

LFA CO., LTD.
(Former name Topower Co., Ltd.)

Financial Statements for the
Third Quarter of 2025 and 2024
and Certified Public Auditor's
Review Report

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CERTIFIED PUBLIC AUDITOR'S REVIEW REPORT

To LFA CO., LTD.

Preface

The balance sheets of LFA CO., LTD. (the "Company", former name Topower Co., Ltd.) as of September 30, 2025 and 2024, as well as the statements of comprehensive income for the periods from July 1 to September 30, 2025 and 2024, and January 1 to September 30, 2025 and 2024, and the statements of changes in equity and cash flows for the periods from January 1 to September 30, 2025 and 2024, together with the notes to the financial statements (including a summary of significant accounting policies), have been reviewed by our certified public auditor. The preparation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard No. 34 "Interim Financial Reporting" promulgated and approved by the Financial Supervisory Commission (FSC) is the responsibility of the management. Our responsibility is to express a conclusion on the financial statements based on our review.

Scope

Our review was conducted in accordance with Review Standard No. 2410, "Review of Financial Statements." The procedures performed in a review include inquiries, primarily of persons responsible for financial and accounting matters, analytical procedures, and other review procedures. The scope of a review is substantially less than that of an audit, and therefore, we may not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements of LFA CO., LTD. as of September 30, 2025 and 2024, as well as the financial performance for the periods from July 1 to September 30, 2025 and 2024, and the financial performance and cash flows for the periods from January 1 to September 30, 2025 and 2024, are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers

and International Accounting Standard No. 34 "Interim Financial Reporting" as promulgated and approved by the Financial Supervisory Commission, such that they fail to present fairly the financial position, financial performance, and cash flows of the Company.

Deloitte & Touche
Taipei, Taiwan
Republic of China
CPA YU,MENG-KUEI

CPA Chang, Keng-Hsi

Financial Supervision Commission
No.Financial-Supervisory-Securities-
Auditing-1130357402

Securities and Futures Bureau
No.Taiwan-Financial-Securities-VI-
0920123784

November 11, 2025

Notice to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the certified public auditor's report and the accompanying 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 certified public auditor's report and financial statements shall prevail.

LFA CO., LTD.
(Former name Topower Co., Ltd.)

BALANCE SHEETS

September 30, 2025, December 31, 2024 and September 30, 2024

In Thousands of New Taiwan Dollars

Code	Asset	September 30 th , 2025		December 31 st , 2024		September 30 th , 2024	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents (Note 6)	\$ 621,800	25	\$ 781,991	30	\$ 711,897	29
1110	Financial assets at fair value through profit or loss-current (Note 7)	2,416	-	2,356	-	2,629	-
1136	Financial assets at amortized cost-current (Note 8)	30,445	1	-	-	31,650	1
1150	Notes receivable (Note 10 and 24)	5,512	-	12,459	1	8,733	-
1160	Notes receivable-related parties (Note 10, 24 and 31)	11,389	1	11,491	-	13,889	1
1170	Accounts receivable (Note 10 and 24)	281,639	11	449,655	17	422,832	17
1180	Accounts receivable-related parties (Note 10, 24 and 31)	10,879	-	11,964	1	7,505	-
1200	Other receivables (Note 10 and 31)	2,030	-	11,666	-	12,426	-
1310	Inventories (Notes 11)	162,941	7	179,064	7	166,723	7
1410	Prepayments (Notes 12)	24,044	1	18,825	1	20,975	1
1479	Other current assets	3,722	-	5,399	-	5,295	-
11XX	Total current assets	<u>1,156,817</u>	<u>46</u>	<u>1,484,870</u>	<u>57</u>	<u>1,404,554</u>	<u>56</u>
NON-CURRENT ASSETS							
1517	Financial assets at fair value through other comprehensive income-noncurrent(Note 9)	2,924	-	2,924	-	2,924	-
1600	Property, plant and equipment (Notes 13 and 31)	706,864	28	636,818	25	610,235	25
1755	Right-of-use assets (Notes 14 and 31)	44,787	2	6,984	-	9,299	-
1760	Investments property (Notes 15 and 32)	51,056	2	51,528	2	51,685	2
1780	Other intangible assets (Notes 16)	-	-	470	-	627	-
1840	Deferred income tax assets (Notes 4)	20,019	1	11,340	1	14,804	1
1975	Net defined benefit assets (Notes 4)	10,539	1	10,425	-	9,504	-
1990	Other non-current assets (Notes 17 and 31)	496,417	20	391,831	15	394,168	16
15XX	Total non-current assets	<u>1,332,606</u>	<u>54</u>	<u>1,112,320</u>	<u>43</u>	<u>1,093,246</u>	<u>44</u>
1XXX	TOTAL ASSETS	<u>\$ 2,489,423</u>	<u>100</u>	<u>\$ 2,597,190</u>	<u>100</u>	<u>\$ 2,497,800</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term loans (Notes 18 and 32)	\$ 269,650	11	\$ 199,650	8	\$ 234,650	9
2130	Contract liabilities (Notes 24)	7,590	-	3,403	-	3,420	-
2170	Accounts payable (Notes 19)	108,021	4	185,580	7	172,278	7
2180	Accounts payable-related parties (Note 19 and 31)	116,578	5	150,621	6	134,982	6
2219	Other payables (Notes 20 and 31)	56,970	2	73,066	3	61,720	3
2280	Lease liabilities-current (Note 14 and 31)	9,968	-	6,650	-	8,792	-
2230	Current income tax liabilities (Notes 4)	13,096	1	44,643	2	31,470	1
2250	Provisions for liabilities-current (Notes 21)	26,800	1	30,106	1	31,157	1
2300	Other current liabilities	1,270	-	1,155	-	1,059	-
21XX	Total current liabilities	<u>609,943</u>	<u>24</u>	<u>694,874</u>	<u>27</u>	<u>679,528</u>	<u>27</u>
NON-CURRENT LIABILITIES							
2570	Deferred income tax liabilities (Notes 4)	2,108	-	4,908	-	1,901	-
2580	Lease liabilities-noncurrent (Note 14 and 31)	34,873	2	526	-	750	-
2645	Guarantee deposits	628	-	628	-	628	-
25XX	Total non-current liabilities	<u>37,609</u>	<u>2</u>	<u>6,062</u>	<u>-</u>	<u>3,279</u>	<u>-</u>
2XXX	TOTAL LIABILITIES	<u>647,552</u>	<u>26</u>	<u>700,936</u>	<u>27</u>	<u>682,807</u>	<u>27</u>
EQUITY (Note 23)							
3110	Share Capital-Common stock	644,306	26	644,306	25	644,306	26
3210	Capital Surplus – Issuance Premium	14,894	-	14,883	-	14,883	1
Retained earnings							
3310	Legal reserve	259,041	11	223,149	9	223,149	9
3320	Special reserve	3,950	-	3,950	-	3,950	-
3350	Unappropriated earnings	923,630	37	1,013,916	39	932,655	37
3400	Other components of equity	(3,950)	-	(3,950)	-	(3,950)	-
3XXX	TOTAL EQUITY	<u>1,841,871</u>	<u>74</u>	<u>1,896,254</u>	<u>73</u>	<u>1,814,993</u>	<u>73</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 2,489,423</u>	<u>100</u>	<u>\$ 2,597,190</u>	<u>100</u>	<u>\$ 2,497,800</u>	<u>100</u>

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

Chairman : Lin, Chong-Yi

Manager : Lin, Chong-Yi

Accounting Manager : Kang, Chih-He

LFA CO., LTD.
(Former name Topower Co., Ltd.)

STATEMENTS OF COMPREHENSIVE INCOME

July 1st to September 30th, 2025 and 2024

January 1st to September 30th, 2025 and 2024

In Thousands of New Taiwan Dollars,
Except Earnings Per Share

Code		July 1 st to September 30 th , 2025		July 1 st to September 30 th , 2024		January 1 st to September 30 th , 2025		January 1 st to September 30 th , 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 24 and 31)	\$ 308,435	100	\$ 461,725	100	\$ 1,276,268	100	\$ 1,666,134	100
5000	OPERATING COSTS (Notes 11, 25 and 31)	<u>313,803</u>	<u>101</u>	<u>350,880</u>	<u>76</u>	<u>1,097,512</u>	<u>86</u>	<u>1,236,069</u>	<u>74</u>
5900	GROSS PROFIT	(<u>5,368</u>)	(<u>1</u>)	<u>110,845</u>	<u>24</u>	<u>178,756</u>	<u>14</u>	<u>430,065</u>	<u>26</u>
	OPERATING EXPENSE (Notes 25 and 31)								
6100	Marketing expenses	11,689	4	14,205	3	42,852	3	46,533	3
6200	Administrative expenses	12,044	4	12,485	3	35,054	3	39,206	2
6300	Research and development	<u>15,699</u>	<u>5</u>	<u>14,184</u>	<u>3</u>	<u>48,951</u>	<u>4</u>	<u>45,797</u>	<u>3</u>
6000	Total operating expenses	<u>39,432</u>	<u>13</u>	<u>40,874</u>	<u>9</u>	<u>126,857</u>	<u>10</u>	<u>131,536</u>	<u>8</u>
6900	OPERATING INCOME	(<u>44,800</u>)	(<u>14</u>)	<u>69,971</u>	<u>15</u>	<u>51,899</u>	<u>4</u>	<u>298,529</u>	<u>18</u>
	NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)								
7100	Interest income	5,309	2	6,795	2	15,935	1	18,289	1
7010	Other income	1,736	-	1,306	-	7,586	-	9,407	1
7020	Other gains and losses	35,394	11	(25,605)	(6)	(92,761)	(7)	33,960	2
7050	Finance costs	(<u>1,172</u>)	-	(<u>1,062</u>)	-	(<u>3,030</u>)	-	(<u>3,338</u>)	-
7000	Total non-operating income and expenses	<u>41,267</u>	<u>13</u>	(<u>18,566</u>)	(<u>4</u>)	(<u>72,270</u>)	(<u>6</u>)	<u>58,318</u>	<u>4</u>
7900	EARNINGS BEFORE TAX	(3,533)	(1)	51,405	11	(20,371)	(2)	356,847	22
7950	INCOME TAX EXPENSE (Notes 4 and 26)	(<u>741</u>)	-	<u>10,307</u>	<u>2</u>	<u>1,808</u>	-	<u>79,192</u>	<u>5</u>
8200	NET INCOME	(<u>2,792</u>)	(<u>1</u>)	<u>41,098</u>	<u>9</u>	(<u>22,179</u>)	(<u>2</u>)	<u>277,655</u>	<u>17</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(<u>\$ 2,792</u>)	(<u>1</u>)	<u>\$ 41,098</u>	<u>9</u>	(<u>\$ 22,179</u>)	(<u>2</u>)	<u>\$ 277,655</u>	<u>17</u>
	EARNINGS PER SHARE (Note 27)								
9710	Basic earnings per share	(<u>\$ 0.04</u>)		<u>\$ 0.64</u>		(<u>\$ 0.34</u>)		<u>\$ 4.31</u>	
9810	Diluted earnings per share	(<u>\$ 0.04</u>)		<u>\$ 0.64</u>		(<u>\$ 0.34</u>)		<u>\$ 4.31</u>	

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

Chairman : Lin, Chong-Yi

Manager : Lin, Chong-Yi

Accounting Manager : Kang, Chih-He

LFA CO., LTD.
(Former name Topower Co., Ltd.)
STATEMENTS OF CHANGES IN EQUITY
January 1st to September 30th, 2025 and 2024

In Thousands of New Taiwan Dollars

Code		Legal capital reserve	Special capital reserve	Retained Earnings		Unappropriated Earnings	Others	Total Equity
				Legal capital reserve	Special capital reserve		Unrealized Gain (Loss) on Financial Assets Through Other Comprehensive Income	
A1	BALANCE, January 1, 2024	\$ 644,306	\$ 14,878	\$ 197,123	\$ 3,950	\$ 713,241	(\$ 3,950)	\$ 1,569,548
	Appropriations of 2023 earnings (Note 23)							
B1	Legal Reserve	-	-	26,026	-	(26,026)	-	-
B5	Cash dividends to shareholders	-	-	-	-	(32,215)	-	(32,215)
	Changes in other capital surplus							
C17	Shareholders fail to claim dividends overdue	-	5	-	-	-	-	5
D1	Net Income for the Period from January 1, 2024 to September 30, 2024	-	-	-	-	277,655	-	277,655
D5	Total comprehensive income (loss) for the Period from January 1, 2024 to September 30, 2024	-	-	-	-	277,655	-	277,655
Z1	BALANCE, September 30, 2024	\$ 644,306	\$ 14,883	\$ 223,149	\$ 3,950	\$ 932,655	(\$ 3,950)	\$ 1,814,993
A1	BALANCE, January 1, 2025	\$ 644,306	\$ 14,883	\$ 223,149	\$ 3,950	\$ 1,013,916	(\$ 3,950)	\$ 1,896,254
	Appropriations of 2024 earnings (Note 23)							
B1	Legal Reserve	-	-	35,892	-	(35,892)	-	-
B5	Cash dividends to shareholders	-	-	-	-	(32,215)	-	(32,215)
	Changes in other capital surplus							
C17	Shareholders fail to claim dividends overdue	-	11	-	-	-	-	11
D1	Net Income for the Period from January 1, 2025 to September 30, 2025	-	-	-	-	(22,179)	-	(22,179)
D5	Total comprehensive income (loss) for the Period from January 1, 2025 to September 30, 2025	-	-	-	-	(22,179)	-	(22,179)
Z1	BALANCE, September 30, 2025	\$ 644,306	\$ 14,894	\$ 259,041	\$ 3,950	\$ 923,630	(\$ 3,950)	\$ 1,841,871

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

Chairman : Lin, Chong-Yi

Manager : Lin, Chong-Yi

Accounting Manager : Kang, Chih-He

LFA CO., LTD.
(Former name Topower Co., Ltd.)
STATEMENTS OF CASH FLOWS

January 1st to September 30th, 2025 and 2024

In Thousands of New Taiwan Dollars

<u>Code</u>		<u>January 1st to September 30th, 2025</u>	<u>January 1st to September 30th, 2024</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Earnings before tax	(\$ 20,371)	\$ 356,847
A20010	Income and expense item		
A20100	Depreciation expense	166,278	139,973
A20200	Amortization expense	470	669
A20400	Loss (gain) on financial instruments at fair value through profit or loss	(60)	17
A20900	Finance costs	3,030	3,338
A21200	Interest income	(15,935)	(18,289)
A22500	Gain on disposal of property, plant and equipment	-	(23)
A23700	Reduce inventory to market	1,066	3,570
A24100	Loss (gain) on foreign exchange	34,715	(4,282)
A29900	Provision for liabilities	(682)	11,123
A30000	Changes in operating assets and liabilities		
A31130	Note receivables	6,947	3,790
A31140	Note receivables-related parties	102	8,870
A31150	Account receivables	173,334	81,166
A31160	Account receivables-related parties	1,085	454
A31180	Other receivables	9,700	-
A31200	Inventories	15,057	9,943
A31230	Prepayments	(5,219)	(4,473)
A31240	Other current assets	1,677	2,049
A32125	Contract liabilities	4,187	2,165
A32150	Accounts payable	(77,559)	(36,942)
A32160	Accounts payable-related parties	(34,043)	(50,333)
A32180	Other payable	(6,891)	(8,916)
A32200	Provision for liabilities	(2,624)	(4,043)
A32230	Other current liabilities	115	(71)
A32240	Net defined benefit asset	(114)	(82)
A33000	Cash generated from operations	254,265	496,520
A33100	Interest received	15,871	18,004

(Continued)

(Continued)

<u>Code</u>		<u>January 1st to September 30th, 2025</u>	<u>January 1st to September 30th, 2024</u>
A33300	Interest paid	(\$ 3,158)	(\$ 3,426)
A33500	Income tax paid	(44,834)	(80,995)
AAAA	Net cash generated by operating activities	<u>222,144</u>	<u>430,103</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
B00040	Acquisition of financial assets measured at amortized cost	(30,445)	-
B00050	Disposal of financial assets measured at amortized cost	-	81,268
B02700	Acquisitions of Property, plant and equipment	(237,561)	(152,521)
B02800	Proceeds from disposal of property, plant and equipment	-	795
B03700	Increase in refundable deposits	(41,319)	(40,156)
B07100	Increase in advance payment for equipment	(63,267)	(53,960)
BBBB	Net cash used in investing activities	<u>(372,592)</u>	<u>(164,574)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Increase in short-term borrowings	70,000	-
C00200	Decrease in short-term borrowings	-	(20,350)
C04020	Repayment of the principal portion of lease liabilities	(7,487)	(7,049)
C04500	Payments of cash dividends	(32,215)	(32,215)
C09900	Dividends not claimed by shareholders overdue	<u>11</u>	<u>5</u>
CCCC	Net cash generated by (used in) financing activities	<u>30,309</u>	<u>(59,609)</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(40,052)</u>	<u>12,753</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(160,191)	218,673
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>781,991</u>	<u>493,224</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 621,800</u>	<u>\$ 711,897</u>

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

Chairman : Lin, Chong-Yi

Manager : Lin, Chong-Yi

Accounting Manager : Kang, Chih-He

LFA CO., LTD.
(Former name Topower Co., Ltd.)

NOTES TO THE FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Specified otherwise)

1. Company history

LFA CO., LTD. (referred to as "The Company") was established in September 1986, with main business activities including manufacturing, processing, and trading of automotive components, and electronic components. The former name of the Company was Topower Co., LTD., and was changed to LFA CO., LTD. on December 12th, 2024. The Company's stock has been listed on the Taiwan OTC market since June 16th, 2004.

This financial report is presented in the functional currency of the Company, which is New Taiwan Dollars.

2. Date and procedures of approval of financial statements

The financial statements were authorized for issue by the Board of Directors on November 11, 2025.

3. Application of new, amended and revised standards and interpretations

(1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

(2) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2026.

<u>New Issued / Amended / Revision IFRS or Explanation</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the revised application guidance for the classification of financial assets	January 1, 2026
Amendments to IFRS 9 and IFRS 7: "Contracts for Renewable Electricity"	January 1, 2026

New Issued / Amended / Revision IFRS or Explanation	Effective Date Announced by IASB
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 Amendments)	January 1, 2023

As of the date this financial report was authorized for issue, the Company is still in the process of evaluating the impact of these amendments on its financial position and financial performance. The related impact will be disclosed upon completion of the evaluation.

(3) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New Issued / Amended / Revision IFRS or Explanation	Effective Date Announced 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 Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 Amendments)	January 1, 2027

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

Note 2 : On September 25, 2025, the Financial Supervisory Commission (FSC) announced that enterprises in Taiwan shall apply IFRS 18 starting from January 1, 2028. Early adoption is also permitted after the FSC's endorsement of IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes in this standard include:

- The statement of profit or loss should classify income and expenses into operating, investing, financing, income tax, and discontinued operations categories.
- The statement of profit or loss should present subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and profit or loss.
- Guidance is provided to enhance aggregation and disaggregation requirements: The Company is required to identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them based on shared characteristics

to ensure that each line item presented in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and the notes. The Company should only label such items as "other" when a more informative label cannot be found.

- Increased disclosure of management-defined performance measures: When the Company communicates publicly outside the financial statements, and when communicating with users of financial statements about management's views of a particular aspect of the Company's overall financial performance, it should disclose information about management-defined performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, a reconciliation to the subtotals or totals specified by IFRS Accounting Standards, and the income tax and non-controlling interest effects of the related reconciling items.

In addition to the above impacts, as of the date these financial statements were authorized for issue, the Company is still in the process of assessing the other impacts of the amendments to various standards and interpretations on its financial position and financial performance. The relevant impacts will be disclosed when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The Company's financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC). These financial statements do not include all of the disclosures required for a full set of annual financial statements prepared in accordance with IFRSs.

(2) Basis of Preparation

The Company's financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for an asset or liability.

(3) Other Significant Accounting Policies

Except for the following descriptions, please refer to the summary of significant accounting policies disclosed in the financial statements for the year ended 2024.

a. Defined Benefit Post-employment Benefits

The pension cost for the interim period is calculated based on the pension cost rate determined by actuarial valuation as of the end of the prior financial year, applied to the year-to-date basis. Adjustments are made for significant market fluctuations during the period, material plan amendments, settlements, or other significant one-off events.

b. Income Tax Expense

Income tax expense is the total amount of current income tax and deferred income tax. Income tax for the interim period is assessed on an annualized basis, by applying the tax rate expected for the total annual earnings to the pre-tax profit for the interim period.

c. Financial Instruments – Derivative Instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. However, for derivatives that are designated and effective as a hedging instrument, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a financial asset when its fair value is positive and as a financial liability when its fair value is negative.

Derivatives embedded in host contracts that are assets within the scope of IFRS 9 "Financial Instruments" are not separated; instead, the classification of the entire hybrid contract is determined based on the overall contract. For derivatives embedded in host contracts that are not within the scope of IFRS 9 (e.g., embedded in financial liability host contracts), they are treated as separate derivatives if: The embedded derivative meets the definition of a derivative; Their risks and characteristics are not closely related to those of the host contract; and The hybrid contract is not measured at fair value through profit or loss (FVTPL).

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions on the carrying amounts of assets

and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Company has considered the impact of the U.S. reciprocal tariff measures, inflation, and interest rate fluctuations on critical accounting estimates, and will continue to evaluate their effects on cash flow estimations, growth rates, discount rates, and profitability. The related estimates and underlying assumptions will be reviewed and adjusted on an ongoing basis.

The accounting policies, estimates and basic assumptions adopted by the company have not been subject to uncertainty in major accounting judgments, estimates and assumptions after evaluation by the company's management.

6. Cash and cash equivalent

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Cash on hand	\$ 353	\$ 241	\$ 563
Bank deposit			
Check and demand deposit	72,073	125,367	45,439
Foreign currency deposit	313,730	247,057	412,695
Cash equivalent (Investments with original maturity within 3 months)			
Bank foreign currency time deposit	235,644	319,326	253,200
Repurchase Bond	-	90,000	-
	<u>\$ 621,800</u>	<u>\$ 781,991</u>	<u>\$ 711,897</u>

Market interest rate range:

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Checking and saving	0.01%~4.00%	0.01%~4.35%	0.01%~1.15%
Foreign currency time deposit	4.20%~4.37%	4.68%~4.75%	5.15%~5.30%
Repurchase Bond	-	1.32%	-

7. Loss (gain) on financial instruments at fair value through profit or loss

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Financial assets – current</u>			
Mandatory fair value through profit or loss for non-derivative financial assets			
– Mutual fund beneficiary certificate	<u>\$ 2,416</u>	<u>\$ 2,356</u>	<u>\$ 2,629</u>

8. Financial assets measured at amortized cost

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Current</u> (note)			
Domestic investment			
Limited time deposit Time deposit over 3 months	\$ 30,445	\$ -	\$ 31,650

Note: The Company measures the 12-month expected credit losses or lifetime expected credit losses for financial assets at amortized cost—current, by considering the debtors' historical default records and current financial positions. As of September 30, 2025 and 2024, the Company evaluated that no allowance for expected credit losses was required for financial assets at amortized cost—current.

Interest rate ranges for periodic deposits as of June 30, 2025 and 2024, were **4.14%** and **5.24%**, respectively.

9. Financial assets at fair value through other comprehensive income

Equity instrument investment

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Non-current</u>			
Domestic investment			
Unlisted Share	\$ 2,924	\$ 2,924	\$ 2,924

The Company invests in common shares of domestic unlisted (over-the-counter) companies in accordance with its mid-to-long-term strategic objectives, anticipating profits through long-term investment. The management believes that including short-term fair value fluctuations of these investments in profit or loss is inconsistent with the aforementioned long-term investment plan. Therefore, we have elected to designate these investments as fair value through other comprehensive income (FVOCI).

10. Notes receivable, accounts receivable and other receivables

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Notes receivable</u>			
Measured at amortized cost			
Total book value			
Non-related party	\$ 5,512	\$ 12,459	\$ 8,733
Related party	\$ 11,389	\$ 11,491	\$ 13,889

Accounts receivable

Measured at amortized cost

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Total book value			
Non-related party	<u>\$ 281,639</u>	<u>\$ 449,655</u>	<u>\$ 422,832</u>
Related party	<u>\$ 10,879</u>	<u>\$ 11,964</u>	<u>\$ 7,505</u>
<u>Other receivables</u>			
Interest receivable	\$ 1,926	\$ 1,862	\$ 2,631
Other receivables - related parties	-	9,795	9,795
Others	<u>104</u>	<u>9</u>	<u>-</u>
	<u>\$ 2,030</u>	<u>\$ 11,666</u>	<u>\$ 12,426</u>

(1) Notes and accounts receivable

To reduce credit risk, the management of The Company has assigned a dedicated team to monitor the process and ensure that appropriate actions have been taken to collect overdue receivables. In addition, on the balance sheet date, The Company reviews the recoverable amount of each receivable item to ensure that the appropriate impairment loss has been recognized for any unrecoverable receivables. Based on these measures, the management of The Company believes that our credit risk has significantly decreased.

The Company recognizes the allowance for credit losses on receivables based on expected credit losses over the lifetime of the receivables. Lifetime expected credit losses are calculated using a provision matrix, which considers customers' past default records and current financial conditions, as well as GDP forecasts. Given that the Company's historical credit loss experience indicates no significant difference in loss patterns among different customer segments, the provision matrix does not further segment customer groups but only determines the expected credit loss rates based on the aging of the receivables.

The Company writes off receivables when a counterparty experiences severe financial distress and the amount is deemed uncollectible. Recovery efforts remain ongoing, and any amounts recovered through such actions are credited to profit or loss.

The Company measures the provision for impairment losses on receivables (accounts receivable and notes receivable) according to the probability matrix as follows:

September 30th, 2025

<u>Non-overdue</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Total</u>
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		1-90 days	91-180 days	Over 181 days	
Expected credit loss rate	-	-	-	100%	-
Total book value	\$ 252,262	\$ 57,157	\$ -	\$ -	\$ 309,419
Allowance for losses (Expected credit losses during the duration)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 252,262</u>	<u>\$ 57,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,419</u>

December 31st, 2024

	Non-overdue	Overdue 1-90 days	Overdue 91-180 days	Overdue Over 181 days	Total
Expected credit loss rate	-	-	-	100%	-
Total book value	\$ 445,575	\$ 39,994	\$ -	\$ -	\$ 485,569
Allowance for losses (Expected credit losses during the duration)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 445,575</u>	<u>\$ 39,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,569</u>

September 30st, 2024

	Non-overdue	Overdue 1-90 days	Overdue 91-180 days	Overdue Over 181 days	Total
Expected credit loss rate	-	-	-	100%	-
Total book value	\$428,951	\$ 24,008	\$ -	\$ -	\$452,959
Allowance for losses (Expected credit losses during the duration)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$428,951</u>	<u>\$ 24,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$452,959</u>

As the majority of the overdue accounts have been collected subsequent to the reporting period, the Company's management assessed that there were no expected credit losses on receivables as of September 30, 2025, and December 31 and September 30, 2024.

(2) Other receivables

The Company's other receivables mainly consist of accrued interest and other receivables from related parties. The Company's policy is to transact only with counterparties with good credit standing. The Company continuously monitors and refers to the counterparties' past default records and analyzes their current financial conditions to assess whether the credit risk of other receivables has significantly increased since initial recognition and to measure expected credit losses. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Company has assessed that no allowance for expected credit losses is required for other receivables.

11. Inventory

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Raw material	\$ 49,163	\$ 58,826	\$ 65,906
Finished products	53,074	63,729	37,449
Semi-finished products	35,527	34,608	34,296
Work in progress	<u>25,177</u>	<u>21,901</u>	<u>29,072</u>

September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>\$ 162,941</u>	<u>\$ 179,064</u>	<u>\$ 166,723</u>

For the three months and nine months ended September 30, 2025 and 2024, the cost of goods sold included losses on inventory value decline in the amounts of NT \$200 thousand, NT \$2,504 thousand, NT \$1,066 thousand, and NT \$3,570 thousand, respectively.

12. Prepayments

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Overpaid VAT	\$ 5,572	\$ 4,774	\$ 4,798
Other prepayments	<u>18,472</u>	<u>14,051</u>	<u>16,177</u>
	<u>\$ 24,044</u>	<u>\$ 18,825</u>	<u>\$ 20,975</u>

13. Property, plant and equipment - own use

	Machine equipment	Mold equipment	Transportatio n equipment	Office equipment	Lease improvement	Total
Cost						
Balance as of January 1, 2025	\$ 54,361	\$1,328,168	\$ 15,406	\$ 3,322	\$ 27,960	\$1,429,217
Increase	<u>1,442</u>	<u>225,455</u>	<u>-</u>	<u>1,606</u>	<u>-</u>	<u>228,503</u>
Balance as of September 30, 2025	<u>55,803</u>	<u>1,553,623</u>	<u>15,406</u>	<u>4,928</u>	<u>27,960</u>	<u>1,657,720</u>
Accumulated depreciation and impairment						
Balance as of January 1, 2025	41,088	716,447	9,392	3,120	22,352	792,399
Depreciation	<u>3,873</u>	<u>150,675</u>	<u>1,217</u>	<u>312</u>	<u>2,380</u>	<u>158,457</u>
Balance as of September 30, 2025	<u>44,961</u>	<u>867,122</u>	<u>10,609</u>	<u>3,432</u>	<u>24,732</u>	<u>950,856</u>
Net balance as of September 30, 2025	<u>\$ 10,842</u>	<u>\$ 686,501</u>	<u>\$ 4,797</u>	<u>\$ 1,496</u>	<u>\$ 3,228</u>	<u>\$ 706,864</u>
Net balance as of December 31, 2024 and January 1, 2025	<u>\$ 13,273</u>	<u>\$ 611,721</u>	<u>\$ 6,014</u>	<u>\$ 202</u>	<u>\$ 5,608</u>	<u>\$ 636,818</u>
Cost						
Balance as of January 1, 2024	\$ 54,154	\$1,117,825	\$ 11,691	\$ 3,232	\$ 27,960	\$1,214,862
Increase	2,941	148,253	3,715	90	-	154,999
Disposal	<u>(2,140)</u>	<u>(12,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,292)</u>
Balance as of September 30, 2024	<u>54,955</u>	<u>1,253,926</u>	<u>15,406</u>	<u>3,322</u>	<u>27,960</u>	<u>1,355,569</u>
Accumulated depreciation and impairment						
Balance as of January 1, 2024	38,164	550,532	7,622	2,991	18,872	618,181
Depreciation	3,622	124,854	1,364	100	2,616	132,556
Disposal	<u>(1,368)</u>	<u>(4,035)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,403)</u>
Balance as of September 30, 2024	<u>40,418</u>	<u>671,351</u>	<u>8,986</u>	<u>3,091</u>	<u>21,488</u>	<u>745,334</u>
Net balance as of September 30, 2024	<u>\$ 14,537</u>	<u>\$ 582,575</u>	<u>\$ 6,420</u>	<u>\$ 231</u>	<u>\$ 6,472</u>	<u>\$ 610,235</u>

As there were no indications of impairment for the periods from January 1 to September 30, 2025 and 2024, the Company did not perform an impairment assessment.

Depreciation expense is provided on a straight-line basis over the following useful years:

Machine equipment	3-6 years
Mold equipment	2-5 years
Transportation equipment	5 years
Office equipment	2-5 years

Lease improvement 3-5 years

14. Lease agreement

(1) Right-of-use assets

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024	
Carrying amounts of right-of-use assets				
Building	\$ 40,762	\$ 5,587	\$ 7,681	
Transportation equipment	<u>4,025</u>	<u>1,397</u>	<u>1,618</u>	
	<u>\$ 44,787</u>	<u>\$ 6,984</u>	<u>\$ 9,299</u>	
	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Additions to right-of-use assets			<u>\$ 45,152</u>	<u>\$ -</u>
Depreciation expense on right-of-use assets				
Building	\$ 2,088	\$ 2,095	\$ 6,277	\$ 6,284
Transportation equipment	<u>528</u>	<u>220</u>	<u>1,072</u>	<u>662</u>
	<u>\$ 2,616</u>	<u>\$ 2,315</u>	<u>\$ 7,349</u>	<u>\$ 6,946</u>

Except for the depreciation expenses recognized as mentioned above, there were no significant additions, subleases, or impairment losses related to the Company's right-of-use assets for the periods from January 1 to September 30, 2025 and 2024.

(2) Lease liabilities

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Carrying amounts of lease liabilities			
Current	<u>\$ 9,968</u>	<u>\$ 6,650</u>	<u>\$ 8,792</u>
Non-current	<u>\$ 34,873</u>	<u>\$ 526</u>	<u>\$ 750</u>

The discount rate range for the lease liability is as follows:

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Building	1.85%	1.39%	1.39%
Transportation equipment	1.80%	1.80%	1.80%

(3) Important leasing activities and terms:

The Company leases buildings and transportation equipment for use as factories,

offices, and company vehicles for a period of 3 to 5 years. At the end of the lease term, The Company does not have any preferential purchase rights for the leased buildings and transportation equipment.

- (4) For information on the company's business leasing of investment properties, please refer to Note 15.
 (5) Other leasing information.

	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Short-term lease expense	<u>\$ 2,100</u>	<u>\$ 2,100</u>	<u>\$ 6,300</u>	<u>\$ 6,300</u>
Total amount (outflows) from leases			<u>(\$ 13,915)</u>	<u>(\$ 13,494)</u>

15. Investment property

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Investment property	<u>\$ 51,056</u>	<u>\$ 51,528</u>	<u>\$ 51,685</u>

Except for the depreciation expenses recognized, there were no significant additions, disposals, or impairment losses related to the Company's investment properties for the periods from January 1 to September 30, 2025 and 2024.

The total lease payments to be received in the future for leasing investment property under operating leases are as follows:

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
First year	\$ 3,274	\$ 2,469	\$ 2,804
Second year	2,086	1,349	-
Third year	<u>337</u>	<u>674</u>	-
	<u>\$ 5,697</u>	<u>\$ 4,492</u>	<u>\$ 2,804</u>

Investment properties are depreciated on a straight-line basis based on the following useful lives:

Building and structures - 50 years.

The fair value of the Company's investment property as of September 30, 2025, December 31, 2024, and September 30, 2024 was NT \$175,886 thousand, NT \$217,637 thousand, and NT \$181,117 thousand, respectively. Such fair value was evaluated by the Company's management based on recent actual transaction prices of similar properties in the vicinity, with reference to the Real Estate Transacted Price Inquiry website of the Ministry of the Interior.

For the amount of investment property pledged as collateral for borrowings, please refer to Note 32.

16. Other intangible assets

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Computer software	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ 627</u>

Except for the amortization expenses recognized, there were no significant additions, disposals, or impairment losses related to the Company's other intangible assets for the periods from January 1 to September 30, 2025 and 2024. Amortization expenses were calculated on a straight-line basis over a useful life of 3 years.

17. Other non-current assets

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Prepaid equipment	\$ 450,847	\$ 387,580	\$ 347,719
Refundable deposits	<u>45,570</u>	<u>4,251</u>	<u>46,449</u>
	<u>\$ 496,417</u>	<u>\$ 391,831</u>	<u>\$ 394,168</u>

In the first quarters of 2025 and 2024, the Company entered into purchase and delivery agreements with suppliers and paid a purchase deposit of NT \$40,000 thousand, which was recorded under refundable deposits.

18. Short-term loan

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Pledged borrowings (Note 32)</u>			
Bank borrowings	\$ 100,000	\$ -	\$ -
<u>Unsecured loan</u>			
Line of credit loan	<u>169,650</u>	<u>199,650</u>	<u>234,650</u>
	<u>\$ 269,650</u>	<u>\$ 199,650</u>	<u>\$ 234,650</u>

(1) Interest rates for secured bank borrowings were 1.775% as of September 30, 2025.

(2) Interest rates for bank revolving loans were 1.825%–1.94%, 1.775%–1.9%, and 0.5%–1.9% as of September 30, 2025, December 31, 2024, and September 30, 2024, respectively.

19. Accounts Payable

The Company's accounts payable primarily consist of amounts due for purchases of goods. The Company has established financial risk management policies to ensure that all payables are settled within the predetermined credit terms.

20. Other accounts payable

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Payable salary and bonus	\$ 21,479	\$ 23,971	\$ 25,932
Payable for equipment	13,384	22,442	10,522
Payable processing fee	3,076	4,322	5,406
Payable for mold repair	3,056	3,376	2,357
Payable test fee – related party	2,858	3,101	3,044

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Others	<u>13,117</u>	<u>15,854</u>	<u>14,459</u>
	<u>\$ 56,970</u>	<u>\$ 73,066</u>	<u>\$ 61,720</u>

21. Liability provision

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Current</u> Warranty	<u>\$ 26,800</u>	<u>\$ 30,106</u>	<u>\$ 31,157</u>

The warranty liability reserve is based on the sales contract for goods. The management of the Company estimates the present value of the best estimate of future economic benefits that will flow out due to warranty obligations. This estimate is based on historical warranty experience and takes into account adjustments for new raw materials, process changes, or other factors affecting product quality.

22. Retirement benefit plan

The pension benefits related to the defined benefit plan recognized for the periods from July 1 to September 31, 2025 and 2024, and January 1 to September 30, 2025 and 2024, were calculated using the pension cost rates determined by actuarial valuations as of December 31, 2024 and 2023, amounting to NT\$ 38 thousand, \$27 thousand, \$114 thousand and NT\$ 82 thousand, respectively.

23. Equity

(1) Share capital

Common stock

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Number of shares authorized (thousand shares)	<u>88,000</u>	<u>88,000</u>	<u>88,000</u>
Authorized capital	<u>\$ 880,000</u>	<u>\$ 880,000</u>	<u>\$ 880,000</u>
Number of issued and fully paid shares (thousand shares)	<u>64,431</u>	<u>64,431</u>	<u>64,431</u>
Paid-in capital	<u>\$ 644,306</u>	<u>\$ 644,306</u>	<u>\$ 644,306</u>

The issued common stock has a par value of NTD 10 per share, and each share has one voting right and the right to receive dividends.

(2) Capital surplus

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Can be used to make up for losses, distribute cash or allocate capital (Note 1)</u> Additional paid-in capital	<u>\$ 14,705</u>	<u>\$ 14,705</u>	<u>\$ 14,705</u>

Can be used only to make up losses

Dividends not collected by shareholders overdue (Note 2)

189	178	178
<u>\$ 14,894</u>	<u>\$ 14,883</u>	<u>\$ 14,883</u>

Note 1: This type of capital surplus can be used to offset losses, and can also be used to distribute cash or allocate to share capital when the company has no losses, but the allocation to share capital is limited to a certain percentage of the paid-in share capital each year.

Note 2: According to the Ruling No. 10602420200 issued by the Ministry of Economic Affairs on September 21th, 2017, dividends that shareholders fail to collect within the statute of limitations shall be recognized as capital surplus.

(3) Retained earnings and dividend policy

In accordance with the Company's amended Articles of Association resolved by the shareholders' meeting at June 27, 2024, if there are surplus earnings before tax upon the final settlement of account of each fiscal year, the Company shall, accrue income tax payable first, offset any previous accumulated losses, and then set aside 10% of such profits as a legal reserve. However, when the legal reserve equals to the paid-in capital, the company may cease further appropriations and, after considering operational needs or in accordance with laws and regulations or directives from competent authorities regarding the appropriation or reversal of special surplus reserves, determine the distributable earnings for the current year. Together with the undistributed earnings from prior years, the Board of Directors shall prepare a profit distribution proposal to submit to the shareholders' meeting for resolution on the distribution of dividends to shareholders. When dividends or legal surplus reserves and capital reserves are distributed in cash, the Board of Directors is authorized to execute such distribution with the presence of at least two-thirds of the directors and approval by a majority of the directors present, and to report the same to the shareholders' meeting.

The Company, upon considering factors such as future funding needs, financial structure, and profits, for the purpose of sustainable management and steady company growth, in the future, the dividends of the Company will depend on the Company's operation situation, the Board of Directors shall prepare a profit distribution proposal to submit to the shareholders' meeting for resolution on the distribution of dividends to shareholders. The distributed dividend in the form of cash shall not be less than 30% of the total amount of dividend allocable in the year.

Before the Company amended the dividends distribution policy in the Article of Incorporation, if there are surplus earnings before tax upon the final settlement of account of each fiscal year, the Company shall, accrue income tax payable first, offset any previous accumulated losses, and then set aside 10% of such profits as a legal reserve. However, when the legal reserve equals to the paid-in capital, the

company may cease further appropriations and, after considering operational needs or in accordance with laws and regulations or directives from competent authorities regarding the appropriation or reversal of special surplus reserves, determine the distributable earnings for the current year. Together with the undistributed earnings from prior years, the Board of Directors shall prepare a profit distribution proposal to submit to the shareholders' meeting for resolution on the distribution of dividends to shareholders. When dividends or legal surplus reserves and capital reserves are distributed in cash, the Board of Directors is authorized to execute such distribution with the presence of at least two-thirds of the directors and approval by a majority of the directors present, and to report the same to the shareholders' meeting.

The Company, upon considering factors such as future funding needs, financial structure, and profits, for the purpose of sustainable management and steady company growth, in the future, the dividends of the Company will depend on the Company's operation situation, appropriating no less than 10% of accumulated distributable earnings minus beginning balance of undistributed retain earnings as dividend to shareholders. However, when the accumulated distributable earnings is less than 5% of the paid-in capital, the Board of Directors can propose not to distribute any dividends. The distributed dividend in the form of cash shall not be less than 30% of the total amount of dividend allocable in the year.

For the employee and director remuneration distribution policy, please refer to Note 25 (7) of the employee and director remuneration.

The legal reserve fund can be used to offset for losses. When The Company has no losses, the part of the legal reserve that exceeds 25% of the total paid-in capital may be distributed to shareholders as dividends either in shares or cash.

The Company's profit distribution proposals for 2024 and 2023 are as follows:

	2024	2023
Legal reserve surplus	<u>\$ 35,892</u>	<u>\$ 26,026</u>
Cash dividend	<u>\$ 32,215</u>	<u>\$ 32,215</u>
Cash dividend per share (NTD)	\$ 0.5	\$ 0.5

The aforementioned cash dividends were approved by the Board of Directors on March 14, 2025, and March 15, 2024, respectively. The remaining items of the earnings distribution were resolved at the Annual General Meetings held on June 20, 2025, and June 27, 2024, respectively.

(4) Special earnings reserve

	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Beginning & Ending Balances	<u>\$ 3,950</u>	<u>\$ 3,950</u>

(5) Other equity items

Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income.

	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Beginning & Ending Balance	<u>(\$ 3,950)</u>	<u>(\$ 3,950)</u>

24. Revenue

(1) Revenue details

Product category	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Automobile	\$ 286,976	\$ 440,145	\$ 1,203,309	\$ 1,598,179
component				
Electronics	<u>21,459</u>	<u>21,580</u>	<u>72,959</u>	<u>67,955</u>
component				
	<u>\$ 308,435</u>	<u>\$ 461,725</u>	<u>\$ 1,276,268</u>	<u>\$ 1,666,134</u>

Region	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
America	\$ 216,425	\$ 363,151	\$ 921,914	\$ 1,341,690
Asia	68,438	84,121	279,513	255,304
Europe	23,572	14,453	71,808	67,437
Oceania	<u>-</u>	<u>-</u>	<u>3,033</u>	<u>1,703</u>
	<u>\$ 308,435</u>	<u>\$ 461,725</u>	<u>\$ 1,276,268</u>	<u>\$ 1,666,134</u>

(2) Contract balance

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024	January 1 st , 2024
Notes receivable (including related parties) (Note 10 and 31)	<u>\$ 16,901</u>	<u>\$ 23,950</u>	<u>\$ 22,622</u>	<u>\$ 35,282</u>
Accounts receivable (including related parties) (Note 10 and 31)	<u>\$ 292,518</u>	<u>\$ 461,619</u>	<u>\$ 430,337</u>	<u>\$ 520,316</u>
Contract liabilities	<u>\$ 7,590</u>	<u>\$ 3,403</u>	<u>\$ 3,420</u>	<u>\$ 1,255</u>

The change in contract liabilities mainly comes from the difference between the timing of fulfilling contractual obligations and the timing of customer payments.

25. Net income

(1) Other income

	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Insurance Compensation Income on fire loss (Note 28)	\$ -	\$ -	\$ 2,632	\$ 3,258
Rent	899	900	2,699	2,699
Other income	<u>837</u>	<u>406</u>	<u>2,255</u>	<u>3,450</u>

	<u>\$ 1,736</u>	<u>\$ 1,306</u>	<u>\$ 7,586</u>	<u>\$ 9,407</u>
(2) Other gains and losses				
	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Net foreign currency exchange gain	\$ 35,392	(\$ 25,607)	(\$ 92,338)	\$ 34,427
Net gain (loss) on financial assets at fair value through profit or loss	171	138	60	(17)
Disposal gain on property, plant and equipment	-	23	-	23
Miscellaneous expense	(169)	(159)	(483)	(473)
	<u>\$ 35,394</u>	<u>(\$25,605)</u>	<u>(\$92,761)</u>	<u>\$ 33,960</u>

(3) Financial costs

	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Bank loan interest	\$ 1,075	\$ 1,015	\$ 2,872	\$ 3,172
Interest on the lease liabilities	84	40	128	145
Imputed interest on deposits received	<u>13</u>	<u>7</u>	<u>30</u>	<u>21</u>
	<u>\$ 1,172</u>	<u>\$ 1,062</u>	<u>\$ 3,030</u>	<u>\$ 3,338</u>

(4) Depreciation and amortization

	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Property, plant and equipment	\$ 58,017	\$ 44,874	\$ 158,457	\$ 132,556
Right-of-use assets	2,616	2,315	7,349	6,946
Investment property	158	157	472	471
Intangible property	<u>157</u>	<u>156</u>	<u>470</u>	<u>669</u>
Total	<u>\$ 60,948</u>	<u>\$ 47,502</u>	<u>\$ 166,748</u>	<u>\$ 140,642</u>
Summary of depreciation expense by function				
Operating cost	\$ 58,929	\$ 45,841	\$ 161,224	\$ 135,449
Operating expense	1,704	1,348	4,582	4,053
Non-operating expense	<u>158</u>	<u>157</u>	<u>472</u>	<u>471</u>
	<u>\$ 60,791</u>	<u>\$ 47,346</u>	<u>\$ 166,278</u>	<u>\$ 139,973</u>

Amortization expenses
summarized by function

	July 1 st to September30 th , 2025	July 1 st to September30 th , 2024	January 1 st to September30 th , 2025	January 1 st to September30 th , 2024
Marketing expense	\$ -	\$ -	\$ -	\$ 87
R&D expense	<u>157</u>	<u>156</u>	<u>470</u>	<u>582</u>
	<u>\$ 157</u>	<u>\$ 156</u>	<u>\$ 470</u>	<u>\$ 669</u>

(5) Direct operating expenses of investment property

	July 1 st to September30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Direct Operating Expenses to Investment Properties which Generating Rental Income	<u>\$ 158</u>	<u>\$ 157</u>	<u>\$ 559</u>	<u>\$ 559</u>

(6) Employee benefits expense

	July 1 st to September30 th , 2025	July 1 st to September30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Short-term employee benefits	\$ 26,331	\$ 29,015	\$ 84,370	\$ 94,268
Retirement benefits				
Confirm allocation plan	1,167	1,174	3,412	3,506
Defined benefit plans (Note 22)	<u>(38)</u>	<u>(27)</u>	<u>(114)</u>	<u>(82)</u>
	<u>\$ 27,460</u>	<u>\$ 30,162</u>	<u>\$ 87,668</u>	<u>\$ 97,692</u>
Summary by function				
Operating cost				
Operating expense	\$ 11,451	\$ 13,262	\$ 37,697	\$ 44,629
	<u>16,009</u>	<u>16,900</u>	<u>49,971</u>	<u>53,063</u>
	<u>\$ 27,460</u>	<u>\$ 30,162</u>	<u>\$ 87,668</u>	<u>\$ 97,692</u>

(7) Employee compensation and director and supervisor compensation

The Company allocates employees' compensation and directors' remuneration at rates of no less than 1% and no more than 5%, respectively, of pre-tax profit before deducting such compensation and remuneration. Pursuant to the amendments to the Securities and Exchange Act in August 2024, the Company's shareholders' meeting resolved in 2025 to amend the Articles of Incorporation, stipulating that no less than 30% of the aforementioned employees' compensation shall be allocated to junior-level employees. For the period from January 1, 2025, to September 30, 2025, no such compensation or remuneration was accrued due to a net loss before tax. The estimated amounts of employees' compensation and directors' remuneration for the periods from July 1, 2024, to September 30, 2024, and January 1, 2024, to September 30, 2024, are as follows:

Estimated ratio

	January 1 st to September 30 th , 2024
Employee compensation	1%
Compensations of directors	0.5%

Amounts

	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2024
Employee compensation	\$ 522	\$ 3,623
Compensations of directors	\$ 261	\$ 1,811

After the release date of the annual financial report, if there are still changes in the amounts, they will be handled according to accounting estimates and adjusted in the next year's accounts.

The employee compensation and director remuneration for the years 2024 and 2023 were respectively resolved by the Board of Directors on March 14, 2025 and March 15, 2024 as follows:

Amounts

	2024	2023
Employee compensation	\$ 4,654	\$ 3,592
Compensations of directors	2,420	1,835

The above resolved amounts do not differ from the amounts recognized in the financial reports for the years ended 2024 and 2023.

For information regarding employee compensation and director and supervisor compensation decisions made by The Company's board of directors, please refer to the "Public Information Observation Station" of the Taiwan Stock Exchange.

(8) Foreign exchange gain and loss

	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Total foreign exchange gain	\$ 63,653	\$ 9,976	\$ 87,563	\$ 84,780
Total foreign exchange loss	(28,261)	(35,583)	(179,901)	(50,353)
Net gain	\$ 35,392	(\$ 25,607)	(\$ 92,338)	\$ 34,427

26. Income tax

(1) Income tax recognized in profit or loss

The main components of income tax expenses (benefits) are as follows:

	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Income tax of current year				
In respect of the current year	(\$ 1,122)	\$ 14,736	\$ 7,392	\$ 70,440
Surtax on undistributed earnings	-	-	7,271	5,051

Adjustments for prior years	-	54	(1,376)	2,769
	(1,122)	14,790	13,287	78,260
Deferred income tax				
In respect of the current year	381	(4,483)	(11,479)	932
Income tax expense recognized in profit and loss	(\$ 741)	\$ 10,307	\$ 1,808	\$ 79,192

(2) Income tax assessing situation

The profit-seeking enterprise income tax return of the Company has been assessed by the tax authority until 2023, and the audited amount is the same as the declared amount.

27. Earnings per share (EPS)

Earnings and weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net profit for the period

	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Net income used to calculate basic and diluted earnings per share	(\$ 2,792)	\$ 41,098	(\$ 22,179)	\$ 277,655

Number of shares

	(Unit Thousand shares)			
	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Weighted average number of common shares used to calculate basic earnings per share	64,431	64,431	64,431	64,431
Effect on dilutive potential ordinary shares:				
Employee compensation	-	31	-	46
Weighted average number of common shares used to calculate diluted earnings per share	<u>64,431</u>	<u>64,462</u>	<u>64,431</u>	<u>64,477</u>

If the Company may choose to distribute employee compensation in the form of stocks or cash, when calculating diluted earnings per share, we assume that the employee compensation will be distributed in the form of stocks and include the weighted average number of outstanding shares with dilution effects of such potential common stocks to calculate diluted earnings per share. When calculating diluted earnings per share before deciding on the number of shares to be issued as employee compensation in the following year, we will continue to consider the dilutive effects of such potential common stocks.

28. Cash flow information

(1) Non-cash transactions

In addition to those disclosed in other notes, the Company conducted the following non-cash investing activities for the nine-month periods ended September 30, 2025 and 2024:

As of September 30, 2025, December 31, 2024, and September 30, 2024, the unpaid balances for the acquisition of property, plant and equipment were \$13,384 thousand, \$22,442 thousand, and \$10,522 thousand, respectively, which were recognized under 'Other payables' (refer to Note 20).

Due to a fire incident at a major supplier, Eagle Eyes Traffic Ind. Co., Ltd., on July 26, 2024, certain tooling and inventories were affected. As of December 31, 2024, the Company recorded downward adjustments of \$8,117 thousand to property, plant and equipment, \$1,259 thousand to inventories, and \$419 thousand to prepayments for equipment (unaccepted molds). A total claim of \$9,795 thousand was negotiated and recognized under 'Other receivables.' Subsequent to negotiations in March 2025, the final compensation was settled at \$11,268 thousand, with the difference of \$1,473 thousand recognized under 'Other income' (refer to Note 25). The aforementioned amount was collected on April 7, 2025.

(2) Liability change from financing activities

January 1st to September 30th, 2025

	January 1 st , 2025	Cash flow	Non-cash Changes			September 30 th , 2025
			New lease	Interest expense amortized	Others	
Short-term loan	\$ 199,650	\$ 70,000	\$ -	\$ -	\$ -	\$ 269,650
Lease liability	7,176	(7,487)	45,152	128	(128)	44,841
Deposits Received	628	-	-	-	-	628
	<u>\$ 207,454</u>	<u>\$ 62,513</u>	<u>\$ 45,152</u>	<u>\$ 128</u>	<u>(\$ 128)</u>	<u>\$ 315,119</u>

January 1st to September 30th, 2024

	January 1 st , 2024	Cash flow	Non-cash changes		September 30 th , 2024
			Interest expense Amortized	Others	
Short-term loan	\$ 255,000	(\$ 20,350)	\$ -	\$ -	\$ 234,650
Lease liability	16,591	(7,049)	145	(145)	9,542
Deposits Received	628	-	-	-	628
	<u>\$ 272,219</u>	<u>(\$ 27,399)</u>	<u>\$ 145</u>	<u>(\$ 145)</u>	<u>\$ 244,820</u>

29. Capital risk management

The Company conducts capital management to ensure the maximization of shareholder returns by optimizing debt and equity balances while continuing operations. Our overall strategy remains unchanged.

The Company's capital structure consists of equity (including share capital, capital reserves, retained earnings, and other equity items).

We are not required to comply with external capital regulations.

30. Financial instruments

(1) Fair value information - financial instruments not measured at fair value

The management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value are close to their fair values.

(2) Fair value information - financial instruments measured at fair value on a recurring basis.

a. Fair value level

September 30th, 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</u>				
- Fund beneficiary certificate	\$ 2,416	\$ -	\$ -	\$ 2,416
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instrument investment				
- Domestic unlisted (over-the-counter) stocks	\$ -	\$ -	\$ 2,924	\$ 2,924

December 31st, 2024

	<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</u>				
- Fund beneficiary certificate	\$ 2,356	\$ -	\$ -	\$ 2,356
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instrument investment				
- Domestic unlisted (over-the-counter) stocks	\$ -	\$ -	\$ 2,924	\$ 2,924

September 30th, 2024

	<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</u>				
- Fund beneficiary certificate	\$ 2,629	\$ -	\$ -	\$ 2,629

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instrument investment				
- Domestic unlisted (over-the-counter) stocks	\$ -	\$ -	\$ 2,924	\$ 2,924

For the periods from January 1 to September 30, 2025 and 2024, there was no transfer between level 1 and level 2 at fair value measurement.

b. Reconciliation of financial instruments measured at level 3 fair value

Financial assets at fair value through other comprehensive income - equity instruments

	<u>January 1st to September 30th, 2025</u>	<u>January 1st to September 30th, 2024</u>
Beginning Balance	\$ 2,924	\$ 2,924
Recognized in other comprehensive profit or loss (unrealized gains or losses on financial assets measured at fair value through other comprehensive profit or loss)	<u>-</u>	<u>-</u>
Ending Balance	<u>\$ 2,924</u>	<u>\$ 2,924</u>

c. Valuation techniques and inputs applied for level 3 fair value Measurement

For domestic unlisted equity investments, the fair value of the investment is determined using the comparable listed companies method, taking into account the trading price of stocks of companies engaged in similar or related businesses in an active market, the implied value multiplier of such prices, and the liquidity discount to determine the value of the target company. The significant unobservable input value is the liquidity discount.

(3) Financial instruments category

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatory fair value through profit or loss	\$ 2,416	\$ 2,356	\$ 2,629
Financial assets measured at amortized cost (Note 1)	1,009,264	1,283,477	1,255,381
Financial assets at fair value through other comprehensive income			
Equity instrument investment	2,924	2,924	2,924
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	530,368	585,574	578,326

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost-current, accounts receivable, other receivables, and deposits paid measured at amortized cost.

Note 2: The balance includes short-term borrowings, bills payable, accounts payable, other payable (excluding salaries and bonuses payable), and deposits received measured at amortized cost.

(4) The purpose and policy of financial risk management

The Company's primary financial instruments include foreign currency deposits, equity instrument investments, accounts receivable, accounts payable, borrowing, and lease liabilities. Our financial management department provides services to various business units, coordinating and supervising the operation of entering domestic and international financial markets. By analysing internal risk reports of unexpected risks according to the degree and breadth of risk, we manage the financial risks related to the Company's operations. Such risks include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

a. Market Risk

The main financial risks of the Company assumes in its operating activities are foreign exchange rate risk, interest rate risk, and other price volatility risk.

There is no change in the Company's market risk and its management and measurement methods regarding financial instruments.

(a) Exchange Rate Risk

Please refer to Note 36 for the book value of monetary assets and

monetary liabilities denominated in non-functional currencies on the balance sheet date.

Sensitivity Analysis

The Company is mainly affected by fluctuations in the exchange rates of the US dollar, RMB, and Euro.

The following table shows the sensitivity analysis of The Company when the New Taiwan Dollar (the functional currency) increases or decreases by 5% against each relevant currency. 5% is the sensitivity ratio used by the Company's management to report exchange rate risks to the top management and represents the evaluation of a reasonable possible range of exchange rate changes by the management.

Negative numbers in the table indicate that when the New Taiwan Dollar appreciates by 5% against each relevant currency, it will result in a decrease in profit before tax. When the New Taiwan Dollar depreciates by 5% against each relevant foreign currency, the impact on profit before tax will be the same amount but positive.

	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
USD	(\$ 41,766)	(\$ 54,817)
RMB	\$ 620	\$ 167
EUR	(\$ 952)	(\$ 223)

The above sensitivity analysis is based on the Company's outstanding balances of cash and cash equivalents, financial assets at amortized cost, and accounts receivable and payable denominated in USD, RMB, and EUR that were not designated as cash flow hedges at the balance sheet date.

The Company's sensitivity to the USD exchange rate decreased during the current period, primarily due to a reduction in net USD-denominated assets. The sensitivity to the RMB exchange rate increased, mainly attributable to an increase in net RMB-denominated liabilities. The sensitivity to the EUR exchange rate increased, primarily resulting from an increase in net EUR-denominated assets.

(b) Interest rate risk

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

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Fair value interest rate risk			
- Financial assets	\$ 266,089	\$ 409,326	\$ 284,850
- Financial liabilities	314,491	206,826	244,192
Cash flow interest rate risk			

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
- Financial asset	381,464	370,377	455,849

Sensitivity Analysis

The following sensitivity analysis is based on the Company's exposure to interest rate for non-derivative instruments on the balance sheet date. The fluctuation rate used by the Company's management to report interest rates internally is an increase or decrease of 25 basis points, which also represents their assessment of the reasonable range of interest rate changes.

If the interest rate increases or decreases by 25 basis points, with all other variables remaining constant, the pre-tax profits for the periods from January 1 to September 30, 2025 and 2024 would increase/decrease by NT \$715 thousand and NT \$855 thousand, respectively. This is mainly attributable to the interest rate risk arising from the Company's floating-rate current deposits and foreign currency deposits.

The Company's sensitivity to interest rates decreased during the current period, primarily due to a reduction in floating-rate deposits.

(c) Other price risk

The Company has experienced equity price volatility due to domestic and foreign equity securities investments. These equity investments are not held for trading but rather for strategic purposes. The Company has not actively traded these investments and manages the risk by holding low-risk portfolio products.

Sensitivity Analysis

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

If equity prices had been 5% higher/lower, net income before tax for the nine-month periods ended September 30, 2025 and 2024 would have increased/decreased by \$121 thousand and \$131 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through profit or loss.

If equity prices had been 5% higher/lower, other comprehensive income before tax for the nine-month periods ended September 30, 2025 and 2024 would have increased/decreased by \$146 thousand for both periods, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

b. Credit risk

Credit risk refers to the risk of financial loss that The Company may incur when the counterparty fails to fulfil its contractual obligations. As of the balance sheet date, the maximum credit risk of financial loss that The

Company may suffer from the counterparty's failure to fulfil its obligations mainly comes from the carrying amount of financial assets recognized in the balance sheet.

The Company's policy is to only engage in transactions with reputable counterparties and to obtain collateral when necessary to mitigate the risk of financial loss due to defaults.

The Company's credit risk is primarily concentrated among its top three customers. As of September 30, 2025, December 31, 2024, and September 30, 2024, the aggregate accounts receivable from these customers accounted for 74%, 78%, and 80% of the total accounts receivable, respectively.

c. Liquidity risk

The Company manages and maintains sufficient cash positions to support its operations and mitigate the impact of cash flow fluctuations. The Company's management oversees the use of bank financing facilities and ensures compliance with loan contract terms.

(a) Liquidity and interest rate risk table

The following table shows the remaining contractual maturities of non-derivative financial liabilities that The Company has agreed to repay. The analysis is based on the earliest possible date The Company may be required to repay and is prepared based on the undiscounted cash flows of the financial liabilities.

September 30th, 2025

	<u>Less than 1 month</u>	<u>1-3 months</u>	<u>3 months - 1 year</u>	<u>1-5 years</u>
<u>Non- derivative financial liabilities</u>				
Liability with no interest	\$ 95,562	\$ 151,399	\$ 13,757	\$ -
Lease liability	905	1,810	7,993	36,130
Fixed rate instrument	<u>270,432</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 366,899</u>	<u>\$ 153,209</u>	<u>\$ 21,750</u>	<u>\$ 36,130</u>

December 31st, 2024

	<u>Less than 1 month</u>	<u>1-3 months</u>	<u>3 months - 1 year</u>	<u>1-5 years</u>
<u>Non- derivative financial liabilities</u>				
Liability with no interest	\$ 145,778	\$ 222,621	\$ 17,525	\$ -
Lease liability	799	1,599	4,299	529
Fixed rate instrument	<u>199,792</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 346,369</u>	<u>\$ 224,220</u>	<u>\$ 21,824</u>	<u>\$ 529</u>

September 30st, 2024

	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
<u>Non- derivative financial liabilities</u>				
Liability with no interest	\$ 138,358	\$ 171,101	\$ 34,217	\$ -
Lease liability	799	1,599	6,470	755
Fixed rate instrument	<u>199,890</u>	<u>35,014</u>	<u>-</u>	<u>-</u>
	<u>\$ 339,047</u>	<u>\$ 207,714</u>	<u>\$ 40,687</u>	<u>\$ 755</u>

(b) Financing amount

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
<u>Unsecured bank overdraft facility</u>			
- Used amount	\$ 169,650	\$ 199,650	\$ 234,650
- Unused amount	<u>280,350</u>	<u>266,743</u>	<u>231,175</u>
	<u>\$ 450,000</u>	<u>\$ 466,393</u>	<u>\$ 465,825</u>
<u>Secured bank overdraft facility</u>			
- Used amount	\$ 100,000	\$ -	\$ -
- Unused amount	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>

31. Related party transactions

The ultimate parent company and ultimate controller of the company are Zhicheng Investment Co., Ltd., which held 52.76% of the company's ordinary shares as of September 30, 2025, December 31, 2024, and September 30, 2024.

Except as disclosed in Notes, the transactions between the company and related parties are as follows.

(1) Related party and relationship

<u>Related party</u>	<u>Relationship to the company</u>
Eagle Eyes Traffic Industrial Co., Ltd. ("EE Co., Ltd.")	Substantive related party

(2) Revenue

<u>Related party</u>	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
EE Co., Ltd.	<u>\$ 14,678</u>	<u>\$ 13,583</u>	<u>\$ 52,578</u>	<u>\$ 44,133</u>

There is no significant difference between the Company's trading conditions for sales to related parties and general customers.

(3) Operating cost

Related party	Nature	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
EE Co., Ltd.	Purchase	<u>\$ 105,106</u>	<u>\$ 107,531</u>	<u>\$ 428,113</u>	<u>\$ 453,492</u>
EE Co., Ltd.	Utility expense	<u>\$ 918</u>	<u>\$ 1,109</u>	<u>\$ 2,572</u>	<u>\$ 2,782</u>
EE Co., Ltd.	Other expenses	<u>\$ 310</u>	<u>\$ 175</u>	<u>\$ 1,144</u>	<u>\$ 746</u>

The Company's transaction prices for purchases from related parties do not significantly differ from those of regular suppliers, and payment terms are determined by mutual agreement. Please refer to Note 37 Appendix for details.

(4) General and administrative

Related party	Nature	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
EE Co., Ltd.	Maintenance expense	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 10</u>	<u>\$ 15</u>

Mainly for maintenance expense paid by the Company.

(5) Research and development

Related party	Nature	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
EE Co., Ltd.	Testing fee	<u>\$ 2,010</u>	<u>\$ 2,251</u>	<u>\$ 6,470</u>	<u>\$ 6,890</u>

Mainly for mold testing fee paid by the Company.

(6) Other income

Related party	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
EE Co., Ltd.	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 1,480</u>	<u>\$ 1,494</u>

(7) Accounts receivable to related party

Category	Related party	September 30 th , 2025	December 31 th , 2024	September 30 th , 2024
Notes receivable	EE Co., Ltd.	<u>\$ 11,389</u>	<u>\$ 11,491</u>	<u>\$ 13,889</u>
Accounts receivable	EE Co., Ltd.	<u>\$ 10,879</u>	<u>\$ 11,964</u>	<u>\$ 7,505</u>
Other receivables	EE Co., Ltd.	<u>\$ -</u>	<u>\$ 9,795</u>	<u>\$ 9,795</u>

There is no guarantee for the outstanding receivables from related parties. The amount receivable from a related party is evaluated and no provision for loss is required.

(8) Refundable deposits (accounted for in other non-current assets)

Related party	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
EE Co., Ltd.	<u>\$ 1,520</u>	<u>\$ 1,520</u>	<u>\$ 1,520</u>

(9) Accounts payable to related party

Accounts	Related party	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Accounts payable	EE Co., Ltd.	<u>\$ 116,578</u>	<u>\$ 150,621</u>	<u>\$ 134,982</u>
Other payables	EE Co., Ltd.	<u>\$ 2,858</u>	<u>\$ 3,101</u>	<u>\$ 3,044</u>

The outstanding balance of payables to related parties has not been guaranteed.

(10) Disposal of Property, Plant and Equipment

Related party category / name of a company	Proceeds from disposal of property, plant and equipment		Gain (Loss) on Disposal	
	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024
EE Co., Ltd.	<u>\$ -</u>	<u>\$ 795</u>	<u>\$ -</u>	<u>\$ 23</u>

Related party category / name of a company	Proceeds from disposal of property, plant and equipment		Gain (Loss) on Disposal	
	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
EE Co., Ltd.	<u>\$ -</u>	<u>\$ 795</u>	<u>\$ -</u>	<u>\$ 23</u>

(11) Lease agreement

Related party category / name of a company	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Acquisition of Right-of-Use Assets				
EE Co., Ltd.	<u>\$ 41,452</u>	<u>\$ -</u>	<u>\$ 41,452</u>	<u>\$ -</u>

Category	Related party category / name of a company	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Lease liabilities	EE Co., Ltd.	<u>\$ 40,792</u>	<u>\$ 5,760</u>	<u>\$ 7,907</u>

Related party category / name of a company	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
<u>Interest expense</u>				
EE Co., Ltd.	<u>\$ 66</u>	<u>\$ 32</u>	<u>\$ 94</u>	<u>\$ 119</u>

The Group leases factory buildings from related parties for operational needs. The rental price was determined with reference to market rates and is paid on a monthly basis.

(12) Right to use trademarks

The Company uses trademarks owned by Eagle Eyes Traffic Ind. Co., Ltd. for the sale of certain products. Pursuant to the agreement, royalties are payable at 1% of the unit selling price for each licensed trademark. For the three-month periods ended September 30, 2025 and 2024, and the nine-month periods ended September 30, 2025 and 2024, trademark royalty expenses amounted to NT \$153 thousand, NT \$298 thousand, NT \$663 thousand, and NT \$588 thousand,

respectively.

(13) Salary of major managerial position

The total compensation to directors and key management personnel for the three-month periods ended September 30, 2025 and 2024, and the nine-month periods ended September 30, 2025 and 2024, is as follows:

	July 1 st to September 30 th , 2025	July 1 st to September 30 th , 2024	January 1 st to September 30 th , 2025	January 1 st to September 30 th , 2024
Short-term employee benefits	\$ 1,168	\$ 1,184	\$ 5,072	\$ 4,511
Retirement benefits	<u>31</u>	<u>31</u>	<u>93</u>	<u>92</u>
	<u>\$ 1,199</u>	<u>\$ 1,215</u>	<u>\$ 5,165</u>	<u>\$ 4,603</u>

The salary of directors and major managerial position is determined by the remuneration committee in accordance with individual performance and market trends.

32. Assets pledged as collateral or for security :

The following assets have been pledged as collateral for short-term bank borrowings:

	September 30 th , 2025	December 31 st , 2024	September 30 th , 2024
Pledged Investment Property	<u>\$ 51,056</u>	<u>\$ -</u>	<u>\$ -</u>

33. Significant contingent liabilities and unrecognized commitments

As of September 30, 2025, the Company's unrecognized contractual commitments for molds and construction-in-progress amounted to NT \$123,717 thousand, USD 81 thousand, and RMB 16,212 thousand, respectively.

34. Significant subsequent events :

To further expand the U.S. market and brand visibility, as well as to facilitate long-term cooperation and strategic development, the Board of Directors resolved on November 11, 2025, to invest in Regionmax Co., Ltd. (U.S.A.). The total investment is estimated at USD 1.5 million, representing a 21.74% equity interest. The Chairman has been authorized to handle all matters relating to the signing of agreements and the establishment of this investment project.

35. Other significant events

The Company primarily exports its products to the North American market, with a significant portion of revenue derived from sales to the United States. In response to the impact of tariffs and in coordination with customers to adjust sales strategies, the Company will continue to closely monitor industry developments and changes in international trade policies. The Company will also maintain good communication with customers and implement risk response and adjustment measures as needed to ensure stable operations and protect shareholders' equity.

36. Significant assets and liabilities denominated in foreign currencies

The following information is summarized and expressed in terms of foreign currencies other than The Company's functional currency, and the disclosed exchange rates refer to the exchange rates converted from these foreign currencies to the functional currency. Assets and liabilities denominated in foreign currencies with significant impact are as follows:

Each foreign currency / New Taiwan Dollars in thousands

		September 30 th , 2025		
		Foreign exchange	Exchange Rate	Amount
Foreign currency assets				
<u>Monetary item</u>				
USD	\$ 27,468		30.445 (USD : NTD)	\$ 836,272
RMB	1,126		4.271 (RMB : NTD)	4,809
EUR	533		35.77 (EUR : NTD)	19,048
Foreign currency liabilities				
<u>Monetary item</u>				
USD	31		30.445 (USD : NTD)	945
RMB	4,030		4.271 (RMB : NTD)	17,210
		December 31 th , 2024		
		Foreign exchange	Exchange Rate	Amount
Foreign currency assets				
<u>Monetary item</u>				
USD	\$ 30,344		32.785 (USD : NTD)	\$ 994,828
RMB	1,514		4.478 (RMB : NTD)	6,781
EUR	321		34.14 (EUR : NTD)	10,953
Foreign currency liabilities				
<u>Monetary item</u>				
USD	35		32.785 (USD : NTD)	1,158
RMB	653		4.478 (RMB : NTD)	2,926
		September 30 th , 2024		

	Foreign exchange	Exchange Rate		Amount
<u>Foreign currency assets</u>				
<u>Monetary item</u>				
USD	\$ 34,688	31.65	(USD : NTD)	\$ 1,097,876
RMB	3,273	4.523	(RMB : NTD)	14,804
EUR	126	35.38	(EUR : NTD)	4,473

Foreign currency liabilities

<u>Monetary item</u>				
USD	49	31.65	(USD : NTD)	1,541
RMB	4,010	4.523	(RMB : NTD)	18,136
EUR	1	35.38	(EUR : NTD)	20

Unrealized foreign exchange gains and losses with significant impacts are as follows :

Foreign exchange	July 1 st to September 30 th , 2025		July 1 st to September 30 th , 2024	
	Exchange rate	Net unrealized Exchange (loss) loss	Exchange rate	Net unrealized Exchange (loss) loss
USD	1 : 29.95 (USD : NTD)	(\$ 2,278)	1: 32.301 (USD : NTD)	(\$ 18,365)
RMB	1 : 4.184 (RMB : NTD)	(504)	1: 4.504 (RMB : NTD)	270
EUR	1 : 34.999 (EUR : NTD)	1,488	1:35.487 (EUR : NTD)	(49)
		(\$ 1,294)		(\$ 18,144)

Foreign exchange	January 1 st to September 30 th , 2025		January 1 st to September 30 th , 2024	
	Exchange rate	Net unrealized Exchange (loss) loss	Exchange rate	Net unrealized Exchange (loss) loss
USD	1 : 31.222 (USD : NTD)	(\$ 47,856)	1: 32.034 (USD : NTD)	(\$ 13,696)
RMB	1 : 4.318 (RMB : NTD)	(715)	1: 4.443 (RMB : NTD)	110
EUR	1 : 34.854 (EUR : NTD)	1,317	1:34.824 (EUR : NTD)	7
		(\$ 47,254)		(\$ 13,579)

37. Separately disclosure items

(1) Information about significant transaction:

- a. Loans to others: None.
- b. Endorsements and guarantees for others: None.
- c. Holdings of securities at the end of the period (excluding investments in subsidiaries, associated companies, and joint venture equity) : None.
- d. Sales and purchases with related parties reaching NT\$100 million or 20% of paid-in capital: see Appendix.
- e. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital: None.

f. Other: No significant transaction amounts or important business relationships between the parent company and its subsidiaries.

(2) Information on investees: None

(3) Information on investments in China

a. Information on invested companies in Mainland China, including their names, main business activities, paid-up capital, investment methods, inflow and outflow of funds, shareholding ratios, investment gains and losses, year-end book value of investments, realized investment gains and losses, and investment quotas in Mainland China: None.

b. Significant transactions directly or indirectly carried out with invested companies in Mainland China via third-party countries, along with their prices, payment terms, and unrealized gains and losses: None.

38. Segment information

The Company primarily engages in the production and sales of automotive components and has no other segments to report.

Appendix

LFA CO., LTD.
(Former name Topower Co., Ltd.)

The amount of goods purchased and sold with related parties reaches NT\$100 million or more than 20% of the paid-in capital
January 1st to September 30th, 2025

In Thousands of New Taiwan Dollars

Purchasing (selling) goods company	Trading partners	Relation	Transaction situation				Situations and reasons of transaction conditions are different from general transactions		Notes/ Accounts payable or receivable		Note
			Purchasing (selling) goods	Amount	% of total purchase (sales)	Payment Terms	Unit price	Payment Terms	Ending Balance	% of total notes and accounts receivable (payable) (Note 1)	
LFA CO., LTD.	EE Co., Ltd.	Substantial related party	Purchasing Goods	\$ 428,113	52%	Net 77 days from the end of the month of when the invoice is issued for finished goods purchased; and except finished goods is Net 107 days	-	Net 90 days from the end of the month of when the invoice is issued	(\$ 116,578)	(52%)	

Note: The above ratio is calculated based on the ratio of the balance of notes/accounts payable or receivable of the transaction partner to the total balance of notes/accounts payable or receivable of the purchasing (selling) company.