 1 to September 30, 2024	-	-	-	-	-	-	23,222	-	23,222	2,470	25,692
Z1	Balance as of September 30, 2024	41,620	\$ 416,203	\$ 562,814	\$ 86,676	\$ 52,481	\$ 322,977	(\$ 29,259)	\$ -	\$ 1,411,892	\$ 90,377	\$ 1,502,269
A1	Balance as of January 1, 2025	41,716	\$ 417,165	\$ 565,514	\$ 86,676	\$ 52,481	\$ 402,057	(\$ 34,451)	\$ -	\$ 1,489,442	\$ 92,828	\$ 1,582,270
	Appropriation and Distribution of 2011 Surplus											
B1	Legal Reserve	-	-	-	18,545	-	(18,545)	-	-	-	-	-
B3	Special Surplus Reserve	-	-	-	-	(18,029)	18,029	-	-	-	-	-
B5	Cash Dividends to Shareholders	-	-	-	-	-	(83,433)	-	-	(83,433)	-	(83,433)
B9	Stock Dividends to Shareholders	2,086	20,858	-	-	-	(20,858)	-	-	-	-	-
C17	Exercise of the right of reversion	-	-	256	-	-	-	-	-	256	-	256
N1	Employee stock option compensation expense	-	-	1,661	-	-	-	-	-	1,661	-	1,661
N1	Common shares issued under the employee stock option plan	46	465	930	-	-	-	-	-	1,395	-	1,395
L1	Purchase of treasury shares	-	-	-	-	-	-	-	(28,969)	(28,969)	-	(28,969)
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
O1	Subsidiary distributes cash dividends to non-controlling interest shareholders	-	-	-	-	-	-	-	-	-	(10,400)	(10,400)
D1	Net Profit from January 1 to September 30, 2025	-	-	-	-	-	149,064	-	-	149,064	10,613	159,677
D3	January 1 to September 30, 2025 Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	(51,057)	-	(51,057)	(2,737)	(53,794)
Z1	Balance as of September 30, 2025	43,848	\$ 438,488	\$ 568,361	\$ 105,221	\$ 34,452	\$ 446,314	(\$ 85,508)	(\$ 28,969)	\$ 1,478,359	\$ 90,304	\$ 1,568,663

The accompanying notes form an integral part of these consolidated financial statements.
(Please refer to the review report dated November 10, 2025, issued by Deloitte Touche Tohmatsu CPA Firm)

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED September 30, 2025 AND 2024
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Code		For the Nine Months Ended September 30	
		2025	2024
	Net Cash Flow from Operating Activities		
A10000	Net Income Before Taxes for the Period	\$ 199,952	\$ 152,319
	Revenue, Fees, and Loss Items		
A20100	Depreciation Expense	50,188	37,900
	Amortization expense		
A20200		8,217	6,587
	Expected Credit Loss		
A20300	(Recovery Benefit)		
	Impairment Loss	(416)	1,013
	Financial Costs		
A20900		5,367	4,203
	Interest Income		
A21200		(6,593)	(5,794)
	Share-based compensation		
A21900	expense	1,661	1,733
	Inventory Write-Downs and		
A23700	Obsolescence Losses	11,985	-
	Reversal of inventory		
A23800	impairment and obsolescence losses	-	(21,448)
	Net loss on financial assets and		
A20400	liabilities at fair value through profit or loss	369	749
	Share of profit or loss of		
A22300	associates and joint ventures accounted for using the equity method	(1,249)	(1,082)
	Gain on disposal of property,		
A22500	plant, and equipment	(340)	(473)
	Government Subsidy Revenue		
A29900		(401)	(197)
	Loss on disposal of right-of-use		
A29900	assets	1,380	-
	Net Change in Operating Assets and		
A30000	Liabilities		
	Financial assets mandatorily		
A31115	measured at fair value through profit or loss	7,358	-
	Notes receivable		
A31130		4,839	(2,568)

	Accounts Receivable		
A31150		(190,146)	(136,183)
	Accounts Receivable - Related		
A31160	Parties	(2,540)	(3,300)
	Other Receivables		
A31180		(161)	(1,223)
	Other Receivables - Related		
A31190	Parties	(22)	(17)
	Inventory		
A31200		(83,445)	(45,224)
	Other Current Assets		
A31240		1,481	(4,423)
	Other Non-Current Assets		
A31990		247	(11)
	Financial liabilities held for		
A32110	trading	(416)	(872)
	Contractual Liabilities		
A32125		163	(260)
	Accounts Payable		
A32150		66,240	56,915
	Accounts Payable - Related		
A32160	Parties	(1,074)	(633)
	Other Payables		
A32180		18,743	25,682
	Other Payables - Related Parties		
A32190		(584)	291
	Provision for Liabilities		
A32200		626	481
	Other Current Liabilities		
A32230		(<u>63</u>)	(<u>1,252</u>)
	Cash generated from operations		
A33000		91,366	62,913
	Income taxes paid		
A33500		(<u>12,909</u>)	(<u>45,239</u>)
	Net Cash Provided by		
AAAA	Operating Activities	<u>78,457</u>	<u>17,674</u>
	Cash Flows from Investing Activities		
	Acquisition of financial assets at fair		
B00100	value through profit or loss	-	(7,500)
	Disposal of Financial Assets		
B00200	Measured at Fair Value Through		
	Profit or Loss	-	26,434
	Acquisition of financial assets		
B00040	measured at amortized cost	(895,446)	(62,956)
	Disposal of financial assets		
B00050	measured at amortized cost	1,233,208	88,235
	Acquisition of property, plant, and		
B02700	equipment	(208,449)	(71,232)
	Proceeds from Disposal of Real		
B02800	Estate, Plant, and Equipment	1,040	1,049

B03700	Increase in Deposited Guarantees	(165)	-
B03800	Decrease in Margin Deposits	-	3,053
B04500	Purchase of Intangible Assets	(3,285)	(11,374)
B05350	Acquired right-of-use assets	-	(65,448)
B09900	Proceeds from Disposal of Usufruct Assets	5,782	-
B07500	Interest Received	7,163	5,592
B07600	Dividends received from related companies	<u>1,060</u>	<u>1,097</u>
BBBB	Net Cash Flow from Investing Activities	<u>140,908</u>	<u>(93,050)</u>
Cash Flows from Financing Activities			
C00100	Increase in Short-Term Borrowings	481,278	171,479
C00200	Decrease in short-term borrowings	(372,485)	(264,405)
C01600	Long-Term Borrowings	49,249	-
C04020	Principal Repayment on Leases	(6,564)	(6,819)
C04500	Cash Dividend Distribution	(83,433)	(75,921)
C04600	Cash Capital Increase	-	365,577
C04800	Employee Stock Option Plan	1,395	8,602
C04900	Purchase of Treasury Stock	(28,969)	-
C05600	Interest on payments	(4,599)	(4,235)
C05800	Payment of Cash Dividends to Shareholders for Non-Controlling Interests	(10,400)	(8,400)
C09900	Exercise of Right of Inclusion	<u>256</u>	<u>-</u>
CCCC	Net Cash Inflow from Financing Activities	<u>25,728</u>	<u>185,878</u>
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>(18,255)</u>	<u>11,110</u>
EEEE	Net Increase in Cash and Cash Equivalents	226,838	121,612

E00100	Cash and cash equivalents at beginning of period	<u>320,793</u>	<u>523,015</u>
E00200	Cash and Cash Equivalents at End of Period	<u>\$ 547,631</u>	<u>\$ 644,627</u>

The accompanying notes form an integral part of these consolidated financial statements.
(Please refer to the review report dated November 10, 2025, issued by Deloitte Touche Tohmatsu
CPA Firm)

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2025 and 2024

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

1. Overview

VSO Electronics Co., Ltd. (the "Company") was established on August 13, 1994, and its main business is the sale of various kinds of connecting wires for intelligent Internet of Things, cloud, industrial control, medical and automotive applications.

On September 28, 2022, the Company was approved by the Taipei Exchange for a public offering of stock and since October 1, 2024, the Company has been traded over the counter on the Taipei Exchange.

The accompanying consolidated financial statements are expressed in New Taiwan dollars, the functional currency of the Company.

2. Date and Procedure for Approval of Financial Reports

These consolidated financial statements were approved by the Board of Directors on November 10, 2025.

3. Application of Newly Issued and Revised Standards and Interpretations

(1) Initial Application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Statements of Interpretations (SIC) (hereinafter referred to as "IFRS Accounting Standards") Approved and Issued by the Financial Supervisory Commission (FSC)

Amendments to IAS 21 "Lack of Convertibility"

The application of the amendment to IAS 21 "Lack of Convertibility" will not result in any significant changes to the consolidated company's accounting policies and will not have a material impact on the consolidated company's consolidated financial position or consolidated financial performance.

(2) IFRS Accounting Standards Approved by the Financial Supervisory Commission for Application in 2016

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Contracts Involving Reliance on Natural Power	January 1, 2026
Annual Improvements to IFRS Standards—Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments from 2020 and 2021)	January 1, 2023

As of the date of approval and issuance of this consolidated financial report, the consolidated company continues to assess the impact of each amendment on its financial position and performance. The relevant impact will be disclosed upon completion of the assessment.

(3) IFRS Accounting Standards Issued by the IASB but Not Yet Endorsed and Effective by the Financial Supervisory Commission

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18 Presentation and Disclosure in the Financial Statements	January 1, 2027 (Note 2)
IFRS 19 "Non-publicly accountable subsidiaries: Disclosures" (including 2025 amendments)	January 1, 2027

Note 1: Unless otherwise specified, the above new, amended, or revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

Note 2: The Financial Supervisory Commission announced on September 25, 2025, that enterprises in Taiwan shall apply IFRS 18 effective January 1, 2028. Enterprises may also elect to apply IFRS 18 early upon its endorsement by the Financial Supervisory Commission.

IFRS 18 Presentation of Financial Statements and Disclosures

IFRS 18 will replace IAS 1 Presentation of Financial Statements.

Key changes to the standard include:

- The income statement shall classify items of income and expense into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement shall present operating profit or loss, profit or loss before financing activities and income taxes, and subtotals and totals for profit or loss.
- Guidance is provided to strengthen aggregation and disaggregation requirements: A consolidated company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. A combining entity shall designate items as "other" only when a more informative designation cannot be identified.
- Increased Disclosure of Management-Defined Performance Measures: When communicating outside the financial statements or conveying management's perspective on a particular aspect of the combined entity's overall financial performance to users of the financial statements, the combined entity shall disclose information about management-defined performance measures in a single note to the financial statements. This disclosure shall include a description of the measure, calculation method, reconciliation to subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of related reconciliation items.

In addition to the above impacts, as of the date of approval and issuance of this consolidated financial report, the consolidated company continues to evaluate other effects of amendments to standards and interpretations on its financial position and financial

performance. Such effects will be disclosed upon completion of the evaluation.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

This consolidated financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting, as recognized and effective by the Financial Supervisory Commission. This consolidated financial report does not include all disclosures required by IFRS for a full annual financial report.

(2) Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized as the present value of defined benefit obligations less the fair value of plan assets, these consolidated financial statements are prepared on a historical cost basis.

Fair value measurements are categorized into Levels 1 to 3 based on the observability and significance of relevant inputs:

1. Level 1 inputs: Unadjusted quoted prices for identical assets or liabilities in active markets that are readily observable at the measurement date.
2. Level 2 inputs: Observable inputs for the asset or liability other than quoted prices in active markets for identical assets or liabilities included in Level 1.
3. Level 3 inputs: Unobservable inputs for the asset or liability.

(3) Basis of Consolidation

This consolidated financial report includes the financial reports of the Company and entities controlled by the Company (subsidiaries). The consolidated statement of comprehensive income incorporates the operating income or loss of acquired or disposed subsidiaries for the period from the acquisition date. The financial statements of subsidiaries have been adjusted to align their accounting policies with those of the parent company. In preparing the consolidated financial statements, all intercompany transactions, account balances, revenues, and expenses have been eliminated. The total consolidated profit or

loss of subsidiaries is allocated to the owners of the parent company and non-controlling interests, even if this results in a loss for non-controlling interests.

For details of subsidiaries, ownership percentages, and business activities, refer to Note XI, Schedule VII, and Schedule VIII.

(4) Other Significant Accounting Policies

Except as described below, please refer to the summary of significant accounting policies in the 2014 Consolidated Financial Statements.

1. Defined Benefit Post-Retirement Benefits

Pension costs for the interim period are calculated using the pension cost rate determined by actuarial valuation as of the prior year-end, based on the period from the beginning of the year to the end of the interim period. Adjustments are made for significant market fluctuations during the period, as well as for major plan amendments, settlements, or other significant one-time events.

2. Income Tax Expense

Income tax expense comprises the sum of current income tax and deferred income tax. Interim income tax is assessed on an annual basis, calculated by applying the tax rate expected to apply to the total annual surplus to the interim pre-tax profit.

3. Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated balance sheet when the consolidated entity becomes a party to the contractual terms of the instrument.

(1) Financial Assets

Financial assets measured at amortized cost

Cash equivalents include time deposits and repurchase agreements that are highly liquid, readily convertible into a known amount of cash, and subject to an insignificant risk of changes in value, and are held to meet short-term cash commitments.

(2) Financial Liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include those held for trading.

Financial liabilities held for trading are measured at fair value, with related gains or losses recognized in other comprehensive income.

5. Primary Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

The primary sources of uncertainty in significant accounting judgments, estimates, and assumptions used in the preparation of this consolidated financial report are the same as those disclosed in the 2024 consolidated financial report. Please refer to the explanation of the primary sources of uncertainty in significant accounting judgments, estimates, and assumptions in the 2024 consolidated financial report at .

6. Cash and Cash Equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on Hand and Working Capital	\$ 770	\$ 685	\$ 996
Bank checking account	159,254	167,942	518,751
Cash Equivalents			
Bank time deposits with original maturity within 3 months	105,888	152,166	124,880
Repurchase agreements	281,719	-	-
	<u>\$ 547,631</u>	<u>\$ 320,793</u>	<u>\$ 644,627</u>

7. Financial Instruments at Fair Value Through Profit or Loss

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial Assets - Current</u>			
Mandatory fair value through profit or loss Measured			
Non-derivative financial assets			
– Fund Beneficiary Certificates	<u>\$ 5,114</u>	<u>\$ 5,056</u>	<u>\$ 5,037</u>

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial Liabilities -</u>			
<u>Current</u>			
Held for Trading			
Derivatives (Unspecified			
Hedging)			
— Forward Foreign			
Exchange Contracts	<u>\$ 7,369</u>	<u>\$ -</u>	<u>\$ -</u>

Losses on financial assets and liabilities measured at fair value through profit or loss for the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, amounted to (7,349) thousand, (371) thousand, (369) thousand, and (749) thousand, respectively.

The following forward foreign exchange contracts were outstanding at the balance sheet date and had not yet matured:

<u>September 30, 2025</u>			
	<u>Currency</u>	<u>Maturity Period</u>	<u>Contract Amount (NT\$ thousand)</u>
Sold Forward	USD/TWD	114.10.3-113.12.3	USD 5,130/NTD 148,585
Foreign			
Exchange			

As of December 31, 2024, and September 30, 2024, the consolidated company had no outstanding forward foreign exchange contracts. The primary purpose of the consolidated company's forward foreign exchange transactions is to hedge against risks arising from exchange rate fluctuations affecting foreign currency assets and liabilities. However, as these transactions do not meet the criteria for effective hedging, hedge accounting is not applicable.

8. Financial Assets Measured at Amortized Cost

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets with original maturities exceeding three months			
Time Deposits	\$ 428	\$ -	\$ 62,277
Bonds with call option	-	338,208	-
	<u>\$ 428</u>	<u>\$ 338,208</u>	<u>\$ 62,277</u>
Total Book Value	\$ 428	\$ 338,208	\$ 62,277
Allowance for Losses	-	-	-
Amortized Cost	<u>\$ 428</u>	<u>\$ 338,208</u>	<u>\$ 62,277</u>

As of December 31, 2024, the coupon rate of the callable bonds purchased by the Company was 1.73%.

As of September 30, 2025 and September 30, 2024, the market interest rates for time deposits with original maturities exceeding three months were 4.10% per annum and 1.85% to 4.35% per annum, respectively.

The credit risk of financial instruments such as bank deposits is measured and monitored by the finance department. The consolidated company selects counterparties and performance parties that are all banks with good credit standing.

9. Notes Receivable, Accounts Receivable (including Related Parties), and Other Receivables

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes Receivable</u>			
Operating Activities	<u>\$ 2,912</u>	<u>\$ 8,052</u>	<u>\$ 4,724</u>
<u>Accounts Receivable</u>			
Total Book Value	\$ 943,409	\$ 764,984	\$ 660,705
Less: Allowance for Losses	(2,204)	(2,683)	(4,859)
	941,205	762,301	655,846
<u>Accounts Receivable - Related Parties</u>			
	<u>42,919</u>	<u>41,681</u>	<u>39,682</u>
	<u>\$ 984,124</u>	<u>\$ 803,982</u>	<u>\$ 695,528</u>
<u>Other receivables</u>			
Other	<u>\$ 2,457</u>	<u>\$ 2,933</u>	<u>\$ 4,461</u>

(a) Notes Receivable

The consolidated company's average collection period for notes receivable ranges from 10 to 110 days. To mitigate credit risk, the consolidated company reviews the recoverable amount of each accounts receivable on the balance sheet date to ensure appropriate impairment losses are recognized for uncollectible accounts. Accordingly, management believes the consolidated company's credit risk has been significantly reduced.

The consolidated company recognizes an allowance for losses on notes receivable based on lifetime expected credit losses. Lifetime expected credit losses are determined by considering the customer's past default history, current financial condition, and industry economic conditions. As of September 30, 2025, December 31, 2024, and September 30, 2024, none of the notes receivable were past due, and the expected credit loss rate was 0% for all periods.

(2) Accounts Receivable

The consolidated company's average credit period for merchandise sales ranges from 30 to 145 days. Accounts receivable do not accrue interest.

To maintain the quality of receivables, the consolidated company has established procedures for managing operational credit risk. The risk assessment for individual customers considers multiple factors that may affect their payment capacity, including the customer's financial condition, aging analysis, and historical transaction records. The company also employs certain credit enhancement tools at appropriate times, such as requiring advance payment from customers, to mitigate credit risk for specific customers.

Furthermore, the consolidated company reviews the recoverable amount of each receivable at the balance sheet date to ensure appropriate impairment losses are recognized for uncollectible receivables. Accordingly, management believes the consolidated company's credit risk has been significantly mitigated.

The consolidated company recognizes allowance for credit losses on accounts receivable based on lifetime expected credit losses.

Lifetime expected credit losses are calculated using a provision matrix that considers customers' past default records, current financial status, and industry economic conditions. Historical data indicates no significant differences in loss patterns across different customer segments, so the provision matrix shows no significant differences in loss patterns across different customer segments.

shows no significant differences in loss patterns across different customer segments, the provision matrix does not

further segmented customer groups. Instead, expected credit loss rates are determined solely based on the number of days past due for accounts receivable.

If evidence indicates that a counterparty is experiencing severe financial difficulties and the consolidated company cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation, the consolidated company directly writes off the related accounts receivable. However, collection activities will continue, and any amounts recovered through collection will be recognized in profit or loss.

The consolidated company measures the allowance for losses on accounts receivable (including related parties) based on the allowance matrix as follows:

September 30, 2025

	Not Past Due	Past Due 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue 91–120 days	Overdue Over 120 days	Total
Expected Credit Loss Rate	0%–0.02%	0%–0.23%	0%–8.84%	0%–52.33%	0%–89.95%	100%	
Total Book Value	\$ 845,068	\$ 131,872	\$ 6,926	\$ 1,841	\$ -	\$ 621	\$ 986,328
Loss Allowance (Expected Credit Loss Over the Life of the Loan)	(132)	(256)	(235)	(960)	-	(621)	(2,204)
Amortized Cost	<u>\$ 844,936</u>	<u>\$ 131,616</u>	<u>\$ 6,691</u>	<u>\$ 881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 984,124</u>

December 31, 2024

	Not Past Due	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue 91–120 days	Overdue Over 120 days	Total
Expected Credit Loss Rate	0%–0.66%	0%–7.29%	0%–51.69%	0%–89.95%	0%–100%	100%	
Total Book Value	\$ 714,900	\$ 86,672	\$ 3,576	\$ 167	\$ -	\$ 1,350	\$ 806,665
Loss Allowance (Expected Credit Loss Over the Life of the Loan)	(274)	(114)	(796)	(149)	-	(1,350)	(2,683)
Amortized Cost	<u>\$ 714,626</u>	<u>\$ 86,558</u>	<u>\$ 2,780</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 803,982</u>

September 30, 2024

	Not Past Due	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue 91–120 days	Overdue Over 120 days	Total
Expected Credit Loss Rate	0%–0.66%	0%–9.74%	0%–34.99%	0%–80.46%	0%–83.19%	100%	
Total Book Value	\$ 631,836	\$ 62,703	\$ 3,371	\$ 23	\$ 21	\$ 2,433	\$ 700,387
Loss Allowance (Expected Credit Loss Over the Life of the Loan)	(468)	(1,447)	(484)	(12)	(15)	(2,433)	(4,859)
Amortized Cost	<u>\$ 631,368</u>	<u>\$ 61,256</u>	<u>\$ 2,887</u>	<u>\$ 11</u>	<u>\$ 6</u>	<u>\$ –</u>	<u>\$ 695,528</u>

Information on changes in allowance for doubtful accounts is as follows:

	January 1, 2025 to September 30	January 1, 2024 to September 30
Opening Balance	\$ 2,683	\$ 3,691
Add: Impairment loss recognized for the period	-	1,013
Less: Reversal of impairment loss for the period	(416)	-
Foreign currency translation differences	(63)	155
Ending Balance	<u>\$ 2,204</u>	<u>\$ 4,859</u>

(3) Other Receivables - Other

The consolidated company assessed the expected recoverable amount of other receivables against their original carrying amounts. Considering the past default records, current financial status, and future economic outlook of the counterparties, the expected recoverable amounts were determined to be equivalent to the original carrying amounts. Therefore, no allowance for impairment was recognized.

10. Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw Materials	\$ 92,238	\$ 56,693	\$ 52,005
In Finished Goods	57,744	56,811	50,787
Finished Goods	83,128	81,394	69,634
Merchandise	<u>56,255</u>	<u>37,085</u>	<u>55,375</u>
	<u>\$ 289,365</u>	<u>\$ 231,983</u>	<u>\$ 227,801</u>

Cost of Goods Sold Breakdown:

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Cost of inventory sold	\$ 518,256	\$ 414,105	\$ 1,398,108	\$ 1,137,529
Inventory Valuation Loss (Reversal Gain)	<u>4,230</u>	<u>(1,337)</u>	<u>11,985</u>	<u>(21,448)</u>
	<u>\$ 522,486</u>	<u>\$ 412,768</u>	<u>\$ 1,410,093</u>	<u>\$ 1,116,081</u>

11. Subsidiaries

The entities included in the preparation of the consolidated financial statements are as follows:

Investment Company Name	Subsidiary Name	Nature of Business	Percentage of Shares Held		
			2015 September 30	2014 December 31	2024 September 30
VSO Electronics Co., Ltd.	Cable Garden Holdings Limited	Investment Holding Business	100	100	100
	LINKUPON INTERNATIONAL LIMITED	Sales of engineering plastics for optical automotive 3C products.	60	60	60
	Vsorn Electronics (HANOI) Company Limited	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	100	100	100
Cable Garden Holdings Limited	VSO (Viet Nam) Electronics Co., LTD.	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	100	100	100
	Ji An VSO Electronics Co., LTD.	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	100	100	100
	Cleveland Investments Limited	Investment holding business	100	100	100
Cleveland Investments Limited	VSO Electronics (Suzhou) Co., LTD.	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive application	100	100	100
LINKUPON INTERNATIONAL LIMITED	Linkupon International Holdings, Limited	Investment Holding Business	100	100	100
Linkupon International Holdings, Limited	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Sales of engineering plastics for optical automotive 3C products.	100	100	100

For the periods from January 1 to September 30, 2025 and 2024, the financial statements of the non-significant subsidiaries VSO (Viet Nam) Electronics Co., LTD. Co., Ltd. and Vsorn Electronics (HANOI) Company Limited have not been reviewed by an accountant.

Information on Subsidiaries with Significant Non-Controlling Interests

Subsidiary Name	Principal Place of Business	Percentage of Equity and Voting Rights Held by Non-Controlling Interests		
		2025 September 30	2024 December 31	2024 September 30
LINKUPON INTERNATIONAL LIMITED.	Taiwan	40%	40%	40%

For information on the principal place of business and country of incorporation, please refer to Appendix VII.

Subsidiary Name	Profit or loss attributable to non-controlling interests				Non-controlling interests		
	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024	2025 September 30	2024 December 31	2024 September 30
LINKUPON INTERNATIONAL LIMITED.	\$ 4,210	\$ 3,044	\$ 10,613	\$ 8,671	\$ 90,304	\$ 92,828	\$ 90,377

LINKUPON INTERNATIONAL LIMITED.

	September 30, 2025	December 31, 2024	September 30, 2024
Current Assets	\$ 321,281	\$ 311,614	\$ 310,332
Non-current assets	50,942	54,145	54,609
Current Liabilities	(126,917)	(114,723)	(119,667)
Non-current liabilities	(19,547)	(18,966)	(19,331)
Equity	<u>\$ 225,759</u>	<u>\$ 232,070</u>	<u>\$ 225,943</u>

Equity attributable to:

Company owners	\$ 135,455	\$ 139,242	\$ 135,566
Non-controlling interests	<u>90,304</u>	<u>92,828</u>	<u>90,377</u>
	<u>\$ 225,759</u>	<u>\$ 232,070</u>	<u>\$ 225,943</u>

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Operating Revenue	<u>\$ 139,913</u>	<u>\$ 136,023</u>	<u>\$ 363,067</u>	<u>\$ 418,508</u>
Net Profit for the Period	\$ 10,524	\$ 7,610	\$ 26,532	\$ 21,677
Other comprehensive income	<u>6,411</u>	<u>2,620</u>	<u>(6,843)</u>	<u>6,174</u>
Total comprehensive income	<u>\$ 16,935</u>	<u>\$ 10,230</u>	<u>\$ 19,689</u>	<u>\$ 27,851</u>
Net profit attributable to:				
The owners of the Company	\$ 6,314	\$ 4,566	\$ 15,919	\$ 13,006
Non-controlling interests	<u>4,210</u>	<u>3,044</u>	<u>10,613</u>	<u>8,671</u>
	<u>\$ 10,524</u>	<u>\$ 7,610</u>	<u>\$ 26,532</u>	<u>\$ 21,677</u>
Comprehensive income attributable to:				
The Company's owners	\$ 10,161	\$ 6,138	\$ 11,813	\$ 16,710
Non-controlling interests	<u>6,774</u>	<u>4,092</u>	<u>7,876</u>	<u>11,141</u>
	<u>\$ 16,935</u>	<u>\$ 10,230</u>	<u>\$ 19,689</u>	<u>\$ 27,851</u>

12. Equity Method Investments Investments in Associates

	September 30, 2025	December 31, 2024	September 30, 2024
Significant Affiliated Enterprises			
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material, Inc.	<u>\$ 46,514</u>	<u>\$ 48,495</u>	<u>\$ 48,556</u>

Material Related Party Information

Company Name	Nature of Business	Principal Place of Business	Percentage of Ownership and Voting Rights		
			September 30, 2025	December 31, 2024	September 30, 2024
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material, Inc.	Production and Sales of Plastic Materials	China	24%	24%	24%

For information regarding the nature of business, principal place of business, and country of incorporation of the above-mentioned related companies, please refer to Appendix VIII "Mainland Investment Information."

The share of profit or loss and other comprehensive income recognized by investments accounted for using the equity method and consolidated companies for the periods from January 1 to September 30, 2025 and 2024, respectively, is based on unaudited financial statements.

13. Property, Plant, and Equipment

	Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance as of January 1, 2025	\$ 65,705	\$ 171,386	\$ 334,183	\$ 6,356	\$ 65,405	\$ 2,712	\$ 645,747
Add	31,872	14,552	104,306	2,438	11,660	70,859	235,687
Government grants (Note 28)	-	(154)	-	-	-	-	(154)
Disciplinary Action	-	-	(1,718)	(-)	(221)	-	(1,939)
Net exchange difference	-	(6,792)	(22,107)	(247)	(3,082)	(2,981)	(35,209)
Balance as of September 30, 2025	\$ 97,577	\$ 178,992	\$ 414,664	\$ 8,547	\$ 73,762	\$ 70,590	\$ 844,132
<u>Accumulated Depreciation</u>							
Balance as of January 1, 2025	\$ -	(\$ 26,278)	(\$ 170,650)	(\$ 1,955)	(\$ 29,855)	\$ -	(\$ 228,738)
Depreciation expense	-	(4,067)	(29,697)	(1,140)	(6,997)	-	(41,901)
Penalty	-	-	1,018	-	221	-	1,239
Net exchange difference	-	858	10,232	63	1,318	-	12,471
Balance as of September 30, 2025	\$ -	(\$ 29,487)	(\$ 189,097)	(\$ 3,032)	(\$ 35,313)	\$ -	(\$ 256,929)
December 31, 2024, and January 1, 2025	\$ 65,705	\$ 145,108	\$ 163,533	\$ 4,401	\$ 35,550	\$ 2,712	\$ 417,009
September 30, 2025 Net Amount	\$ 97,577	\$ 149,505	\$ 225,567	\$ 5,515	\$ 38,449	\$ 70,590	\$ 587,203
<u>Cost</u>							
Balance as of January 1, 2024	\$ 65,705	\$ 165,468	\$ 274,144	\$ 4,231	\$ 54,548	\$ 2,539	\$ 566,635
Add	-	1,891	45,758	4,083	2,132	15,325	69,189
Government grants	-	(15,001)	-	-	-	-	(15,001)

	Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
(Note 28)							
Disposition	-	-	(5,867)	(2,066)	(126)	-	(8,059)
Reclassified	-	-	-	-	2,760	(2,760)	-
Net exchange difference	-	5,349	10,852	127	1,787	50	18,165
Balance as of September 30, 2024	\$ 65,705	\$ 157,707	\$ 324,887	\$ 6,375	\$ 61,101	\$ 15,154	\$ 630,929
<u>Accumulated Depreciation</u>							
Balance as of January 1, 2024	\$ -	(\$20,732)	(\$151,900)	(\$ 2,089)	(\$22,967)	\$ -	(\$197,688)
Depreciation expense	-	(3,713)	(21,135)	(1,056)	(4,607)	-	(30,511)
Penalty	-	-	5,773	1,584	126	-	7,483
Net exchange difference	-	(654)	(6,257)	(51)	(764)	-	(7,726)
Balance as of September 30, 2024	\$ -	(\$25,099)	(\$173,519)	(\$ 1,612)	(\$28,212)	\$ -	(\$228,442)
September 30, 2024 Net Amount	\$ 65,705	\$ 132,608	\$ 151,368	\$ 4,763	\$ 32,889	\$ 15,154	\$ 402,487

Depreciation expense is calculated on a straight-line basis over the following useful lives:

Buildings	30 to 50 years
Machinery Equipment	2 to 10 years
Transportation Equipment	2 to 6 years
Other Equipment	2 to 10 years

For real estate, plant, and equipment pledged as collateral for borrowings by the consolidated company, please refer to Note 32.

14. Lease Agreements

(1) Right-of-Use Assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of right-of-use assets			
Land	\$ 86,000	\$ 104,687	\$ 105,933
Transportation Equipment	1,317	2,150	1,585
Buildings	16,501	13,640	15,755
	<u>\$ 103,818</u>	<u>\$ 120,477</u>	<u>\$ 123,273</u>
	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30
Additions to Right-of-Use Assets	<u>\$ 8,302</u>	<u>\$ 96,427</u>	<u>\$ 9,636</u>
	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30
Depreciation expense on right-of-use assets			
Land	\$ 443	\$ 51	\$ 148
Transportation Equipment	240	484	1,434
Buildings	2,066	1,962	5,807
	<u>\$ 2,749</u>	<u>\$ 2,497</u>	<u>\$ 7,389</u>

Land use rights are recognized on a straight-line basis over the lease terms, which range from 2020 to 2072 and from 2024 to 2073, respectively.

In addition to the aforementioned additions and depreciation of right-of-use assets, the consolidated company's right-of-use assets decreased by NT\$7,274 thousand due to the disposal of land use rights located in the High-Tech Industrial Zone of Anfu County, Jiangxi Province, China, by its subsidiary, Ji An VSO Electronics Co., LTD. (hereinafter referred to as "Ji An VSO") in February 2025.

No significant subleasing or impairment of right-of-use assets occurred during the periods from January 1 to September 30 in both 2025 and 2024.

(2) Lease Liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying Amount of Lease Liabilities			
Current	<u>\$ 9,195</u>	<u>\$ 7,545</u>	<u>\$ 8,629</u>
Non-current	<u>\$ 9,506</u>	<u>\$ 8,868</u>	<u>\$ 9,647</u>

The discount rate range for lease liabilities is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	3.00%–4.65%	3.35%–4.65%	3.45%–4.65%
Transportation Equipment	1.35%–4.65%	1.35%–4.65%	1.35%–4.65%

(III) Significant Lease Activities and Terms

The merged company leases vehicles, warehouses, offices, and factory buildings for a term of 2 to 5 years. Upon termination of the lease term, the merged company has no preferential purchase rights for the leased vehicles, warehouses, offices, and factory buildings.

(IV) Other Lease Information

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Short-term lease expenses and low-value asset lease expenses	<u>\$ 5,124</u>	<u>\$ 2,551</u>	<u>\$ 15,706</u>	<u>\$ 7,431</u>
Total Cash (Outflow) for Leases	<u>(\$ 7,450)</u>	<u>(\$ 5,068)</u>	<u>(\$ 22,661)</u>	<u>(\$ 14,881)</u>

The combined company elects to apply the exemption from recognizing related right-of-use assets and lease liabilities for leases of buildings qualifying as short-term leases and office equipment leases qualifying as low-value asset leases.

All lease commitments commencing after the balance sheet date are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Lease Commitments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,088</u>

For information on the pledge of right-of-use assets, refer to Note 32.

15. Intangible Assets

	Computer Software	Patent Rights	Total
<u>Cost</u>			
Balance as of January 1, 2025	\$ 20,773	\$ 21,866	\$ 42,639
Add	1,072	2,213	3,285
Net exchange difference	(619)	(12)	(631)
Balance as of September 30, 2025	<u>\$ 21,226</u>	<u>\$ 24,067</u>	<u>\$ 45,293</u>
<u>Cumulative amortization and impairment</u>			
Balance as of January 1, 2025	(\$ 8,659)	(\$ 10,678)	(\$ 19,337)
Amortization expense	(3,991)	(4,226)	(8,217)
Net exchange differences	<u>266</u>	<u>10</u>	<u>276</u>
Balance as of September 30, 2025	<u>(\$ 12,384)</u>	<u>(\$ 14,894)</u>	<u>(\$ 27,278)</u>
December 31, 2024 and January 1, 2025	<u>\$ 12,114</u>	<u>\$ 11,188</u>	<u>\$ 23,302</u>
Net Amount as of September 30, 2025	<u>\$ 8,842</u>	<u>\$ 9,173</u>	<u>\$ 18,015</u>
<u>Cost</u>			
Balance as of January 1, 2024	\$ 18,105	\$ 12,704	\$ 30,809
Add	2,222	9,152	11,374
Disposals	(436)	-	(436)
Net exchange difference	<u>421</u>	<u>12</u>	<u>433</u>
Balance as of September 30, 2024	<u>\$ 20,312</u>	<u>\$ 21,868</u>	<u>\$ 42,180</u>

Cumulative amortization
and impairment

Balance as of January 1, 2024	(\$ 4,339)	(\$ 6,365)	(\$ 10,704)
Amortization expense	(3,642)	(2,945)	(6,587)
Disposition	436	-	436
Net Exchange Differences	(144)	(7)	(151)
Balance as of September 30, 2024	(\$ 7,689)	(\$ 9,317)	(\$ 17,006)
September 30, 2024 Net Amount	<u>\$ 12,623</u>	<u>\$ 12,551</u>	<u>\$ 25,174</u>

Amortization expense is recognized on a straight-line basis over the following useful lives:

Computer software	3 to 7 years
Patent rights	4 to 5 years

Amortization expenses aggregated by function:

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Cost of Sales	\$ 1,805	\$ 1,665	\$ 5,172	\$ 3,804
Operating Expenses				
Selling Expenses	84	88	258	262
Administrative Expenses	288	270	847	748
Research and Development Expenses	<u>565</u>	<u>618</u>	<u>1,940</u>	<u>1,773</u>
	<u>\$ 2,742</u>	<u>\$ 2,641</u>	<u>\$ 8,217</u>	<u>\$ 6,587</u>

16. Other Assets

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Prepaid Goods	\$ 2,684	\$ 10,646	\$ 1,703
Prepaid expenses	14,276	7,907	5,915
Tax credit balance	6,696	8,215	7,320
Other	<u>455</u>	<u>37</u>	<u>35</u>
	<u>\$ 24,111</u>	<u>\$ 26,805</u>	<u>\$ 14,973</u>
<u>Non-current</u>			
Prepaid Equipment	\$ 16,112	\$ 19,900	\$ 33,623
Prepaid real estate acquisition costs	-	14,285	-
Deposits for Guarantees (Note 32)	6,630	6,904	5,953
Other Prepayments	<u>693</u>	<u>993</u>	<u>626</u>
	<u>\$ 23,435</u>	<u>\$ 42,082</u>	<u>\$ 40,202</u>

17. Loans

(1) Short-Term Borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Bank Credit Loans	\$ 101,028	\$ -	\$ 31,650
Bank-guaranteed loans	<u>42,302</u>	<u>34,750</u>	<u>58,339</u>
	<u>\$ 143,330</u>	<u>\$ 34,750</u>	<u>\$ 89,989</u>

The interest rates for bank credit loans as of September 30, 2025 and September 30, 2024 were 4.926%–5.22% and 5.95%, respectively.

The bank-guaranteed loan as of September 30, 2025, was secured by Chairman Chien Chung-cheng acting as a joint guarantor in his personal capacity and by the consolidated company's own land use rights and buildings as collateral (see Note 32), with an interest rate of 2.50%.

As of December 31, 2024, and September 30, 2024, bank-guaranteed loans were secured by Chairman Chien Chung-cheng acting as a joint guarantor in his personal capacity. The interest rates were 0.50% and 0.50% to 6.14%, respectively.

In May 2024, the Company entered into a loan agreement with a bank for NT\$35,000 thousand under the "Ministry of Economic Affairs Low-Carbon Smart Management Project Loan." The Ministry of Economic Affairs subsidized the Company for one year at the floating interest rate of the Chunghwa Post two-year fixed-term savings deposit. As of December 31 and September 30, 2024, the Company's actual interest rate borne was 0.50% per annum. The loan period runs from May 13, 2024, to May 13, 2025, with monthly interest payments and principal repayment at maturity.

(2) Long-Term Borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Guaranteed Loan</u>			
Bank Loan	\$ 59,249	\$ 10,000	\$ -
Less: Government subsidy discount	<u>(740)</u>	<u>(147)</u>	<u>-</u>
	<u>\$ 58,509</u>	<u>\$ 9,853</u>	<u>\$ -</u>

The Company entered into loan agreements with banks in March 2025 and December 2024 under the "National Development Fund Overseas Investment Financing Project Loan Program" for NT\$49,249 thousand and NT\$10,000 thousand, respectively. with loan periods from March 6, 2025 to December 10, 2029 and December 10, 2024 to December 10, 2029, respectively. Principal and interest are to be repaid monthly following a 24-month grace period. Chairman Chien Chung-cheng personally served as joint guarantor for these loans.

The interest rates as of September 30, 2025, and December 31, 2024, were 1.773784% and 1.772019%, respectively.

18. Accounts Payable

	September 30, 2025	December 31, 2024	September 30, 2025
<u>Accounts Payable</u>			
Operating Activities	<u>\$ 420,673</u>	<u>\$ 371,451</u>	<u>\$ 330,814</u>

The average credit period for the consolidated company's purchases of goods is 30 to 120 days.

19. Other Liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
<u>Other Payables</u>			
Wages and Bonuses Payable	\$ 65,059	\$ 68,928	\$ 54,959
Insurance premiums payable	127,483	130,191	131,088
Employee compensation payable	7,863	8,486	4,140
Accrued director compensation	2,881	3,748	1,932
Business tax payable	-	3,083	-
Equipment Payables	14,213	4,013	6,994
Other	<u>100,166</u>	<u>67,684</u>	<u>77,909</u>
	<u>\$ 317,665</u>	<u>\$ 286,133</u>	<u>\$ 277,022</u>
<u>Other Liabilities</u>			
Deferred Government Grants (Note 28)	\$ 253	\$ 292	\$ 399
Refund liabilities (Notes 23 and 31)	2,894	3,041	1,702
Other	<u>1,483</u>	<u>1,441</u>	<u>1,669</u>
	<u>\$ 4,630</u>	<u>\$ 4,774</u>	<u>\$ 3,770</u>
<u>Non-current</u>			
<u>Other Liabilities</u>			
Government Grant Deferred Income (Notes 17 and 28)	<u>\$ 487</u>	<u>\$ 105</u>	<u>\$ -</u>

20. Provision for Liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Warranty	<u>\$ 2,687</u>	<u>\$ 2,107</u>	<u>\$ 1,820</u>

The warranty liability provision is based on the terms of the sales contracts. It represents the present value of management's best estimate of future economic benefits expected to flow out due to warranty obligations. This estimate is based on historical warranty experience and adjusted for factors such as new raw materials, process changes, or other factors affecting product quality.

21. Post-Retirement Benefit Plans

In 2023, the Company reached an agreement with employees covered by the defined benefit retirement plan to settle their service years. The Labor Pension Reserve Account was closed upon approval by the competent authority in January 2024.

22. Equity(1) Capital StockCommon Stock

	September 30, 2025	December 31, 2024	September 30, 2024
Authorized Shares (Thousands)	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Authorized Capital	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>
Number of Shares Issued and Fully Paid (in thousands)	<u>43,848</u>	<u>41,716</u>	<u>41,620</u>
Issued share capital	<u>\$ 438,488</u>	<u>\$ 417,165</u>	<u>\$ 416,203</u>

Each issued common share has a par value of \$10 and carries one voting right and one dividend entitlement.

The Company's board of directors resolved on July 23, 2024, to conduct a cash capital increase prior to its initial listing, issuing 3,660,000 new shares with a par value of NT\$10 per share. This issuance was declared effective by the Taiwan Stock Exchange Corporation on August 9, 2024, as per its letter No. 1130007053. The aforementioned cash capital increase included an employee subscription and public offering at a premium price of NT\$100.73 per

share. The total issuance amount, after deducting underwriting fees and related expenses, amounted to NT\$365,577 thousand and was fully paid up. The capital increase base date was September 27, 2024, and the registration amendment was completed on October 14, 2024.

The Company completed the registration amendment on April 23, 2024, for the exercise of 430 thousand shares of employee stock options granted on February 1, 2022, at a subscription price of NT\$20 per share, during the period from January 1 to September 30, 2024.

The Company completed the registration of changes on July 17, 2025, for the capital increase based on the exercise of 46,000 shares of employee stock options granted on June 1, 2022, at a subscription price of NT\$30 per share, with the capital increase base date set as July 7, 2025.

For details regarding the issuance of employee stock options, please refer to Note 27.

(2) Capital Surplus

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Available for loss coverage, cash dividends, or capitalization or capitalization</u>			
Share premium (Note)	\$ 565,260	\$ 563,750	\$ 561,431
<u>Available to offset losses</u>			
Other - Exercise of attribution rights	1,184	928	-
<u>Not available for any purpose</u>			
Employee Stock Options	<u>1,917</u>	<u>836</u>	<u>1,383</u>
	<u>\$ 568,361</u>	<u>\$ 565,514</u>	<u>\$ 562,814</u>

Note: This category of capital reserve may be used to offset losses.

When the company has no losses, it may be used for cash distributions or capitalization, provided that the annual capitalization amount shall not exceed a specified percentage of the paid-in capital.

Reconciliation of balances of various capital reserves for the
periods from January 1 to September 30, 2025 and 2024:

	Share Premium	Employee Stock Options	Other	Total
Balance as of January 1, 2024	\$ 223,467	\$ 4,377	\$ -	\$ 227,844
Cash Capital Increase	328,977	-	-	328,977
Recognition of Share-Based Payments	-	1,733	-	1,733
Changes in ownership interests in subsidiaries	-	(41)	-	(41)
Employees exercised stock options	8,987	(4,686)	-	4,301
Balance as of September 30, 2024	<u>\$ 561,431</u>	<u>\$ 1,383</u>	<u>\$ -</u>	<u>\$ 562,814</u>
Balance as of January 1, 2025	\$ 563,750	\$ 836	\$ 928	\$ 565,514
Recognition of Share-Based Payments	-	1,661	-	1,661
Exercise of vesting rights	-	-	256	256
Employees exercising stock options	1,510	(580)	-	930
Balance as of September 30, 2025	<u>\$ 565,260</u>	<u>\$ 1,917</u>	<u>\$ 1,184</u>	<u>\$ 568,361</u>

(3) Retained Earnings and Dividend Policy

Pursuant to the Company's Articles of Incorporation regarding profit distribution policy, when distributing profits, the Company shall first estimate and reserve taxes payable, then legally offset losses. Subsequently, 10% shall be allocated to the legal reserve fund, except when the legal reserve fund has reached the paid-in capital. The remaining amount shall be used to establish or reverse special surplus reserves in accordance with laws, regulations, and competent authority requirements. If any surplus remains after the aforementioned deductions, the Board of Directors shall propose a surplus distribution plan for such surplus together with the undistributed surplus from the beginning of the period, and submit it to the shareholders' meeting for resolution.

If all or part of the Company's dividends and bonuses are distributed in cash, the Board of Directors shall be authorized to resolve and report to the shareholders' meeting.

Furthermore, in accordance with the Company's Articles of Incorporation, surplus distribution may be made in the form of cash

dividends or stock dividends. The surplus distribution shall not be less than 35% of the distributable surplus, and the cash dividend shall not be less than 20% of the total dividend amount for that distribution. The aforementioned ratios for surplus distribution and shareholder cash dividends may be adjusted by resolution of the shareholders' meeting based on actual profits and capital conditions.

The Company's policy for distributing employee and director compensation, as stipulated in the Articles of Incorporation, is detailed in Note 24(7) Employee and Director Compensation.

The legal reserve shall be appropriated until its balance equals the Company's total paid-in capital. The legal reserve may be used to offset losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in capital may be appropriated as capital or distributed in cash.

When the Company establishes a special surplus reserve against accumulated other comprehensive income deductions from prior periods, if prior period undistributed earnings are insufficient to cover the reserve, the reserve shall be established using the current period's net profit after tax plus items other than net profit after tax included in current period undistributed earnings.

The Company's profit distribution plans for the years 2024 and 2023 are as follows:

	2024	2023
Legal reserve	<u>\$ 18,545</u>	<u>\$ 11,495</u>
Special surplus reserve	<u>(\$ 18,029)</u>	<u>\$ 11,815</u>
Cash dividends to shareholders	<u>\$ 83,433</u>	<u>\$ 75,921</u>
Stock dividends to shareholders	<u>\$ 20,858</u>	<u>\$ -</u>
Cash dividends per share (NT\$)	\$ 2.0	\$ 2.0
Stock dividends per share (NT\$)	0.5	-

The above cash dividends to shareholders were resolved by the Board of Directors on March 13, 2025 and March 28, 2024, respectively. The remaining surplus distribution items were also resolved at the Annual General Meetings held on May 12, 2025 and May 15, 2024, respectively.

The above stock dividends were approved by the shareholders' meeting on May 12, 2025, authorizing the issuance of 2,086 thousand new shares through capitalization of retained earnings, each with a par value of NT\$10. The record date for the capital increase was set as July 7, 2025, and the registration of changes was completed on July 17, 2025.

(4) Special Surplus Reserve

	January 1, 2025 to September 30	January 1, 2024 to September 30
Opening Balance	\$ 52,481	\$ 40,666
Allocation (Reversal) to Special Reserve	(18,029)	11,815
Balance at End of Period	<u>\$ 34,452</u>	<u>\$ 52,481</u>

(5) Foreign Exchange Differences on Translation of Financial Statements of Foreign Operating Units

	January 1, 2025 to September 30	January 1, 2024 to September 30
Opening Balance	(\$ 34,451)	(\$ 52,481)
Exchange differences arising from the translation of financial statements of foreign operations	(49,755)	21,970
Share of other comprehensive income of associates accounted for using the equity method	(1,302)	1,252
Balance at end of period	<u>(\$ 85,508)</u>	<u>(\$ 29,259)</u>

(6) Non-controlling interests

	January 1, 2025 to September 30	January 1, 2024 to September 30
Opening Balance	\$ 92,828	\$ 87,594
Cash dividends paid by subsidiaries to non-controlling interests		
non-controlling interests	(10,400)	(8,400)
Net profit for the period	10,613	8,671
Other Comprehensive Income for the Year		
Foreign Exchange Differences on Translation of Financial Statements of Foreign Operations	(1,869)	1,635

Share of Other Comprehensive Income of Associates Accounted for Using the Equity Method	(868)	835
Changes in ownership interest in subsidiaries		
Changes	-	42
Balance at End of Period	<u>\$ 90,304</u>	<u>\$ 90,377</u>

(7) Treasury stock

	<u>Shares Transferred to Employees (Thousands)</u>
Number of Shares as of January 1, 2025	-
This issue adds	<u>268</u>
September 30, 2025 Number of Shares	<u>268</u>

The Company's Board of Directors resolved on April 16, 2025 to repurchase shares from the centralized market for transfer to employees. The repurchase period was from April 17, 2025 to June 13, 2025. The Company repurchased a total of 268 thousand treasury shares at a cost of NT\$28,969 thousand. As of September 30, 2025, the market value of the treasury shares was NT\$36,314 thousand.

Pursuant to the Securities and Exchange Act, treasury shares held by the Company may not be pledged and are not entitled to dividend distributions or voting rights.

23. Income

	<u>July 1, 2025 to September 30</u>	<u>July 1, 2024 to September 30</u>	<u>January 1, 2025 to September 30</u>	<u>January 1, 2024 to September 30</u>
Customer Contract Revenue				
Sales Revenue	\$ 711,453	\$ 572,249	\$ 1,936,317	\$ 1,509,357
Compensation Income	<u>15,521</u>	<u>86</u>	<u>17,163</u>	<u>1,962</u>
	<u>\$ 726,974</u>	<u>\$ 572,335</u>	<u>\$ 1,953,480</u>	<u>\$ 1,511,319</u>

(1) Description of Customer Contracts

In accordance with commercial practice, the consolidated company derives revenue from sales of various smart IoT, cloud, industrial control, medical, and automotive connectivity cables. For certain customers, based on their transaction history over the past year, the consolidated company estimates discount amounts using the most probable value and recognizes refund liabilities accordingly (recorded under other current liabilities). Please refer to Notes XIX and XXXI.

(2) Contract Balance

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes Receivable (Note 9)	<u>\$ 2,912</u>	<u>\$ 8,052</u>	<u>\$ 4,724</u>	<u>\$ 2,038</u>
Accounts Receivable (Note 9)	<u>\$ 941,205</u>	<u>\$ 762,301</u>	<u>\$ 655,846</u>	<u>\$ 513,176</u>
Accounts Receivable - Related Parties (Note 31)	<u>\$ 42,919</u>	<u>\$</u>	<u>\$ 39,682</u>	<u>\$ 35,271</u>
Contract liabilities - current	<u>\$ 1,156</u>	<u>\$ 1,042</u>	<u>\$ 112</u>	<u>\$ 370</u>

(3) Breakdown of Customer Contract Revenue

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
AIOT Smart IoT Application				
Cable Assembly	\$ 337,148	\$ 225,388	\$ 846,436	\$ 556,980
Computer and Consumer				
Electronics Cable Assemblies	175,976	144,423	519,571	360,134
Engineering Plastic Functional				
Materials	139,913	136,023	359,211	418,508
Other - Cable Assemblies	<u>73,937</u>	<u>66,501</u>	<u>228,262</u>	<u>175,697</u>
	<u>\$ 726,974</u>	<u>\$ 572,335</u>	<u>\$ 1,953,480</u>	<u>\$ 1,511,319</u>

24. Net Profit for the Period

(1) Interest Income

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Interest Income				
Bank Deposits	\$ 566	\$ 1,338	\$ 2,730	\$ 5,790
Putable Bonds	1,316	-	3,863	-
Interest on deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
	<u>\$ 1,882</u>	<u>\$ 1,338</u>	<u>\$ 6,593</u>	<u>\$ 5,794</u>

(2) Other Income

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Government Subsidy				
Revenue	\$ 63	\$ 203	\$ 401	\$ 1,210
Other	<u>3,302</u>	<u>464</u>	<u>6,007</u>	<u>2,177</u>
	<u>\$ 3,365</u>	<u>\$ 667</u>	<u>\$ 6,408</u>	<u>\$ 3,387</u>

(3) Other gains and losses

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Gain (Loss) on Disposal of Property, Plant, and Equipment	(\$ 5)	\$ 3	\$ 340	\$ 473
Loss on disposal of right-of-use assets	22	-	(1,380)	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss (Note 7)	(7,349)	(371)	(369)	(749)
Net foreign exchange gains (losses)	10,941	(5,684)	(20,867)	9,600
Other	<u>(36)</u>	<u>-</u>	<u>(472)</u>	<u>(42)</u>
	<u>\$ 3,573</u>	<u>(\$ 6,052)</u>	<u>(\$ 22,748)</u>	<u>\$ 9,282</u>

(4) Financial Expenses

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Interest on Bank Loans	\$ 2,429	\$ 1,314	\$ 4,976	\$ 3,572
Interest on lease liabilities	<u>82</u>	<u>197</u>	<u>391</u>	<u>631</u>
	<u>\$ 2,511</u>	<u>\$ 1,511</u>	<u>\$ 5,367</u>	<u>\$ 4,203</u>

(5) Depreciation and Amortization

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Depreciation Expense by Function				
Operating Costs	\$ 12,750	\$ 8,064	\$ 33,032	\$ 23,594
Operating Expenses	<u>5,689</u>	<u>4,948</u>	<u>17,156</u>	<u>14,306</u>
	<u>\$ 18,439</u>	<u>\$ 13,012</u>	<u>\$ 50,188</u>	<u>\$ 37,900</u>
Amortization Expense by Function				
Operating Costs	\$ 1,805	\$ 1,665	\$ 5,172	\$ 3,804
Operating Expenses	<u>937</u>	<u>976</u>	<u>3,045</u>	<u>2,783</u>
	<u>\$ 2,742</u>	<u>\$ 2,641</u>	<u>\$ 8,217</u>	<u>\$ 6,587</u>

For information on the allocation of intangible asset amortization expense to individual line items, please refer to Note XV.

(6) Employee benefit expenses

	July 1, 2025 to September 30, 2025	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Short-term Employee Benefits	\$ 142,989	\$ 117,209	\$ 403,243	\$ 306,746
Share-based payments				
Equity-settled	907	1,432	1,661	1,733
Post-Retirement Benefits				
Defined Contribution Plan	<u>2,543</u>	<u>1,208</u>	<u>3,965</u>	<u>3,381</u>
Total Employee Benefits Expense	<u>\$ 146,439</u>	<u>\$ 119,849</u>	<u>\$ 408,869</u>	<u>\$ 311,860</u>
By Function				
Operating Costs	\$ 66,993	\$ 58,302	\$ 201,528	\$ 151,905
Operating Expenses	<u>79,446</u>	<u>61,547</u>	<u>207,341</u>	<u>159,955</u>
	<u>\$ 146,439</u>	<u>\$ 119,849</u>	<u>\$ 408,869</u>	<u>\$ 311,860</u>

(7) Employee and Director Compensation

The Company allocates 2% to 10% of its pre-tax profit (before deducting employee and director remuneration) for employee remuneration and up to 2% for director remuneration, provided that the profit exceeds the amount required to cover accumulated losses. Pursuant to the August 2024 amendment to the Securities and Exchange Act, the Company resolved at its 2025 shareholders' meeting to amend its articles of incorporation, stipulating that no less than 15% of the aforementioned employee remuneration allocation shall be distributed as grassroots employee remuneration.

Estimated employee and director remuneration for 2025 and January 1 to September 30, 2024 is as follows:

Estimated Proportion

	January 1, 2025 to September 30	January 1, 2024 to September 30
Employee compensation	4.00%	3.00%
Director Compensation	1.50%	1.41%

Amount

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Employee compensation	<u>\$ 3,551</u>	<u>\$ 1,615</u>	<u>\$ 7,657</u>	<u>\$ 4,113</u>
Director Compensation	<u>\$ 1,416</u>	<u>\$ 807</u>	<u>\$ 2,881</u>	<u>\$ 1,932</u>

If amounts change after the date of issuance of the annual consolidated financial statements, adjustments shall be made based on changes in accounting estimates and recorded in the subsequent fiscal year.

The employee bonuses and director remuneration for fiscal years 2024 and 2023 were approved by the Board of Directors on March 13, 2025, and March 28, 2024, respectively, as follows:

Amount

	<u>2024</u>	<u>2023</u>
Employee Bonuses (Cash)	<u>\$ 8,449</u>	<u>\$ 4,994</u>
Director Compensation (Cash)	<u>\$ 3,748</u>	<u>\$ 1,947</u>

The actual amounts distributed for employee compensation and director compensation in fiscal years 2024 and 2023 differ from the amounts recognized in the consolidated financial statements for those respective years.

For information regarding the employee and director compensation approved by the Company's Board of Directors, please refer to the Taiwan Stock Exchange's "Market Observation Post System."

25. Income Tax

(1) Income Tax Recognized in Profit or Loss

The main components of income tax expense are as follows:

	<u>July 1, 2025 to September 30</u>	<u>July 1, 2024 to September 30</u>	<u>January 1, 2025 to September 30</u>	<u>January 1, 2024 to September 30</u>
Current Income Tax				
Current Period	(\$ 9,394)	(\$ 8,093)	(\$ 40,924)	(\$ 18,824)
Additional tax on undistributed earnings	-	-	(4,053)	(800)
Adjustments for Prior Years	<u>19</u> (<u>9,375</u>)	<u>718</u> (<u>7,375</u>)	<u>5,195</u> (<u>39,782</u>)	(<u>432</u>) (<u>20,056</u>)
Deferred income tax				
Current Period	(<u>8,658</u>)	(<u>4,681</u>)	(<u>493</u>)	(<u>17,229</u>)
Income tax recognized in profit or loss				
Expense	(<u>\$ 18,033</u>)	(<u>\$ 12,056</u>)	(<u>\$ 40,275</u>)	(<u>\$ 37,285</u>)

(2) Income Tax Assessment Status

The Company's corporate income tax returns for periods up to and including fiscal year 2023 have been assessed by the tax authorities.

The corporate income tax returns of the subsidiary, LINKUPON INTERNATIONAL LIMITED., for the years up to and including 2022 have been assessed by the tax authorities.

26. Earnings Per Share

	Unit: NT\$ per share			
	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Basic Earnings Per Share				
Total Basic Earnings Per Share	<u>\$ 1.57</u>	<u>\$ 1.07</u>	<u>\$ 3.41</u>	<u>\$ 2.67</u>
Diluted earnings per share				
Total diluted earnings per share	<u>\$ 1.56</u>	<u>\$ 1.06</u>	<u>\$ 3.40</u>	<u>\$ 2.65</u>

The impact of the bonus share issuance has been retrospectively adjusted in calculating earnings per share. The record date for the bonus share issuance is July 7, 2025. Due to the retrospective adjustment, the changes in basic and diluted earnings per share for the periods from July 1 to September 30, 2024, and January 1 to September 30, 2024, are as follows:

	Before Retroactive Adjustment		After Retroactive Adjustment	
	July 1, 2024 to September 30	January 1, 2024 to September 30	July 1, 2024 to September 30	January 1, 2024 to September 30
Basic Earnings Per Share	<u>\$ 1.12</u>	<u>\$ 2.81</u>	<u>\$ 1.07</u>	<u>\$ 2.67</u>
Diluted earnings per share	<u>\$ 1.12</u>	<u>\$ 2.79</u>	<u>\$ 1.06</u>	<u>\$ 2.65</u>

The net profit and weighted average number of common shares used to calculate earnings per share are as follows:

Net profit for the period

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Net profit used to calculate basic/diluted earnings per share	<u>\$ 68,307</u>	<u>\$ 42,759</u>	<u>\$ 149,064</u>	<u>\$ 106,363</u>

Number of Shares

	Unit: Thousand Shares			
	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Weighted average number of common shares outstanding for basic earnings per share	43,581	40,025	43,691	39,797
Effect of dilutive potential common shares:				
Employee stock options	41	32	61	81
Employee compensation	<u>57</u>	<u>126</u>	<u>73</u>	<u>192</u>
Weighted average number of common shares outstanding for diluted earnings per share	<u>43,679</u>	<u>40,183</u>	<u>43,825</u>	<u>40,070</u>

If the consolidated company has the option to distribute employee compensation in either stock or cash, diluted earnings per share is calculated assuming that employee compensation will be distributed in stock. The weighted average number of shares outstanding is adjusted to include these potential common shares when they have a dilutive effect, thereby calculating diluted earnings per share. When calculating diluted earnings per share prior to the distribution of employee compensation shares in the following fiscal year, the dilutive effect of these potential common shares continues to be considered.

27. Share-Based Payment Agreements

(1) Employee Stock Option Plan for Cash Capital Increase

The Company resolved at its board meeting on July 23, 2024, to conduct a cash capital increase prior to its initial listing, reserving shares for employee subscription. The number of shares reserved for employee subscription was 189,000 shares, with compensation costs recognized from January 1 to September 30, 2024, amounting to NT\$1,395,000.

The employee stock options granted by the Company were valued using the Black-Scholes pricing model. The input values used in the valuation model are as follows:

Grant Date Stock Price	NT\$106.77 per share
Exercise Price	NT\$100.73 per share
Expected Volatility	44.98%
Term	9 days
Risk-Free Rate	1.3138%

(2) Employee Stock Option Plan

1. On April 14, 2022, the Company's Board of Directors approved the 2022 First Employee Stock Option Certificate Issuance and Subscription Plan. On June 1, 2022, 200 units of employee stock options were granted to employees, with each unit entitling the holder to subscribe for 1,000 shares of the Company's common stock. subject to board approval for phased issuance and delivery through new share issuance. Eligible recipients include eligible business and non-business employees meeting specific criteria. The vesting period is four years. Business unit employees may exercise one-third of their granted units after one year of vesting and meeting their department's financial performance targets. Upon the expiration of two years from the grant date and fulfillment of the financial performance targets for their respective departments, certificate holders may exercise one-third of the granted stock option certificates; upon the expiration of three years from the grant date and fulfillment of the Company's financial performance targets, certificate holders may exercise one-third of the granted stock option certificates; For non-business unit employees, after one year from the grant date, the holder may exercise 40% of the granted stock option certificates; after two years from the grant date and upon the Company meeting the financial performance targets, the holder may exercise 30% of the granted stock option certificates; Upon the expiration of three years from the grant date and provided the Company satisfies the financial performance criteria, the holder may exercise 30% of the granted units. The exercise price is set at NT\$30 per share. Should the Company's common stock undergo a capital reduction to offset losses after the warrant issuance, the exercise price shall be adjusted according to the prescribed formula.
2. Pursuant to the Board of Directors' resolution dated December 27, 2023, and the amendment approved on May 15, 2024, the Company established the 2023 First Employee Stock Option

Certificate Issuance and Subscription Plan. The total number of stock options to be granted to employees is 300 units, with each unit entitling the holder to subscribe for 1,000 shares of the Company's common stock. which may be issued in installments upon board approval and delivered through the issuance of new shares. The recipients are employees of the Company who meet specific criteria. On October 8, 2024, 130 units of employee stock options were granted. The vesting period for these options is four years. After two years from the grant date, certificate holders may exercise 50% of the granted units. Upon the expiration of three years from the grant date, the holder may exercise 50% of the granted units. The exercise price for the stock options granted on October 8, 2024, is NT\$105 per share. Should the Company's common stock undergo a capital reduction to offset losses after the issuance of these stock options, the exercise price shall be adjusted according to the prescribed formula.

3. The Company adopted the First Employee Stock Option Certificate Issuance and Subscription Plan for 2025 through a board resolution on March 13, 2025, and amended it via a board resolution on August 11, 2025. The plan authorizes the grant of a total of 300 units of employee stock options, with each unit entitling the holder to subscribe for 1,000 shares of the Company's common stock. which may be issued in installments upon board approval and delivered through the issuance of new shares. The recipients are employees of the Company and its controlling or subordinate companies who meet specific eligibility criteria. On August 20, 2025, 185 units of employee stock options were granted. The vesting period for these options is four years. After two years from the grant date, certificate holders may exercise 50% of the granted units. Upon the expiration of three years from the grant date, the holder may exercise 50% of the granted units. The exercise price for the stock options granted on August 20, 2025, is NT\$75 per share. Should changes occur in the Company's common stock following the issuance of the stock options, the

exercise price shall be adjusted in accordance with the relevant provisions of the stock option plan.

Relevant information regarding employee stock options is as follows:

Employee Stock Options	January 1 to September 30, 2025		January 1 to September 30, 2024	
	Quantity (Units)	Weighted Average Exercise Price (NTD/share)	Quantity (Units)	Weighted Average Exercise Price (CNY/share)
Outstanding at Beginning of Period	176	\$ 87.06	631	\$ 21.83
Current period grant	185	75	-	-
Expired this period	-	-	(60)	20
Current Issue	(46)	30	(430)	20
Outstanding at End of Period	<u>315</u>	87.38	<u>141</u>	28.19
Ending executable	<u>-</u>	-	<u>58</u>	20

As of the balance sheet date, information regarding outstanding employee stock warrants is as follows:

130 units granted on October 8, 2024		185 units granted on August 20, 2025	
Exercise Price Range (NT\$)	Weighted average remaining contractual life (years)	Exercise Price Range (NT\$)	Weighted Average Remaining Contract Term (Years)
\$105	3.08	\$75	3.89

The Black-Scholes valuation model is used for employee stock options granted by the Company. The input values used in the valuation model are as follows:

	February 1, 2021 2,055 units granted	October 1, 2021 250 units granted	June 1, 2022 Granted 200 units	October 8, 2024 Granted 130 units	August 20, 2025 Granted 185 units
Grant Date					
Market Price	NT\$23.58 per share	25.69 yuan per share	34.24 yuan/share	105.00 yuan/share	109.50 yuan per share
Exercise Price	20 yuan per share	20 yuan per share	30 yuan per share	105 yuan per share	75 yuan per share
Expected Volatility	35.04%-36.69%	38.90%-41.42%	41.79%-46.94%	35.80%-37.79%	35.41%-42.04%
Duration	4 years	3.33 years	4 years	4 years	4 years
Expected Dividend Yield	0%	0%	0%	0%	0%
Risk-free rate	0.16%-0.23%	0.25%-0.27%	0.90%-1.02%	1.369%-1.3897%	1.2004%-1.2199%

The compensation costs recognized by the combined company for the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, were recorded as salary expenses of NT\$907 thousand, NT\$37 thousand, NT\$1,661 thousand, and NT\$338 thousand, respectively.

28. Government Subsidies

The subsidiary, Ji'an VSO Electronics Co., Ltd., received the following subsidies from the People's Government of Anfu County, Ji'an City, Jiangxi Province, China (Jiangxi Provincial Government) in February 2025 and January 2024. The nature of these government grants is tax rebate subsidies provided by the local government based on investment agreements, recorded as a reduction of property, plant, and equipment.

In June 2024, the subsidiary Ji'an VSO Electronics Co., Ltd. received a preferential policy subsidy of RMB 2,296 thousand (NT\$10,203 thousand) from Anfu County, Ji'an City, Jiangxi Province, China. This government subsidy constitutes various tax rebate subsidies granted by the local government pursuant to the investment agreement and is recorded as a reduction in property, plant, and equipment.

The various tax rebate subsidies granted are recorded as a reduction in property, plant, and equipment.

Government subsidies received by the consolidated company during the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, reduced depreciation expense by NT\$421 thousand, NT\$451 thousand, NT\$1,305 thousand, and NT\$1,180 thousand, respectively.

In May 2024, the consolidated company obtained a preferential-rate government loan of NT\$35,000 thousand under the "Ministry of Economic Affairs Low-Carbon Smart Management Project Loan." The Ministry subsidized the floating interest rate on a two-year fixed-term deposit with Chunghwa Post for one year. Estimated at the market rate of 2.22% at the time of borrowing, the loan's fair value was NT\$34,404 thousand. The difference of NT\$596 thousand between the amount received and the fair

value of the loan is recognized as a government low-interest loan subsidy and recorded as deferred income.

In March 2025, the merged company entered into a loan agreement with a bank for NT\$49,249 thousand under the "National Development Fund Overseas Investment Financing Program." The fair value of the loan was estimated at NT\$48,505 thousand based on the prevailing market interest rate of 2.196% at the time of borrowing. The difference of NT\$744 thousand between the amount received and the fair value of the loan is treated as a low-interest loan subsidy from the government and recognized as deferred income.

The consolidated company recognized other income - government subsidy income of NT\$63 thousand, NT\$148 thousand, and NT\$401 thousand for the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, respectively. 401 thousand, and 197 thousand, respectively, and recognized interest expenses on the loan of 333 thousand, 193 thousand, 1,375 thousand, and 265 thousand, respectively.

29. Cash Flow Information and Capital Risk Management

(1) Changes in Liabilities from Financing Activities

January 1 to September 30, 2025

	January 1, 2025	Cash Flow	Non-cash Changes			September 30, 2025
			New leases	Government grants	Exchange Rate Changes	
Short-term borrowings	\$ 34,750	\$ 108,793	\$ -	\$ 250	(\$ 463)	\$ 143,330
Long-term borrowings	9,853	49,249	-	(593)	-	58,509
Lease liabilities	16,413	(6,564)	9,636	-	(784)	18,701
	<u>\$ 61,016</u>	<u>\$ 151,478</u>	<u>\$ 9,636</u>	<u>(\$ 343)</u>	<u>(\$ 1,247)</u>	<u>\$ 220,540</u>

January 1 to September 30, 2024

	January 1, 2024	Cash Flow	Non-cash Changes			September 30, 2024
			New leases	Government Grants	Exchange Rate Changes	
Short-term borrowings	\$ 183,314	(\$ 92,926)	\$ -	(\$ 399)	\$ -	\$ 89,989
Lease liabilities	22,544	(6,818)	1,626	-	924	18,276
	<u>\$ 205,858</u>	<u>(\$ 99,744)</u>	<u>\$ 1,626</u>	<u>(399)</u>	<u>\$ 924</u>	<u>\$ 108,265</u>

(2) Capital Risk Management

The merged company manages its capital to ensure that, on a going concern basis, shareholder returns are maximized by optimizing the balance between debt and equity.

The capital structure of the Merged Company consists of equity (i.e., share capital, capital reserves, retained earnings, and other equity items).

The Company is not subject to other external capital requirements.

30. Financial Instruments

(1) Fair Value Information - Financial Instruments Not Measured at Fair Value

Management of the consolidated company believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair Value Information—Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

September 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value Through Profit or Loss - Current</u>				
Fund Beneficiary Certificates	<u>\$ 5,114</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,114</u>
<u>Financial liabilities at fair value through profit or loss - current</u>				
Derivatives	<u>\$ -</u>	<u>\$ 7,369</u>	<u>\$ -</u>	<u>\$ 7,369</u>

December 31, 2024

	<u>Tier 1</u>	<u>Level 2</u>	<u>Tier 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value Through Profit or Loss - Current</u>				
Fund Beneficiary Certificates	<u>\$ 5,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,056</u>

<u>September 30, 2024</u>				
	<u>Grade 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value Through Profit or Loss - Current</u>				
Fund Beneficiary Certificates	<u>\$ 5,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,037</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the periods from July 1 to September 30, 2025 and 2024, or from January 1 to September 30, 2025 and 2024.

2. Valuation techniques and inputs for Level 2 fair value measurements

<u>Financial Instrument Category</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - Forward Foreign Exchange Contracts	Discounted Cash Flow Method: Future cash flows are estimated based on the observable forward exchange rates at the end of the period and the exchange rates specified in the contracts, and discounted using discount rates that reflect the credit risk of each counterparty.

(3) Types of Financial Instruments

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial Assets</u>			
Measured at Fair Value Through Profit or Loss			
Mandatorily measured at fair value through profit or loss (Note 1)	\$ 5,114	\$ 5,056	\$ 5,037
Financial assets measured at amortized cost (Note 2)			
Financial assets (Note 2)	1,544,204	1,480,872	1,417,587
<u>Financial liabilities</u>			
Measured at fair value through profit or loss			
Held for trading (Note 3)	7,369	-	-
Measured at amortized cost (Note 4)	876,557	636,491	643,920

Note 1: The balance includes fund beneficiary certificates.

Note 2: The balance includes cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, notes receivable, accounts receivable - related parties, other receivables, other receivables - related parties, and deposits paid, all of which are financial assets measured at amortized cost.

Note 3: The balance includes forward foreign exchange contracts.

Note 4: The balance includes short-term borrowings, accounts payable, accounts payable to related parties, other payables, other payables to related parties, and long-term borrowings, all measured at amortized cost.

(4) Financial Risk Management Objectives and Policies

The purpose of the merged company's financial risk management is to manage financial risks associated with market risks (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk related to its operational activities. To mitigate such financial risks, the merged company is committed to identifying, assessing, and implementing strategies to hedge against market uncertainties, thereby reducing the adverse impact of market fluctuations on the company's financial position and performance.

Significant financial activities of the merged company are implemented following resolutions by the Board of Directors. During the execution of financial plans, the company adheres to the stipulations of its policies.

1. Market Risk

The primary financial risks incurred by the consolidated company through its operational activities include foreign exchange rate fluctuation risk (see (1) below), interest rate fluctuation risk (see (2) below), and other price risks (see (3) below).

The consolidated company's exposure to market risk related to financial instruments and the methods for managing and measuring such exposure remain unchanged.

(1) Exchange Rate Risk

Several subsidiaries of the consolidated company engage in sales and purchase transactions denominated in foreign currencies, thereby exposing the consolidated company to exchange rate fluctuation risk. Approximately 66% of the consolidated company's sales are denominated in currencies other than the functional currency of the transaction group entity, and approximately 32% of its cost amounts are denominated in currencies other than the functional currency of the transaction group entity.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date, please refer to Note 34.

Sensitivity Analysis

The consolidated company is primarily affected by fluctuations in the US dollar exchange rate.

The table below details the sensitivity analysis of the consolidated company when the exchange rate of the New Taiwan Dollar (functional currency) against each relevant foreign currency increases or decreases by 1%. The 1% sensitivity ratio is used internally by the consolidated company to report foreign exchange risk to key management and represents management's assessment of the reasonably possible range of foreign exchange rate fluctuations. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies, adjusting their year-end translation values by a 1% exchange rate change. Positive figures in the table below indicate the increase in pre-tax net profit resulting from a 1% depreciation of the New Taiwan Dollar relative to each relevant currency. A 1% appreciation of the New Taiwan Dollar relative to each relevant foreign currency would have an equal negative impact on pre-tax net profit.

Benefits	Impact of the US Dollar	
	January 1, 2025 to September 30	January 1, 2024 to September 30
	<u>\$ 5,700</u> (i)	<u>\$ 3,662</u> (i)

(i) Primarily derived from the merged company's US dollar-denominated bank deposits, accounts receivable, bank borrowings, and accounts payable outstanding as of the balance sheet date that were not subject to cash flow hedging.

(ii) The consolidated company's sensitivity to exchange rates increased during the current year, primarily due to the rise in net foreign currency assets denominated in US dollars.

(2) Interest Rate Risk

The consolidated company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amounts of financial assets and liabilities subject to interest rate exposure at the balance sheet date are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value through profit or loss interest rate risk			
– Financial Assets	\$ 388,035	\$ 490,374	\$ 187,157
– Financial liabilities	77,210	26,266	18,276
Cash Flow Interest Rate Risk			
– Financial Assets	159,255	167,942	518,751
– Financial liabilities	143,330	34,750	89,989

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative financial

instruments at the balance sheet date. For floating-rate liabilities, the analysis assumes that the outstanding liability amounts at the balance sheet date remain outstanding throughout the reporting period. The percentage change used by the consolidated company when reporting interest rates to key management is a 1% increase or decrease in interest rates, which also represents management's assessment of the reasonably possible range of interest rate changes.

If interest rates increase/decrease by 1%, with all other variables held constant, the consolidated company's pre-tax net profit for the periods from January 1 to September 30, 2025 and 2024 would increase/decrease by NT\$119 thousand and NT\$3,216 thousand, respectively. This is primarily due to a decrease in the consolidated company's variable-rate deposits.

(3) Other Price Risks

The consolidated company is exposed to commodity price risk arising from its investment in fund beneficiary certificates. However, the consolidated company regularly assesses price risk and investment performance in accordance with its procedures for acquiring and disposing of assets, and therefore does not expect any significant price risk to occur.

Sensitivity Analysis

The following sensitivity analysis is based on the fund price exposure as of the balance sheet date.

If fund prices increase/decrease by 1%, the consolidated company's pre-tax net profit for January 1 to September 30, 2025 and 2024 would increase/decrease by NT\$51 thousand and NT\$50 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through profit or loss.

2. Credit Risk

Credit risk refers to the risk of financial loss to the consolidated company arising from a counterparty's failure to

fulfill its contractual obligations. As of the balance sheet date, the consolidated company's maximum credit risk exposure to potential financial loss due to counterparty default primarily stems from:

- (1) The carrying amount of financial assets recognized in the consolidated balance sheet.
- (2) The maximum amount the consolidated company may be required to pay under financial guarantees it has provided, regardless of the likelihood of occurrence.

The combined company's policy is to transact only with counterparties of excellent credit standing and, where necessary, obtain adequate collateral to mitigate the risk of financial loss arising from defaults. The combined company continuously monitors credit exposures and counterparties' credit ratings, controlling credit risk through counterparty credit limits reviewed and approved annually by corporate management.

To mitigate credit risk, the Company's management is responsible for determining credit limits, approving credit, and implementing other monitoring procedures to ensure that appropriate actions are taken to recover overdue receivables. Furthermore, the combined company individually reviews the recoverable amount of receivables at the balance sheet date to ensure that appropriate impairment losses are recognized for uncollectible receivables. Accordingly, the combined company's management believes that the Company's credit risk has been significantly reduced.

The consolidated company's credit risk is primarily concentrated in specific customers. As of September 30, 2025, December 31, 2024, and September 30, 2024, the proportion of accounts receivable attributable to these customers was 26%, 33%, and 31%, respectively.

3. Liquidity Risk

The consolidated company manages and maintains sufficient cash and cash equivalents to support group operations and mitigate the impact of cash flow fluctuations. Management

monitors the utilization of bank credit facilities and ensures compliance with loan agreement terms.

Bank borrowings represent a significant source of liquidity for the consolidated company. As of September 30, 2025, December 31, 2024, and September 30, 2024, the consolidated company's undrawn credit facilities are described in (3) Credit Facilities below.

(1) Liquidity and Interest Rate Risk in Non-Derivative Financial Liabilities

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the earliest possible date the consolidated company may be required to repay, using the undiscounted cash flows (including principal and estimated interest) of the financial liabilities. Therefore, bank borrowings for which the consolidated company may be required to repay immediately are classified in the earliest period in the table below, without considering the probability of the bank exercising this right immediately. The maturity analysis for other non-derivative financial liabilities is prepared based on the agreed repayment dates.

The table below details the remaining contractual maturity analysis of the consolidated company's non-derivative financial liabilities with agreed repayment periods. This analysis is based on the earliest possible date the consolidated company could be required to repay the liability and is prepared using the undiscounted cash flows of the financial liability (including principal and estimated interest).

September 30, 2025

Non-derivative financial liabilities	Less than 1 year	1 to 5 years	5 to 10 years	10–15 years
Non-interest-bearing liabilities	\$ 674,718	\$ -	\$ -	\$ -
Floating Rate Instruments	143,330	-	-	-
Fixed-rate instruments	370	59,250	-	-
Lease liabilities	<u>9,533</u>	<u>9,645</u>	<u>-</u>	<u>-</u>
	<u>\$ 827,951</u>	<u>\$ 68,895</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

Non-derivative financial liabilities	Less than 1 year	1 to 5 years	5 to 10 years	10–15 years
Non-interest-bearing liabilities	\$ 591,888	\$ -	\$ -	\$ -
Floating Rate Instruments	35,086	-	-	-
Fixed-rate instruments	188	10,441	-	-
Lease liabilities	<u>8,442</u>	<u>9,231</u>	<u>-</u>	<u>-</u>
	<u>\$ 635,604</u>	<u>\$ 19,672</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2024

Non-derivative financial liabilities	Less than 1 year	1 to 5 years	5 to 10 years	10–15 years
Non-interest-bearing liabilities	\$ 553,819	\$ -	\$ -	\$ -
Floating Rate Instruments	90,474	-	-	-
Lease liabilities	<u>9,716</u>	<u>10,213</u>	<u>-</u>	<u>-</u>
	<u>\$ 653,178</u>	<u>\$ 10,213</u>	<u>\$ -</u>	<u>\$ -</u>

(2) Liquidity and Interest Rate Risk Schedule for Derivative Financial Liabilities

For liquidity analysis of derivative financial instruments, net settlement derivatives are based on undiscounted net contractual cash inflows and outflows. Gross settlement derivatives are based on undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the disclosed amount is determined based on the estimated interest rate derived from the yield curve as of the balance sheet date.

September 30, 2025

	On demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
<u>Net settlement</u>					
Forward Foreign Exchange	<u>\$ 7,341</u>	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,369</u>

(3) Credit Line

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured Bank Loan Facility			
- Amount Utilized	\$ 101,028	\$ -	\$ 31,650
- Unused Amount	<u>208,972</u>	<u>120,000</u>	<u>-</u>
	<u>\$ 360,000</u>	<u>\$ 120,000</u>	<u>\$ 31,650</u>
Secured Bank Loan Facility			
- Amount Utilized	\$ 101,552	\$ 45,000	\$ 58,738
- Unused Amount	<u>531,831</u>	<u>419,038</u>	<u>161,262</u>
	<u>\$ 633,383</u>	<u>\$ 464,038</u>	<u>\$ 220,000</u>

31. Related Party Transactions

Transactions, account balances, income, and expenses between the Company and its subsidiaries (which are related parties of the Company) are fully eliminated upon consolidation and therefore not disclosed in this note. Transactions between the consolidated companies and other related parties, except those disclosed in other notes, are as follows.

(1) Name of Related Party and Relationship

Name of Related Party	Relationship with the Consolidated Company
Advantech Co., Ltd.	Ultimate Parent of the Significant Investor
Advantech Technology (China) Co., Ltd.	Subsidiary of the Significant Investor
LNC Dong Guan Co., Ltd.	Affiliates of Significantly Affected Investors (Note 1)
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Affiliates of Significantly Affected Investors
Advantech Corporation (U.S.A.)	Affiliates of Significantly Affected Investors
Advantech Europe B.V.	Affiliates of Significantly Affected Investors
LINK UPON ADVANCED MATERIAL CORP.	Significantly influenced investor of a subsidiary (LINKUPON INTERNATIONAL LIMITED.)
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material, inc.	Affiliated Subsidiaries
I-SHENG Electric Wire & Cable Company (Vietnam)	Related party in substance (Note 2)

Note 1: The parent company of the Group's significant influence investor lost control over LNC Technology Co., Ltd. and its subsidiaries during the second quarter of fiscal year 2024, and therefore is not a related party of the Group since the second quarter of fiscal year 2024.

Note 2: I-SHENG Electric Wire & Cable Company (Vietnam) is wholly owned by the Company's corporate director, I-SHENG Industrial Co., Ltd. However, following the full re-election of directors at the Company's shareholders' meeting on May 12, 2025, I-SHENG Industrial Co., Ltd. no longer holds any director positions in the Company. Therefore, effective from that date, I-SHENG Electric Wire & Cable Company (Vietnam) is no longer a substantive related party of the Company.

(2) Revenue

Related Party Category/Name	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Parent Company of Significant Influence on Investors				
Advantech Co., Ltd.	\$ 14,090	\$ 8,910	\$ 42,304	\$ 26,944
Subsidiaries with Significant Influence on Investors				
Advantech (China) Co., Ltd.	21,191	6,463	65,597	55,529
Associated Companies with Significant Influence on Investors	205	2,290	329	4,688
Investors with Significant Influence over Subsidiaries				
Yuntuo Materials Technology Co., Ltd.	-	-	-	27,968
	<u>\$ 35,486</u>	<u>\$ 17,663</u>	<u>\$ 108,230</u>	<u>\$ 115,129</u>

From July 1 to September 30, 2025, and January 1 to September 30, 2025, refund discounts recognized for the parent company of investors with significant influence and subsidiaries of investors with significant influence amounted to NT\$516 thousand and NT\$1,307 thousand, respectively, and were recorded as deductions from sales revenue.

The transaction prices and credit terms for sales to related parties are not significantly different from those for non-related parties. If the

specifications are unique and there are no comparable transactions of the same type, the sales price is determined based on mutual agreement between both parties.

(3) Purchases

Related Party Category/Name	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Significant Influence Investor of Subsidiary Yuntuo Materials Technology Co., Ltd.	<u>\$ 1,699</u>	<u>\$ -</u>	<u>\$ 2,447</u>	<u>\$ -</u>

Transaction prices and credit terms for purchases from related parties did not differ significantly from those for non-related parties.

(4) Receivables from Related Parties (excluding loans to related parties)

Accounting Item	Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Accounts Receivable- Related Parties	Parent Company of Investor with Significant Influence			
	Advantech Co., Ltd.	\$ 15,046	\$ 13,330	\$ 9,161
	Subsidiaries with Significant Impact on Investors			
	Advantech (China) Co., Ltd.	27,664	28,259	27,941
	Significant Influence Related Party Enterprise	209	9	2,580
	Significant Influence Investors of Subsidiaries			
Other Receivables-Re lated Parties	LINK UPON ADVANCED MATERIAL CORP.	<u>-</u>	<u>83</u>	<u>-</u>
		<u>\$ 42,919</u>	<u>\$ 41,681</u>	<u>\$ 39,682</u>
	Parent Company of Significant Influence Investor			
	Advantech Co., Ltd.	\$ 18	\$ -	\$ 17
	Significant Influence Investor of Subsidiary			
	LINK UPON ADVANCED MATERIAL CORP	<u>4</u>	<u>-</u>	<u>-</u>
		<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 17</u>

The consolidated company collects payments for related-party transactions on a monthly basis with terms ranging from 30 to 120 days.

Outstanding receivables from related parties lack collateral guarantees. As of September 30, 2025, December 31, 2024, and September 30, 2024, no allowance for doubtful accounts was recorded for receivables from related parties.

(5) Payables to related parties (excluding borrowings from related parties)

Accounting Item	Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Accounts Payable - Related Parties	Significant Influence Investor of Subsidiary	<u>\$ 1,367</u>	<u>\$ 2,531</u>	<u>\$ -</u>
Other Payables — Related Parties	Subsidiaries with Significant Influence on Investors	<u>\$ 72</u>	<u>\$ 24</u>	<u>\$ 286</u>
Other Current Liabilities - Refund Liabilities	Parent Company of Significant Influence Investor	<u>\$ 529</u>	<u>\$ -</u>	<u>\$ -</u>

(6) Lease Agreement

Type of Relationship	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
<u>Lease Expenses</u>				
Related Entities of Subsidiaries	\$ 5	\$ 4	\$ 14	\$ 13
Substantive Related Party	<u>-</u>	<u>2,001</u>	<u>9,490</u>	<u>5,979</u>
	<u>\$ 5</u>	<u>\$ 2,005</u>	<u>\$ 9,504</u>	<u>\$ 5,992</u>

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Other Payables - Related Parties</u>			
Lease Payables			
Substantive Related Parties	<u>\$ -</u>	<u>\$ 677</u>	<u>\$ 656</u>

The consolidated company leases office space from an affiliated enterprise of its subsidiary for a one-year term. From January 1 to September 30, 2025 and 2024, it recognized rental expenses under selling expenses. These expenses were determined by reference to

rental rates for comparable assets and paid as fixed annual lease payments under the lease agreement.

The consolidated company leases factory premises from a related party for a one-year term. Rent is determined by reference to rental rates for comparable assets and paid monthly as fixed lease payments under the lease agreement.

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Rental Expenses by Function				
Operating Costs	\$ -	\$ 1,400	\$ 5,333	\$ 4,186
Operating Expenses	<u>5</u>	<u>605</u>	<u>4,171</u>	<u>1,806</u>
	<u>\$ 5</u>	<u>\$ 2,005</u>	<u>\$ 9,504</u>	<u>\$ 5,992</u>

Lease payments represent short-term lease obligations. The aggregate future lease payments for short-term leases are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Total Future Lease Payments	<u>\$ 5</u>	<u>\$ 19,587</u>	<u>\$ 2,006</u>

(7) Key Management Personnel Compensation

	July 1, 2025 to September 30	July 1, 2024 to September 30	January 1, 2025 to September 30	January 1, 2024 to September 30
Short-Term Employee Benefits	\$ 10,891	\$ 14,871	\$ 32,878	\$ 36,704
Share-based payments	130	41	469	305
Post-retirement benefits	<u>340</u>	<u>402</u>	<u>1,067</u>	<u>1,204</u>
	<u>\$ 11,361</u>	<u>\$ 15,314</u>	<u>\$ 34,414</u>	<u>\$ 38,213</u>

Compensation for directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

32. Assets pledged as collateral

The following assets have been pledged as collateral for the consolidated company's long-term and short-term bank loans, as well as deposits for leased vehicles, warehouses, offices, and factory buildings:

	September 30, 2025	December 31, 2024	September 30, 2024
Financial Assets at Amortized Cost - Current	\$ 428	\$ -	\$ -
Land	25,532	25,532	\$ 25,532
Buildings and Structures	102,529	110,087	112,147

Land Use Rights	1,790	9,358	9,506
Deposited Guarantees	<u>6,630</u>	<u>6,904</u>	<u>5,953</u>
	<u>\$ 136,909</u>	<u>\$ 151,881</u>	<u>\$ 153,138</u>

33. Unrecognized Contractual Commitments

Except as disclosed in other notes, the unrecognized contractual commitments of the consolidated company as of the balance sheet date are as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Acquisition of property, plant, and equipment	\$ 295,982	\$ 68,360	\$ 31,245
Acquisition of intangible assets	<u>150</u>	<u>4,942</u>	<u>3,042</u>
	<u>\$ 296,132</u>	<u>\$ 73,302</u>	<u>\$ 34,287</u>

34. Information on Foreign Currency Assets and Liabilities with Significant Influence

The following information is presented in a consolidated manner using the functional currency of each entity within the consolidated group. The exchange rates disclosed represent the rates used to convert such foreign currencies into the functional currency. Information on foreign currency financial assets and liabilities with significant impact is as follows:

September 30, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial Assets</u>			
<u>Monetary Items</u>			
US Dollar	\$ 27,444	30.44 (USD: TWD)	\$ 835,384
<u>Non-monetary items</u>			
Associated Companies Accounted for Using the Equity Method			
RMB	10,885	4.273 (RMB: TWD)	46,514
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	8,717	30.44 (USD: TWD)	265,340

<u>December 31, 2024</u>			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial Assets</u>			
<u>Monetary Items</u>			
US Dollar	\$ 18,678	32.78 (USD: TWD)	\$ 612,254
<u>Non-monetary items</u>			
Associated Companies Accounted for Using the Equity Method			
RMB	10,830	4.478 (RMB: TWD)	48,495
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	3,720	32.78 (USD: TWD)	121,628
<u>September 30, 2024</u>			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial Assets</u>			
<u>Monetary Items</u>			
US Dollar	\$ 16,760	31.65 (USD: TWD)	\$ 530,451
<u>Non-monetary items</u>			
Associates accounted for using the equity method			
RMB	10,731	4.525 (RMB: TWD)	48,556
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	5,190	31.65 (USD: TWD)	164,266

The consolidated company recorded net foreign exchange gains of NT\$10,941 thousand and net foreign exchange losses of NT\$5,684 thousand for the periods from July 1 to September 30, 2025 and 2024, respectively; Foreign exchange gains and losses for the periods from January 1 to September 30, 2025 and 2024 were net foreign exchange losses of NT\$20,867 thousand and net foreign exchange gains of

NT\$9,600 thousand, respectively. Due to the diverse nature of foreign currency transactions, it is not practicable to disclose foreign exchange gains and losses by each major currency.

35. Disclosures in the Notes

(1) Information on Significant Transactions:

1. Loans to Others: See Schedule 1.
2. Guaranteeing for others: Appendix II.
3. Significant Marketable Securities Held at Year-End (Excluding Investments in Subsidiaries): Appendix III.
4. Transactions with related parties involving purchases or sales reaching NT\$100 million or exceeding 20% of paid-in capital: Appendix IV.
5. Receivables from related parties reaching NT\$100 million or 20% or more of paid-in capital: Appendix V.
6. Other: Business relationships and significant transaction details and amounts between parent and subsidiary companies and among subsidiaries: Appendix VI.

(2) Information on Invested Enterprises: Appendix VII.

(3) Mainland China Investment Information:

1. Name of Mainland investee company, principal business activities, paid-in capital, investment method, capital remittance status, shareholding ratio, investment gains/losses, ending book value of investment, repatriated investment gains/losses, and investment limit in Mainland China: Appendix 8.
2. Significant transactions directly or indirectly conducted with mainland investee companies through third regions, including transaction prices, payment terms, and unrealized gains/losses: Appendices IV, V, and VI.
 - (1) Purchase amounts and percentages, along with the ending balances and percentages of related payables.
 - (2) Sales amounts and percentages, along with the ending balances and percentages of related accounts receivable.
 - (3) Amount of property transactions and the resulting profit or loss.

- (4) The ending balances and purposes of guarantees for endorsed bills or collateral provided.
- (5) The maximum outstanding balance, end-of-period balance, interest rate range, and total interest for the period of the financing arrangement.
- (6) Other transactions with significant impact on current period profit or loss or financial position, such as provision or receipt of services.

36. Segment Information

Information provided to key operating decision-makers for resource allocation and departmental performance evaluation, focusing on the types of products or services delivered or provided. The reportable segments of the consolidated company are as follows:

(1) Segment Revenue and Operating Results

The consolidated company's revenue and operating results are analyzed by reportable segment as follows:

January 1 to September 30, 2025

	<u>Cable Division</u>	<u>Engineering Plastics Division</u>	<u>Total</u>
Revenue from external customers	\$ 1,594,269	\$ 359,211	\$ 1,953,480
Intra-departmental revenue	<u>1,081,325</u>	<u>97,155</u>	<u>1,178,480</u>
Departmental Revenue	2,675,594	456,366	3,131,960
Internal Offsets	(<u>1,081,325</u>)	(<u>97,155</u>)	(<u>1,178,480</u>)
Consolidated Revenue	<u>\$ 1,594,269</u>	<u>\$ 359,211</u>	<u>1,953,480</u>
Departmental Profit and Loss	<u>\$ 185,794</u>	<u>\$ 30,904</u>	216,698
Director Compensation			(2,881)
Interest Income			6,593
Other Income			6,408
Other Gains and Losses			(22,748)
Financial expenses			(5,367)
Share of profit (loss) of associates accounted for using the equity method			<u>1,249</u>
Pre-tax profit			<u>\$ 199,952</u>

January 1 to September 30, 2024

	Cable Division	Engineering Plastics Division	Total
Revenue from External Customers	\$ 1,092,811	\$ 418,508	\$ 1,511,319
Intra-departmental revenue	<u>736,524</u>	<u>78,622</u>	<u>815,146</u>
Departmental Revenue	1,829,335	497,130	2,326,465
Internal Offsetting	(<u>736,524</u>)	(<u>78,622</u>)	(<u>815,146</u>)
Consolidated Revenue	<u>\$ 1,092,811</u>	<u>\$ 418,508</u>	<u>1,511,319</u>
Departmental Profit and Loss	<u>\$ 113,830</u>	<u>\$ 25,079</u>	138,909
Director Compensation			(1,932)
Interest Income			5,794
Other Income			3,387
Other gains and losses			9,282
Financial Costs			(4,203)
Share of profit (loss) of associates accounted for using the equity method			<u>1,082</u>
Pre-tax profit			<u>\$ 152,319</u>

Intercompany sales are priced at market value.

Segment profit refers to the profit earned by each segment, excluding allocated headquarters management costs and directors' remuneration, the share of profit or loss of associates accounted for using the equity method, other income, net foreign exchange gains (losses), gains or losses on valuation of financial instruments, finance costs, and income tax expense. This measure is provided to the chief operating decision maker for allocating resources to segments and assessing their performance.

(2) Total Assets and Liabilities by Segment

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Department Assets</u>			
Connecting Line			
Department	\$ 2,274,379	\$ 2,034,836	\$ 1,943,842
Engineering Plastics			
Division	<u>372,223</u>	<u>365,759</u>	<u>364,941</u>
Consolidated Total Assets	<u>\$ 2,646,602</u>	<u>\$ 2,400,595</u>	<u>\$ 2,308,783</u>
<u>Department Liabilities</u>			
Connectors Division	(\$ 931,475)	(\$ 684,636)	(\$ 667,516)
Engineering Plastics			
Division	(<u>146,464</u>)	(<u>133,689</u>)	(<u>138,998</u>)

Total consolidated liabilities	(\$ 1,077,939)	(\$ 818,325)	(\$ 806,514)
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The assets of the consolidated company's operating segments are measured based on controllable assets. Liabilities are allocated considering the company's overall funding costs and capital allocation needs, which are not controllable by individual operating segments. Therefore, they are not included in the basis for evaluating segment management performance.

VSO Electronics Co., Ltd. and Subsidiaries
Loans to Others
January 1 to September 30, 2025

Appendix 1

Unit: Unless otherwise specified
is in thousands of New Taiwan Dollars

No.	Company to Which Funds Were Loaned	Borrowing Entity	Transaction Item	Related Party	Highest Balance for Current Period (Notes 2 and 3)	Ending Balance (Note 3)	Actual Amount Disbursed	Interest Rate Range	Funding Loans Nature (Note 1)	Business Transactions Amount	Reason for Short-Term Financing Need	Provision for Allowance Bad Debt Allowance Amount	Collateral		For individual borrowers Loan limit (Note 2)	Loan Total Limit (Note 2)	Remarks
													Name	Value			
0	VSO Electronics Co., LTD.	VSO (Viet Nam) Electronics Co., LTD.	Other Receivables — Related Parties	Yes	\$ 120,238 (USD 3,950 thousand)	\$ 106,540 (USD3,500 thousand)	\$ 82,188 (USD 2,700 thousand)	5.22~5.4	2	\$ -	Operating Cash Flow	\$ -	-	\$ -	\$ 591,343	\$ 591,343	

Note 1: The method for completing the nature of funds lending is as follows:

- (1)For business partners, enter 1.
- (2)For short-term financing needs, enter 2.

Note 2: The total amount of loans extended by the Company shall not exceed 40% of the Company's net worth, and the limit for any individual borrower shall not exceed 40% of the Company's net worth.

Note 3: New Taiwan Dollar amounts are converted based on the exchange rate at the end of the period.

VSO Electronics Co., Ltd. and Subsidiaries
Guarantees for Others
January 1 to September 30, 2025

Appendix II

Unit: Unless otherwise specified
is in thousands of New Taiwan Dollars

No.	Name of Company Providing Endorsement Guarantee	Guarantee Recipient		For a single enterprise Guarantee Limit (Note 1)	Maximum Guarantee Balance for the Current Period Balance	Balance at End of Period Guarantee Balance	Actual Amount Drawn (Note 3)	Asset-backed guarantee Guarantee Amount	Ratio of Cumulative Guarantee Amount to Net Value in Latest Financial Statements (%)	Guarantee Maximum Limit (Note 1)	Parent company guarantees to Subsidiary	Subsidiaries' Guarantee by Subsidiary to Parent Company	Guarantee by parent company to Guarantee	Remarks
		Company Name	Relationship											
0	VSO Electronics Co., LTD	LINKUPON INTERNATIONAL LIMITED.	Companies in which the company directly and indirectly holds more than 60% of the voting shares	\$ 443,507	\$ 150,000	\$ 150,000	\$ 130,516	\$ -	10.15%	\$ 1,182,687	Y	N	N	
		Hongjun Energy Co., Ltd. (Preparatory Office) (Note 2)	Companies in which the company directly and indirectly holds more than 51% of the voting shares	443,507	30,000	30,000	-	-	2.03%	1,182,687	Y	N	N	

Note 1:The aggregate amount of guarantees provided by the Company and its subsidiaries shall not exceed 80% of the net worth as stated in the most recent financial statements of each company. The amount of guarantees provided by the Company to a single subsidiary shall not exceed 30% of the net worth as stated in the most recent financial statements of such subsidiary. The amount of guarantees provided by the Company to a single subsidiary in which the Company holds 100% of the voting shares, either directly or indirectly, shall not exceed 40% of the net worth as stated in the most recent financial statements of such subsidiary.

Note 2:On August 11, 2015, the Company's Board of Directors approved that, to assist the newly established energy subsidiary "Hongjun Energy Co., Ltd." in obtaining bank credit facilities to meet operational needs,The Company will provide a guarantee to facilitate its application for working capital and a letter of credit facility from Taipei Fubon Bank, with an amount of NT\$30,000 thousand. This guarantee may only be utilized after the subsidiary is formally established. The subsidiary's name has been reserved following preliminary approval by the Ministry of Economic Affairs. As of September 30, 2015, the subsidiary has not yet been established.

Note 3:New Taiwan Dollar amounts are converted based on the closing exchange rate.

VSO Electronics Co., Ltd. and Subsidiaries
Significant Marketable Securities Held at Period-End
September 30, 2025

Appendix III

Unit: Unless otherwise specified,
in thousands of New Taiwan Dollars

Company Held	Type and Name of Securities	Relationship with the Issuer of the Securities	Accounting Item	Year-end				Remarks
				Number of Shares/Units	Book Value	Shareholding Ratio (%)	Fair Value	
VSO Electronics Co., LTD.	Bonds with Repurchase Option P13 China Life 1A (Note 1)	None	Cash and Cash Equivalents	-	\$ 281,719	-	\$ 281,719	

Note 1: The collateral for the repurchase agreement bonds is Cathay Life Insurance Co., Ltd.'s 2024 Series 1 Unsecured Cumulative Subordinated Senior Corporate Bonds.

Note 2: Disclosure is based on significant intercompany transactions exceeding 1% of total assets.

VSO Electronics Co., Ltd. and Subsidiaries
Transactions with related parties involving purchases or sales reaching NT\$100 million or 20% of paid-in capital
January 1 to September 30, 2025

Appendix IV

Unit: NT\$ thousand

Purchases (Sales) Company	Transaction Counterparty Name	Relationsh ip	Transaction Details				Transaction Conditions Differing from Standard Transactions Circumstances and Reasons		Notes Receivable (Payable), Accounts Receivable (Payable)		Remarks
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable/Pa yable Ratio	
VSO Electronics Co., Ltd.	Ji'an VSO Electronics Co., Ltd.	Subsidiary	Purchases	\$ 660,039	71%	Monthly Settlement 60 Days	Pricing based on internal transfer method	—	(\$ 212,270)	(73%)	—
Ji'an VSO Electronics Co., Ltd	VSO Electronics Co., Ltd.	Parent Company	Sales	(660,039)	(69%)	Monthly settlement 60 days	Pricing based on internal transfer method	—	212,270	63%	—
VSO Electronics Co., Ltd.	VSO (Viet Nam) Electronics Co., Ltd.	Subsidiary	Purchases	206,046	22%	Monthly settlement: 60 days	Pricing based on internal transfer method	—	(67,098)	(23%)	—
VSO (Viet Nam) Electronics Co., Ltd.	VSO Electronics Co., Ltd.	Parent Company	Sales	(206,046)	(80%)	Monthly settlement 60 days	Pricing based on internal transfer method	—	67,098	86%	—
VSO Electronics (Suzhou) Co., LTD. Co., Ltd.	VSO Electronics Co., Ltd.	Brother Company	Purchasing	126,507	63%	Monthly Settlement 60 Days	Pricing based on internal transfer method	—	(39,793)	(62%)	—
VSO Electronics Co., Ltd.	VSO Electronics (Suzhou) Co., LTD. Co., Ltd.	Brother Company	Sales/Invento ry	(126,507)	(13%)	Monthly settlement 60 days	Pricing based on internal transfer method	—	39,793	12%	—
Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	LINKUPON INTERNATIONAL LIMITED	Parent Company	Purchasing	97,155	45%	Monthly settlement: 60 days	Pricing based on internal transfer method	—	(27,518)	(49%)	—
LINKUPON INTERNATIONAL LIMITED	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Subsidiary	Sales	(97,155)	(44%)	Monthly settlement 60 days	Pricing based on internal transfer method	—	27,518	51%	—

Note: Transactions between consolidated companies have been fully eliminated in preparing the consolidated financial statements.

VSO Electronics Co., Ltd. and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital
September 30, 2025

Appendix V

Unit: Unless otherwise specified,
in thousands of New Taiwan Dollars

Company with accounts receivable recorded	Transaction Counterparty Name	Relationship	Balance due from related parties Balance (Note)	Turnover Rate	Overdue Receivables from Related Parties		Amounts Receivable from Related Parties Amounts Recovered After Period	Allowance Provision Loss Amount
					Amount	Disposition Method		
Ji'an VSO Electronics Co., Ltd	VSO Electronics Co., Ltd.	Parent Company	\$ 212,270	4.90	\$ -	—	\$ -	\$ -

Note: Transactions between consolidated companies have been fully eliminated in the preparation of the consolidated financial statements.

VSO Electronics Co., Ltd. and Subsidiaries
Business Relationships and Significant Transactions Between Parent and Subsidiary Companies and Among Subsidiaries, Including Amounts
January 1 to September 30, 2025

Appendix VI

Unit: Unless otherwise specified,
in thousands of New Taiwan Dollars

No. (Note 1)	Transaction Counterparty Name	Transaction Counterparty	Relationship with Counterparty Relationship (Note 2)	Transaction History			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Revenue or Total Assets (%)
0	VSO Electronics Co., Ltd.	Ji'an VSO Electronics Co., Ltd.	1	Accounts Payable - Related Parties	\$ 212,270	Monthly settlement within 60 days	8%
		VSO (Viet Nam) Electronics Co., Ltd.	1	Purchases	660,039	Note 4	34%
				Accounts Payable - Related Parties	67,098	Monthly settlement within 60 days	3%
				Purchases	206,046	Note 4	11%
1	Ji'an VSO Electronics Co., Ltd	VSO Electronics (Suzhou) Co., Ltd.	1	Purchases	14,512	Note 4	1%
		VSO Electronics (Suzhou) Co., Ltd.	3	Accounts Receivable - Related Parties	39,793	Monthly settlement 60 days	2%
				Sales Revenue	126,507	Note 4	6%
				Sales	74,221	Note 4	4%
2	LINKUPON INTERNATIONAL LIMITED	VSO (Viet Nam) Electronics Co., Ltd.	3	Accounts Receivable - Related Parties	27,518	Monthly settlement within 60 days	1%
		Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	3				
				Sales	97,155	Note 4	5%

Note 1: Transactions between the parent company and its subsidiaries should be separately indicated in the reference number column. The reference number should be filled in as follows:

1. Parent company enters 0.
2. Subsidiaries shall be numbered sequentially starting from 1 by company.

Note 2: The relationship with the counterparty falls into one of the following three categories; simply indicate the type:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: All of the above transactions have been fully eliminated.

Note 4: In accordance with the Group's transfer pricing policy system.

Note 5: Disclosure is based on significant intercompany transactions reaching 1% or more of consolidated revenue or total assets.

VSO Electronics Co., Ltd. and Subsidiaries
Information on investee companies, location regions, etc.
January 1 to September 30, 2025

Appendix VII

Unit: Unless otherwise specified
is in thousands of New Taiwan Dollars

Investor Company Name	Name of Investee Company	Location	Principal Business Activities	Original Investment Amount		End-of-Period Holding			Investee Company Net Profit for the Period	Net Investment Income Recognized for the Period Net Investment Income	Remarks
				End of Current Period	Previous Period End	Number of Shares	Ratio	Book Value			
VSO Electronics Co., Ltd.	Cable Garden Holdings Limited	Samoa	Investment Holding Business	\$ 314,786	\$ 314,786	10,224,804	100%	\$ 444,067	\$ 17,228	\$ 16,299	Notes 1 and 3
	LINKUPON INTERNATIONAL LIMITED.	Taiwan	Sales of Engineering Plastics for Optical Vehicle-Mounted 3C Products	90,000	90,000	9,000,000	60%	135,455	26,532	15,919	Note 3
	Vsovn Electronics (HANOI) Company Limited	Vietnam	Production and sales of various smart IoT, cloud, industrial control, medical, and automotive connection cables	208,971 (USD 6,500 thousand)	159,606 (USD 5,000 thousand)	-	100%	177,518	(4,404) (VND 3,651,755 thousand)	(4,404) (VND 3,651,755 thousand)	Note 3
Cable Garden Holdings Limited	VSO (Viet Nam) Electronics Co., LTD. Co., Ltd.	Vietnam	Production and sales of various smart IoT, cloud, industrial control, medical, and automotive cables	60,847 (USD 2,000 thousand)	60,847 (USD 2,000 thousand)	-	100%	61,265	(13,527) (VND 11,217,252 thousand)	(13,545) (VND 11,233,071 thousand)	Notes 2 and 3
LINKUPON INTERNATIONAL LIMITED	Cleveland Investments Limited	Samoa	Investment holding business	56,101	56,101	1,700,000	100%	95,244	9,094	9,094	Note 3
	Linkupon International Holdings, Limited	Samoa	Investment holding business	71,444	71,444	2,407,795	100%	150,006	9,123	9,123	Note 3

Note 1: Investment loss recognized as of September 30, 2025 represents the reversal of unrealized gross profit from counter-flow transactions at the beginning of the period amounting to NT\$2,800 thousand, plus unrealized gross profit from counter-flow transactions at the end of the period amounting to NT\$3,729 thousand; the carrying value is reduced by unrealized gains from pro-flow transactions amounting to NT\$1,049 thousand.

Note 2: Investment gains recognized as of September 30, 2025, represent the reversal of unrealized gross profit from side-stream transactions at the beginning of the period amounting to NT\$4 thousand, plus unrealized gross profit from side-stream transactions at the end of the period amounting to NT\$22 thousand.

Note 3: When preparing the consolidated financial statements, the carrying amount of long-term equity investments, recognized investment gains or losses, and the investee company's profit or loss have been fully eliminated.

Note 4: For information regarding investees in mainland China, please refer to Appendix VIII.

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

VSO Electronics Co., Ltd. and Subsidiaries
Mainland China Investment Information
January 1 to September 30, 2025

Appendix 8

Unit: Unless otherwise specified
is in thousands of New Taiwan Dollars

Name of Mainland Investee Company	Principal Business Activities	Paid-in Capital	Investment Method	Beginning of Current Period Remitted from Taiwan Cumulative Investment Amount	Investment Amount Remitted or Recovered During the Current Period		End of Current Period Remitted from Taiwan Cumulative Investment Amount	Investee Company Current Period Profit or Loss	Direct or indirect investments by the Company Equity Interest	Net Investment Income Recognized for the Period Net Investment Income (Note 1)	Book value of investment at end of period Book Value	Cumulative Investment Income Repatriated Investment Income	Remarks
					Remitted	Recovered							
Ji'an VSO Electronics Co., Ltd	Production and sales of various smart IoT, cloud, industrial control, medical, and automotive connection cables	\$ 175,176 (USD 2,800 thousand and RMB 17,600 thousand yuan)	Notes 4 and 7	\$ 83,052 (USD2,800 thousand)	\$ -	\$ -	\$ 83,052 (USD 2,800 thousand)	\$ 20,742 (RMB 4,802 thousand yuan)	100%	\$ 20,742 (RMB 4,802 thousand yuan) (Note 1 (2) 2.)	\$ 301,163 (RMB 70,480 thousand yuan)	\$ 44,000 (RMB 10,000 thousand yuan)	
VSO Electronics (Suzhou) Co., Ltd.	Production and sales of various smart IoT, cloud, industrial control, medical, and automotive connection cables	56,101 (USD1,700 thousand)	Notes 6 and 7	56,101 (USD 1,700 thousand)	-	-	56,101 (USD 1,700 thousand)	9,094 (RMB 2,105 thousand)	100%	9,094 (RMB 2,105 thousand yuan) (Note 1 (2) 2.)	95,237 (RMB 22,288 thousand yuan)	35,200 (RMB 8,000 thousand yuan)	
Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Sales of Engineering Plastics for Optical and Automotive 3C Applications	53,095 (USD1,400 thousand yuan)	Notes 5 and 7	56,046 (USD1,724 thousand)	-	-	56,046 (USD1,724thousand)	7,953 (RMB 1,841 thousand yuan)	60%	4,772 (RMB 1,104 thousand yuan) (Note 1 (2) 2.)	103,492 (RMB 24,220 thousand yuan)	30,800 (RMB 7,000 thousand yuan)	
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material, Inc.	Production and Sales of Engineering Plastic Composite Materials	190,371 (USD 5,690thousand)	Note 5	50,066 (USD 1,739thousand)	-	-	50,066 (USD 1,739 thousand)	5,203 (RMB 1,205 thousand yuan)	24%	1,249 (RMB 289 thousand yuan) (Note 1 (2) 3.)	46,514 (RMB 10,885 thousand yuan)	4,144 (RMB 930 thousand yuan)	

Cumulative amount remitted from Taiwan to the Mainland during the current period to the Mainland Region	Investment Commission, Ministry of Economic Affairs Approved Investment Amount (Note 2)	Limits on Investment in Mainland China as Specified by the Investment Commission of the Ministry of Economic Affairs Investment Limit for Mainland China (Note 3)
\$245,265	\$ 337,389	\$ 941,197

Note 1: In the "Recognized Investment Gains/Losses for the Period" column:

(1)If the investment is in the preparatory stage and no investment gain or loss has been recognized, this should be noted.

(2)The basis for recognizing investment gains or losses falls into the following three categories, which should be specified.

1. Financial statements reviewed by an international accounting firm with a cooperative relationship with the Institute of Certified Public Accountants of the Republic of China.
2. Financial statements reviewed by the certifying accountant of the Taiwanese parent company.
3. Based on the investee company's unaudited financial statements for the same period.

Note 2: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs is USD10,479,405.55, calculated based on the original remittance exchange rate.

Note 3: Calculated based on the limit of 60% of the consolidated net worth as stipulated in Letter No. 09704604680 issued by the Investment Commission.

Note 4: Represents investments in mainland China companies made by Cable Garden Holding Limited, a third-region entity wholly owned by the company.

Note 5: This is a mainland China company invested in by Linkupon International Holdings, Limited, a third-region entity wholly owned by LINKUPON INTERNATIONAL LIMITED., which is 60% owned.

Note 6: This is a mainland China company invested in by Gen Energy Investment Co., Ltd., a third-region company wholly owned by the Group.

Note 7: Fully eliminated upon preparation of the consolidated financial statements.