

Key Ware Electronics Co., Ltd.  
and its subsidiaries

Consolidated Financial Report and  
Accountant's Review Report  
Second Quarter of 2025 and 2024

Address: No. 32, Xingbang Road, Taoyuan District,  
Taoyuan City  
Phone: (03) 366-0667

## § TABLE OF CONTENTS §

	<u>ITEM</u>	<u>PAGE NUMBER</u>	<u>FINANCIAL STATEMENTS NOTE NUMBERS</u>
I.	Cover	1	-
II.	Table of Contents	2	-
III.	Accountant's Review Report	3~4	-
IV.	Consolidated Balance Sheet	5	-
V.	Consolidated Statement of Comprehensive Income	6	-
VI.	Consolidated Statement of Changes in Equity	7	-
VII.	Consolidated Statement of Cash Flows	8~9	-
VIII.	Notes to the Consolidated Financial Statements		
(I)	Company History	10	I
(II)	Date and Procedures of Consolidated Financial Report Approval	10	II
(III)	Adoption of New and Revised Standards and Interpretations	10 ~ 12	III
(IV)	Summary of Significant Accounting Policies	12 ~ 13	IV
(V)	Key Sources of Accounting Judgments, Estimates, and Uncertainties	13	V
(VI)	Explanations of Significant Accounting Items	13 ~ 31	VI-XXIII
(VII)	Transactions with Related Parties	40 ~ 43	XXVI
(VIII)	Mortgaged Assets	43	XXVII
(IX)	Other Matters	-	-
(X)	Miscellaneous	32 ~ 40 、 33 ~ 44	XXIV、XXV、 XXVIII
(XI)	Notes Disclosure		
	1. Information on Significant Transactions	44 ~ 45	XXIX
	2. Information on Investments in Subsidiaries	44 ~ 45	XXIX
	3. Information on Investments in Mainland China	44 ~ 45	XXIX
(XII)	Financial Information by Operating Segments	45 ~ 46	XXX

## **Accountant's Review Report**

Key Ware Electronics Co., Ltd. Attn:

### **Preface**

The consolidated balance sheets of Key Ware Electronics Co., Ltd. and its subsidiaries (Key Ware Group) as of June 30, 2025 and 2024, the consolidated statements of comprehensive income from April 1 to June 30 of 2025 and 2024, the consolidated statements of changes in equity from January 1 to June 30 of 2025 and 2024, the consolidated statements of cash flows, and the notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed by us. The preparation and fair presentation of these financial statements, in accordance with Securities Issuers Financial Reporting Standards and International Accounting Standard (IAS) 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission, are the responsibility of management. Our responsibility is to express a conclusion based on our review.

### **Scope**

Except as elaborated in the Basis for Qualified Conclusion section, we conducted our review in accordance with Review Standard No. 2410 "Review of Financial Statements". The procedures performed to review the consolidated financial statements include inquiries (primarily with personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is significantly less than that of an audit, so there may be material matters identifiable through an audit that the accounting professionals may not detect during a review, thereby, an audit opinion cannot be provided.

### **Basis for Qualified Conclusion**

As stated in Note XII to the consolidated financial statements, the interim financial statements of certain immaterial subsidiaries, included in the above consolidated financial statements, were not reviewed by accountants. As of June 30, 2025, the total assets of these subsidiaries amount to NT\$380,912 thousand, representing 10.62% of the total consolidated assets; total liabilities amount to NT\$67,373 thousand, representing 3.94% of the total consolidated liabilities. Their

comprehensive losses for the periods from April 1 to June 30, and January 1 to June 30, 2025, amount to NT\$1,307 thousand and NT\$3,676 thousand, representing 0.75% and 1.77% of the consolidated comprehensive losses for each respective period.

**Conclusion**

Based on the results of the accountant's review, aside from the potential adjustments to the consolidated financial statements due to the non-reviewed financial statements of the immaterial subsidiaries discussed under the Basis for Qualified Conclusion section, nothing has come to the accountant's attention that causes them to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Key Ware Group as of June 30 in 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the periods from April 1 to June 30, and January 1 to June 30, for both 2025 and 2024 years, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting", approved and enforced by the Financial Supervisory Commission.

Deloitte Taiwan

Accountant Li Guan-Hao

Accountant Ma Wei-Jyun

Financial Supervisory Commission  
Approval Reference Number  
FSC Certificate No. 1100372936

Financial Supervisory Commission Approval  
Reference Number  
FSC Certificate No. 1120349008

August 12, 2025

Key Ware Electronics Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
June 30, 2025, and December 31, 2024, and June 30, 2024

Unit: NTS thousand

C o d e	Assets	June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
<b>Current Assets</b>							
1100	Cash and Cash Equivalents (Note VI)	\$ 211,666	6	\$ 227,514	6	\$ 363,787	9
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Note VII and XXVII)	110,540	3	119,843	3	122,198	3
1120	Financial Assets at Fair Value Through Other Comprehensive Income - Current (Notes VIII and XXVII)	239,478	7	256,449	7	320,561	8
1150	Notes Receivable (Note IX)	47,962	1	48,820	1	63,453	2
1170	Accounts Receivable (Note IX)	585,555	16	547,572	15	535,958	14
1180	Accounts Receivable - Related Parties (Note XXVI)	70	-	71	-	118	-
1200	Other Receivables - Current (Note IX)	258,331	7	142,689	4	211,843	5
130X	Inventories (Note X)	504,202	14	509,237	14	505,947	13
1421	Prepaid Purchase	17,860	1	16,885	-	15,603	-
1460	Non-current Assets Held for Sale (Note XI)	-	-	-	-	49,227	1
1470	Other Current Assets	81,015	2	83,544	2	70,116	2
11XX	Total Current Assets	<u>2,056,679</u>	<u>57</u>	<u>1,952,624</u>	<u>52</u>	<u>2,258,811</u>	<u>57</u>
<b>Non-current Assets</b>							
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-current (Note VIII)	33,653	1	36,501	1	56,010	2
1600	Property, Plant and Equipment (Notes XIII and XXVII)	1,284,934	36	1,427,381	38	1,324,074	33
1755	Right-of-use Assets (Notes XIV and XXVI)	61,641	2	78,143	2	84,447	2
1805	Goodwill	6,752	-	7,527	-	7,515	-
1821	Other Intangible Assets (Note XV)	13,168	-	14,849	-	16,531	1
1840	Deferred Income Tax Assets (Note XXI)	95,417	3	78,447	2	86,533	2
1920	Refundable Deposits	4,144	-	4,665	-	2,716	-
1915	Prepayments - Non-current	28,132	1	23,124	1	11,611	-
1930	Other Receivables - Non-current (Notes IX and XIII)	-	-	135,620	4	135,555	3
1990	Other Non-current Assets (Note XIII)	1,643	-	3,380	-	8,216	-
15XX	Total Non-current Assets	<u>1,529,484</u>	<u>43</u>	<u>1,809,637</u>	<u>48</u>	<u>1,733,208</u>	<u>43</u>
1XXX	Total Assets	<u>\$ 3,586,163</u>	<u>100</u>	<u>\$ 3,762,261</u>	<u>100</u>	<u>\$ 3,992,019</u>	<u>100</u>
<b>Liabilities and Equity</b>							
<b>Current Liabilities</b>							
2100	Short-term Borrowings (Notes XVI and XXVII)	\$ 829,117	23	\$ 762,569	20	\$ 821,271	21
2110	Short-term Notes Payable (Note XVI)	34,980	1	-	-	-	-
2150	Notes and Accounts Payable	153,703	4	120,145	3	156,105	4
2180	Accounts Payable - Related Parties (Note XXVI)	18,896	1	29,997	1	50,075	1
2216	Dividends Payable	12,601	-	-	-	-	-
2219	Other Payables (Note XVII)	63,538	2	66,099	2	71,551	2
2220	Other Payables - Related Parties (Note XXVI)	35	-	79	-	-	-
2230	Current Income Tax Liabilities (Note IV)	15,365	-	61,024	2	41,212	1
2280	Lease Liabilities - Current (Notes XIV and XXVI)	18,715	1	20,961	1	20,377	1
2320	Current Portion of Long-term Liabilities (Notes XVI and XXVII)	16,889	1	16,676	-	16,647	-
2399	Other Current Liabilities	7,766	-	7,368	-	7,755	-
21XX	Total Current Liabilities	<u>1,171,605</u>	<u>33</u>	<u>1,084,918</u>	<u>29</u>	<u>1,184,993</u>	<u>30</u>
<b>Non-current Liabilities</b>							
2540	Long-term Borrowings (Notes XVI and XXVII)	453,622	13	462,121	12	470,511	12
2570	Deferred Income Tax Liabilities (Note XXI)	63,777	2	90,157	2	113,854	3
2580	Lease Liabilities - Non-current (Notes XIV and XXVI)	13,625	-	22,939	1	30,098	1
2670	Other Non-current Liabilities	5,953	-	4,660	-	20,350	-
25XX	Total Non-current Liabilities	<u>536,977</u>	<u>15</u>	<u>579,877</u>	<u>15</u>	<u>634,813</u>	<u>16</u>
2XXX	Total Liabilities	<u>1,708,582</u>	<u>48</u>	<u>1,664,795</u>	<u>44</u>	<u>1,819,806</u>	<u>46</u>
<b>Equity Attributable to Owners of the Parent</b>							
3110	Ordinary Share Capital	1,924,485	54	1,924,485	51	1,923,535	48
3200	Capital Surplus	80,695	2	80,695	2	80,543	2
3300	Retained Earnings	150,839	4	197,763	5	193,161	5
3400	Other Equity	(297,763)	(8)	(124,456)	(3)	(43,669)	(1)
31XX	Total Equity Attributable to Owners of the Parent	<u>1,858,256</u>	<u>52</u>	<u>2,078,487</u>	<u>55</u>	<u>2,153,570</u>	<u>54</u>
36XX	Non-controlling Interests	19,325	-	18,979	1	18,643	-
3XXX	Total Equity	<u>1,877,581</u>	<u>52</u>	<u>2,097,466</u>	<u>56</u>	<u>2,172,213</u>	<u>54</u>
Total Liabilities and Equity		<u>\$ 3,586,163</u>	<u>100</u>	<u>\$ 3,762,261</u>	<u>100</u>	<u>\$ 3,992,019</u>	<u>100</u>

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

(Please refer to the review report issued by Deloitte Taiwan on August 12, 2025)

Chairman: Chou Pang-Chi

Manager: Chu Tsung-Wei

Chief Accountant: Li Yun-Ting

Key Ware Electronics Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income

For the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024

Unit: NT\$ thousand, except for earnings (losses) per share  
Earnings (Losses) Per Share (in New Taiwan dollars)

C o d e	April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	\$ 335,274	100	\$ 315,120	100	\$ 636,354	100	\$ 575,748	100
5000	298,244	89	283,980	90	583,023	92	529,114	92
5900	37,030	11	31,140	10	53,331	8	46,634	8
	Operating Expenses (Notes XV, XVIII, and XX)							
6100	17,622	5	12,680	4	31,571	5	24,682	4
6200	15,379	5	15,937	5	32,485	5	31,868	6
6300	972	-	1,072	1	1,846	-	2,063	-
6450	Expected Credit Loss (Reversal Benefit) Impairment							
	( 2,930)	( 1)	7,220	2	( 2,578)	-	7,486	1
6000	31,043	9	36,909	12	63,324	10	66,099	11
6900	5,987	2	( 5,769)	( 2)	( 9,993)	( 2)	( 19,465)	( 3)
	Non-operating Income & Expenses (Notes XIII, XX, and XXVI)							
7100	5,198	2	10,421	3	11,937	2	20,570	4
7010	101	-	227	-	130	-	319	-
7020	( 7,806)	( 2)	( 33,939)	( 11)	( 14,642)	( 2)	794	-
7050	( 8,301)	( 3)	( 8,188)	( 2)	( 16,345)	( 3)	( 15,655)	( 3)
7055	-	-	21,190	7	-	-	21,190	4
7060	Share of Profit or Loss of Subsidiaries and Associates Under Equity Method							
	-	-	2	-	-	-	( 1)	-
7000	( 10,808)	( 3)	( 10,287)	( 3)	( 18,920)	( 3)	27,217	5
7900	( 4,821)	( 1)	( 16,056)	( 5)	( 28,913)	( 5)	7,752	2
7950	5,825	2	( 9,076)	( 3)	5,064	1	( 1,169)	-
8200	( 10,646)	( 3)	( 6,980)	( 2)	( 33,977)	( 6)	8,921	2
	Other Comprehensive Income							
8310	Items Not to Be Reclassified to Profit or Loss							
8316	Unrealized Gains and Losses from Investments in Equity Instruments at Fair Value Through Other Comprehensive Income (Note XIX)							
	( 5,647)	( 2)	85,800	27	( 19,818)	( 3)	53,943	9
8360	Items That May Be Reclassified to Profit or Loss							
8361	Exchange Differences Arising from Translating Financial Statements of Foreign Operations (Note XIX)							
	( 196,807)	( 59)	17,310	5	( 191,861)	( 30)	86,692	15
8399	Income Tax Related to Items That May Be Reclassified (Note XXI)							
	39,361	12	( 3,462)	( 1)	38,372	6	( 17,338)	( 3)
8300	Other Comprehensive Income for the Period							
	( 163,093)	( 49)	99,648	31	( 173,307)	( 27)	123,297	21
8500	( \$ 173,739)	( 52)	\$ 92,668	29	( \$ 207,284)	( 33)	\$ 132,218	23
	Net Income (Loss) Attributable To:							
8610	( \$ 10,663)	( 3)	( \$ 7,972)	( 2)	( \$ 34,323)	( 6)	\$ 7,906	2
8620	17	-	992	-	346	-	1,015	-
8600	( \$ 10,646)	( 3)	( \$ 6,980)	( 2)	( \$ 33,977)	( 6)	\$ 8,921	2
	Total Comprehensive Income Attributable To:							
8710	( \$ 173,756)	( 52)	\$ 91,676	29	( \$ 207,630)	( 33)	\$ 131,203	23
8720	17	-	992	-	346	-	1,015	-
8700	( \$ 173,739)	( 52)	\$ 92,668	29	( \$ 207,284)	( 33)	\$ 132,218	23
	Earnings (Loss) Per Share (Note XXII)							
9750	( \$ 0.06)		( \$ 0.04)		( \$ 0.18)		\$ 0.04	
9850	( \$ 0.06)		( \$ 0.04)		( \$ 0.18)		\$ 0.04	

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

(Please refer to the review report issued by Deloitte Taiwan on August 12, 2025)

Chairman: Chou Pang-Chi

Manager: Chu Tsung-Wei

Chief Accounting Officer: Li Yun-Ting

Key Ware Electronics Co., Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
January 1 to June 30, 2025 and 2024

Unit: Thousands of New Taiwan Dollars

		Equity Attributable to the Owners of the Company (Note XIX)									
		Retained Earnings									
Code		Common Stock Capital	Capital Surplus	Statutory Reserve	Special Reserve	Unappropriated Earnings	Exchange differences on translation of foreign operations' financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total	Non-controlling Interests	Total Equity
A1	Balance as of January 1, 2024	\$ 1,923,135	\$ 80,479	\$ 25,118	\$ 158,644	\$ 1,493	(\$ 114,809)	(\$ 52,157)	\$ 2,021,903	\$ 17,628	\$ 2,039,531
D1	Net Profit for the Period January 1 to June 30, 2024	-	-	-	-	7,906	-	-	7,906	1,015	8,921
D3	Other Comprehensive Income After Tax for the Period January 1 to June 30, 2024	-	-	-	-	-	69,354	53,943	123,297	-	123,297
D5	Total Comprehensive Income for the Period January 1 to June 30, 2024	-	-	-	-	7,906	69,354	53,943	131,203	1,015	132,218
2023 Earnings Distribution											
B1	Provision of Statutory Reserve	-	-	149	-	( 149)	-	-	-	-	-
B3	Provision of Special Reserve	-	-	-	1,344	( 1,344)	-	-	-	-	-
N1	Share-based Payments (Note XXV)	400	64	-	-	-	-	-	464	-	464
Z1	Balance as of June 30, 2024	<u>\$ 1,923,535</u>	<u>\$ 80,543</u>	<u>\$ 25,267</u>	<u>\$ 159,988</u>	<u>\$ 7,906</u>	<u>(\$ 45,455)</u>	<u>\$ 1,786</u>	<u>\$ 2,153,570</u>	<u>\$ 18,643</u>	<u>\$ 2,172,213</u>
A1	Balance as of January 1, 2025	\$ 1,924,485	\$ 80,695	\$ 25,267	\$ 159,988	\$ 12,508	(\$ 42,620)	(\$ 81,836)	\$ 2,078,487	\$ 18,979	\$ 2,097,466
D1	Net Profit (Loss) for the Period January 1 to June 30, 2025	-	-	-	-	( 34,323)	-	-	( 34,323)	346	( 33,977)
D3	Other Comprehensive Income After Tax for the Period January 1 to June 30, 2025	-	-	-	-	-	( 153,489)	( 19,818)	( 173,307)	-	( 173,307)
D5	Total Comprehensive Income for the Period January 1 to June 30, 2025	-	-	-	-	( 34,323)	( 153,489)	( 19,818)	( 207,630)	346	( 207,284)
2024 Earnings Distribution											
B1	Appropriation of Legal Reserve	-	-	1,251	-	( 1,251)	-	-	-	-	-
B5	Cash Dividend	-	-	-	-	( 12,601)	-	-	( 12,601)	-	( 12,601)
B17	Reversal of Special Reserve	-	-	-	( 1,344)	1,344	-	-	-	-	-
Z1	Balance as of June 30, 2025	<u>\$ 1,924,485</u>	<u>\$ 80,695</u>	<u>\$ 26,518</u>	<u>\$ 158,644</u>	<u>(\$ 34,323)</u>	<u>(\$ 196,109)</u>	<u>(\$ 101,654)</u>	<u>\$ 1,858,256</u>	<u>\$ 19,325</u>	<u>\$ 1,877,581</u>

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

(Please refer to the review report issued by Deloitte Taiwan on August 12, 2025)

Chairman: Bang-Chi Chou

Manager: Tsong-Wei Chu

Chief Accountant: Yun-Ting Li

Key Ware Electronics Co., Ltd. and Subsidiaries

Consolidated Cash Flow Statement

From January 1 to June 30, 2025 and 2024

Unit: NTD in thousands

C o d e		January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024
	Cash Flows from Operating Activities		
A10000	Profit (Loss) before Tax	(\$ 28,913)	\$ 7,752
A20010	Income and Expenses		
A20100	Depreciation Expenses	70,031	63,138
A20200	Amortization Expenses	2,026	2,726
A20300	Expected Credit Loss Reversal Gains	( 2,578)	( 13,704)
A20400	Net Gains (Losses) on Financial Instruments Measured at Fair Value through Profit or Loss	( 7,583)	822
A20900	Finance Costs	16,345	15,655
A21200	Interest Income	( 11,937)	( 20,570)
A21300	Dividend Income	( 94)	( 133)
A22300	Share of Loss of Associates Accounted for Using the Equity Method	-	1
A23700	Inventory Write-down and Obsolescence Loss	-	2,646
A23800	Reversal of Inventory Write-down and Obsolescence Gains	( 4,320)	-
A22500	Loss on Disposal of Property, Plant, and Equipment	-	19
A24100	Unrealized Foreign Exchange Loss (Gains)	2,489	( 3,901)
A30000	Net Changes in Operating Assets and Liabilities		
A31130	Notes Receivable	( 3,322)	( 1,139)
A31150	Accounts Receivable	( 77,388)	( 29,234)
A31160	Accounts Receivable - Related Parties	1	( 46)
A31180	Other Receivables	1,441	12,033
A31200	Inventory	( 14,673)	( 49,812)
A31230	Advance Payments	( 975)	( 2,928)
A31240	Other Current Assets	2,529	( 19,761)
A32130	Notes and Accounts Payable	42,516	26,422
A32160	Accounts Payable - Related Parties	( 11,101)	27,354
A32180	Other Payables	( 1,878)	( 21,315)
A32190	Other Payables - Related Parties	( 44)	( 165)
A32230	Other Current Liabilities	398	( 40)
A32240	Other Non-Current Liabilities	<u>1,293</u>	<u>2,497</u>
A33000	Cash Outflows Generated from Operations	( 25,737)	( 1,683)
A33100	Interest Received	1,232	1,077
A33200	Dividends Received	94	133

(To be continued)

(Continued from previous page)

<u>C o d e</u>		<u>January 1, 2025 to June 30, 2025</u>	<u>January 1, 2024 to June 30, 2024</u>
A33300	Interest Paid	( 17,028 )	( 16,245 )
A33500	Income Tax Paid	( 47,673 )	( 62,473 )
AAAA	Net Cash Outflows from Operating Activities	( 89,112 )	( 79,191 )
	<b>Cash Flows from Investing Activities</b>		
B00100	Acquisition of Financial Assets Measured at Fair Value through Profit or Loss	( 45,842 )	( 348,006 )
B00200	Proceeds from Disposal of Financial Assets Measured at Fair Value through Profit or Loss	61,740	337,939
B02700	Acquisition of Property, Plant, and Equipment	( 4,535 )	( 5,198 )
B03800	Decrease in Refundable Deposits	470	653
B05350	Decrease in Compensation Receivable	-	135,257
B06700	Increase in Other Non-Current Assets	1,392	( 5,522 )
B07100	Increase in Prepaid Accounts	( 11,027 )	( 8,524 )
B07600	Dividends Received from Associates	-	10,365
BBBB	Net Cash Inflows from Investing Activities	<u>2,198</u>	<u>116,964</u>
	<b>Cash Flows from Financing Activities</b>		
C00100	Increase in Short-term Borrowings	1,317,680	1,341,420
C00200	Decrease in short-term borrowings	( 1,241,121 )	( 1,074,104 )
C00500	Increase in short-term notes payable	115,063	-
C00600	Decrease in short-term notes payable	( 80,083 )	( 24,979 )
C01300	Repayment of convertible bonds	-	( 57,300 )
C01600	Proceeds from long-term borrowings	-	20,000
C01700	Repayment of long-term borrowings	( 8,286 )	( 12,903 )
C04020	Repayment of lease principal	( 10,372 )	( 9,594 )
C04800	Employee stock option execution	-	464
CCCC	Net cash inflow from financing activities	<u>92,881</u>	<u>183,004</u>
DDDD	Effects of exchange rate changes on cash and cash equivalents	( 21,815 )	5,097
EEEE	Net increase (decrease) in cash and cash equivalents during the period	( 15,848 )	225,874
E00100	Cash and cash equivalents at beginning of period	<u>227,514</u>	<u>137,913</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 211,666</u>	<u>\$ 363,787</u>

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

(Please refer to the review report issued by Deloitte Taiwan on August 12, 2025)

Chairman: Bang-Chi Chou

Manager: Tsung-Wei Chu

Chief Accountant: Yun-Ting Li

Key Ware Electronics Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

From January 1 to June 30, 2025 and 2024

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

I. Company History

Key Ware Electronics Co., Ltd. (hereinafter referred to as "the Company"), was approved and registered on February 27, 1997, primarily engaged in the design, manufacturing, processing, and distribution of raw materials for printed circuit boards, such as electroplating solutions, dry film, drill bits, and copper-clad laminates.

The main operations include business in the design, manufacturing, and sales of raw materials for printed circuit boards.

The Company's common stock has been publicly traded on the Taipei Exchange Market since March 29, 2001.

This consolidated financial report is presented in the functional currency of the Company, the New Taiwan Dollar.

II. Date and Procedures of Financial Report Approval

This consolidated financial report was approved by the Board of Directors on August 8, 2025.

III. Adoption of Newly Issued and Amended Standards and Interpretations

(I) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations approved and issued by the Financial Supervisory Commission (FSC) of Taiwan

The adoption of modified IFRS standards approved and issued by the FSC did not result in significant changes to the accounting policies of the consolidated company.

(II) IFRS accounting standards approved by the FSC and applicable in 2026

Newly issued/amended/revised standards and interpretations	Effective dates issued by the IASB
Amendments to IFRS 9 and IFRS 7 – "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – "Contracts Linked to the Natural Dependency of Power Generation"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards – Cycle 11"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17: "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023

As of the issuance date of this consolidated financial report, the Group is still assessing the impact of the amendments on its financial position and financial performance.

(III) IASB has issued but not yet endorsed or promulgated by the FSC the IFRS accounting standards.

<u>Newly issued/amended/revised standards and interpretations</u>	<u>Effective dates of issuance by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18: "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19: "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless otherwise stated, the above-mentioned newly issued/amended/revised standards or interpretations take effect for annual reporting periods beginning on or after the respective date.

IFRS 18: "Presentation and Disclosures in Financial Statements"

IFRS 18 will replace IAS 1:

"Presentation of Financial Statements". The primary changes include:

- The statement of profit or loss shall categorize revenues and expenses into operating, investing, financing, income tax, and discontinued operations.
- The statement of profit or loss shall report subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and total profit or loss.
- Guidance to enhance aggregation and disaggregation: The Group is required to identify assets, liabilities, equity, revenue, expenses, and cash flows arising from individual transactions or other events, and categorize and aggregate them based on shared characteristics. Items differing in characteristics should be disaggregated in both the primary financial statements and the notes. Labels such as "other" should only be used when no more informative term can be found.
- Enhanced disclosure of management-defined performance measures: When the Group communicates externally outside of financial statements or provides insights into a particular aspect of overall financial performance from management's perspective to financial statement users, such information should be disclosed in a single note in the financial statements. This includes a description of the measure, how it is calculated, its reconciliation with subtotals or totals prescribed by IFRS

accounting standards, and the effects of related adjustments on income tax and non-controlling interests.

In addition to the aforementioned impacts, as of the issuance date of this consolidated financial report, the Group is still evaluating the impacts of other amendments to various standards and interpretations on its financial position and financial performance. Related effects will be disclosed upon completion of the assessment.

#### IV. Summary of Significant Accounting Policies

##### (I) Statement of Compliance

This consolidated financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34: "Interim Financial Reporting" as endorsed and made effective by the FSC. This consolidated financial report does not include all disclosures required for full annual financial reports in accordance with IFRS accounting standards.

##### (II) Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized based on the present value of defined benefit obligations minus the fair value of plan assets, this consolidated financial report is prepared on a historical cost basis.

Fair value measurements are classified into Level 1 to Level 3 based on the observability and significance of the inputs:

1. Level 1 inputs: Refer to unadjusted quoted prices for identical assets or liabilities in active markets accessible on the measurement date.
2. Level 2 inputs: Refer to observable inputs for the asset or liability, excluding Level 1 quotes, that are either directly (e.g., prices) or indirectly (e.g., derived from prices) observable.
3. Level 3 inputs: Refer to unobservable inputs for the asset or liability.

##### (III) Basis of Consolidation

This consolidated financial report includes the financial reports of the Company and the entities controlled by the Company (subsidiaries). The consolidated statements of comprehensive income incorporate the operating results of acquired or disposed subsidiaries from the acquisition date or until the disposal date within the period. The financial reports of subsidiaries have been adjusted to align their accounting policies with those of the Company. All inter-entity transactions, account balances, income,

and expenses have been fully eliminated in the preparation of the consolidated financial report. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and the non-controlling interests, even if this leads to a negative balance of non-controlling interests.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the adjustment amount of non-controlling interests and the fair value of consideration paid or received is directly recognized in equity and attributed to the owners of the Company.

For details on subsidiaries, shareholding ratios, and business activities, please refer to Note XII, Table 4, and Table 5.

(IV) Other Significant Accounting Policies

Except as described below, please refer to the summary of significant accounting policies in the Consolidated Financial Report for 2024.

1. Defined Benefit Post-Employment Benefits

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

2. Income Tax Expense

Income tax expense is the total of current tax and deferred tax. Interim period income tax is calculated on a year-to-date basis using the estimated annual effective tax rate applied to pre-tax income for the interim period.

V. Key Sources of Significant Accounting Judgments, Estimates, and Assumptions

Please refer to the Key Sources of Significant Accounting Judgments, Estimates, and Assumptions in the Consolidated Financial Report for 2024.

VI. Cash and Cash Equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on Hand	\$ 873	\$ 864	\$ 2,047
Bank Checks and Demand Deposits	<u>210,793</u>	<u>226,650</u>	<u>361,740</u>
	<u>\$ 211,666</u>	<u>\$ 227,514</u>	<u>\$ 363,787</u>

VII. Financial Instruments Measured at Fair Value Through Profit or Loss Financial Assets -

Current

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Mandatorily Measured at Fair Value Through Profit or Loss</u>			
Domestic Listed (OTC) and Emerging Stocks	\$ 83,466	\$ 79,516	\$ 63,804
Foreign Listed Stocks	27,074	18,298	58,394
CNY Financial Products	-	22,029	-
	<u>\$ 110,540</u>	<u>\$ 119,843</u>	<u>\$ 122,198</u>

VIII. Financial Assets Measured at Fair Value Through Other Comprehensive Income Equity

Instrument Investments

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Current</u>			
Domestic OTC Stocks	<u>\$ 239,478</u>	<u>\$ 256,449</u>	<u>\$ 320,561</u>
<u>Non- Current</u>			
Domestic Unlisted (OTC) Stocks	\$ 16,179	\$ 17,634	\$ 24,943
Foreign Unlisted (OTC) Stocks	17,474	18,867	31,067
	<u>\$ 33,653</u>	<u>\$ 36,501</u>	<u>\$ 56,010</u>

The consolidated company invests in equity instruments for medium- to long-term strategic purposes and expects to profit through long-term investments. Management believes that including the short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned long-term investment planning; hence, they have elected to designate these investments as measured at fair value through other comprehensive income.

Information regarding pledged equity instrument investments measured at fair value through other comprehensive income can be found in Note XXVII.

IX. Notes Receivable, Accounts Receivable, and Other Receivables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Notes Receivable</u>			
Arising from Operations	\$ 48,132	\$ 49,086	\$ 66,596
Less: Allowance for Losses	( 170 )	( 266 )	( 3,143 )
	<u>\$ 47,962</u>	<u>\$ 48,820</u>	<u>\$ 63,453</u>

(To be continued)

(Continued from previous page)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Accounts Receivable</u>			
Arising from Operations	\$ 589,762	\$ 554,762	\$ 552,845
Less: Allowance for Losses	( 4,207)	( 7,190)	( 16,887)
	<u>\$ 585,555</u>	<u>\$ 547,572</u>	<u>\$ 535,958</u>
<u>Other Receivables – Current</u>			
Land Expropriation Receivables (Note XIII)	\$ 255,107	\$ 135,954	\$ 207,710
Equipment Disposal Receivables (Note XIII)	-	-	11,978
Business Tax Refund Receivables	64	48	-
Others	5,421	7,549	6,270
Less: Allowance for Losses	( 2,261)	( 862)	( 14,115)
	<u>\$ 258,331</u>	<u>\$ 142,689</u>	<u>\$ 211,843</u>
<u>Other Receivables – Non-current</u>			
Land Expropriation Receivables (Note XIII)	\$ -	\$ 137,279	\$ 131,404
Equipment Disposal Receivables (Note XIII)	-	-	19,567
Less: Allowance for Losses	-	( 1,659)	( 15,416)
	<u>\$ -</u>	<u>\$ 135,620</u>	<u>\$ 135,555</u>

(I) Notes Receivable and Accounts Receivable

To mitigate credit risk, the consolidated company management assigns personnel to monitor overdue payments to ensure that proper actions have been taken to recover overdue receivables. Furthermore, at the balance sheet date, management performs an individual review of the recoverability of receivables to ensure that allowances for irrecoverable receivables are appropriately recorded. Accordingly, management believes that the company's credit risk has been significantly reduced.

The consolidated company grants an average credit period of 120 days to 180 days for goods sales and does not charge interest on accounts receivable.

The consolidated company adopts the simplified approach under IFRS 9 to recognize the allowance for impairment of accounts receivable based on expected credit losses over the lifetime of the asset. Expected credit losses over the lifetime are calculated using the provision matrix, which refers to the historical average recovery rates of different customer groups across different aging intervals, customers' past default records, and current financial conditions, while also considering GDP forecasts

and industry outlook, recognizing allowance for impairment based on possible loss rates.

If evidence shows that the counterparty is under severe financial distress and the consolidated company cannot reasonably expect to recover the amount, the relevant accounts receivable are directly written off. However, recovery activities will still be pursued, and any amounts subsequently recovered will be recognized in the profit or loss.

The allowance for impairment for notes and accounts receivable measured through the provision matrix is as follows:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Expected Credit Loss Rate (%)	Carrying Amount	Expected Credit Loss Rate (%)	Carrying Amount	Expected Credit Loss Rate (%)	Carrying Amount
Not Overdue	0.45	\$ 605,432	0.72	\$ 549,644	1.26	\$ 566,806
0-90 Days	6.28	27,209	11.38	32,306	11.67	33,271
91-180 Days	15.26	250	21.48	9,948	20.99	3,890
181-270 Days	17.97	866	26.40	5,739	24.02	7,552
271-360 Days	48.47	2,325	60.97	3,113	60.97	3,966
Over 360 Days	100	1,812	100	3,098	100	3,956
Total Carrying Amount		637,894		603,848		619,441
Less: Allowance for Impairment (Lifetime Expected Credit Loss)		( 4,377 )		( 7,456 )		( 20,030 )
Amortized Cost		\$ 633,517		\$ 596,392		\$ 599,411

The changes in allowance for impairment for notes and accounts receivable are as follows:

	January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024
Beginning Balance	\$ 7,456	\$ 11,959
Impairment Loss Recognized /(Reversed) for the Period	( 2,578 )	7,486
Foreign Exchange Differences	( 501 )	585
Ending Balance	\$ 4,377	\$ 20,030

## (II) Other Receivables

The consolidated company recognizes the allowance for impairment of other receivables based on historical experience and the default risk over the lifetime of the receivables. The changes in the allowance for impairment of other receivables are as follows:

	January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024
Beginning Balance	\$ 2,521	\$ 67,797
Impairment Loss Reversed for the Period	-	( 21,190 )
Actual Write-offs During the Period	-	( 20,078 )
Foreign Exchange Differences	( 260 )	3,002
Ending Balance	\$ 2,261	\$ 29,531

## X. Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw Materials	\$ 21,288	\$ 17,501	\$ 15,301
Supplies	15,156	13,276	12,484
Work-in-Process	134,113	124,099	110,474
Finished Goods	<u>333,645</u>	<u>354,361</u>	<u>367,688</u>
	<u>\$ 504,202</u>	<u>\$ 509,237</u>	<u>\$ 505,947</u>

The cost of goods sold related to inventories for the periods from April 1, 2025, to June 30, 2025, and from January 1, 2025, to June 30, 2025, as well as from April 1, 2024, to June 30, 2024, and from January 1, 2024, to June 30, 2024, were NT\$205,753 thousand, NT\$184,104 thousand, NT\$400,113 thousand, and NT\$339,784 thousand, respectively. These included inventory valuation and obsolescence reversal gains (losses) of NT\$4,320 thousand, NT\$(2,646) thousand, NT\$4,320 thousand, and NT\$(2,646) thousand, respectively.

## XI. Non-Current Assets Held for Sale

	June 30, 2025	December 31, 2024	June 30, 2024
Machinery and Equipment Held for Sale	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,227</u>

In November 2023, the consolidated company, due to reduced market demand leading to the idling of certain production capacities, planned to sell part of its machinery and equipment, reclassifying such equipment to non-current assets held for sale. The anticipated sale price of these non-current assets in 2023 was lower than the carrying amount of the related net assets, resulting in an impairment loss of 44,333 thousand dollars, which was included in other gains and losses. Fair value measurement was based on an independent expert's evaluation, using cost and market approaches, categorized as level 3 fair value.

In November 2024, considering the current economic environment and reassessing reasonable operational capacity, the management decided to terminate the plan to dispose of the machinery. The assets were reclassified from non-current assets held for sale to property, plant, and equipment.

## XII. Subsidiaries

### Subsidiaries Included in the Consolidated Financial Statements

The following entities are the subject of this consolidated financial statement:

Name of Investing Company	Name of Subsidiary	Nature of Business	Percentage of Ownership			Notes
			June 30, 2025	December 31, 2024	June 30, 2024	
Parent Com pany	Key Ware International Limited	General Investment	100%	100%	100%	-
Parent Com pany	Key De Precise Industries Co., Ltd.	Wholesale and Processing of Electronic Components	51%	51%	51%	-
Parent Com pany	Laserware Laser Technology Co., Ltd.	Electronic Components, Machinery Equipment, and Drilling Processing	99.99%	99.99%	99.99%	Note 1
Parent Com pany	Jia Chi Co., Ltd.	Drilling Processing	83.63%	83.63%	83.63%	Note 1
Parent Com pany	Hui Peng Technology Co., Ltd.	Electronic Components and Machinery Equipment	60%	60%	60%	Note 1
Parent Com pany	KEY WARE ELECTRONICS (THAILAND) CO., LTD. (KEY WARE THAILAND)	Drilling Processing	100%	100%	100%	Notes 1 and 2
Key Ware International Limited	Advisor Move Investments Limited	General Investment	100%	100%	100%	-
Key Ware International Limited	Module System International Limited	General Investment	100%	100%	100%	-
Advisor Move Investments Limited	Kunshan Key Ware Electronics Co., Ltd.	Drilling Tools and Hand Tools	100%	100%	100%	-
Kunshan Ji Wei Electronics Co., Ltd.	Kunshan Laserware Laser Technology Co., Ltd.	Drilling Processing	100%	100%	100%	Note 1
Kunshan Ji Wei Electronics Co., Ltd.	King Ware (Chongqing) Electronics Co., Ltd.	Drilling Tools and Hand Tools	100%	100%	100%	Note 1
Kunshan Ji Wei Electronics Co., Ltd.	Wuhan Laserware Laser Technology Co., Ltd.	Drilling Processing	100%	100%	100%	Note 1
Kunshan Ji Wei Electronics Co., Ltd.	Shenzhen Laserware Laser Technology Co., Ltd.	Drilling Processing	100%	100%	100%	Note 1
Kunshan Ji Wei Electronics Co., Ltd.	Hubei Laserware Laser Technology Co., Ltd.	Drilling Processing Outsourcing	100%	100%	100%	Note 1 and Note 3

Note 1: This is a non-significant subsidiary, and its financial reports for the period from January 1 to June 30, 2025, have not been reviewed by the accountant.

Note 2: In March 2024, the Company, following the resolution of the Board of Directors, established the subsidiary KEY WARE THAILAND. The registration process has been completed. Capital contributions in Thai Baht of 1,100 thousand and 2,500 thousand were made in March 2025 and March 2024, respectively.

Note 3: In March 2024, the Company, following the resolution of the Board of Directors, established the subsidiary Hubei Raywei, with Kunshan Huwei contributing CNY 13,500 thousand and acquiring 100% equity ownership. The registration process has been completed.

### XIII. Property, Plant, and Equipment

	June 30, 2025	December 31, 2024	June 30, 2024
Net Amounts by Category			
Land Held for Own Use	\$ 113,167	\$ 113,167	\$ 113,167
Buildings and Structures	385,045	423,970	430,877
Machinery and Equipment	738,540	834,766	725,986
Transportation Equipment	1,456	1,599	1,743
Office Equipment	2,405	2,559	2,586
Leasehold Improvements	21,965	24,798	21,542
Other Equipment	22,356	26,522	28,173
	<u>\$ 1,284,934</u>	<u>\$ 1,427,381</u>	<u>\$ 1,324,074</u>

- (I) The property, plant, and equipment are depreciated on a straight-line basis over the following useful lives:

Buildings and Structures	20 to 50 years
Machinery and Equipment	2 to 13 years
Transportation Equipment	3 to 5 years
Office Equipment	3 to 8 years
Leasehold Improvements	3 to 9 years
Other Equipment	3 to 20 years

- (II) Kunshan Key Ware and Kunshan Weixing Electronics Co., Ltd. were originally located at No. 1999 Hua'an Road, Huaqiao Town, Kunshan City, Jiangsu Province, China. Due to the requirements of Shanghai Metro Line 11 and Suzhou Metro Line S1 projects, as well as requests from the Planning and Construction Bureau of the Economic Development Zone in Huaqiao for relocation, the Board of Directors authorized the Chairman to handle the signing of the relocation compensation contract with relevant authorities. As of June 30, 2025, December 31, 2024, and June 30, 2024, the consolidated company recognized receivables from land expropriation amounting to CNY 62,358 thousand, 58,697 thousand, and 74,478 thousand (recorded as other receivables) after deducting the land expropriation funds received. For details of related relocation benefits recognized before 2024, please refer to the 2024 consolidated financial report.
- (III) In November 2022, Kunshan Key Ware sold drilling machinery and equipment to Chongqing Jinzixin Technology Co., Ltd. (Jinzixin Company), a non-related party, and signed an installment payment agreement. As of March 31, 2024, the consolidated company recognized receivables related to equipment disposal profits amounting to CNY 11,620 thousand (recorded as other receivables). In June 2024, the two parties re-signed a new agreement, and the key terms of the revised agreement are as follows:
1. The sale amount of the machinery and equipment was revised to CNY 9,880 thousand.
  2. The first installment payment of CNY 2,900 thousand has been fully received, with the remaining balance to be paid in 30 installments starting from July 2024.
- (IV) In September 2024, Kunshan Key Ware signed a separate agreement with Jinzixin Company to purchase drilling machinery and equipment totaling CNY 11,180 thousand. The acceptance of the equipment was completed in December 2024. Among this amount, CNY 6,980 thousand of equipment cost was offset against the receivables due from Jinzixin Company referenced in (III) above, as agreed upon by both parties.

- (V) Hubei Laserware signed a factory lease contract with the lessee and, in 2024 April, entered into an engineering contract for plant integration, power distribution, and piping with contractors. The total contract price is CNY 8,500 thousand. As of June 30, 2025, the consolidated company had paid CNY 4,709 thousand (recorded as advance payments for equipment) without yet completing acceptance.
- (VI) KEY WARE THAILAND signed a factory lease contract with the lessee and, in 2024 December, entered into an engineering contract for plant integration, power distribution, and piping with contractors. The total contract price is CNY 9,700 thousand. As of June 30, 2025, the consolidated company had paid CNY 2,750 thousand (recorded as advance payments for equipment) without yet completing acceptance.
- (VII) The consolidated company pledged real estate, plants, and equipment as collateral for borrowings. Please refer to Note XXVII.

XIV. Lease Agreements

(I) Right-of-Use Assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying Amount of Right-of-Use Assets			
Land	\$ 30,346	\$ 34,259	\$ 34,630
Build ings	26,042	34,540	37,343
Machinery and Equipment	4,437	9,266	11,976
Transportation Equipment	816	78	498
	<u>\$ 61,641</u>	<u>\$ 78,143</u>	<u>\$ 84,447</u>
	From April 1, 2025 To June 30, 2025	From April 1, 2024 To June 30, 2024	From January 1, 2025 To June 30, 2025
Additions to Right-of-Use Assets	<u>\$ -</u>	<u>\$ 999</u>	<u>\$ 948</u>
Depreciation Expenses for Right-of-Use Assets			From January 1, 2024 To June 30, 2024
Land	\$ 196	\$ 231	\$ 411
Build ings	3,996	3,128	8,008
Machinery and Equipment	1,282	1,363	2,646
Transportation Equipment	110	371	209
	<u>\$ 5,584</u>	<u>\$ 5,093</u>	<u>\$ 11,274</u>
			<u>\$ 10,110</u>

Other than the additions and depreciation expenses listed above, the consolidated company did not engage in significant sublease or impairment activities for its right-of-use assets during 2025 and 2024, from January 1 to June 30.

(II) Lease Liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying Amount of Lease Liabilities			
Current	<u>\$ 18,715</u>	<u>\$ 20,961</u>	<u>\$ 20,377</u>
Non-Current	<u>\$ 13,625</u>	<u>\$ 22,939</u>	<u>\$ 30,098</u>
Range of Discount Rates for Lease Liabilities			
Build ings	1.89%~2.56%	1.89%~2.56%	1.89%~2.37%
Machinery and Equipment	2.37%~3.13%	2.37%~3.13%	2.26%~3.13%
Transportation Equipment	1.56%~2.57%	1.56%~2.26%	1.56%~2.26%

(III) Key Leasing Activities and Terms

The consolidated company leases certain factories, offices, machinery, and vehicles for business use. The lease terms range from 2 to 8 years. At the end of the lease period, these lease agreements do not include renewal or purchase options.

(IV) Other Leasing Information

	April 1, 2025 to June 30, 2025	April 1, 2024 to June 30, 2024	January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024
Short-term Lease Expenses	<u>\$ 1,466</u>	<u>\$ 3,204</u>	<u>\$ 2,909</u>	<u>\$ 5,017</u>
Low-value Asset Lease Expenses	<u>\$ 240</u>	<u>\$ 702</u>	<u>\$ 484</u>	<u>\$ 857</u>
Total Cash Outflows from Leases	<u>(\$ 8,050)</u>	<u>(\$ 8,948)</u>	<u>(\$ 14,241)</u>	<u>(\$ 15,901)</u>

XV. Other Intangible Assets

	June 30, 2025	December 31, 2024	June 30, 2024
Customer Relationships	<u>\$ 13,168</u>	<u>\$ 14,849</u>	<u>\$ 16,531</u>

This represents intangible assets, customer relationships, arising from the acquisition of Key De Precise. They were recognized at fair value of NT\$40,346 thousand as of the acquisition date, June 1, 2017, based on a valuation appraisal report. The fair value is amortized over 12 years using the straight-line method.

The amortization amounts of the consolidated company related to the periods from April 1, 2025, to June 30, 2025, and from January 1, 2025, to June 30, 2025, as well as from April 1, 2024, to June 30, 2024, and from January 1, 2024, to June 30, 2024, were

NT\$840 thousand, NT\$839 thousand, NT\$1,681 thousand, and NT\$1,680 thousand, respectively (recognized under operating expenses).

XVI. Borrowings

(I) Short-term Borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured Borrowings</u>			
Credit Line Borrowings	\$ 710,117	\$ 659,569	\$ 750,271
<u>Secured Borrowings</u>			
Bank Borrowings	<u>119,000</u>	<u>103,000</u>	<u>71,000</u>
	<u>\$ 829,117</u>	<u>\$ 762,569</u>	<u>\$ 821,271</u>

The interest rates for borrowings as of June 30, 2025, December 31, 2024, and June 30, 2024, are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
New Taiwan Dollar (NTD)	2.11%~3.14%	2.13%~3.14%	2.13%~3.04%
Renminbi (CNY)	2.60%~3.30%	1.00%~3.30%	2.80%~3.95%
Japanese Yen (JPY)	1.10%~1.95%	1.10%~1.77%	1.10%~1.54%
Thai Baht (THB)	2.65%	-	-

(II) Short-term Notes Payable

	June 30, 2025	December 31, 2024	June 30, 2024
Commercial Paper Payable	\$ 35,000	\$ -	\$ -
Less: Discount on Short-term Notes Payable	<u>20</u>	<u>-</u>	<u>-</u>
	<u>\$ 34,980</u>	<u>\$ -</u>	<u>\$ -</u>
Interest Rates	2.13%	-	-

(III) Long-term Borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Secured Borrowings</u>			
Bank Borrowings	\$ 470,511	\$ 478,797	\$ 487,158
Less: Current Portion of Long-term Borrowings	<u>16,889</u>	<u>16,676</u>	<u>16,647</u>
	<u>\$ 453,622</u>	<u>\$ 462,121</u>	<u>\$ 470,511</u>

On May 24, 2021, the consolidated company entered into a secured borrowing agreement with Bank of Panhsin for a total facility amount of NT\$105,000 thousand. Disbursements of NT\$60,000 thousand, NT\$10,000 thousand, and NT\$30,000 thousand were made on July 27, 2021, September 29, 2021, and October 29, 2021, respectively. The loan term for each disbursement is 5 years, with monthly repayments

calculated using the annuity method. The borrowing interest rate is calculated as the fixed deposit index rate of the bank plus a margin of 0.81%.

On January 26, 2022, the Group entered into a secured loan agreement with Shin Kong Bank, with a total facility of NT\$440,000 thousand. On March 7, 2022, the full amount of NT\$440,000 thousand was drawn down, with a loan maturity date of January 26, 2025. On March 22, 2024, the Group amended the terms of the aforementioned credit agreement. After the amendment, the facility was increased to NT\$450,000 thousand, which was fully utilized. The new loan maturity date is March 6, 2027, and the loan interest rate is periodically negotiated with the bank every three months.

As of June 30, 2025, December 31, 2024, and June 30, 2024, the effective annual interest rates were 2.43%–2.63%, 2.42%–2.63%, and 2.37%–2.63%, respectively.

For details regarding the collateral of bank borrowings, please refer to Note XXVII.

#### XVII. Other Payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accrued salaries and insurance	\$ 28,698	\$ 22,677	\$ 26,646
Accrued service fees	7,652	6,097	9,059
Accrued utility fees	7,548	7,188	6,719
Accrued processing fees	3,707	4,830	5,219
Accrued equipment payments	-	84	319
Taxes payable	3,226	1,119	-
Others	<u>12,707</u>	<u>24,104</u>	<u>23,589</u>
	<u>\$ 63,538</u>	<u>\$ 66,099</u>	<u>\$ 71,551</u>

#### XVIII. Post-Employment Benefits Plans

##### (I) Defined Contribution Plans – Taiwan

The retirement pension system under the "Labor Pension Act" applicable to the Group is a government-managed defined contribution plan. Contributions are made at 6% of employees' monthly salaries to personal pension accounts managed by the Bureau of Labor Insurance.

For the periods from April 1, 2025 to June 30, 2025 and April 1, 2024 to June 30, 2024, the amounts required to be contributed under the percentages specified in the defined contribution plan have been recognized in the consolidated statements of comprehensive income as expenses, totaling NT\$1,478 thousand, NT\$1,487 thousand, NT\$2,956 thousand, and NT\$2,975 thousand, respectively.

(II) Defined Contribution Plans – Mainland China

For employees at the Group’s subsidiaries in Mainland China, contributions to retirement insurance are made based on the pension system stipulated by the government of the People’s Republic of China. Contributions are calculated as a fixed percentage of employees' total monthly salaries (recognized as employee insurance expenses) at a rate of 16%, and the funds are held in individual accounts for each employee. Retirement pensions are managed and allocated by the government, and the subsidiaries in Mainland China have no obligations other than the monthly contributions.

For the periods from April 1, 2025 to June 30, 2025 and April 1, 2024 to June 30, 2024, the amounts required to be contributed under the percentages specified in the defined contribution plan have been recognized in the consolidated statements of comprehensive income as expenses, totaling NT\$1,537 thousand, NT\$1,456 thousand, NT\$3,091 thousand, and NT\$3,002 thousand, respectively.

(III) Defined Benefit Plans

For the periods from April 1, 2025 to June 30, 2025, and from January 1, 2025 to June 30, 2025, as well as April 1, 2024 to June 30, 2024, and from January 1, 2024 to June 30, 2024, pension expenses related to defined benefit plans were calculated based on the pension cost rate determined by actuarial valuation as of December 31, 2023, and December 31, 2022, respectively. The amounts recognized were 646 thousand, 1,248 thousand, 1,293 thousand, and 1,293 thousand (recorded as management expenses).

XIX. Equity

(I) Capital

	June 30, 2025	December 31, 2024	June 30, 2024
Authorized Share Capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Authorized Shares (thousands of shares)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Issued Share Capital	<u>\$ 1,924,485</u>	<u>\$ 1,924,485</u>	<u>\$ 1,923,535</u>
Issued Shares (thousands of shares)	<u>192,448</u>	<u>192,448</u>	<u>192,353</u>
Issued Share Capital	<u>\$ 1,924,485</u>	<u>\$ 1,924,485</u>	<u>\$ 1,923,535</u>
Publicly Issued Common Shares	\$ 1,751,133	\$ 1,751,133	\$ 1,750,183
Privately Placed Common Shares	<u>173,352</u>	<u>173,352</u>	<u>173,352</u>
Issued Share Capital	<u>\$ 1,924,485</u>	<u>\$ 1,924,485</u>	<u>\$ 1,923,535</u>

The par value of each issued common share is 10 TWD, with each share entitled to one voting right and dividend distribution.

In the fiscal year 2024, the company recognized proceeds of 1,566 thousand TWD from employee stock options exercised, resulting in the issuance of 135 thousand common shares at a subscription price of 11.6 TWD per share. The registration of the changes was completed on November 26, 2024.

(II) Capital Surplus

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Capital surplus available for offsetting deficits, distributing cash, or converting into share capital</u> (Note)			
Share Premium from Stock Issuances	\$ 65,574	\$ 65,574	\$ 65,422
Lapsed Employee Stock Options	559	559	559
Lapsed Convertible Corporate Bonds Stock Options	8,556	8,556	8,556
<u>Capital Surplus Not Available for Any Use</u>			
Employee Stock Options	<u>6,006</u>	<u>6,006</u>	<u>6,006</u>
	<u>\$ 80,695</u>	<u>\$ 80,695</u>	<u>\$ 80,543</u>

Note: This type of capital surplus can be used to offset deficits and may also be used for cash distributions or capitalization when the company does not incur deficits, subject to an annual cap based on a certain percentage of paid-in capital for capitalization.

(III) Retained Earnings and Dividend Policy

According to the company's earnings distribution policy, if the annual financial closing results in earnings, the company shall, after paying taxes and offsetting accumulated deficits, allocate 10% of statutory earnings reserve, with the remainder appropriated or reversed as special earnings reserves in accordance with regulations. Any remaining balance, combined with accumulated undistributed earnings, shall be distributed as shareholder dividends and bonuses per a proposed earnings distribution plan submitted by the Board of Directors for approval by the Shareholders' Meeting. The company's Articles of Incorporation specify the policy on remuneration for employees and Directors, as detailed in Note XX(VI) Employee and Director Remuneration.

As the company is in a growth phase, its dividend distribution policy considers the current and future investment environment, capital requirements, domestic and international competition, and capital budgeting to maintain a balance between shareholder rights, dividends, and the company's long-term financial planning. The profit distribution plan is proposed by the Board of Directors and submitted to the Shareholders' Meeting annually. The cash dividend allocation ratio shall not be less than 10% of the total dividend distribution for the year.

Statutory earnings reserve shall be appropriated until the balance reaches the total paid-in capital of the company. The statutory earnings reserve may be used to offset losses. In the absence of losses, the portion of the statutory earnings reserve exceeding 25% of the total paid-in capital may be capitalized or distributed as cash dividends.

The Company appropriates and reverses special earnings reserves according to the provisions of Financial Supervisory Commission's Official Letters No. 1010012865, No. 1010047490, and No. 1030006415, as well as the clarification on "Special Earnings Reserve Appropriation after Adopting International Financial Reporting Standards (IFRSs)."

The Company held its Annual General Meetings on June 19, 2025, and June 21, 2024, during which resolutions on the earnings distribution for fiscal years 2024 and 2023 were passed as follows:

	<u>Earnings Distribution Plan</u>		<u>Earnings per Share (NT\$)</u>	
	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Statutory Earnings Reserve	\$ 1,251	\$ 149		
Special Earnings Reserve	( 1,344)	1,344		
Cash Dividends	12,601	-	\$ 0.065	\$ -

(IV) Special Earnings Reserve

Upon the initial adoption of IFRS, the accumulated translation differences transferred to retained earnings were recorded as NT\$158,644 thousand. An equivalent amount was appropriated as special earnings reserve.

The special earnings reserve appropriated for the exchange differences arising from the translation of financial statements of foreign operations (including subsidiaries) is reversed according to the disposal proportion of the consolidated company. When the consolidated company loses significant influence over the foreign operation, the entire reserve is reversed. Upon distribution of earnings, the balance of

other reductions in shareholders' equity as of the end of the reporting period and the amount of the special earnings reserve appropriated upon initial adoption of IFRSs should be compared, and additional special earnings reserves should be appropriated. Subsequent reversals in other reductions in shareholders' equity can then be distributed as earnings.

(V) Other Equity Items

1. Exchange Differences on Translation of Foreign Operations' Financial Statements

	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
Beginning Balance	(\$ 42,620)	(\$ 114,809)
Changes During the Period		
Exchange Differences of Foreign Operations	( 191,861)	86,692
Income Tax Implications	<u>38,372</u>	<u>( 17,338)</u>
Ending Balance	<u>(\$ 196,109)</u>	<u>(\$ 45,455)</u>

2. Unrealized Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income

	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
Beginning Balance	(\$ 81,836)	(\$ 52,157)
Changes During the Period		
Unrealized Gains or Losses – Equity Instruments	<u>( 19,818)</u>	<u>53,943</u>
Ending Balance	<u>(\$ 101,654)</u>	<u>\$ 1,786</u>

XX. Net Income from Continuing Operations

Net income from continuing operations includes the following items:

(I) Other Income

	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
Rental Income	\$ 18	\$ 94	\$ 36	\$ 186
Dividend Income	<u>83</u>	<u>133</u>	<u>94</u>	<u>133</u>
	<u>\$ 101</u>	<u>\$ 227</u>	<u>\$ 130</u>	<u>\$ 319</u>

(II) Other Gains and Losses

	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
Net Gains and Losses on Financial Instruments Measured at Fair Value Through Profit or Loss	\$ 12,024	(\$ 34,359)	\$ 7,583	(\$ 822)
Net Gains and Losses on Foreign Exchange	( 10,552)	2,178	( 11,722)	5,469
Others	( <u>9,278</u> )	( <u>1,758</u> )	( <u>10,503</u> )	( <u>3,853</u> )
	( <u>\$ 7,806</u> )	( <u>\$ 33,939</u> )	( <u>\$ 14,642</u> )	<u>\$ 794</u>

(III) Finance Costs

	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
Interest on Bank Borrowings	\$ 8,209	\$ 7,815	\$ 15,869	\$ 14,681
Finance Costs on Bonds Payable	-	166	-	541
Interest on Lease Liabilities	<u>92</u>	<u>207</u>	<u>476</u>	<u>433</u>
	<u>\$ 8,301</u>	<u>\$ 8,188</u>	<u>\$ 16,345</u>	<u>\$ 15,655</u>

(IV) Employee Benefits, Depreciation, and Amortization Expenses

	April 1, 2025 To June 30, 2025			April 1, 2024 To June 30, 2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee Benefits						
Salary Expenses	\$ 39,590	\$ 10,437	\$ 50,027	\$ 40,612	\$ 10,519	\$ 51,131
Employee Insurance Expenses	4,789	958	5,747	4,961	961	5,922
Pension Expenses Other Employee Benefits	1,050	1,074	2,124	1,073	1,693	2,766
Depreciation Expenses	1,454	153	1,607	1,618	152	1,770
Amortization Expenses	33,013	1,020	34,033	30,699	830	31,529
	143	865	1,008	238	1,122	1,360
	January 1, 2025 To June 30, 2025			January 1, 2024 To June 30, 2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee Benefits						
Salary Expenses	\$ 74,255	\$ 20,796	\$ 95,051	\$ 78,877	\$ 20,269	\$ 99,146
Employee Insurance Expenses	9,552	1,998	11,550	9,573	1,830	11,403
Pension Expenses Other Employee Benefits	2,094	2,154	4,248	2,107	3,396	5,503
Depreciation Expenses	2,533	294	2,827	3,054	297	3,351
Amortization Expenses	68,065	1,966	70,031	61,533	1,605	63,138
	211	1,815	2,026	487	2,239	2,726

(V) Employee and Director Compensation

In accordance with the company's Articles of Incorporation, pre-tax income before allocating employee and director compensation is set aside for employee and director

compensation at rates of 1% to 10% and no higher than 1%, respectively. However, if the company has accumulated losses, such losses should be compensated first.

Following the August 2024 amendments to the Securities and Exchange Act, the company has resolved in the 2025 annual shareholders' meeting to amend the Articles of Incorporation, stipulating that no less than 10% of the annual employee compensation should be allocated to grassroots employees.

Due to the pre-tax net loss for the period from January 1, 2025 to June 30, 2025, employee compensation is not accrued. For the period from January 1, 2024 to June 30, 2024, 1% of pre-tax income has been accrued as employee compensation in the amount of NT\$64 thousand.

If there are changes in amounts after the date of issuance of the annual consolidated financial statements, they are treated as changes in accounting estimates and adjusted in the next fiscal year.

In 2024, the company recorded a pre-tax net loss and therefore did not accrue employee compensation. There was no discrepancy between the actual distribution of employee compensation for 2023 and the amount recognized in the 2023 consolidated financial statements.

For information regarding the resolutions of the Board of Directors on employee and director compensation, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

## XXI. Income Tax of Continuing Operations

### (I) Income Tax Recognized in Profit or Loss

The main components of income tax expense (benefit) are as follows:

	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
Current Income Tax				
- Generated During the Period	\$ 534	\$ 32,112	\$ 1,357	\$ 32,975
- Adjustments for Prior Years	<u>3,874</u>	<u>( 427 )</u>	<u>3,874</u>	<u>( 427 )</u>
	<u>4,408</u>	<u>31,685</u>	<u>5,231</u>	<u>32,548</u>
Deferred Income Tax				
- Generated During the Period	<u>1,417</u>	<u>( 40,761 )</u>	<u>( 167 )</u>	<u>( 33,717 )</u>
Income Tax Expense (Benefit) Recognized in Profit or Loss	<u>\$ 5,825</u>	<u>( \$ 9,076 )</u>	<u>\$ 5,064</u>	<u>( \$ 1,169 )</u>

(II) Income Tax Recognized in Other Comprehensive Income

	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
<u>Deferred Income Tax</u>				
- Generated During the Period				
- Exchange Differences from Financial Statement Translation of Overseas Operations	( \$ 39,361 )	\$ 3,462	( \$ 38,372 )	\$ 17,338

(III) Status of Income Tax Assessments

As of 2022, the company's income tax filings have been assessed and approved by the tax authorities; income tax filings for subsidiaries Key De Precise Industries Co., Ltd. and Jia Chi Co., Ltd. through 2023 have also been assessed and approved by the tax authorities.

XXII. Earnings (Loss) Per Share

	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
				Unit: Per Share (NTD)
Basic Earnings (Loss) Per Share				
- From Continuing Operations	( \$ 0.06 )	( \$ 0.04 )	( \$ 0.18 )	\$ 0.04
Diluted Earnings (Loss) Per Share				
- From Continuing Operations	( \$ 0.06 )	( \$ 0.04 )	( \$ 0.18 )	\$ 0.04

The following shows the earnings and weighted average number of ordinary shares used for calculating earnings (loss) per share:

Net Profit for the Period

	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
Net (Loss) Income Used for Calculating Basic (Loss) Earnings Per Share	( \$ 10,663 )	( \$ 7,972 )	( \$ 34,323 )	\$ 7,906
Net (Loss) Income Used for Calculating Diluted (Loss) Earnings Per Share	( \$ 10,663 )	( \$ 7,972 )	( \$ 34,323 )	\$ 7,906

Number of Shares

Unit: Thousand Shares

	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
Weighted Average Number of Ordinary Shares Used for Calculating Basic Earnings Per Share	192,448	192,340	192,448	192,326
Impact of Potential Ordinary Shares with Dilutive Effect:				
Employee Stock Options	-	-	-	175
Employee Compensation	-	-	-	9
Weighted Average Number of Ordinary Shares Used for Calculating Diluted Earnings Per Share	<u>192,448</u>	<u>192,340</u>	<u>192,448</u>	<u>192,510</u>

If the consolidated company opts to provide employee compensation in the form of shares or cash, when calculating diluted earnings per share, it is assumed that employee compensation will be distributed in the form of shares. Potential ordinary shares with a dilutive effect are included in the weighted average number of outstanding shares to calculate diluted earnings per share. The potential dilutive effect of these shares is also considered for the calculation even before determining the exact number of shares distributed for employee compensation in the following year.

Convertible bonds outstanding in the consolidated company, if converted during the period from January 1 to June 30, 2024, were excluded from the calculation of diluted earnings per share due to their anti-dilutive effect.

XXIII. Share-Based Payment Agreements

No new employee stock options were issued by the consolidated company during the periods of January 1, 2025, to June 30, 2025, and January 1, 2024, to June 30, 2024. Relevant information for the already issued employee stock options is as follows:

	January 1, 2025, to June 30, 2025		January 1, 2024, to June 30, 2024	
	Units (Thousand)	Weighted Average Exercise Price (NTD)	Units (Thousand)	Weighted Average Exercise Price (NTD)
Employee Stock Options Outstanding at Beginning of Period	2,200	\$ 13.4	2,335	\$ 13.3
Exercised During the Period	-	-	( 40)	11.6
Outstanding at End of Period	<u>2,200</u>	13.4	<u>2,295</u>	13.3
Exercisable at End of Period	<u>2,200</u>		<u>2,295</u>	

XXIV. Capital Risk Management

The consolidated company manages its capital to ensure that the entities within the Group can continue as a going concern while optimizing the balance of debt and equity in order to maximize shareholder returns. The capital structure of the consolidated company is composed of equity attributable to owners of the parent (i.e., share capital, capital surplus, retained earnings, and other equity items).

The consolidated company's key management team reviews the Group's capital structure quarterly, considering the cost of various types of capital and related risks. Based on the recommendations of the key management team, the consolidated company may balance its overall capital structure through dividend payments, issuance of new shares, repurchase of shares, or issuing new debt or repaying existing debt.

XXV. Financial Instruments

(I) Fair Value Information – Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured at Fair Value through Profit or Loss</u>				
Non-Derivative Financial Assets				
- Domestic Emerging Market Stocks	\$ -	\$ -	\$ 17,492	\$ 17,492
- Domestic Listed (OTC) Stocks	65,974	-	-	65,974
- Foreign Listed Stocks	<u>27,074</u>	<u>-</u>	<u>-</u>	<u>27,074</u>
- Total	<u>\$ 93,048</u>	<u>\$ -</u>	<u>\$ 17,492</u>	<u>\$ 110,540</u>
<u>Financial Assets Measured at Fair Value through Other Comprehensive Income</u>				
Equity Instrument Investments				
- Domestic OTC Stocks	\$ 239,478	\$ -	\$ -	\$ 239,478
- Unlisted Domestic and Foreign Stocks	<u>-</u>	<u>-</u>	<u>33,653</u>	<u>33,653</u>
- Total	<u>\$ 239,478</u>	<u>\$ -</u>	<u>\$ 33,653</u>	<u>\$ 273,131</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured at Fair Value through Profit or Loss</u>				
Non-Derivative Financial Assets				
- Domestic Emerging Market Stocks	\$ -	\$ -	\$ 11,720	\$ 11,720
- Domestic Listed (OTC) Stocks	67,796	-	-	67,796
- Foreign Listed Stocks	18,298	-	-	18,298
- CNY Financial Products	-	-	22,029	22,029
- Total	<u>\$ 86,094</u>	<u>\$ -</u>	<u>\$ 33,749</u>	<u>\$ 119,843</u>

Financial Assets Measured at Fair Value through Other Comprehensive Income

Equity Instrument Investments				
- Domestic OTC Stocks	\$ 256,449	\$ -	\$ -	\$ 256,449
- Unlisted Domestic and Foreign Stocks	-	-	36,501	36,501
- Total	<u>\$ 256,449</u>	<u>\$ -</u>	<u>\$ 36,501</u>	<u>\$ 292,950</u>

June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured at Fair Value through Profit or Loss</u>				
Non-Derivative Financial Assets				
- Domestic Emerging Market Stocks	\$ -	\$ -	\$ 13,966	\$ 13,966
- Domestic Listed (OTC) Stocks	49,838	-	-	49,838
- Foreign Listed Stocks	58,394	-	-	58,394
- Total	<u>\$ 108,232</u>	<u>\$ -</u>	<u>\$ 13,966</u>	<u>\$ 122,198</u>

Financial Assets Measured at Fair Value through Other Comprehensive Income

Equity Instrument Investments				
- Domestic OTC Stocks	\$ 320,561	\$ -	\$ -	\$ 320,561
- Unlisted Domestic and Foreign Stocks	-	-	56,010	56,010
- Total	<u>\$ 320,561</u>	<u>\$ -</u>	<u>\$ 56,010</u>	<u>\$ 376,571</u>

No transfers between Level 1 and Level 2 fair value measurements occurred during the periods of January 1, 2025, to June 30, and January 1, 2024, to June 30.

2. Reconciliation for Financial Instruments Measured at Fair Value in Level 3

Financial Instruments Measured at Fair Value through Profit or Loss

	<u>January 1, 2025 to June 30, 2025</u>	<u>January 1, 2024 to June 30, 2024</u>
Opening Balance	\$ 33,749	\$ 80,149
Recognized in Profit or Loss (Other Gains and Losses)	3,023	1,384
Purchases	33,903	-
Disposals/Settlements	( 50,913 )	( 70,255 )
Effects of Exchange Rate Movements	( 2,270 )	2,688
Closing Balance	<u>\$ 17,492</u>	<u>\$ 13,966</u>

Financial Instruments Measured at Fair Value through Other Comprehensive  
Income

	<u>January 1, 2025 to June 30, 2025</u>	<u>January 1, 2024 to June 30, 2024</u>
Opening Balance	\$ 36,501	\$ 40,409
Recognized in Other Comprehensive Income	( 2,848 )	15,601
Closing Balance	<u>\$ 33,653</u>	<u>\$ 56,010</u>

3. Valuation Techniques and Inputs for Fair Value Measurement of Level 3  
Instruments

<u>Category of Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
CNY Financial Products	The financial products purchased by the consolidated company adopt quotes from counterparties as the valuation technique, using significant unobservable inputs to calculate the expected returns from such investments.
Unlisted Domestic and Overseas Stocks	Using a balance sheet approach, the total value of individual assets and liabilities covered by the valuation target is assessed. The market approach is appropriately utilized based on the nature of the individual valuation target, while liquidity discounts and control discounts are considered to reflect the overall value of the enterprise or business.
Domestic Emerging Market Shares	The comparative company approach and pricing adjustment methodology for emerging market shares are utilized for valuation. The comparative

Category of Financial Instruments	Valuation Techniques and Inputs
	company approach primarily references market quotes, and per-share net value and sales multiples of comparable listed companies, with these values already accounting for liquidity discounts.

As of June 30, 2025 and December 31, 2024, as well as June 30, 2024, for equity instrument investments classified as Level 3, if valuation parameters decrease by 5%, the fair value reflected in other comprehensive income for the period would result in adverse changes, decreasing by NT\$1,741 thousand, NT\$1,209 thousand, and NT\$2,053 thousand, respectively.

(II) Types of Financial Instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial Assets</u>			
Financial Assets at Fair Value Through Profit or Loss	\$ 110,540	\$ 119,843	\$ 122,198
Financial Assets Measured at Amortized Cost (Note 1)	1,107,778	971,381	1,177,925
Financial Assets at Fair Value Through Other Comprehensive Income	273,131	292,950	376,571
<u>Financial Liabilities</u>			
Measured at Amortized Cost (Note 2)	1,608,531	1,448,215	1,573,774

Note 1: The balance includes cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, certain other current assets, and refundable deposits measured at amortized cost.

Note 2: The balance includes short-term borrowings, short-term notes payable, notes and accounts payable (including related parties), certain other payables (including related parties), certain other current liabilities, corporate bonds payable, and long-term borrowings, measured at amortized cost.

(III) Financial Risk Management Objectives and Policies

The financial risk management objective of the consolidated company is to manage exchange rate risks, credit risks, and liquidity risks associated with operating activities. To mitigate these financial risks, the consolidated company strives to identify, assess,

and hedge against market uncertainties to reduce the potential adverse impact of market changes on financial performance.

Significant financial activities of the consolidated company are reviewed by the Board of Directors under relevant regulations and internal control systems. During the execution of financial plans, the consolidated company must strictly follow financial operational procedures related to comprehensive risk management and delegation of authority.

#### 1. Market Risk

The primary financial risks faced by the consolidated company due to its operational activities include foreign currency exchange rate risk, interest rate risk, and equity securities price risk.

##### (1) Exchange Rate Risk

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies on the consolidated balance sheet date (including monetary items denominated in non-functional currencies that have been offset in the consolidated financial statements) are detailed in Note XXVIII.

The consolidated company is primarily exposed to fluctuations in USD and JPY exchange rates due to substantial monetary assets and liabilities arising from foreign currency transactions. Although exchange gains and losses resulting from changes in market exchange rates of foreign currency assets and liabilities partially offset each other, the significant difference between foreign currency-denominated assets and liabilities results in foreign exchange risk. When the USD depreciates by 3% against the TWD, the profit before tax for the periods from January 1, 2025 to June 30, 2025 and January 1, 2024 to June 30, 2024 would increase by NT\$1,906 thousand and decrease by NT\$2,164 thousand, respectively. When the JPY appreciates by 3% against the TWD, the profit before tax for the periods from January 1, 2025 to June 30, 2025 and January 1, 2024 to June 30, 2024 would decrease by NT\$1,212 thousand and NT\$860 thousand, respectively.

##### (2) Interest Rate Risk

Interest rate risk arises from changes in market rates that affect the fair value or future cash flows of financial instruments.

The carrying amounts of financial liabilities exposed to interest rate risk as of the balance sheet date are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Fixed Interest Rate Risk			
– Financial Liabilities	\$ 81,820	\$ 68,412	\$ 113,831
Floating Interest Rate Risk			
– Financial Liabilities	1,217,808	1,172,954	1,243,401

The following sensitivity analysis measures interest rate exposure for floating-rate liabilities as of the balance sheet date, assuming the liability amounts outstanding as of year-end remain consistent throughout the year.

If the interest rates were to increase by 1%, and all other variables remained constant, the consolidated company's profit before tax for the periods from January 1, 2025 to June 30, 2025 and January 1, 2024 to June 30, 2024 would decrease by NT\$6,089 thousand and NT\$6,217 thousand, respectively.

### (3) Equity Securities Price Risk

Market risk for equity securities includes specific risk arising from the market price changes of individual equity securities, as well as general market risk resulting from overall market price movement.

If the equity prices were to decline by 10%, the consolidated company's profit before tax for the periods from January 1, 2025 to June 30, 2025 and January 1, 2024 to June 30, 2024 would decrease by NT\$11,054 thousand and NT\$12,220 thousand due to changes in the fair value of financial instruments measured at fair value through profit or loss. Additionally, the consolidated company's other comprehensive income for the periods from January 1, 2025 to June 30, 2025 and January 1, 2024 to June 30, 2024 would decrease by NT\$27,313 thousand and NT\$37,657 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

## 2. Credit Risk

Credit risk refers to the potential financial loss incurred by the Group due to counterparty defaulting on contractual obligations. As of the balance sheet

date, the Group's maximum exposure to credit risk—without considering collateral or other credit-enhancement tools and including irrevocable maximum exposure—mainly arises from the carrying amounts of financial assets recognized on the consolidated balance sheet.

The Group's policy is to only engage with reputable counterparties and, where necessary, to obtain sufficient collateral to mitigate the risk of financial loss caused by defaults.

To mitigate credit risk, the Group conducts a review of the recoverability of receivables as of the balance sheet date to ensure that uncollectible receivables are appropriately provided for impairment losses. Accordingly, the management considers the Group's credit risk to have significantly decreased.

In addition, counterparties involved in transactions related to liquid funds and derivative financial instruments are banks with high credit ratings assigned by international credit rating agencies; hence, the credit risk is not considered significant.

Accounts receivable are spread across a wide range of customers in various geographic regions. The Group continually assesses factors that might affect a customer's ability to pay, such as financial conditions, credit ratings issued by rating agencies, internal credit evaluations, and historical transaction records. The Group also takes out trade credit insurance to reduce credit risk associated with specific customers. As of June 30, 2025, December 31, 2024, and June 30, 2024, the amounts of credit enhancements applied to certain accounts receivable in Mainland China were NT\$90,460 thousand, NT\$93,573 thousand, and NT\$66,907 thousand, respectively.

As of June 30, 2025, December 31, 2024, and June 30, 2024, the balances of accounts receivable from the top ten customers accounted for 52%, 43%, and 37% of the Group's total accounts receivable, respectively. The credit concentration risk for other receivables is relatively insignificant.

### 3. Liquidity Risk

The Group manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The management supervises the usage of bank credit facilities and ensures compliance with borrowing contract terms.

Bank borrowings are an important source of liquidity for the Group. As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group's unused short-term bank credit facilities amounted to NT\$368,924 thousand, NT\$436,912 thousand, and NT\$886,275 thousand, respectively.

Liquidity and Interest Rate Risk Table

The table below provides details of the undiscounted cash flows of non-derivative financial liabilities and their contractual maturities based on the Group's earliest repayment date. The cash flows include both principal and interest components.

The analysis of the consolidated company's non-derivative financial liabilities' maturity is prepared based on the agreed repayment dates.

As of June 30, 2025

	Less than 1 year	1 to 5 years	6 to 10 years
<u>Non-Derivative Financial Liabilities</u>			
Short-term borrowings	\$ 829,117	\$ -	\$ -
Payable short-term notes	35,000	-	-
Notes and accounts payable	153,703	-	-
Accounts payable – related parties	18,896	-	-
Dividends payable	12,601	-	-
Other payables	63,538	-	-
Other payables – related parties	35	-	-
Lease liabilities	19,231	13,978	-
Other current liabilities	7,766	-	-
Long-term borrowings	16,889	453,622	-

As of December 31, 2024

	Less than 1 year	1 to 5 years	6 to 10 years
<u>Non-Derivative Financial Liabilities</u>			
Short-term borrowings	\$ 762,569	\$ -	\$ -
Notes and accounts payable	120,145	-	-
Accounts payable – related parties	29,126	-	-
Other payables	66,099	-	-
Other payables – related parties	79	-	-
Lease liabilities	22,279	22,259	-
Other current liabilities	7,367	-	-
Long-term borrowings	16,676	462,121	-

As of June 30, 2024

	<u>Less than 1</u> <u>year</u>	<u>1 to 5 years</u>	<u>6 to 10 years</u>
<u>Non-Derivative Financial</u> <u>Liabilities</u>			
Short-term borrowings	\$ 821,271	\$ -	\$ -
Notes and accounts payable	156,105	-	-
Accounts payable – related parties	50,075	-	-
Other payables	71,551	-	-
Lease liabilities	21,275	30,479	403
Other current liabilities	7,755	-	-
Long-term borrowings	16,647	470,511	-

(IV) Information on Transfer of Financial Assets

The consolidated company endorses and transfers part of the bank acceptance bills receivable in Mainland China to suppliers as payment for accounts payable. Since almost all risks and rewards of these bills have been transferred, the company derecognizes the transferred bank acceptance bills and the corresponding accounts payable. However, if the derecognized bank acceptance bills are not honored upon maturity, suppliers retain the right to require repayment from the company. Therefore, the company remains involved with these bills.

The maximum exposure to loss for the company's continued involvement with derecognized bank acceptance bills as of June 30, 2025, December 31, 2024, and June 30, 2024, was NT\$12,243 thousand, NT\$8,269 thousand, and NT\$7,260 thousand respectively. These bills are due within 1 to 10 months after the balance sheet dates. Considering the credit risk of the derecognized bank acceptance bills, the company concludes that the fair value of its continued involvement is not significant.

XXVI. Transactions with Related Parties

Transactions, account balances, revenue, and expenses between the company and its subsidiaries (classified as related parties) are fully eliminated in the consolidation process and thus not disclosed in this note. The transactions between the consolidated company and other related parties are as follows:

(I) Names of Related Parties and Their Relationships

<u>Names of Related Parties</u>	<u>Relationship with the Consolidated Company</u>
Chow, Pong-Chi	The chairman of the company
Wen Shung Industrial Corp.	Substantial related party
Belize Quan Ke Co., Ltd.	Substantial related party
Belize New Decision Co., Ltd.	Substantial related party
Dongguan Jiacun Trading Co., Ltd.	Substantial related party
Ching Pu Technology Inc.	Substantial related party
Shanghai Wenwei International Trading Co.,Ltd.	Substantial related party

(II) Operating Revenue

<u>Account Items</u>	<u>Category/Name of Related Parties</u>	<u>April 1, 2025 To June 30, 2025</u>	<u>April 1, 2024 To June 30, 2024</u>	<u>January 1, 2025 To June 30, 2025</u>	<u>January 1, 2024 To June 30, 2024</u>
Sales Revenue	Substantive Related Parties	<u>\$ 87</u>	<u>\$ 106</u>	<u>\$ 274</u>	<u>\$ 213</u>

(III) Purchases

<u>Category/Name of Related Parties</u>	<u>April 1, 2025 To June 30, 2025</u>	<u>April 1, 2024 To June 30, 2024</u>	<u>January 1, 2025 To June 30, 2025</u>	<u>January 1, 2024 To June 30, 2024</u>
Substantive Related Parties				
Wen Shung Industrial Corp.	\$ 25,370	\$ 41,890	\$ 58,151	\$ 71,568
Others	<u>5,725</u>	<u>2,951</u>	<u>10,419</u>	<u>4,140</u>
	<u>\$ 31,095</u>	<u>\$ 44,841</u>	<u>\$ 68,570</u>	<u>\$ 75,708</u>

Purchases and sales with related parties are based on cost, and prices are negotiated by both parties with reference to market rates.

(IV) Receivables from Related Parties

<u>Account Items</u>	<u>Category/Name of Related Parties</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts Receivable	Substantive Related Parties			
- Related Parties	Wen Shung Industrial Corp.	\$ 69	\$ 71	\$ 118
	Others	<u>1</u>	<u>-</u>	<u>-</u>
		<u>\$ 70</u>	<u>\$ 71</u>	<u>\$ 118</u>

Outstanding receivables from related parties are unsecured, with payment terms of 120 days after month-end, which are consistent with terms for regular customers.

(V) Lease Agreements

<u>Account Items</u>	<u>Category/Name of Related Parties</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Lease Liabilities	Substantive Related Parties	<u>\$ 3,268</u>	<u>\$ 5,020</u>	<u>\$ 6,752</u>

Category/Name of Related Parties	April 1, 2025 To June 30, 2025	April 1, 2024 To June 30, 2024	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
<u>Interest Expenses</u> (Recorded as Financial Costs)				
Substantive Related Parties	\$ <u>21</u>	\$ <u>42</u>	\$ <u>48</u>	\$ <u>89</u>

Category/Name of Related Parties	January 1, 2025 To June 30, 2025	January 1, 2024 To June 30, 2024
<u>Cash Outflow for Leases</u>		
Substantive Related Parties	\$ <u>1,800</u>	\$ <u>1,800</u>

Lease agreements between the consolidated entities and substantive related parties specify rent paid monthly, based on the leased area and with reference to nearby market rates.

(VI) Payables to Related Parties

Account Items	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Accounts Payable	Substantive Related Party			
	Wen Shung Industrial Corp.	\$ 16,175	\$ 25,512	\$ 47,697
	Others	<u>2,721</u>	<u>4,485</u>	<u>2,378</u>
		<u>\$ 18,896</u>	<u>\$ 29,997</u>	<u>\$ 50,075</u>
Other Payables	Substantive Related Party			
	Wen Shung Industrial Corp.	<u>\$ 35</u>	<u>\$ 79</u>	<u>\$ -</u>

The transaction terms between the consolidated company and the substantive related party for the purchase of copper-clad laminates are net 120 days, with no significant differences from other suppliers.

(VII) Key Management Compensation

	April 1, 2025 to June 30, 2025	April 1, 2024 to June 30, 2024	January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024
Short-term Employee Benefits	\$ 1,636	\$ 1,115	\$ 4,223	\$ 2,483
Post-employment Benefits	<u>27</u>	<u>27</u>	<u>54</u>	<u>54</u>
	<u>\$ 1,663</u>	<u>\$ 1,142</u>	<u>\$ 4,277</u>	<u>\$ 2,537</u>

(VIII) Guarantees

Related parties provided joint guarantees for the consolidated company's borrowings:

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
<b>Chairman</b>			
Guaranteed Amount	<u>\$ 375,000</u>	<u>\$ 365,000</u>	<u>\$ 376,000</u>
Actual Utilized Amount (Recorded under Short-term Borrowings and Short-term Notes Payable)	<u>\$ 305,000</u>	<u>\$ 265,000</u>	<u>\$ 346,000</u>

## XXVII. Mortgaged Assets

The following assets are pledged as collateral for the consolidated company's bank borrowings and performance guarantees:

	June 30, 2025	December 31, 2024	June 30, 2024
<b>Real Estate, Plant, and Equipment</b>			
Land	\$ 113,167	\$ 113,167	\$ 113,167
Buildings and Structures	110,073	111,747	113,421
Equipment	80,168	85,577	107,735
<b>Financial Assets at Fair Value Through Profit or Loss - Current</b>			
Domestic OTC Stocks	28,575	-	-
<b>Financial Assets at Fair Value Through Other Comprehensive Income - Current</b>			
Domestic OTC Stocks	239,078	225,420	205,275

## XXVIII. Significant Foreign Currency Assets and Liabilities

The following information is expressed in foreign currencies other than the functional currency of the consolidated entities. The disclosed exchange rates refer to rates used to translate foreign currencies into functional currency. Significant foreign currency assets and liabilities are as follows:

Unit: Each Foreign Currency/NT\$ thousand

	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign Currency	Exchang e Rate	NT\$	Foreign Currency	Exchang e Rate	NT\$	Foreign Currency	Exchang e Rate	NT\$
<b>Financial Assets</b>									
<b>Monetary Items</b>									
USD	\$ 2,168	29.30	\$ 63,522	\$ 2,298	32.785	\$ 75,340	\$ 2,230	32.45	\$ 72,364
JPY	247,468	0.2034	50,335	242,978	0.2154	52,342	308,698	0.2142	66,115
<b>Financial Assets Non-monetary Items</b>									
USD	1,520	29.30	44,536	575	32.785	18,851	957	32.45	31,055
<b>Financial Liabilities Monetary Items</b>									
USD	-	29.30	-	3	32.785	98	7	32.45	227
JPY	446,139	0.2034	90,745	418,120	0.2154	90,072	442,588	0.2142	94,791

The foreign exchange gains and losses for the periods from April 1, 2025 to June 30, 2025, and from January 1, 2025 to June 30, 2025, as well as for the periods from April 1, 2024 to June 30, 2024, and from January 1, 2024 to June 30, 2024, can be found in Note XX. Due to the large volume of foreign exchange transactions, it is not feasible to disclose gains and losses by each significant foreign currency.

XXIX. Notes Disclosure

(I) Transactions:

1. Loans Provided to Others. (Table 1)
2. Endorsements and Guarantees Provided. (Table 2)
3. Significant Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures). (Table 3)
4. Purchase and sales transactions with related parties in amounts exceeding NT\$100 million or 20% of paid-in capital. (None)
5. Due from Related Parties in amounts exceeding NT\$100 million or 20% of paid-in capital. (None)
6. Others: Business relationships and significant transaction amounts between the parent and subsidiaries and among subsidiaries. (Table 6)

(II) Information on Investments in Subsidiaries. (Table 4)

(III) Information on Investments in Mainland China:

1. Information on the name, primary business activities, paid-in capital, investment method, movement of funds, ownership percentage, investment gains or losses, book value of investments at the end of the period, remitted investment gains, and investment limits in Mainland China. (Table 5)
2. Details of significant transactions with the Mainland China investee companies directly or indirectly through third regions, including transaction prices, payment terms, and unrealized gains or losses. (Table 7)
  - (1) Purchase amounts and percentages, along with related payables balances and percentages at the end of the period.
  - (2) Sales amounts and percentages, along with related receivables balances and percentages at the end of the period.
  - (3) Transaction amounts for property sales and related profit or loss. (None)
  - (4) Balances and purposes of endorsements, guarantees, or collateral provided at the end of the period. (None)

- (5) Maximum balances, ending balances, interest rate ranges, and total interest for the period for financing provided. (Table 1)
- (6) Other significant transactions affecting profit or loss or financial position during the period, such as services provided or received. (None)

XXX. Financial Information by Operating Segments

(I) Segment Financial Information

The consolidated company provides information used by the chief operating decision-maker to allocate resources and evaluate segment performance, focusing on the types of products or services delivered. In compliance with IFRS 8 "Operating Segments," the consolidated company reports its segments as follows (the products or services include drills, contract drilling services, and copper-clad laminates):

1. Taiwan Business Division: Includes sales profits and operating expenses generated by shipments from Key Ware Electronics, Key De Precise, Jia Ch, Hui Peng, and Laserware Laser Technology.
2. Mainland China Business Division: Includes sales profits and operating expenses generated by shipments from Kunshan Key Ware, Kunshan Weixing, Kunshan Laserware, King Ware (Chongqing), Wuhan Laserware, Shenzhen Laserware, Hubei Laserware, Key Ware, Advisor, and Module.
3. Thailand Business Division: Includes sales profits and operating expenses generated by shipments from KEY WARE THAILAND.

The financial information related to operating segments of the consolidated company for the periods from January 1, 2025 to June 30, 2025, and from January 1, 2024 to June 30, 2024, is as follows:

Item	January 1, 2025 to June 30, 2025			
	Taiwan Region	Mainland China Region	Thailand Region	Adjusted Amount
Segment Revenue				
External Revenue	\$ 324,513	\$ 311,840	\$ -	\$ 636,353
Segment Profit (Loss)	\$ 16,906	(\$ 24,492)	(\$ 2,407)	(\$ 9,993)
Non-operating Income and Expense				( 18,920)
Profit Before Tax				(\$ 28,913)
Segment Assets	\$ 1,522,079	\$ 2,022,350	\$ 41,734	\$ 3,586,163

Item	January 1, 2024 to June 30, 2024			
	Taiwan Region	Mainland China Region	Thailand Region	Adjusted Amount
Segment Revenue				
External Revenue	<u>\$ 305,640</u>	<u>\$ 270,108</u>	<u>\$ -</u>	<u>\$ 575,748</u>
Segment Profit (Loss)	<u>(\$ 10,036)</u>	<u>(\$ 9,429)</u>	<u>\$ -</u>	<u>(\$ 19,465)</u>
Non-operating Income and Expense				<u>27,217</u>
Profit Before Tax				<u>\$ 7,752</u>
Segment Assets	<u>\$ 1,682,760</u>	<u>\$ 2,307,037</u>	<u>\$ 2,222</u>	<u>\$ 3,992,019</u>

Segment profit refers to the profit earned by each segment and excludes equity-method investment income or loss, interest income, gains or losses on the disposal of property, plant, and equipment, investment disposal gains or losses, exchange gains or losses, financial asset valuation gains or losses, interest expenses, and income tax expenses. This measurement is provided to the chief operating decision-maker for resource allocation and segment performance evaluation.

(II) Revenue from Major Products

Revenue analysis of the main products of the consolidated company's continuing operations is as follows:

	January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024
Drill Bits	<u>\$ 339,989</u>	<u>\$ 276,591</u>
Copper-Clad Laminates	<u>88,262</u>	<u>82,828</u>
Drilling Processing	<u>207,756</u>	<u>216,329</u>
Others	<u>346</u>	<u>-</u>
	<u>\$ 636,353</u>	<u>\$ 575,748</u>

Key Ware Electronics Co., Ltd. and Subsidiaries

Loans to Others

January 1, 2025 to June 30, 2025

Table 1

Unit: NTD Thousands

Number	Lending Company	Borrower	Transaction Item	Related Party	Current Period Maximum Balance (Note 2)	Ending Balance (Note 2)	Actual Amount Disbursed	Interest Rate Range (%)	Nature of Fund Lending	Business Transactions Amount	Reason for the Necessity of Short-Term Fund Financing	Provision for Allowance Bad Debt Amount	Collateral		For Individual Borrowers Fund Lending Limit (Note 1)	Loans Maximum Limit (Note 1)
													Name	Value		
0	This Company	Kunshan Huawei Electronics Co., Ltd. and three others (Note 2)	Other Receivables - Related Party	Yes	\$ 100,000	\$ 100,000	\$ -	-	Short-Term Fund Financing	\$ -	Operational Turnaround of Investee Companies	\$ -	-	\$ -	\$ 185,826	\$ 743,302
0	This Company	Jiazhi Co., Ltd. (Note 3)	Other Receivables - Related Party	Yes	30,000	30,000	7,800	-	Short-Term Fund Financing	-	Operational Turnaround of Investee Companies	-	-	-	185,826	743,302
0	This Company	Raywei Optoelectronics Technology Co., Ltd. (Note 4)	Other Receivables - Related Party	Yes	40,000	40,000	-	-	Short-Term Fund Financing	-	Operational Turnaround of Investee Companies	-	-	-	185,826	743,302
0	This Company	KEY WARE THAILAND	Other Receivables - Related Party	Yes	40,000	40,000	20,587	-	Short-Term Fund Financing	-	Operational Turnaround of Investee Companies	-	-	-	185,826	743,302

Note 1: According to the company's "Operational Procedures for Loaning Funds to Others," the total amount of funds lent to others shall not exceed 40% of the company's net asset value based on the most recent audited or reviewed financial statements. For entities with a necessity for fund financing, the amount lent to an individual borrower shall not exceed 10% of the lending company's net asset value.

Note 2: Amount determined based on the resolution of the Board of Directors.

Key Ware Electronics Co., Ltd. and Subsidiaries  
Endorsements and Guarantees Provided for Others  
January 1, 2025 to June 30, 2025

Table 2

Unit: Thousands of NTD/CNY

Code	Provider of Endorsement/ Guarantee Company Name	Recipient of Endorsement/Guarantee		Maximum Amount for a Single Entity (Note 1 and Note 2)	Maximum Amount Endorsed/Guaran teed This Period Balance of Guarantees (Note 3)	Ending Balance of Endorsed/Guaran teed Amount Balance of Guarantees (Note 3)	Actual Amount Used	Secured by Collateral Amount of Endorsements or Guarantees	Accumulated Endorsements/Gu arantees as a % of Net Worth per the Latest Financial Report	Endorsements/Gu arantees Highest Limit (Note 1 and Note 2)	Endorsements /Guarantees Provided by Parent Company to Subsidiaries	Endorsements /Guarantees Provided by Subsidiaries to Parent Company	Endorsements /Guarantees Provided to Entities in Mainland China
		Company Name	Relationship										
0	This Company	KEY WARE THAILAND	Subsidiary	\$ 371,651	62,731 THB 30,000 & USD 1,000	56,507 THB 13,190 & USD 1,000	\$ 11,962 THB 13,190	-	3.04%	1,114,954	Y	N	N
0	This Company	Jia Chi	Subsidiary	371,651	30,000	30,000	20,000	-	1.61%	1,114,954	Y	N	N
0	This Company	Key De Precise	Subsidiary	371,651	\$ 200,000	\$ 200,000	28,000	\$ -	10.76%	\$ 1,114,954	Y	N	N
1	Kunshan Key Ware	This Company	Parent Company	321,819	75,486 CNY 16,500	67,502 CNY 16,500	67,502 CNY 16,500	67,502	4.20%	965,456	N	Y	N
1	Kunshan Key Ware	Kunshan Laserware	Subsidiary	321,819	43,919 CNY 9,600	39,274 CNY 9,600	20,455 CNY 5,000	-	2.44%	965,456	N	N	Y

Note 1: According to the company's endorsement and guarantee operating procedures, the accumulated external endorsements/guarantees shall not exceed 60% of the net worth from the most recent CPA-audited or reviewed financial report, and the amount of endorsement/guarantee for a single entity shall not exceed 20% of the aforementioned net worth.

Note 2: The accumulated external endorsements/guarantees of Kunshan Key Ware shall not exceed 60% of the net worth from Kunshan Key Ware's most recent CPA-audited or reviewed financial report, and the amount of endorsement/guarantee for a single entity shall not exceed 20% of the aforementioned net worth.

Note 3: Amounts are determined based on the resolution of the board of directors.

Key Ware Electronics Co., Ltd. and Subsidiaries  
Major Securities Held at the End of the Period  
June 30, 2025

Table 3

Unit: Thousands of NTD

Company Held	Securities Name	Relation with the Issuer of the Securities	Account Title	End of Period				Remarks
				Shares (in thousands)	Book Value (Thousands)	Shareholding Percentage (%)	Market Price/Equity Net Value	
This Company	<u>Domestic Listed, OTC, and Emerging Market Stocks</u>							
	Savior Lifetec Corp.	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	3,372	\$ 64,237	1.06	\$ 64,237	Note 1
	Compeq Manufacturing Technology Co., Ltd.	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	30	1,737	0.00	1,737	
	Qbic Technology Co., Ltd.	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	574	17,492	2.55	17,492	
	Savior Lifetec Corp.	-	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Current	12,571	239,478	3.96	239,478	Note 1
	<u>Domestic Unlisted Stocks</u>							
	Han Yu Entrepreneurship Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income – non-current	3,200	16,179	8.89	16,179	
	<u>Foreign Unlisted Stocks</u>							
	Concord Venture Capital Group Limited	-	Financial assets at fair value through other comprehensive income – non-current	-	9,786	13.57	9,786	
	Kinara Inc.	-	Financial assets at fair value through other comprehensive income – non-current	1,809	7,688	1.73	7,688	
<u>Foreign Listed Stocks</u>								
Sana Biotechnology, Inc.	-	Financial assets at fair value through profit or loss – current	319	25,532	0.14	25,532		
Silicon Motion Technology Corp.	-	Financial assets at fair value through profit or loss – current	1	1,542	0.00	1,542		

Note 1: The Company pledged 14,050 thousand shares of Savior Lifetec Corp. as financing collateral to financial institutions.

Key Ware Electronics Co., Ltd. and Subsidiaries  
Investment Company Name, Location, ... and Related Information  
January 1, 2025 to June 30, 2025

Table 4

Unit: NT\$ / USD / CNY / THB thousand

Investment Company Name	Investee Company Name	Location	Primary Business Activities	Original Investment Amount		End-of-Period Holdings			Current Period Profit (Loss) of the Investee	Investment Profit (Loss) Recognized This Period(Note)	Remarks
				Ending Balance	Beginning Balance	Number of Shares (in thousands)	Percentage (%)	Book Value			
Key Ware Electronics Co., Ltd.	Key Ware	British Virgin Islands	General Investment	\$ 694,908	\$ 694,908	23,717	100	\$ 1,624,259	(\$ 21,341)	(\$ 21,020)	-
				USD 23,717	USD 23,717				(CNY 4,883)	(CNY 4,810)	-
	Key De Precise	Taiwan	Electronic Components	30,600	30,600	612	51	24,524	3,006	675	-
			Wholesale and Processing								-
	Laserware Laser	Taiwan	Electronic Components, Machinery Equipment	1,000	1,000	100	99.99	1,032	65	65	-
											-
	Jia Chi	Taiwan	Drilling Processing	49,500	49,500	2,972	83.63	197	( 1,897)	( 1,555)	-
	Hui Peng	Taiwan	Electronic Components, Machinery Equipment	600	600	60	60	610	3	2	-
	KEY WARE THAILAND	Thailand	Drilling Processing	3,327	2,285	1,000	100	( 231)	( 2,974)	( 2,974)	-
				THB 3,600	THB 2,500			( THB 252)	( THB 3,117)	( THB 3,117)	-
Key Ware	Advisor	British Virgin Islands	General Investment	291,828	291,828	9,960	100	742,046	( 9,579)	( 9,579)	-
				USD 9,960	USD 9,960			CNY 181,385	(CNY 2,192)	(CNY 2,192)	-
	Module	Cayman Islands	General Investment	379,640	379,640	12,957	100	877,794	( 11,729)	( 11,729)	-
				USD 12,957	USD 12,957			CNY 214,567	(CNY 2,684)	(CNY 2,684)	-

Note: The investment profits (losses) recognized in this period already take into account unrealized gains or losses from intercompany transactions.

Key Ware Electronics Co., Ltd. and Subsidiaries

Mainland China Investment Information

January 1, 2025 to June 30, 2025

Table 5

Unit: NT\$ / USD / CNY thousand

Mainland Investee Company Name	Primary Business Activities	Paid-in Capital	Investment Method	Beginning of Period Outflows from Taiwan Cumulative Investment Amount	Investment Amounts Remitted or Recovered in This Period		End of Period Outflows from Taiwan Cumulative Investment Amount	Investee Company Current Profit or Loss	Shareholding Ratio of Direct or Indirect Investments by the Company	Recognized in This Period Investment Gain (Loss) (Note 1)	Ending Investment Book Value	Accumulated Investment Income Remitted up to the End of the Period
					Outflow	Recovery						
Kunshan Key Ware Electronics Co., Ltd.	Drilling Tools and Hand Tools	\$ 708,093 USD 24,167	Reinvestment in Mainland China Company through an Intermediary Company	\$ 633,085 USD 21,607	\$ -	\$ -	\$ 633,085 USD 21,607	(\$ 21,313) (CNY 4,877)	100%	(\$ 21,313) (CNY 4,877)	\$ 1,609,093 CNY 393,325	\$ 98,153 CNY 23,000
Kunshan Laserware Laser Technology Co., Ltd.	Drilling Processing	28,637 CNY 7,000	Reinvestment in Mainland China Company through Kunshan Key Ware Electronics Co., Ltd.	-	-	-	-	( 603 ) (CNY 138)	100%	( 603 ) (CNY 138)	6,259 CNY 1,530	-
King Ware (Chongqing) Electronics Co., Ltd.	Wholesale of Electronic Components	4,091 CNY 1,000	Reinvestment in Mainland China Company through Kunshan Key Ware Electronics Co., Ltd.	-	-	-	-	1,154 CNY 264	100%	1,154 CNY 264	7,544 CNY 1,844	-
Wuhan Laserware Laser Technology Co., Ltd.	Drilling Processing	102,930 CNY 25,160	Reinvestment in Mainland China Company through Kunshan Key Ware Electronics Co., Ltd.	-	-	-	-	( 1,398 ) (CNY 320)	100%	( 1,398 ) (CNY 320)	106,468 CNY 26,025	-
Shenzhen Laserware Laser Technology Co., Ltd.	Drilling Processing	25,160 CNY 6,260	Reinvestment in Mainland China Company through Kunshan Key Ware Electronics Co., Ltd.	-	-	-	-	205 CNY 47	100%	205 CNY 47	10,052 CNY 2,457	-
Hubei Laserware Laser Technology Co., Ltd.	Drilling Processing	85,093 CNY 20,800	Reinvestment in Mainland China Company through Kunshan Key Ware Electronics Co., Ltd.	-	-	-	-	1,241 CNY 284	100%	1,241 CNY 284	89,028 CNY 21,762	-

Accumulated Investment Amount Remitted from Taiwan to Mainland China as of the End of This Period	Approved Investment Amount by the Investment Commission of the Ministry of Economic Affairs	Investment Limit in Mainland China as Specified by the Investment Commission of the Ministry of Economic Affairs
\$649,200 (USD 22,157)	\$709,851 (USD 24,227)	\$1,126,549 (Note 2)

Note 1: The recognized investment gain (loss) for this period has taken into account unrealized gains and losses from intercompany transactions.

Note 2: According to the "Principles for Reviewing Investment or Technical Cooperation Conducted in Mainland China," the cumulative investment amount in Mainland China shall not exceed 60% of net worth or consolidated net worth, whichever is higher.

Key Ware Electronics Co., Ltd. and Subsidiaries  
Business Relationships and Significant Transactions Between Parent and Subsidiaries  
January 1, 2025 to June 30, 2025

Table 6

Unit: NTD Thousands

Serial Number (Note 1)	Name of Transacting Party	Counterparty of the Transaction	Relationship with the Transacting Party (Note 2)	Transaction Details			Percentage of Consolidated Revenues or Total Assets (Note 6)
				Account	Amount (Note 5)	Transaction Terms	
0	The Company	Jia Chi	1	Accounts Receivable	\$ 73,950	Note 3	2.06
		Jia Chi	1	Other Receivables	7,800	-	0.22
		Jia Chi	1	Processing Income	62,627	Note 3	9.84
		Kunshan Key Ware	1	Accounts Receivable	13,206	Note 4	0.37
		Kunshan Key Ware	1	Accounts Payable	44,936	Note 3	1.25
		Kunshan Key Ware	1	Other Payables	8,427	-	0.23
		Kunshan Key Ware	1	Sales Revenue	26,321	Note 4	4.14
		Kunshan Key Ware	1	Cost of Goods Sold	46,205	Note 3	7.26
		Kunshan Key Ware	1	Long-term Deferred Revenue	75,137	-	2.09
		Kunshan Key Ware	1	Gain on Disposal of Property, Plant, and Equipment	6,833	-	0.19
		Wuhan Laserware	1	Long-term Deferred Revenue	5,705	-	0.16
		Key Ware Thailand	1	Other Receivables	20,587	-	0.57
		1	Kunshan Key Ware	Kunshan Laserware	3	Accounts Receivable	9,266
Kunshan Laserware	3			Miscellaneous Income	5,270	-	0.83
Kunshan Laserware	3			Sales Revenue	6,705	Note 3	1.05
1	Kunshan Key Ware	Hubei Laserware	3	Accounts Receivable	14,073	Note 3	0.39
		Hubei Laserware	3	Sales Revenue	9,338	Note 3	1.47
2	Wuhan Laserware	Hubei Laserware	3	Accounts Receivable	30,851	Note 3	0.92
			3	Rental Income	5,826	-	0.92

Note 1: Business-related transactions between the parent company and its subsidiaries are to be recorded in the designated code column as follows:

1. The parent company is to use code 0.
2. Subsidiaries are to use Arabic numerals, starting with code 1, in sequential order.

Note 2: There are three types of relationships with transaction parties, which are to be indicated by their respective categories:

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

Note 3: The transaction prices are cost-based, negotiated by both parties with reference to market prices. Payment terms are monthly settlement within 180 days.

Note 4: The transaction prices are cost-based, negotiated by both parties with reference to market prices. Payment terms are monthly settlement within 120 days.

Note 5: The transaction prices are cost-based, and payment terms are prepayments.

Note 6: Intercompany transactions between the parent and subsidiaries have been fully offset during the preparation of the consolidated financial statements.

Key Ware Electronics Co., Ltd. and its subsidiaries

Significant transactions and related information involving Mainland China investee companies, occurring directly or indirectly through third regions, are as follows:

January 1, 2025 to June 30, 2025

Table 7

Unit: NT\$ Thousands

Mainland China Investee Name	Transaction Type	Purchases, Sales, Disposal of Assets		Price	Transaction Terms		Receivables (Payables), Notes		Unrealized Gains or Losses	Remarks
		Amount	Percentage		Payment Terms	Comparison with General Transactions	Amount	Percentage		
Kunshan Key Ware	Sales	\$ 26,321	10%	No major differences compared to general transactions	Monthly settlement 120~180 days	No major differences compared to general transactions	\$ 13,206	6%	\$ 263	-
	Purchases	62,248	17%	No major differences compared to general transactions	Monthly settlement 180 days	No major differences compared to general transactions	( 68,282 )	38%	-	-
	Purchase of Machinery and Equipment	8,427	-	No major differences compared to general transactions	Monthly settlement 120 days	No major differences compared to general transactions	( 8,247 )	5%		
Kunshan Laserware	Sales	6,705	3%	No major differences compared to general transactions	Monthly settlement 180 days	No major differences compared to general transactions	9,266	4%	-	-
Hubei Laserware	Sales	9,338	4%	No major differences compared to general transactions	Monthly settlement 180 days	No major differences compared to general transactions	14,073	5%	-	-

Note: Unrealized gains or losses arising from transactions with Mainland China investee companies have been fully offset in the preparation of the consolidated financial statements.