

**TMP STEEL CORPORATION AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2025 AND 2024**

For the convenience of readers and for information purpose only, the 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 auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TMP Steel Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of TMP Steel Corporation and its subsidiary (the “Group”) as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Hsu, Huei-Yu
Independent Accountants
Tien, Chung-Yu

PricewaterhouseCoopers, Taiwan
Republic of China
November 7, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets			September 30, 2025		December 31, 2024		September 30, 2024	
Notes			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 220,436	5	\$ 312,454	7	\$ 157,055	4
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		33,268	1	-	-	-	-
1136	Financial assets at amortised cost -	6(1)(3) and 8						
	current		81,500	2	55,000	2	149,200	4
1150	Notes receivable, net	6(4) and 12	76,518	2	126,706	3	99,024	2
1170	Accounts receivable, net	6(4) and 12	812,372	18	1,053,355	24	886,924	23
1180	Accounts receivable - related	6(4), 7 and 12						
	parties		220,837	5	4,564	-	5,436	-
1200	Other receivables	7	2,412	-	1,618	-	687	-
130X	Inventories	6(5)	954,156	22	1,011,657	23	992,571	26
1410	Prepayments	6(6) and 7	40,360	1	74,109	2	23,842	1
11XX	Total current assets		2,441,859	56	2,639,463	61	2,314,739	60
Non-current assets								
1510	Financial assets at fair value	6(2)						
	through profit or loss - non-current		231,100	5	220,900	5	233,500	6
1517	Financial assets at fair value	6(7)						
	through other comprehensive							
	income - non-current		186,704	4	111,440	2	-	-
1600	Property, plant and equipment	6(9), 7 and 8	952,813	22	764,089	18	656,601	17
1755	Right-of-use assets	6(10)	505,703	12	536,820	12	550,236	14
1780	Intangible assets		17,195	-	796	-	840	-
1840	Deferred income tax assets	6(27)	2,837	-	2,630	-	2,630	-
1915	Prepayments for equipment		-	-	49,549	1	54,502	2
1920	Guarantee deposits paid		25,253	1	25,593	1	24,385	1
15XX	Total non-current assets		1,921,605	44	1,711,817	39	1,522,694	40
1XXX	Total assets		\$ 4,363,464	100	\$ 4,351,280	100	\$ 3,837,433	100

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TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(11) and 8	\$ 462,834	11	\$ 316,932	8	\$ 460,000	12
2110	Short-term notes and bills payable	6(12)	129,670	3	-	-	-	-
2130	Contract liabilities - current	6(20) and 7	217,497	5	266,715	6	494,859	13
2150	Notes payable		3,195	-	4,742	-	2,319	-
2170	Accounts payable		1,058	-	1,043	-	528	-
2180	Accounts payable - related parties	7	127,290	3	316,568	7	270,025	7
2200	Other payables	6(13) and 7	124,637	3	129,472	3	132,752	4
2230	Current income tax liabilities		6,415	-	11,923	-	4,072	-
2280	Lease liabilities - current		37,800	1	27,447	1	71,242	2
2320	Long-term liabilities, current portion	6(14) and 8	66,700	1	49,878	1	52,723	1
2399	Other current liabilities		522	-	490	-	489	-
21XX	Total current liabilities		<u>1,177,618</u>	<u>27</u>	<u>1,125,210</u>	<u>26</u>	<u>1,489,009</u>	<u>39</u>
Non-current liabilities								
2540	Long-term borrowings	6(14) and 8	436,917	10	353,990	8	317,835	8
2580	Lease liabilities - non-current		465,029	11	488,721	11	490,139	13
2640	Net defined benefit liabilities - non-current		1	-	-	-	-	-
25XX	Total non-current liabilities		<u>901,947</u>	<u>21</u>	<u>842,711</u>	<u>19</u>	<u>807,974</u>	<u>21</u>
2XXX	Total liabilities		<u>2,079,565</u>	<u>48</u>	<u>1,967,921</u>	<u>45</u>	<u>2,296,983</u>	<u>60</u>
Share capital								
3110	Common stock	6(16)	999,561	23	999,561	23	699,561	18
3200	Capital surplus	6(16)(17)	910,034	21	910,034	21	398,538	10
	Retained earnings	6(18)						
3310	Legal reserve		94,491	2	71,407	2	71,407	2
3320	Special reserve		5,110	-	5,110	-	5,110	-
3350	Unappropriated retained earnings		286,839	6	385,207	9	365,834	10
3400	Other equity interest	6(7)(19)	(12,136)	-	12,040	-	-	-
3XXX	Total equity		<u>2,283,899</u>	<u>52</u>	<u>2,383,359</u>	<u>55</u>	<u>1,540,450</u>	<u>40</u>
Significant contingent liabilities and unrecognised contract commitments								
3X2X	Total liabilities and equity		<u>\$ 4,363,464</u>	<u>100</u>	<u>\$ 4,351,280</u>	<u>100</u>	<u>\$ 3,837,433</u>	<u>100</u>

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

TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Three months ended September 30				Nine months ended September 30			
			2025		2024		2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20) and 7		\$ 1,765,223	100	\$ 2,495,512	100	\$ 5,809,720	100	\$ 7,052,756	100
5000 Operating costs	6(5)(10)(15)(25)(26) and 7		(1,670,228)	(94)	(2,376,144)	(95)	(5,490,830)	(94)	(6,698,447)	(95)
5900 Net operating margin			94,995	6	119,368	5	318,890	6	354,309	5
Operating expenses	6(10)(15)(25)(26), 7 and 12									
6100 Selling expenses			(46,480)	(3)	(52,011)	(2)	(140,765)	(3)	(147,476)	(2)
6200 General and administrative expenses			(20,291)	(1)	(21,565)	(1)	(64,110)	(1)	(58,137)	(1)
6450 Expected credit gains (losses)			-	-	-	-	85	-	(3,448)	-
6000 Total operating expenses			(66,771)	(4)	(73,576)	(3)	(204,790)	(4)	(209,061)	(3)
6900 Operating profit			28,224	2	45,792	2	114,100	2	145,248	2
Non-operating income and expenses										
7100 Interest income	6(3)(21)		215	-	706	-	1,841	-	2,899	-
7010 Other income	6(22) and 7		3,692	-	412	-	24,622	-	1,243	-
7020 Other gains and losses	6(2)(23)		5,544	-	2,321	-	5,657	-	104,442	1
7050 Finance costs	6(9)(10)(24)		(7,590)	-	(6,298)	-	(19,363)	-	(15,909)	-
7000 Total non-operating income and expenses			1,861	-	(2,859)	-	12,757	-	92,675	1
7900 Profit before income tax			30,085	2	42,933	2	126,857	2	237,923	3
7950 Income tax expense	6(27)		(4,135)	-	(8,316)	(1)	(22,220)	-	(26,453)	-
8200 Net income for the period			\$ 25,950	2	\$ 34,617	1	\$ 104,637	2	\$ 211,470	3
Other comprehensive income										
Components of other comprehensive income (loss) that will not be reclassified to profit or loss										
8316 Unrealised gains or losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(7)(19)		\$ 22,694	1	\$ -	-	(\$ 24,176)	(1)	\$ -	-
8300 Total other comprehensive income (loss) for the period			\$ 22,694	1	\$ -	-	(\$ 24,176)	(1)	\$ -	-
8500 Total comprehensive income for the period			\$ 48,644	3	\$ 34,617	1	\$ 80,461	1	\$ 211,470	3
Profit attributable to:										
8610 Owners of parent			\$ 25,950	2	\$ 34,617	1	\$ 104,637	2	\$ 211,470	3
Comprehensive income attributable to:										
8710 Owners of parent			\$ 48,644	3	\$ 34,617	1	\$ 80,461	1	\$ 211,470	3
Earnings per share (in dollars)	6(28)									
9750 Basic			\$ 0.26		\$ 0.49		\$ 1.05		\$ 3.03	
9850 Diluted			\$ 0.26		\$ 0.49		\$ 1.05		\$ 3.02	

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

TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent							
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other Equity
							Interest Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income
							Total equity
<u>Nine months ended September 30, 2024</u>							
Balance at January 1, 2024		\$ 687,532	\$ 386,891	\$ 45,084	\$ 5,110	\$ 320,599	\$ 1,445,216
Net income for the nine-month period ended September 30, 2024		-	-	-	-	211,470	211,470
Total comprehensive income for the nine-month period ended September 30, 2024		-	-	-	-	211,470	211,470
Distribution of 2023 earnings:							
Legal reserve		-	-	26,323	-	(26,323)	-
Cash dividends	6(18)	-	-	-	-	(139,912)	(139,912)
Conversion of corporate bonds into common stock		12,029	11,647	-	-	-	23,676
Balance at September 30, 2024		\$ 699,561	\$ 398,538	\$ 71,407	\$ 5,110	\$ 365,834	\$ 1,540,450
<u>Nine months ended September 30, 2025</u>							
Balance at January 1, 2025		\$ 999,561	\$ 910,034	\$ 71,407	\$ 5,110	\$ 385,207	\$ 2,383,359
Net income for the nine-month period ended September 30, 2025		-	-	-	-	104,637	104,637
Other comprehensive loss for the nine-month period ended September 30, 2025	6(7)(19)	-	-	-	-	-	(24,176)
Total comprehensive income (loss) for the nine-month period ended September 30, 2025		-	-	-	-	104,637	80,461
Distribution of 2024 earnings:							
Legal reserve		-	-	23,084	-	(23,084)	-
Cash dividends	6(18)	-	-	-	-	(179,921)	(179,921)
Balance at September 30, 2025		\$ 999,561	\$ 910,034	\$ 94,491	\$ 5,110	\$ 286,839	\$ 2,283,899

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

TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Nine months ended September 30	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 126,857	\$ 237,923
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through porfit or loss	6(2)(23)	(7,790)	(106,328)
Expected credit (gains) losses	12	(85)	3,448
Depreciation	6(9)(10)(25)	72,913	53,013
Losses on disposal of property, plant and equipment	6(23)	53	-
Amortisation	6(25)	1,273	273
Interest income	6(21)	(1,841)	(2,899)
Dividend income	6(22)	(2,556)	-
Interest expense	6(24)	19,363	15,909
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		50,188	6,654
Accounts receivable		241,068	(44,676)
Accounts receivable - related parties		(216,273)	(5,436)
Other receivables		(794)	746
Inventories		57,477	(236,639)
Prepayments		33,749	1,198
Changes in operating liabilities			
Contract liabilities - current		(49,218)	159,316
Notes payable		(1,547)	(6,932)
Accounts payable		15	(119,964)
Accounts payable - related parties		(189,278)	119,418
Other payables		(11,714)	(5,693)
Other current liabilities		32	(473)
Net defined benefit liabilities - non-current		1	-
Cash inflow generated from operations		121,893	68,858
Interest received		1,841	2,899
Dividends received		2,556	-
Interest paid		(23,552)	(16,308)
Income tax paid		(27,935)	(43,770)
Net cash flows from operating activities		74,803	11,679

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TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30 2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost - current		(\$ 26,500)	(\$ 88,975)
Acquisition of financial assets at fair value through profit or loss - current		(35,737)	-
Proceeds from disposal of financial assets at fair value through profit or loss - current		59	-
Acquisition of financial assets at fair value through other comprehensive income - current		(99,440)	-
Cash paid for acquisition of property, plant and equipment	6(29)	(172,914)	(275,047)
Interest paid for acquisition of property, plant and equipment	6(9)(24)(29)	(3,859)	(571)
Proceeds from disposal of property, plant and equipment		161	-
Acquisition of intangible assets		(2,413)	(578)
Increase in prepayment for equipment		(1,495)	(29,562)
Decrease in guarantee deposits paid		340	3,492
Net cash flows used in investing activities		(341,798)	(391,241)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	1,203,220	1,628,615
Decrease in short-term borrowings	6(30)	(1,057,318)	(1,384,723)
Increase in short-term notes and bills payable	6(30)	130,000	1,000,000
Decrease in short-term notes and bills payable	6(30)	-	(1,000,000)
Payment of lease liabilities	6(30)	(20,753)	(14,612)
Decrease in corporate bonds	6(30)	-	(4,200)
Increase in long-term borrowings	6(30)	142,600	205,700
Decrease in long-term borrowings	6(30)	(42,851)	(26,354)
Payment of cash dividends	6(18)	(179,921)	(139,912)
Net cash flows from financing activities		174,977	264,514
Net decrease in cash and cash equivalents		(92,018)	(115,048)
Cash and cash equivalents at beginning of period	6(1)	312,454	272,103
Cash and cash equivalents at end of period	6(1)	<u>\$ 220,436</u>	<u>\$ 157,055</u>

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

TMP STEEL CORPORATION AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) TMP Steel Corporation (the “Company”) was incorporated on May 16, 1984 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C). The Company and its subsidiary (the “Group”) are engaged in the wholesale of hardware and building materials and the manufacture and sales of its components.
- (2) The Company used to be named Taipei MultiPower Electronics Co., Ltd., then changed its name to Taipei MultiPower International Co., Ltd., as approved by the shareholders during their meeting on June 15, 2010; On June 29, 2016, the shareholders during their meeting has approved to again change the Company’s name to TMP Steel Corporation.
- (3) The common shares of the Company have been listed on the Taipei Exchange since September 2003.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on November 7, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“IASB”)
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

- (2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

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

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of 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 referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

(Note) The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for IFRS 18, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements':

IFRS 18 replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and the additional descriptions described below, the other principal accounting policies adopted are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2024. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and financial at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with "IFRSs" requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, 'CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY'.

(3) Basis of consolidation

- A. The basis for the preparation of these consolidated financial statements is consistent with the basis applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.
- B. Subsidiaries included in the consolidated financial statements:

Ownership (%)						
Name of investor	Name of subsidiary	Main business activities	September 30, 2025	December 31, 2024	September 30, 2024	Description
TMP Steel Corporation	Taiwan Steel Material Corp.	Wholesale of hardware and sale	100.00	100.00	100.00	—

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income taxes

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

No significant changes during the period. For detailed information, refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash:			
Cash on hand	\$ 273	\$ 270	\$ 225
Checking deposits and demand deposits	<u>220,163</u>	<u>292,184</u>	<u>156,830</u>
	<u>220,436</u>	<u>292,454</u>	<u>157,055</u>
Cash equivalents:			
Time deposit	<u>–</u>	<u>20,000</u>	<u>–</u>
	<u>\$ 220,436</u>	<u>\$ 312,454</u>	<u>\$ 157,055</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral (listed as 'Financial assets at amortised cost - current') as of September 30, 2025, December 31, 2024 and September 30, 2024 are provided in Note 8, 'PLEGDED ASSETS'.

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

<u>Assets</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Financial assets held for trading			
Listed and emerging stocks	\$ 35,679	\$ –	\$ –
Valuation adjustments	<u>(2,411)</u>	<u>–</u>	<u>–</u>
	<u>\$ 33,268</u>	<u>\$ –</u>	<u>\$ –</u>

<u>Assets</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed and emerging stocks - private placement	\$ 36, 000	\$ 36, 000	\$ 36, 000
Valuation adjustments	<u>195, 100</u>	<u>184, 900</u>	<u>197, 500</u>
	<u>\$ 231, 100</u>	<u>\$ 220, 900</u>	<u>\$ 233, 500</u>

- A. The Group recognised net gain of \$7,013, \$1,350, \$7,790 and \$106,328 (listed as “Other gains and losses”) for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.
- B. In November 2023, the Company subscribed 5,000 thousand shares of King House Co., Ltd. (formerly Ensure Global Corp., Ltd.) through private placement. The private placement shares shall not be transferred within three years.
- C. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost - current

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Demand deposits pledged	\$ <u>81, 500</u>	\$ <u>55, 000</u>	\$ <u>149, 200</u>

- A. The Group recognised interest income in profit or loss on financial assets at amortised cost amounting to \$—, \$—, \$276 and \$314 (listed as ‘Interest income’) for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.
- B. As of September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the carrying amount.
- C. As of September 30, 2025, December 31, 2024 and September 30, 2024, the financial assets at amortised cost pledged to others as collateral are provided in Note 8, ‘PLEDGED ASSETS’.
- D. Information about credit risk of financial assets at amortised cost is provided in Note 12(2), ‘Financial instruments’.

(4) Notes and accounts receivable, net

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Notes receivable	\$ 76,531	\$ 126,719	\$ 99,037
Less: Allowance for uncollectible accounts	(13)	(13)	(13)
	<u>\$ 76,518</u>	<u>\$ 126,706</u>	<u>\$ 99,024</u>
Accounts receivable	\$ 835,340	\$ 1,076,408	\$ 909,977
Less: Allowance for uncollectible accounts	(22,968)	(23,053)	(23,053)
	<u>\$ 812,372</u>	<u>\$ 1,053,355</u>	<u>\$ 886,924</u>

A. The ageing analysis of notes receivable and accounts receivable (including related parties) that were past due but not impaired is as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Notes receivable:			
During the credit period	<u>\$ 76,531</u>	<u>\$ 126,719</u>	<u>\$ 99,037</u>
Accounts receivable:			
During the credit period	\$ 1,021,545	\$ 1,044,682	\$ 861,770
Overdue 1 to 90 days	12,686	14,002	31,364
Overdue 91 to 180 days	68	57	64
Overdue 181 to 270 days	76	18	2
Overdue 271 to 365 days	10	3	2,683
Overdue over 365 days	<u>21,792</u>	<u>22,210</u>	<u>19,530</u>
	<u>\$ 1,056,177</u>	<u>\$ 1,080,972</u>	<u>\$ 915,413</u>

The above ageing analysis was based on days overdue.

- B. As of September 30, 2025, December 31, 2024 and September 30, 2024, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$970,992.
- C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.
- D. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group did not hold any collateral as security for notes and accounts receivable.
- E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), 'Financial instruments'.

(5) Inventories

	September 30, 2025		
		Allowance for inventory valuation losses	Book value
	Cost		
Raw materials	\$ 864, 885	\$ –	\$ 864, 885
Work in progress	20, 004	–	20, 004
Finished goods	69, 267	–	69, 267
	<u>\$ 954, 156</u>	<u>\$ –</u>	<u>\$ 954, 156</u>

	December 31, 2024		
		Allowance for inventory valuation losses	Book value
	Cost		
Raw materials	\$ 932, 725	\$ –	\$ 932, 725
Finished goods	78, 932	–	78, 932
	<u>\$ 1, 011, 657</u>	<u>\$ –</u>	<u>\$ 1, 011, 657</u>

	September 30, 2024		
		Allowance for inventory valuation losses	Book value
	Cost		
Raw materials	\$ 890, 080	\$ –	\$ 890, 080
Finished goods	102, 491	–	102, 491
	<u>\$ 992, 571</u>	<u>\$ –</u>	<u>\$ 992, 571</u>

The cost of inventories recognised as expense for the period:

	For the three-month periods ended September 30,	
	2025	2024
Cost of goods sold	\$ 1, 672, 348	\$ 2, 378, 483
Sales of scraps	(2, 120)	(2, 339)
	<u>\$ 1, 670, 228</u>	<u>\$ 2, 376, 144</u>

	For the nine-month periods ended September 30,	
	2025	2024
Cost of goods sold	\$ 5, 498, 226	\$ 6, 709, 176
Sales of scraps	(7, 396)	(10, 729)
	<u>\$ 5, 490, 830</u>	<u>\$ 6, 698, 447</u>

(6) Prepayments

	September 30, 2025	December 31, 2024	September 30, 2024
Residual tax credit	\$ 33,479	\$ 46,667	\$ 18,464
Prepayments to suppliers	–	20,192	–
Others	6,881	7,250	5,378
	<u>\$ 40,360</u>	<u>\$ 74,109</u>	<u>\$ 23,842</u>

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

Items	September 30, 2025	December 31, 2024	September 30, 2024
Equity instruments			
Listed and emerging stocks	\$ 99,440	\$ –	\$ –
Listed and emerging stocks - private placement	99,400	99,400	–
	198,840	99,400	–
Valuation adjustments	(12,136)	12,040	–
	<u>\$ 186,704</u>	<u>\$ 111,440</u>	<u>\$ –</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments was the book value at September 30, 2025 and December 31, 2024.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month periods ended September 30,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income (shown as other equity)	<u>\$ 22,694</u>	<u>\$ –</u>
	For the nine-month periods ended September 30,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income (shown as other equity)	<u>(\$ 24,176)</u>	<u>\$ –</u>

C. In December 2024, the Company subscribed 7,000 thousand shares of Data Van International Corp. through private placement. The private placement shares shall not be transferred within three years.

D. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group has no financial assets at fair value through other comprehensive income pledged to others.

(8) Investments accounted for using the equity method

A. Details of investment accounted for using the equity method are as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Korea Peibo Electronics Co., Ltd.	\$ 1, 058	\$ 1, 058	\$ 1, 058
Less: Accumulated impairment (<u>1, 058)</u>	<u>1, 058)</u>	<u>1, 058)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group has no investment accounted for using the equity method pledged to others.

C. For the three-month and nine-month periods ended September 30, 2025 and 2024, the Group did not recognise impairment loss or gain on reversal of impairment related to investments accounted for using the equity method. As of September 30, 2025, December 31, 2024 and September 30, 2024, the carrying amount of accumulated impairment loss of investments accounted for using the equity method was all \$1,058.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2025</u>								
Cost	\$ 103,606	\$ 140,542	\$ 212,613	\$ 1,454	\$ 39,378	\$ 37,738	\$ 328,512	\$ 863,843
Accumulated depreciation	—	(8,470)	(60,063)	(647)	(14,436)	(16,138)	—	(99,754)
	<u>\$ 103,606</u>	<u>\$ 132,072</u>	<u>\$ 152,550</u>	<u>\$ 807</u>	<u>\$ 24,942</u>	<u>\$ 21,600</u>	<u>\$ 328,512</u>	<u>\$ 764,089</u>
<u>For the nine-month period ended September 30, 2025</u>								
At January 1	\$ 103,606	\$ 132,072	\$ 152,550	\$ 807	\$ 24,942	\$ 21,600	\$ 328,512	\$ 764,089
Additions	—	84	10,884	427	1,324	1,821	172,971	187,511
Transferred (Note)	—	265,547	35,830	—	2,038	51,203	(318,809)	35,809
Depreciation	—	(2,634)	(19,632)	(301)	(4,078)	(7,737)	—	(34,382)
Disposals - Cost	—	—	(690)	—	(360)	(2,839)	—	(3,889)
- Accumulated depreciation	—	—	476	—	360	2,839	—	3,675
At September 30	<u>\$ 103,606</u>	<u>\$ 395,069</u>	<u>\$ 179,418</u>	<u>\$ 933</u>	<u>\$ 24,226</u>	<u>\$ 66,887</u>	<u>\$ 182,674</u>	<u>\$ 952,813</u>
<u>At September 30, 2025</u>								
Cost	\$ 103,606	\$ 406,173	\$ 258,637	\$ 1,881	\$ 42,380	\$ 87,923	\$ 182,674	\$1,083,274
Accumulated depreciation	—	(11,104)	(79,219)	(948)	(18,154)	(21,036)	—	(130,461)
	<u>\$ 103,606</u>	<u>\$ 395,069</u>	<u>\$ 179,418</u>	<u>\$ 933</u>	<u>\$ 24,226</u>	<u>\$ 66,887</u>	<u>\$ 182,674</u>	<u>\$ 952,813</u>

(Note) \$24 was transferred from “Inventories”, \$51,044 was transferred from “Prepayments for business facilities” and \$15,259 was transferred to “Intangible assets”.

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2024</u>								
Cost	\$ 103,606	\$ 140,236	\$ 154,968	\$ 1,301	\$ 38,920	\$ 27,479	\$ 6,818	\$ 473,328
Accumulated depreciation	<u>–</u>	<u>(5,554)</u>	<u>(41,409)</u>	<u>(372)</u>	<u>(9,678)</u>	<u>(11,609)</u>	<u>–</u>	<u>(68,622)</u>
	<u>\$ 103,606</u>	<u>\$ 134,682</u>	<u>\$ 113,559</u>	<u>\$ 929</u>	<u>\$ 29,242</u>	<u>\$ 15,870</u>	<u>\$ 6,818</u>	<u>\$ 404,706</u>
<u>For the nine-month period ended September 30, 2024</u>								
At January 1	\$ 103,606	\$ 134,682	\$ 113,559	\$ 929	\$ 29,242	\$ 15,870	\$ 6,818	\$ 404,706
Additions	–	224	12,507	–	301	2,117	259,517	274,666
Transferred	–	–	37,949	–	–	3,679	(41,628)	–
Depreciation	–	(2,186)	(13,450)	(199)	(3,608)	(3,328)	–	(22,771)
Disposals - Cost	–	–	(37)	–	(18)	–	–	(55)
- Accumulated depreciation	<u>–</u>	<u>–</u>	<u>37</u>	<u>–</u>	<u>18</u>	<u>–</u>	<u>–</u>	<u>55</u>
At September 30	<u>\$ 103,606</u>	<u>\$ 132,720</u>	<u>\$ 150,565</u>	<u>\$ 730</u>	<u>\$ 25,935</u>	<u>\$ 18,338</u>	<u>\$ 224,707</u>	<u>\$ 656,601</u>
<u>At September 30, 2024</u>								
Cost	\$ 103,606	\$ 140,460	\$ 205,387	\$ 1,301	\$ 39,203	\$ 33,275	\$ 224,707	\$ 747,939
Accumulated depreciation	<u>–</u>	<u>(7,740)</u>	<u>(54,822)</u>	<u>(571)</u>	<u>(13,268)</u>	<u>(14,937)</u>	<u>–</u>	<u>(91,338)</u>
	<u>\$ 103,606</u>	<u>\$ 132,720</u>	<u>\$ 150,565</u>	<u>\$ 730</u>	<u>\$ 25,935</u>	<u>\$ 18,338</u>	<u>\$ 224,707</u>	<u>\$ 656,601</u>

- A. The Group's property, plant and equipment as of September 30, 2025, December 31, 2024 and September 30, 2024 were for its own use.
- B. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024
Amount capitalised	\$ 1,045	\$ 571
Range of the interest rates for capitalisation	1.92%	1.92%~2.46%
	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Amount capitalised	\$ 3,859	\$ 571
Range of the interest rates for capitalisation	1.92%	1.92%~2.46%

- C. Information about the property, plant and equipment that were pledged to others as collateral as of September 30, 2025, December 31, 2024 and September 30, 2024 is provided in Note 8, 'PLEGDED ASSETS'.

(10) Leasing arrangements - lessee

- A. The Group leases various assets including plant, buildings and transportation equipment. Rental contracts are typically made for periods of 3 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. The carrying amount of right-of-use assets and the depreciation are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 458,791	\$ 471,756	\$ 478,900
Transportation equipment	4,929	6,324	7,010
Buildings	41,983	58,740	64,326
	<u>\$ 505,703</u>	<u>\$ 536,820</u>	<u>\$ 550,236</u>
	For the three-month periods ended September 30,		
	2025	2024	
	Depreciation	Depreciation	
Land	\$ 6,298	\$ 6,228	
Transportation equipment	751	636	
Buildings	5,586	5,586	
	<u>\$ 12,635</u>	<u>\$ 12,450</u>	

	For the nine-month periods ended September 30,	
	2025	2024
	Depreciation	Depreciation
Land	\$ 19,521	\$ 11,741
Transportation equipment	2,253	1,744
Buildings	16,757	16,757
	<u>\$ 38,531</u>	<u>\$ 30,242</u>

C. The additions to right-of-use assets were \$—, \$3,338, \$7,414 and \$337,208 for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month periods ended September 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,472	\$ 2,533
Expense on short-term lease contracts	2,165	2,672
Expense on leases of low-value assets	62	55

	For the nine-month periods ended September 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 7,800	\$ 5,207
Expense on short-term lease contracts	6,688	11,438
Expense on leases of low-value assets	166	187

E. The Group's total cash outflow for leases were \$11,744, \$9,405, \$35,407 and \$31,444 for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

(11) Short-term borrowings

Type of borrowings	September 30, 2025	Interest rate range□	Collateral
Secured bank borrowings	<u>\$ 462,834</u>	2.128%~5.761%	Demand deposits
Type of borrowings	December 31, 2024	Interest rate range□	Collateral
Secured bank borrowings	<u>\$ 316,932</u>	2.128%~2.547%	Demand deposits
Type of borrowings	September 30, 2024	Interest rate range□	Collateral
Secured bank borrowings	<u>\$ 460,000</u>	2.128%~2.501%	Demand deposits

Information about interest expenses recognised in profit or loss for the three-month and nine-month periods ended September 30, 2025 and 2024 is provided in Note 6(24), 'Finance costs'.

(12) Short-term notes and bills payable

Type of borrowings	September 30, 2025	Interest rate range	Collateral
Commercial papers payable	\$ 130,000	2.638%~2.66%	None
Less: Unamortized discount	(330)		
	<u>\$ 129,670</u>		

The Group had no short-term notes and bills payable as of December 31, 2024 and September 30, 2024.

A. Commercial papers payable were guaranteed by Mega International Commercial Bank and other financial institutions, for the short-term capital turnover.

B. For more information on interest expenses recognized in profit or loss by the Group for the three-month and nine-month periods ended September 30, 2025 and 2024, refer to Note 6(24), 'Financial costs'.

(13) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Accrued shipping fee	\$ 39,632	\$ 48,377	\$ 44,530
Accrued salaries and bonuses	36,791	36,006	31,757
Equipment payable	13,952	3,214	255
Accrued manufacturing fees	12,747	18,173	14,901
Accrued employees' compensation and directors' remuneration	5,125	6,201	5,567
Taxes payable	650	487	377
Accrued import fees	9	317	5,772
Others	15,731	16,697	29,593
	<u>\$ 124,637</u>	<u>\$ 129,472</u>	<u>\$ 132,752</u>

(14) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	Collateral	September 30, 2025
Long-term bank borrowings				
Secured borrowings	2020.2~2035.9	1.52%~2.278%	Land and buildings	\$ 185,565
Unsecured borrowings	2024.7~2034.7	1.92%	None	<u>318,052</u>
				503,617
Less: Current portion of long-term borrowings				(66,700)
				<u>\$ 436,917</u>

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured borrowings	2020. 2~2031. 12	2. 22%~2. 278%	Land and buildings	\$ 142, 942
Unsecured borrowings	2024. 7~2034. 7	1. 92%	None	260, 926
				403, 868
Less: Current portion of long-term borrowings				(49, 878)
				<u>\$ 353, 990</u>

Type of borrowings	Borrowing period	Interest rate range	Collateral	September 30, 2024
Secured borrowings	2020. 2~2034. 7	1. 50%~2. 355%	Demand deposits, land and buildings	\$ 370, 558
Less: Current portion of long-term borrowings				(52, 723)
				<u>\$ 317, 835</u>

Information about interest expenses recognised in profit or loss for the three-month and nine-month periods ended September 30, 2025 and 2024 is provided in Note 6(24), ‘Finance costs’.

(15) Pensions

A. The Group has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March. Information about the abovementioned defined benefit pension plan is disclosed as follows:

For the aforementioned pension plan, the Company recognized pension costs of \$2, \$—, \$8 and \$— for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

B. Effective July 1, 2005, the Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the

Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Group were \$1,288, \$1,003, \$3,897 and \$2,768 for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

(16) Share capital

- A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	For the nine-month periods ended September 30,	
	2025	2024
Beginning balance	99,956	68,753
Conversion of convertible corporate bonds into common stock	–	1,203
Ending balance	<u>99,956</u>	<u>69,956</u>

- B. On August 9, 2024, the Company's board of directors during its meeting resolved to raise additional cash through the issuance of 30 million new shares, which has been approved by the Securities and Futures Bureau, Financial Supervisory Commission. The shares were issued at a premium of \$27 (in dollars) per share, totaling \$810,000, with the effective date set on October 28, 2024. The change of registration was completed on November 8, 2024.
- C. For the year ended December 31, 2024, a total of bonds with a par value of \$24,300 have been converted into 1,203 thousand shares of the Company (listed as "Common Stock" of \$12,029 and "Capital surplus-additional paid-in capital" of \$12,641), and the change of registration had been completed.
- D. As of September 30, 2025, the Company's authorised capital was \$1,500,000, consisting of 99,956 thousand shares of ordinary stock, and the paid-in capital was \$999,561 with a par value of \$10 (in dollars) per share, which were issued in several installments. All proceeds from shares issued have been collected.

(17) Capital surplus

	For the nine-month period ended September 30, 2025			
	Share premium	Stock option	Others	Total
Beginning and ending balance	<u>\$ 908,169</u>	<u>\$ 1,668</u>	<u>\$ 197</u>	<u>\$ 910,034</u>

	For the nine-month period ended September 30, 2024			
	Share premium	Stock option	Others	Total
Beginning balance	\$ 385,528	\$ 1,166	\$ 197	\$ 386,891
Conversion of corporate bonds into common stock	<u>12,641</u>	<u>(994)</u>	<u>–</u>	<u>11,647</u>
Ending balance	<u>\$ 398,169</u>	<u>\$ 172</u>	<u>\$ 197</u>	<u>\$ 398,538</u>

- A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. Information on capital surplus generated from execution and issuance of convertible corporate bonds is provided in Note 6(16) 'Share capital'.

(18) Retained earnings

- A. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, when the legal reserve equals to the paid-in capital, the appropriation is not required. After that, a special reserve shall be set aside or reversed in accordance with Article 41 of the Securities and Exchange Act. The remaining earnings plus the accumulated unappropriated earnings shall be proposed by the Board of Directors to be resolved at the shareholders' meeting as dividends to shareholders.

In accordance with Paragraph 5 of Article 240 of the Company Act, the Board of Directors is authorised by the Company to resolve the distribution of dividends and bonuses, in whole or in part, in the form of cash by the resolution adopted by the majority vote at their meeting attended by two-thirds of the total number of directors, and then reported it to the shareholders.

The Company's dividend policy is in line with current and future development plans, and takes into consideration investment environment, capital requirements, domestic and overseas competition, and shareholders' interest, etc. At least 30% of the Company's distributable earnings of the year shall be appropriated as dividends and bonuses each year. However, the distribution is not required if the accumulated distributable earnings is lower than 1% of paid-in capital. Dividends and bonuses may be distributed in the form of cash or shares, and cash dividends shall account for at least 10% of the total dividends distributed. However, the type and payout ratio of dividend may be adjusted by the resolution of the shareholders during their meeting according to the actual profit and capital position of the year.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. On May 26, 2025 and April 22, 2024, the stockholders during their meeting resolved the distributions of cash dividends from the 2024 and 2023 earnings in the amount of \$179,921 (\$1.8 (in dollars) per share) and \$139,912 (\$2.0 (in dollars) per share), respectively.

(19) Other equity interest

	For the nine-month period ended September 30, 2025
	Unrealized valuation gains and losses
At January 1	\$ 12,040
Fair value change recognised in other comprehensive income (shown as other equity)	(24,176)
At September 30	<u>(\$ 12,136)</u>

There was no such situation for the nine-month period ended September 30, 2024.

(20) Operating revenue

	For the three-month periods ended September 30,	
	2025	2024
Rebar revenue	\$ 1,582,279	\$ 1,678,835
Billet revenue	<u>182,944</u>	<u>816,677</u>
	<u>\$ 1,765,223</u>	<u>\$ 2,495,512</u>

	For the nine-month periods ended September 30,	
	2025	2024
Rebar revenue	\$ 5,311,555	\$ 5,035,941
Billet revenue	<u>498,165</u>	<u>2,016,815</u>
	<u>\$ 5,809,720</u>	<u>\$ 7,052,756</u>

A. The Group derives sales revenue from the transfer of goods at point in time.

B. The Group has recognised the following revenue-related contract liabilities:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>	<u>January 1, 2024</u>
Contract liabilities				
- current				
Advance sales receipts	\$ 217,497	\$ 266,715	\$ 494,859	\$ 335,543

Revenue recognised for the three-month and nine-month periods ended September 30, 2025 and 2024 that was included in the contract liability balance as of January 1, 2025 and 2024 amounted to \$46,917, \$36,796, \$176,929 and \$285,030, respectively.

(21) Interest income

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 67	\$ 14
Other interest income	148	692
	<u>\$ 215</u>	<u>\$ 706</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 763	\$ 1,412
Interest income from financial assets at amortised cost	276	314
Other interest income	802	1,173
	<u>\$ 1,841</u>	<u>\$ 2,899</u>

(22) Other income

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Rental income	\$ 794	\$ 143
Dividend income	2,556	–
Other income	342	269
	<u>\$ 3,692</u>	<u>\$ 412</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Rental income	\$ 989	\$ 334
Dividend income	2,556	–
Other income	21,077	909
	<u>\$ 24,622</u>	<u>\$ 1,243</u>

(23) Other gains and losses

For the three-month periods ended September 30,			
2025		2024	
Net gain on financial assets and liabilities at fair value through profit or loss	\$ 7,013	\$ 1,350	
Gain (loss) from compensation	447 (32)	
Net currency exchange (loss) gain	(1,869)	1,005	
Net loss on disposal of property, plant and equipment	(41)	–	
Other losses	(6)	(2)	
	<u>\$ 5,544</u>	<u>\$ 2,321</u>	
For the nine-month periods ended September 30,			
2025		2024	
Net gain on financial assets and liabilities at fair value through profit or loss	\$ 7,790	\$ 106,328	
Loss from compensation	– (4,099)	
Net currency exchange (loss) gain	(2,073)	4,304	
Net loss on disposal of property, plant and equipment	(53)	–	
Other losses	(7)	(2,091)	
	<u>\$ 5,657</u>	<u>\$ 104,442</u>	

(24) Finance costs

For the three-month periods ended September 30,			
2025		2024	
Interest expense:			
Bank borrowings	\$ 5,982	\$ 4,336	
Lease liabilities	2,472	2,533	
Others	181	–	
	8,635	6,869	
Less: Capitalization of qualifying assets	(1,045)	(571)	
	<u>\$ 7,590</u>	<u>\$ 6,298</u>	

		For the nine-month periods ended September 30,	
		2025	2024
Interest expense:			
Convertible corporate bonds	\$	–	\$ 172
Bank borrowings		15,211	11,101
Lease liabilities		7,800	5,207
Others		211	–
		23,222	16,480
Less: Capitalization of qualifying assets	(3,859)	(571)
	\$	<u>19,363</u>	<u>\$ 15,909</u>

(25) Expenses by nature

		For the three-month period ended September 30, 2025		
		Operating costs	Operating expenses	Total
Employee benefit expense	\$	22,846	\$ 18,384	\$ 41,230
Depreciation		18,843	6,070	24,913
Amortisation		175	791	966
	\$	<u>41,864</u>	<u>\$ 25,245</u>	<u>\$ 67,109</u>

		For the three-month period ended September 30, 2024		
		Operating costs	Operating expenses	Total
Employee benefit expense	\$	17,841	\$ 16,011	\$ 33,852
Depreciation		12,211	8,165	20,376
Amortisation		45	57	102
	\$	<u>30,097</u>	<u>\$ 24,233</u>	<u>\$ 54,330</u>

		For the nine-month period ended September 30, 2025		
		Operating costs	Operating expenses	Total
Employee benefit expense	\$	72,320	\$ 54,420	\$ 126,740
Depreciation		54,638	18,275	72,913
Amortisation		396	877	1,273
	\$	<u>127,354</u>	<u>\$ 73,572</u>	<u>\$ 200,926</u>

		For the nine-month period ended September 30, 2024		
		Operating costs	Operating expenses	Total
Employee benefit expense	\$	47,484	\$ 48,446	\$ 95,930
Depreciation		35,789	17,224	53,013
Amortisation		139	134	273
	\$	<u>83,412</u>	<u>\$ 65,804</u>	<u>\$ 149,216</u>

(26) Employee benefit expense

<u>For the three-month period ended September 30, 2025</u>			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 18,438	\$ 15,555	\$ 33,993
Labour and health insurance expenses	1,944	1,293	3,237
Pension costs	693	597	1,290
Other personnel expenses	1,771	939	2,710
	<u>\$ 22,846</u>	<u>\$ 18,384</u>	<u>\$ 41,230</u>
<u>For the three-month period ended September 30, 2024</u>			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 13,947	\$ 13,146	\$ 27,093
Labour and health insurance expenses	1,482	1,299	2,781
Pension costs	462	541	1,003
Other personnel expenses	1,950	1,025	2,975
	<u>\$ 17,841</u>	<u>\$ 16,011</u>	<u>\$ 33,852</u>
<u>For the nine-month period ended September 30, 2025</u>			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 58,775	\$ 45,325	\$ 104,100
Labour and health insurance expenses	6,198	4,439	10,637
Pension costs	2,075	1,830	3,905
Other personnel expenses	5,272	2,826	8,098
	<u>\$ 72,320</u>	<u>\$ 54,420</u>	<u>\$ 126,740</u>
<u>For the nine-month period ended September 30, 2024</u>			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 37,460	\$ 40,788	\$ 78,248
Labour and health insurance expenses	3,947	3,292	7,239
Pension costs	1,261	1,507	2,768
Other personnel expenses	4,816	2,859	7,675
	<u>\$ 47,484</u>	<u>\$ 48,446</u>	<u>\$ 95,930</u>

- A. The Company's distributable profit of the year (the distributable profit refers to profit before deducting tax and the employees' compensation and directors' and supervisors' remuneration below), if any, shall be used to cover accumulated deficit, and the remainder, if any, is distributed as follows: (a) 1% ~ 10% for employees' compensation, at least 10% of the amount allocated for employee compensation shall be distributed to non-managerial employees, and (b) No higher than 4% for directors' and supervisors' remuneration. The aforementioned employees' compensation can be distributed in the form of stocks or cash. The employees include the employees of the Company's subsidiaries who meet the requirements stipulated by the Board of Directors. The aforementioned directors' and supervisors' remuneration can only be distributed in the form of cash. Both distributions shall be proposed by the Remuneration Committee to the Board of Directors. The Board of Directors shall resolve the distributions by approval of more than half of directors present at a meeting where more than two-thirds of the directors are in attendance, and report the resolution at the shareholders' meeting.
- B. For the three-month and nine-month periods ended September 30, 2025 and 2024, employees' compensation were accrued at \$307, \$413, \$1,292 and \$2,423, respectively; while directors' remuneration were accrued at \$245, \$330, \$1,033 and \$1,938, respectively. The aforementioned amounts were recognised in salary expenses, and were estimated and accrued based on the percentage prescribed by the Company's Articles of Incorporation, depending on distributable profit of the year. On February 21, 2025, the employees' compensation and directors' and supervisors' remuneration for 2024 as resolved by the Board of Directors totaled \$5,005, and the employees' compensation will be distributed in the form of cash. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Components of income tax expense:

	For the three-month periods ended September 30,	
	2025	2024
Current income tax:		
Current tax on profit for the period	\$ 4,319	\$ 8,325
Deferred tax:		
Origination and reversal of temporary differences	(184)	(9)
Income tax expense	<u>\$ 4,135</u>	<u>\$ 8,316</u>

	For the nine-month periods ended September 30,	
	2025	2024
Current income tax:		
Current tax on profit for the period	\$ 23,557	\$ 25,925
Over provision of prior year's income tax payable	(1,130)	(31)
Total current income tax	<u>22,427</u>	<u>25,894</u>
Deferred tax:		
Origination and reversal of temporary differences	(207)	559
Income tax expense	<u>\$ 22,220</u>	<u>\$ 26,453</u>

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of November 7, 2025.

(28) Earnings per share

	For the three-month period ended September 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 25,950</u>	<u>99,956</u>	<u>\$ 0.26</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 25,950	99,956	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>22</u>	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 25,950</u>	<u>99,978</u>	<u>\$ 0.26</u>

For the three-month period ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 34,617	69,956	\$ 0.49
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 34,617	69,956	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	25	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 34,617	69,981	\$ 0.49
For the nine-month period ended September 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 104,637	99,956	\$ 1.05
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 104,637	99,956	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	78	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 104,637	100,034	\$ 1.05

For the nine-month period ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 211,470	69,823	\$ 3.03
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 211,470	69,823	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	95	
Convertible corporate bonds	138	174	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 211,608	70,092	\$ 3.02

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the nine-month periods ended September 30,	
	2025	2024
Acquisition of property, plant and equipment	\$ 187,511	\$ 274,666
Add: Beginning balance of equipment payable	3,214	1,207
Less: Ending balance of equipment payable	(13,952)	(255)
Capitalized interest	(3,859)	(571)
Cash paid for acquisition of property, plant and equipment	\$ 172,914	\$ 275,047

B. Operating, investing and financing activities with no cash flow effects:

	For the nine-month periods ended September 30,	
	2025	2024
(1) Inventory transferred to property, plant and equipment	\$ 24	\$ -
(2) Prepayments for equipment transferred to property, plant and equipment	\$ 51,044	\$ -
(3) Property, plant and equipment transferred to intangible assets	\$ 15,259	\$ -
(4) Convertible bonds converted into capital stock and capital surplus	\$ -	\$ 23,676

(30) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Liabilities from financing activities
At January 1, 2025	\$ 316,932	\$ -	\$ 516,168	\$ 403,868	\$ 1,236,968
Changes in cash flow from financing activities	145,902	130,000	(20,753)	99,749	354,898
Changes in other non-cash items	-	(330)	7,414	-	7,084
At September 30, 2025	<u>\$ 462,834</u>	<u>\$ 129,670</u>	<u>\$ 502,829</u>	<u>\$ 503,617</u>	<u>\$ 1,598,950</u>

	Short-term borrowings	Lease liabilities	Bonds payable (including current portion)	Long-term borrowings (including current portion)	Liabilities from financing activities
At January 1, 2024	\$ 216,108	\$ 238,785	\$ 27,704	\$ 191,212	\$ 673,809
Changes in cash flow from financing activities	243,892	(14,612)	(4,200)	179,346	404,426
Changes in other non-cash items	-	337,208	(23,504)	-	313,704
At September 30, 2024	<u>\$ 460,000</u>	<u>\$ 561,381</u>	<u>\$ -</u>	<u>\$ 370,558</u>	<u>\$ 1,391,939</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
E-Top Metal Co., Ltd. (E-Top Metal)	Significant influence to the Company
E-Sheng Steel Co., Ltd. (E-Sheng Steel)	Other related party
TSG Transport Corp. (TSG Transport)	Other related party
TSG Environmental Technology Corp. (TSG Environmental)	Other related party
TSG Power Corp. (TSG Power)	Other related party
TSG Sports Marketing Corp. (TSG Sports)	Other related party
TSG Hawks Baseball Co., Ltd. (TSG Hawks)	Other related party
TSG Mechatronic Corp. (TSG Mechatronic)	Other related party
TSG Engineering Co., Ltd.(TSG Engineering)	Other related party
Te Chang Construction Co., Ltd.(Te Chang)	Other related party

(2) Significant related party transactions

A. Sales of goods

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
E-Top Metal	\$ 182, 944	\$ 719, 744
E-Sheng Steel	4, 186	96, 933
Other related parties	51, 446	5, 572
	<u>\$ 238, 576</u>	<u>\$ 822, 249</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
E-Top Metal	\$ 423, 017	\$ 940, 897
E-Sheng Steel	9, 038	911, 367
Other related parties	97, 115	5, 651
	<u>\$ 529, 170</u>	<u>\$ 1, 857, 915</u>

Prices of goods sold to related parties and non-related parties are determined based on mutual agreement at each time, and the credit term is 14 to 60 days after monthly-closing, T/T. For third parties, the credit terms ranged from 30 to 90 days after monthly-closing.

B. Purchases of goods

	For the three-month periods ended September 30,	
	2025	2024
E-Top Metal	\$ 915,856	\$ 1,091,095
E-Sheng Steel	437,950	465,615
Other related parties	11,864	13,807
	<u>\$ 1,365,670</u>	<u>\$ 1,570,517</u>
	For the nine-month periods ended September 30,	
	2025	2024
E-Top Metal	\$ 3,145,934	\$ 3,222,354
E-Sheng Steel	1,700,000	1,609,782
Other related parties	41,892	43,483
	<u>\$ 4,887,826</u>	<u>\$ 4,875,619</u>

Purchase prices from related parties were the same with third parties. Payment terms of some purchases from related parties were 10 to 20 days or 60 days after monthly-closing, T/T. For third parties, the payment terms were full prepayment, by issuance of letter of credit or the credit terms ranged from 30 to 90 days after monthly-closing.

C. Other expenses

	For the three-month periods ended September 30,	
	2025	2024
TSG Transport	\$ 33,903	\$ 43,276
E-Sheng Steel	1,480	2,616
TSG Hawks	3,616	168
E-Top Metal	2,026	2,092
Other related parties	28	—
	<u>\$ 41,053</u>	<u>\$ 48,152</u>
	For the nine-month periods ended September 30,	
	2025	2024
TSG Transport	\$ 110,063	\$ 118,427
E-Sheng Steel	5,991	7,001
TSG Hawks	5,990	168
E-Top Metal	5,645	8,411
Other related parties	1,089	—
	<u>\$ 128,778</u>	<u>\$ 134,007</u>

D. Rental income (listed as ‘Other income’)

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 794</u>	<u>\$ 143</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 989</u>	<u>\$ 334</u>

E. Ending balance of goods sold

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable:			
E-Top Metal	\$ 192,091	\$ –	\$ –
E-Sheng Steel	414	336	–
Other related parties	<u>28,332</u>	<u>4,228</u>	<u>5,436</u>
	<u>\$ 220,837</u>	<u>\$ 4,564</u>	<u>\$ 5,436</u>

F. Other receivables

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
E-Top Metal	\$ 7	\$ –	\$ –
Other related parties	<u>1,004</u>	<u>820</u>	<u>50</u>
	<u>\$ 1,011</u>	<u>\$ 820</u>	<u>\$ 50</u>

G. Prepayments

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
TSG Transport	\$ 2,748	\$ 619	\$ 2,566
TSG Hawks	1,915	4,321	–
Other related parties	<u>–</u>	<u>85</u>	<u>–</u>
	<u>\$ 4,663</u>	<u>\$ 5,025</u>	<u>\$ 2,566</u>

H. Ending balance of goods purchased

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts payable:			
E-Top Metal	\$ 78,495	\$ 180,806	\$ 158,699
E-Sheng Steel	38,686	122,075	99,594
Other related parties	<u>10,109</u>	<u>13,687</u>	<u>11,732</u>
	<u>\$ 127,290</u>	<u>\$ 316,568</u>	<u>\$ 270,025</u>

I. Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
TSG Transport	\$ 26,676	\$ 36,070	\$ 37,491
E-Top Metal	796	798	825
E-Sheng Steel	565	1,078	1,091
Other related parties	2	–	–
	<u>\$ 28,039</u>	<u>\$ 37,946</u>	<u>\$ 39,407</u>

J. Contract liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
E-Top Metal	\$ –	\$ 38,962	\$ 110,504
E-Sheng Steel	–	–	165,829
	<u>\$ –</u>	<u>\$ 38,962</u>	<u>\$ 276,333</u>

K. Property transaction

(a) Acquisition of property, plant and equipment:

		For the three-month periods ended September 30,	
		2025	2024
E-Top Metal	Construction in progress and equipment to be inspected	\$ 268	\$ –
Other related parties	Construction in progress and equipment to be inspected	57,200	32,253
		<u>\$ 57,468</u>	<u>\$ 32,253</u>
		For the nine-month periods ended September 30,	
		2025	2024
E-Top Metal	Construction in progress and equipment to be inspected	\$ 767	\$ –
Other related parties	Machinery and equipment	3,999	–
Other related parties	Leasehold improvements	1,400	–
Other related parties	Construction in progress and equipment to be inspected	67,600	44,748
		<u>\$ 73,766</u>	<u>\$ 44,748</u>

(b) Disposal of property, plant and equipment:

	Item	For the nine-month period ended September 30, 2025	
		Disposal proceeds	Gain (loss) on disposal
E-Top Metal	Machinery and equipment	\$ 132	\$ —

There was no such situation for the three-month periods ended September 30, 2025 and nine-month period ended September 30, 2024.

(3) Key management compensation

	For the three-month periods ended September 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 3,273	\$ 3,308
Post-employment benefits	69	70
	<u>\$ 3,342</u>	<u>\$ 3,378</u>
	For the nine-month periods ended September 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 9,836	\$ 9,611
Post-employment benefits	209	199
	<u>\$ 10,045</u>	<u>\$ 9,810</u>

8. PLEDGED ASSETS

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

Pledged asset	September 30, 2025	December 31, 2024	September 30, 2024	Purpose
Demand deposits (Note 1)	\$ 81,500	\$ 55,000	\$ 149,200	Long-term and short-term borrowings, letters of credit
Land (Note 2)	103,606	103,606	103,606	Long-term borrowings
Buildings and structures (Note 2)	128,743	130,746	131,360	Long-term borrowings
	<u>\$ 313,849</u>	<u>\$ 289,352</u>	<u>\$ 384,166</u>	

(Note 1) Listed as 'Financial assets at amortised cost - current'.

(Note 2) Listed as 'Property, plant and equipment'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1). As of September 30, 2025, December 31, 2024 and September 30, 2024, the unused letters of credit for the purchase of raw materials amounted to \$—, \$— and \$311,120, respectively.

- (2). As of September 30, 2025, December 31, 2024 and September 30, 2024, the balances for contracts that the Group entered into but not yet incurred for the purchase of property, plant and equipment are \$100,390, \$— and \$—, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

Details of the Group's financial instruments by category are provided in Note 6.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments are used to hedge certain risk.

(b) Risk management is carried out by a treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group has certain purchases denominated in USD. Changes in market exchange rates would affect the fair value. However, the payment and collection periods of assets and liability positions in foreign currencies are close, thus market risk can be offset. The Group does not expect significant foreign exchange risk.

ii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2025			
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 750	30.445	\$ 22,834
December 31, 2024			
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 618	32.785	\$ 20,261

There was no such situation on September 30, 2024.

With regard to sensitivity analysis of foreign currency exchange rate risk, if exchange rate of NTD had appreciated/depreciated by 1% against USD and EUR with all other variables held constant, the post-tax profit would increase/decrease by (\$230), (\$268), (\$183), and \$— for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

- iii. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group amounted to (\$1,869), \$1,005, (\$2,073), and \$4,304 for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2025 and 2024 would have increased/decreased by \$2,115 and \$1,868,

respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity, before-tax profit would have increased/decreased by \$1,867 and \$ —, respectively, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest risk. For the nine-month periods ended September 30, 2025 and 2024, the Group's borrowings at variable rate were denominated in NTD.
- ii. With regard to sensitivity analysis of interest rate risk, if interest rate on borrowings increased/decreased by 1% with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2025 and 2024 would have decreased/increased by \$170 and \$90, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire Group's concern. According to the Group's credit policy, the Group is responsible for managing and analysing the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. In line with credit risk management, if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default has occurred when past due over 270 days.
- iv. The Group applies the simplified approach using the provision matrix to estimate expected credit loss, and uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of September 30, 2025, December 31, 2024 and September 30, 2024, the provision matrix is as follows:

September 30, 2025	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	\$ 1,098,076	\$ 12,686	\$ 68	\$ 76
Expected credit rate	0.02%	1.84%	69.47%	79.22%
Loss allowance	\$ 841	\$ 233	\$ 47	\$ 60
			Individually assessed impairment	
September 30, 2025	Overdue 271~365 days	Over 365 days overdue	loss	Total
Total book value	\$ 10	\$ 36	\$ 21,756	\$ 1,132,708
Expected credit rate	84.21%	100%	100%	
Loss allowance	\$ 8	\$ 36	\$ 21,756	\$ 22,981
December 31, 2024	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	\$ 1,171,401	\$ 14,002	\$ 57	\$ 18
Expected credit rate	0.02%	0.81%	33.63%	40.94%
Loss allowance	\$ -	\$ 829	\$ 19	\$ 7
			Individually assessed impairment	
December 31, 2024	Overdue 271~365 days	Over 365 days overdue	loss	Total
Total book value	\$ 3	\$ 363	\$ 21,847	\$ 1,207,691
Expected credit rate	47.75%	100%	100%	
Loss allowance	\$ 1	\$ 363	\$ 21,847	\$ 23,066
September 30, 2024	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	\$ 960,807	\$ 31,364	\$ 64	\$ 2
Expected credit rate	0.02%	0.76%	31.74%	39.26%
Loss allowance	\$ -	\$ 834	\$ 20	\$ 1
			Individually assessed impairment	
September 30, 2024	Overdue 271~365 days	Over 365 days overdue	loss	Total
Total book value	\$ 3	\$ 363	\$ 21,847	\$ 1,014,450
Expected credit rate	46.26%	100%	100%	
Loss allowance	\$ 1	\$ 363	\$ 21,847	\$ 23,066

- v. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the nine-month period ended September 30, 2025		
	Notes receivable	Accounts receivable	Total
Beginning balance	\$ 13	\$ 23, 053	\$ 23, 066
Reversal of impairment loss	–	(85)	(85)
Ending balance	<u>\$ 13</u>	<u>\$ 22, 968</u>	<u>\$ 22, 981</u>

	For the nine-month period ended September 30, 2024		
	Notes receivable	Accounts receivable	Total
Beginning balance	\$ 13	\$ 19, 605	\$ 19, 618
Impairment loss	–	3, 448	3, 448
Ending balance	<u>\$ 13</u>	<u>\$ 23, 053</u>	<u>\$ 23, 066</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants.
- ii. The Group has the following undrawn borrowing facilities:

	September 30, 2025	December 31, 2024	September 30, 2024
Floating rate:			
Expiring within one year	\$ 338, 201	\$ 213, 068	\$ 190, 000
Expiring in more than one year	<u>401, 100</u>	<u>329, 300</u>	<u>869, 639</u>
	<u>\$ 739, 301</u>	<u>\$ 542, 368</u>	<u>\$ 1, 059, 639</u>

- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>September 30, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 465,429	\$ –	\$ –	\$ –
Short-term notes and bills payable	130,000	–	–	–
Notes payable	3,195	–	–	–
Accounts payable	128,348	–	–	–
Other payables	124,637	–	–	–
Lease liabilities	47,343	42,383	104,257	398,593
Long-term borrowings (including current portion)	75,950	74,920	219,634	174,633
<u>December 31, 2024</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 321,265	\$ –	\$ –	\$ –
Notes payable	4,742	–	–	–
Accounts payable	317,611	–	–	–
Other payables	129,472	–	–	–
Lease liabilities	37,239	50,645	108,557	415,373
Long-term borrowings (including current portion)	57,629	56,795	166,263	158,763
<u>September 30, 2024</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 462,080	\$ –	\$ –	\$ –
Notes payable	2,319	–	–	–
Accounts payable	270,553	–	–	–
Other payables	132,752	–	–	–
Lease liabilities	75,204	46,638	114,221	422,878
Long-term borrowings (including current portion)	59,836	57,634	143,922	141,161

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed and emerging stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in listed stocks through private placement (the discount on liquidity of 15.75% and 10.24%, respectively.) are included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost-current, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables and long-term borrowings (including current portion)) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at September 30, 2025, December 31, 2024 and September 30, 2024 is as follows:

<u>September 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 33,268</u>	<u>\$ 231,100</u>	<u>\$ –</u>	<u>\$ 264,368</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 110,894</u>	<u>\$ 75,810</u>	<u>\$ –</u>	<u>\$ 186,704</u>

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ <u> –</u>	\$ <u>220,900</u>	\$ <u> –</u>	\$ <u>220,900</u>
Financial assets at fair value through other comprehensive income				
Equity securities	\$ <u> –</u>	\$ <u>111,440</u>	\$ <u> –</u>	\$ <u>111,440</u>
<u>September 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ <u> –</u>	\$ <u>233,500</u>	\$ <u> –</u>	\$ <u>233,500</u>

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

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed and emerging stocks</u>
Market quoted price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

- (c) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. As a result, the estimate generated by valuation model will be slightly adjusted based on additional inputs, such as model risk or liquidity risk of counterparties. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- D. For the nine-month periods ended September 30, 2025 and 2024, there was no transfer between Level 1 and Level 2, and there was no transfer from or to Level 3.
- E. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 2, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent

information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the nine-month periods ended September 30, 2025.

(1) Significant transactions information

- A. Loans to others : None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 2.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 3.
- F. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

As of September 30, 2025, there are no investments in Mainland China.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The Group's chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Information about segment profit or loss, assets and liabilities

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

	For the nine-month periods ended September 30,	
	2025	2024
	The Group	The Group
Segment revenue		
Revenue from external customers, net	\$ 5,809,720	\$ 7,052,756
Depreciation and amortisation	74,186	53,286
Finance costs	19,363	15,909
Segment profit before income tax	126,857	237,923
Segment assets	4,363,464	3,837,433
Non-current assets capital expenditure	191,419	304,806
Segment liabilities	2,079,565	2,296,983

(3) Reconciliation for segment income

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The amounts provided to the chief operating decision maker with respect to segment income, total assets and total liabilities are measured in a manner consistent with that of the financial statements. Therefore, such reconciliation is not required.

TMP STEEL CORPORATION AND ITS SUBSIDIARY

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2025

Table 1

Expressed in thousands of NTD

Securities held by	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of September 30, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
TMP Steel Corporation	Chun Yu Works & Co., Ltd.	Other related party	Financial assets at fair value through profit or loss - current	456,000	\$ 7,843	0.15%	\$ 7,843	-
	Ofco Industrial Corp.	Other related party	Financial assets at fair value through profit or loss - current	596,000	6,378	0.59%	6,378	-
	Jia Jie Biomedical Co., Ltd.	Other related party	Financial assets at fair value through profit or loss - current	1,088,405	19,047	0.92%	19,047	-
	King House CO. Ltd.	Other related party	Financial assets at fair value through profit or loss - non-current	5,000,000	231,100	2.96%	231,100	-
	Data Van International Corp.	-	Financial assets at fair value through other comprehensive income - non-current	7,000,000	75,810	5.46%	75,810	-
	IBF Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,200,899	110,894	0.20%	110,894	-

(Note) Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

TMP STEEL CORPORATION AND ITS SUBSIDIARY

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the nine months ended September 30, 2025

Table 2

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
TMP Steel Corporation	E-TOP METAL CO., LTD.	Significant influence to the Company	Purchases	\$ 3,145,934	61%	20 days after 10 days statements	\$ -	(Note 2)	(\$ 78,495)	(43%)	-
	E-TOP METAL CO., LTD.	Significant influence to the Company	(Sales)	(423,017)	(7%)	60 days after monthly statements	-	(Note 3)	192,091	15%	-
	E-SHENG STEEL CO., LTD.	Other related party	Purchases	1,700,000	33%	20 days after 10 days statements	-	(Note 2)	(38,686)	(21%)	-

(Note 1) The transactions between related parties are merely arising from reversed directions, therefore, they will not be disclosed separately.

(Note 2) The Company's payment terms with third parties are full prepayment, by issuance of letter of credit or the credit terms ranged from 30 to 90 days after monthly-closing. It is determined based on credit management policy of the company.

(Note 3) The Company's collection terms with third parties are 30 to 90 days after monthly statements. It is determined based on credit management policy of the company.

TMP STEEL CORPORATION AND ITS SUBSIDIARY
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
September 30, 2025

Table 3

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance at September 30, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
TMP Steel Corporation	E-TOP METAL CO., LTD.	Significant influence to the Company	\$ 192,091	5.87	\$ -	-	\$ 84,243	\$ -

TMP STEEL CORPORATION AND ITS SUBSIDIARY

Names, locations and other information of investee companies (not including investees in Mainland China)

For the nine months ended September 30, 2025

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at	Balance as at	Number of shares	Ownership (%)	Book value (Note)	of the investee for	recognised by the Company	
				September 30, 2025	December 31, 2024				the year ended	the year ended	
				September 30, 2025	September 30, 2025				September 30, 2025	September 30, 2025	
TMP Steel Corporation	Korea Peibo Electronics Co., Ltd.	Seoul, Korea	Purchase, sales and manufacturing of electronic components	\$ 1,599	\$ 1,599	-	50%	\$ -	\$ -	\$ -	-
	Taiwan Steel Material Corp.	Taiwan	Wholesale of hardware and sale	1,000	1,000	100,000	100%	997	2	2	Subsidiary

(Note) It is shown as amount net of accumulated impairment loss.