

**Gloria Material Technology Corp. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2025 and 2024 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Gloria Material Technology Corp.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Gloria Material Technology Corp. and its subsidiaries (collectively, the “Group”) as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT\$3,182,216 thousand and NT\$3,598,821 thousand, respectively, representing 9% and 10%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$447,708 thousand and NT\$523,587 thousand, respectively, representing 3%, of the consolidated total liabilities; for the three months ended June 30, 2025 and 2024, the amounts of combined comprehensive income of these non-significant subsidiaries were NT\$(33,761) thousand and NT\$83,998 thousand, respectively, representing 24% and 11%, respectively, of the consolidated total comprehensive income, and for the six months ended June 30, 2025 and 2024, the amounts of combined comprehensive income of these non-significant subsidiaries were NT\$(16,771) thousand and NT\$134,553 thousand, respectively, representing (9%) and 10%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 13, the investments accounted for using the equity method,

as of June 30, 2025 and 2024, were NT\$820,021 thousand and NT\$629,081 thousand, respectively, and the share of comprehensive income of those investments for the three months ended June 30, 2025 and 2024 amounted to NT\$(12,123) thousand and NT\$17,930 thousand, respectively, and for the six months ended June 30, 2025 and 2024 amounted to NT\$(5,808) thousand and NT\$22,721 thousand, respectively, and the related investment amounts as well as additional disclosures were based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chien-Wei Chen and Min-Hsien Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

July 31, 2025

### Notice to Readers

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

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

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 5,337,756	15	\$ 6,506,988	18	\$ 7,517,909	22
Financial assets at fair value through profit or loss - current (Note 7)	348,193	1	51,746	-	66,781	-
Notes receivable (Note 9)	145,684	-	179,025	-	171,922	1
Trade receivables (Notes 9 and 31)	2,087,415	6	2,304,969	6	2,664,759	8
Other receivables (Note 31)	147,869	1	189,905	1	127,453	-
Inventories (Note 10)	8,180,381	23	8,220,654	23	6,333,461	18
Non-current assets held for sale (Note 11)	-	-	-	-	486,653	1
Other current assets (Notes 17, 31 and 32)	<u>246,660</u>	<u>1</u>	<u>212,316</u>	<u>1</u>	<u>289,320</u>	<u>1</u>
Total current assets	<u>16,493,958</u>	<u>47</u>	<u>17,665,603</u>	<u>49</u>	<u>17,658,258</u>	<u>51</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	223,350	1	225,900	1	237,150	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	186,878	1	234,167	1	352,606	1
Investments accounted for using the equity method (Note 13)	3,481,828	10	3,770,224	10	3,537,449	10
Property, plant and equipment (Notes 14, 31 and 32)	8,773,864	25	8,469,603	24	8,123,297	24
Right-of-use assets (Note 15)	107,986	-	121,144	-	83,956	-
Investment properties (Notes 16 and 32)	141,643	-	143,396	-	145,149	-
Deferred tax assets	178,032	-	178,587	-	119,083	-
Prepayments for equipment (Note 31)	5,404,473	15	4,873,302	14	4,251,866	12
Other non-current assets (Notes 17 and 32)	<u>218,686</u>	<u>1</u>	<u>214,387</u>	<u>1</u>	<u>173,706</u>	<u>1</u>
Total non-current assets	<u>18,716,740</u>	<u>53</u>	<u>18,230,710</u>	<u>51</u>	<u>17,024,262</u>	<u>49</u>
<b>TOTAL</b>	<b><u>\$ 35,210,698</u></b>	<b><u>100</u></b>	<b><u>\$ 35,896,313</u></b>	<b><u>100</u></b>	<b><u>\$ 34,682,520</u></b>	<b><u>100</u></b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 18 and 32)	\$ 1,726,679	5	\$ 1,975,359	6	\$ 1,089,762	3
Financial liabilities at fair value through profit or loss - current (Note 7)	7,726	-	-	-	360	-
Notes payable	366	-	108	-	243	-
Trade payables (Note 31)	389,019	1	736,846	2	632,035	2
Other payables (Notes 20 and 31)	2,248,138	6	793,192	2	2,211,556	6
Current tax liabilities	95,199	-	448,342	1	304,134	1
Lease liabilities - current (Notes 15 and 31)	20,088	-	23,666	-	17,712	-
Current portion of long-term borrowings (Notes 18 and 32)	756,550	2	376,550	1	-	-
Other current liabilities (Note 31)	<u>157,112</u>	<u>1</u>	<u>60,716</u>	<u>-</u>	<u>294,394</u>	<u>1</u>
Total current liabilities	<u>5,400,877</u>	<u>15</u>	<u>4,414,779</u>	<u>12</u>	<u>4,550,196</u>	<u>13</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Notes 19 and 32)	6,419,798	18	6,363,353	18	6,307,158	18
Long-term borrowings (Notes 18 and 32)	5,133,600	15	5,512,125	15	5,476,950	16
Deferred tax liabilities	274,215	1	244,081	1	220,763	1
Lease liabilities - non-current (Notes 15 and 31)	86,258	-	94,699	-	63,752	-
Net defined benefit liabilities - non-current	11,215	-	-	-	25,830	-
Other non-current liabilities (Note 21)	<u>41,782</u>	<u>-</u>	<u>64,292</u>	<u>-</u>	<u>40,925</u>	<u>-</u>
Total non-current liabilities	<u>11,966,868</u>	<u>34</u>	<u>12,278,550</u>	<u>34</u>	<u>12,135,378</u>	<u>35</u>
Total liabilities	<u>17,367,745</u>	<u>49</u>	<u>16,693,329</u>	<u>46</u>	<u>16,685,574</u>	<u>48</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>						
Share capital						
Ordinary shares	<u>6,024,712</u>	<u>17</u>	<u>6,024,712</u>	<u>17</u>	<u>6,024,712</u>	<u>17</u>
Capital surplus	<u>6,888,276</u>	<u>20</u>	<u>6,854,018</u>	<u>19</u>	<u>6,838,872</u>	<u>20</u>
Retained earnings						
Legal reserve	1,611,417	5	1,350,333	4	1,350,333	4
Special reserve	8,681	-	67,793	-	67,793	-
Unappropriated earnings	<u>3,656,343</u>	<u>10</u>	<u>4,832,849</u>	<u>14</u>	<u>3,507,160</u>	<u>10</u>
Total retained earnings	<u>5,276,441</u>	<u>15</u>	<u>6,250,975</u>	<u>18</u>	<u>4,925,286</u>	<u>14</u>
Other equity	<u>(399,334)</u>	<u>(1)</u>	<u>(8,680)</u>	<u>-</u>	<u>3,139</u>	<u>-</u>
Treasury shares	<u>(352,168)</u>	<u>(1)</u>	<u>(352,168)</u>	<u>(1)</u>	<u>(338,842)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	17,437,927	50	18,768,857	53	17,453,167	50
<b>NON-CONTROLLING INTERESTS</b>						
Total equity	<u>405,026</u>	<u>1</u>	<u>434,127</u>	<u>1</u>	<u>543,779</u>	<u>2</u>
<b>TOTAL</b>	<b><u>\$ 35,210,698</u></b>	<b><u>100</u></b>	<b><u>\$ 35,896,313</u></b>	<b><u>100</u></b>	<b><u>\$ 34,682,520</u></b>	<b><u>100</u></b>

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

(With Deloitte & Touche review report dated July 31, 2025)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 31)	\$ 3,059,463	100	\$ 3,363,835	100	\$ 6,095,655	100	\$ 6,776,974	100
OPERATING COSTS (Notes 10, 24 and 31)	(2,432,399)	(80)	(2,513,411)	(75)	(4,738,109)	(78)	(5,002,889)	(74)
GROSS PROFIT	627,064	20	850,424	25	1,357,546	22	1,774,085	26
OPERATING EXPENSES (Notes 24 and 31)								
Selling and marketing expenses	(200,908)	(7)	(200,466)	(6)	(386,501)	(6)	(384,703)	(6)
General and administrative expenses	(123,296)	(4)	(147,425)	(4)	(264,372)	(4)	(276,565)	(4)
Research and development expenses	(11,740)	-	(12,479)	-	(28,542)	(1)	(25,860)	-
Expected credit (loss) gain	(10,913)	-	280	-	(4,235)	-	1,023	-
Total operating expenses	(346,857)	(11)	(360,090)	(10)	(683,650)	(11)	(686,105)	(10)
PROFIT FROM OPERATIONS	280,207	9	490,334	15	673,896	11	1,087,980	16
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 31)								
Interest income	18,688	1	23,267	1	35,631	1	39,714	1
Other income	31,628	1	22,368	1	47,195	1	49,151	1
Other gains and losses	(37,030)	(1)	388,656	11	(44,974)	(1)	428,467	6
Finance costs	(62,398)	(2)	(59,835)	(2)	(126,320)	(2)	(114,964)	(2)
Share of profit of associates	48,668	1	91,191	3	83,179	1	131,037	2
Total non-operating income and expenses	(444)	-	465,647	14	(5,289)	-	533,405	8
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	279,763	9	955,981	29	668,607	11	1,621,385	24
INCOME TAX EXPENSE (Note 25)	(51,782)	(2)	(230,690)	(7)	(83,931)	(2)	(317,318)	(5)
NET PROFIT FOR THE PERIOD	227,981	7	725,291	22	584,676	9	1,304,067	19
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(29,316)	(1)	(356)	-	(60,835)	(1)	(22,738)	-
Share of the other comprehensive income of associates accounted for using the equity method	(119,278)	(4)	(6,884)	-	(139,313)	(2)	10,796	-

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# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ (223,271)	(7)	\$ 14,425	-	\$ (189,055)	(3)	\$ 71,759	1
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	556	-	-	-	298	-	-	-
Other comprehensive income (loss) for the period, net of income tax	(371,309)	(12)	7,185	-	(388,905)	(6)	59,817	1
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>\$ (143,328)</b>	<b>(5)</b>	<b>\$ 732,476</b>	<b>22</b>	<b>\$ 195,771</b>	<b>3</b>	<b>\$ 1,363,884</b>	<b>20</b>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 219,472	7	\$ 715,997	22	\$ 591,990	10	\$ 1,287,402	19
Non-controlling interests	8,509	-	9,294	-	(7,314)	-	16,665	-
	<b>\$ 227,981</b>	<b>7</b>	<b>\$ 725,291</b>	<b>22</b>	<b>\$ 584,676</b>	<b>10</b>	<b>\$ 1,304,067</b>	<b>19</b>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (136,144)	(5)	\$ 722,736	22	\$ 201,237	3	\$ 1,356,085	20
Non-controlling interests	(7,184)	-	9,740	-	(5,466)	-	7,799	-
	<b>\$ (143,328)</b>	<b>(5)</b>	<b>\$ 732,476</b>	<b>22</b>	<b>\$ 195,771</b>	<b>3</b>	<b>\$ 1,363,884</b>	<b>20</b>
EARNINGS PER SHARE (Note 26)								
Basic	<u>\$0.37</u>		<u>\$1.20</u>		<u>\$1.00</u>		<u>\$2.20</u>	
Diluted	<u>\$0.35</u>		<u>\$1.08</u>		<u>\$0.93</u>		<u>\$1.98</u>	

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

(With Deloitte & Touche review dated July 31, 2025)

(Concluded)

**GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											Other Equity			Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity			
	Ordinary Shares	Capital Surplus				Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		Treasury Shares								
		Treasury Share Transactions	Employee Share Options	Interests in Subsidiaries	Others (Note 23)	Legal Reserve	Special Reserve	Unappropriated Earnings												
BALANCE ON JANUARY 1, 2024	\$ 5,395,512	\$ 341,564	\$ 249,211	\$ 28,499	\$ 3,819,583	\$ 1,116,835	\$ 43,415	\$ 3,986,056	\$ (43,667)	\$ (24,121)	\$ (270,930)	\$ 14,641,957	\$ 619,312	\$ 15,261,269						
Appropriation of 2023 earnings						233,498		(233,498)												
Legal reserve	-	-	-	-	-	-	24,378	(24,378)												
Special reserve	-	-	-	-	-	-	(1,506,178)													
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-					(1,506,178)				(1,506,178)			
Net profit for the six months ended June 30, 2024	-	-	-	-	-	-	-	1,287,402					1,287,402	16,665	1,304,067					
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	-	69,979	(1,296)			68,683	(8,866)	59,817					
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	10,451	-	-	-	-	-				10,451		10,451				
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-		(68,774)	(68,774)	(46,981)	(115,755)					
Disposal of the Company's shares held by subsidiaries	-	41	-	-	-	-	-	-	-	-		862	903	1,056	1,959					
Issuance of new shares in exchange for the shares of another company	629,200	-	-	-	2,365,792	-	-	-	-	-			2,994,992		2,994,992					
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	23,731	-	-	-	-	-	-	-	-			23,731		23,731					
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	(2,244)	-	2,244	-	-	-	-	-	-	-			
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(37,407)	(37,407)					
BALANCE ON JUNE 30, 2024	<u>\$ 6,024,712</u>	<u>\$ 365,336</u>	<u>\$ 249,211</u>	<u>\$ 28,499</u>	<u>\$ 6,195,826</u>	<u>\$ 1,350,333</u>	<u>\$ 67,793</u>	<u>\$ 3,507,160</u>	<u>\$ 26,312</u>	<u>\$ (23,173)</u>	<u>\$ (338,842)</u>	<u>\$ 17,453,167</u>	<u>\$ 543,779</u>	<u>\$ 17,996,946</u>						
BALANCE ON JANUARY 1, 2025	\$ 6,024,712	\$ 364,788	\$ 249,211	\$ 32,084	\$ 6,207,935	\$ 1,350,333	\$ 67,793	\$ 4,832,849	\$ 40,081	\$ (48,761)	\$ (352,168)	\$ 18,768,857	\$ 434,127	\$ 19,202,984						
Appropriation of 2024 earnings						261,084		(261,084)												
Legal reserve	-	-	-	-	-	-	(59,112)	59,112												
Special reserve	-	-	-	-	-	-	(1,566,425)						(1,566,425)		(1,566,425)		(1,566,425)			
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(1,566,425)									(1,566,425)			
Net profit for the six months ended June 30, 2025	-	-	-	-	-	-	-	591,990	-	-	-		591,990	(7,314)	584,676					
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(195,934)	(194,819)			(390,753)	1,848	(388,905)					
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	8,735	-	-	-	-	-				8,735		8,735				
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	25,455	-	-	-	-	-	-	-	-			25,455		25,455					
Change in percentage of ownership interest in subsidiaries	-	-	-	68	-	-	-	-	-	-			68	(195)	(127)					
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	(99)	-	99	-	-	-	-	-	-	-			
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,440)	(23,440)					
BALANCE ON JUNE 30, 2025	<u>\$ 6,024,712</u>	<u>\$ 390,243</u>	<u>\$ 249,211</u>	<u>\$ 32,152</u>	<u>\$ 6,216,670</u>	<u>\$ 1,611,417</u>	<u>\$ 8,681</u>	<u>\$ 3,656,343</u>	<u>\$ (155,853)</u>	<u>\$ (243,481)</u>	<u>\$ (352,168)</u>	<u>\$ 17,437,927</u>	<u>\$ 405,026</u>	<u>\$ 17,842,953</u>						

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

(With Deloitte & Touche review report dated July 31, 2025)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 668,607	\$ 1,621,385
Adjustments for:		
Depreciation expense	264,411	248,941
Amortization expense	1,811	966
Expected credit loss recognized/(reversed) on trade receivables	4,235	(1,023)
Net loss (gain) on fair value changes of financial assets/liabilities at fair value through profit or loss	11,162	(114,004)
Finance costs	126,320	114,964
Interest income	(35,631)	(39,714)
Dividend income	(1,780)	(11,642)
Share of profit of associates	(83,179)	(131,037)
Gain on disposal of property, plant and equipment	(1,260)	(208,891)
Reclassification of property, plant and equipment to expenses	69,236	59,799
Loss on disposal of subsidiaries	33,165	-
Gain on disposal of right-of-use assets	-	(152,934)
Gain on disposal of investments accounted for using equity method	(452)	-
Write-down of inventories	44,754	29,543
Impairment losses	-	57,359
Net gain on foreign currency exchange	(68,356)	(14,866)
Gain on lease modification	(474)	(4)
Changes in operating assets and liabilities		
Notes receivable	33,628	(5,564)
Trade receivables	122,502	(187,831)
Other receivables	44,927	(4,578)
Inventories	(18,574)	151,248
Other current assets	(42,611)	(65,128)
Notes payable	258	(40)
Trade payables	(320,409)	141,585
Other payables	(90,566)	(39,989)
Other current liabilities	96,835	111,719
Net defined benefit liabilities	<u>11,215</u>	<u>(8,191)</u>
Cash generated from operations	<u>869,774</u>	<u>1,552,073</u>
Interest received	35,702	39,714
Dividends received	217,515	269,294
Interest paid	(62,830)	(50,527)
Income tax paid	<u>(414,151)</u>	<u>(422,700)</u>
Net cash generated from operating activities	<u>646,010</u>	<u>1,387,854</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(20,329)	(147,623)
Proceeds from sale of financial assets at fair value through other comprehensive income	6,783	42,152

(Continued)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	2024
Proceeds from sale of financial assets at amortized cost	\$ 3,455	\$ 298,332
Purchase of financial assets at fair value through profit or loss	(379,623)	(66,457)
Proceeds from sale of financial assets at fair value through profit or loss	82,290	41,818
Acquisition of associates	(15,808)	(36,571)
Proceeds from disposal of associates	1,850	-
Net cash outflow on disposal of subsidiaries (Note 28)	(309)	-
Payments for property, plant and equipment	(1,198,954)	(1,011,042)
Proceeds from disposal of property, plant and equipment	1,981	105,283
Payments for intangible assets	(3,198)	-
Proceeds from disposal of right-of-use assets	-	14,645
Increase in other non-current assets	<u>(4,397)</u>	<u>(48,469)</u>
Net cash used in investing activities	<u>(1,526,259)</u>	<u>(807,932)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of short-term borrowings	(95,292)	(123,281)
Repayments of short-term bills payable	-	(5,000)
Proceeds from long-term borrowings	-	939,470
Repayments of long-term borrowings	-	(300,000)
Repayment of the principal portion of lease liabilities	(10,797)	(9,598)
Increase in other non-current liabilities	-	655
Decrease in other non-current liabilities	(3,702)	-
Proceeds from disposal of the Company's shares by subsidiary	-	1,959
Payments for buy-back of the Company's shares as treasury shares by subsidiary	-	(115,755)
Cash dividends paid by subsidiaries	<u>(2,533)</u>	<u>(8,029)</u>
Net cash (used in) generated from financing activities	<u>(112,324)</u>	<u>380,421</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(176,659)</u>	<u>78,645</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,169,232)</b>	<b>1,038,988</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b><u>6,506,988</u></b>	<b><u>6,478,921</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b><u>\$ 5,337,756</u></b>	<b><u>\$ 7,517,909</u></b>

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

(With Deloitte & Touche review report dated July 31, 2025)

(Concluded)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. ORGANIZATION AND OPERATIONS

Gloria Material Technology Corp. (original name: Gloria Heavy Industrial Corp.) (the “Company”) was incorporated in the Republic of China (ROC) in March 1993 in accordance with the Company Act, and changed its name in July 1999. The Company mainly engaged in the production and sale of special steel, carbon steel, alloy steel, super alloy and smelting of the raw materials of these products.

The Company’s shares were listed on the Taipei Exchange (TPEx) since October 1998.

The functional currency of the Company is New Taiwan Dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in the New Taiwan Dollars since the Company’s shares are listed on the TPEx.

### 2. ADMIT OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s Board of Directors on July 31, 2025.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11 IFRS 17 “Insurance Contracts”	January 1, 2026
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<b>Effective Date Announced by IASB (Note)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

#### IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

## **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

a. Statement of compliance

These interim consolidated financial statements have 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 issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year and the proportion of actual emissions to the total annual emissions.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2024 for the material accounting judgments and key sources of estimation uncertainty.

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 686	\$ 859	\$ 794
Checking accounts and demand deposits	1,402,913	1,839,282	2,588,582
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	1,603,640	1,550,000	1,236,596
Repurchase agreements collateralized by bills	<u>2,330,517</u>	<u>3,116,847</u>	<u>3,691,937</u>
	<u><u>\$ 5,337,756</u></u>	<u><u>\$ 6,506,988</u></u>	<u><u>\$ 7,517,909</u></u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets at FVTPL - current</u>			
Mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ -	\$ 2,005	\$ 1,243
Foreign exchange swap contracts	-	27	-
Non-derivative financial assets			
Domestic listed shares	316,156	8,619	6,462
Mutual funds	<u>32,037</u>	<u>41,095</u>	<u>59,076</u>
	<u><u>\$ 348,193</u></u>	<u><u>\$ 51,746</u></u>	<u><u>\$ 66,781</u></u>
			(Continued)

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<b><u>Financial assets at FVTPL - non-current</u></b>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	\$ 223,350	\$ 220,900	\$ 232,150
Film investment agreements	_____ -	_____ 5,000	_____ 5,000
	<u>\$ 223,350</u>	<u>\$ 225,900</u>	<u>\$ 237,150</u>

**Financial liabilities at FVTPL - current**

Mandatorily classified as at FVTPL			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ 6,734	\$ -	\$ -
Foreign exchange swap contracts	_____ 992	_____ -	_____ 360
	<u>\$ 7,726</u>	<u>\$ -</u>	<u>\$ 360</u>
			(Concluded)

At the end of the reporting period, outstanding foreign exchange swap contracts and foreign exchange forward contracts not under hedge accounting were as follows:

**June 30, 2025**

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
Foreign exchange swap contracts			
	USD/CNY	2025/7/15-2025/8/15	USD800/CNY5,757
	USD/NTD	2025/7/3-2025/7/22	USD7,600/NTD224,813
	EUR/USD	2025/8/29-2025/9/25	EUR1,750/USD2,038
	GBP/USD	2025/7/15-2025/9/25	GBP420/USD574
Foreign exchange forward contracts			
Sell	EUR/USD	2025/7/15-2025/8/21	EUR2,400/USD2,721
Sell	GBP/USD	2025/7/15-2025/8/28	GBP3,350/USD4,461
Sell	USD/NTD	2025/7/3-2025/7/10	USD237/NTD7,004

**December 31, 2024**

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
Foreign exchange swap contracts	USD/CNY	2025/1/10	USD300/CNY2,188
Foreign exchange forward contracts			
Sell	EUR/USD	2025/1/21-2025/2/25	EUR2,000/USD2,115
Sell	GBP/USD	2025/1/21-2025/3/6	GBP3,500/USD4,426

June 30, 2024

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
Foreign exchange swap contracts	EUR/USD	2024/8/29-2024/9/12	EUR1,550/USD1,682
	USD/NTD	2024/7/5-2024/7/18	USD4,900/NTD158,405
Foreign exchange forward contracts			
Sell	EUR/USD	2024/7/15-2024/8/29	EUR2,000/USD2,167
Sell	GBP/USD	2024/7/8-2024/9/19	GBP3,000/USD3,806

The Group entered into foreign exchange swap contracts and foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### Investments in Equity Instruments at FVTOCI

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI			
Listed shares	\$ 185,423	\$ 232,712	\$ 351,151
Unlisted shares	<u>1,455</u>	<u>1,455</u>	<u>1,455</u>
	<u>\$ 186,878</u>	<u>\$ 234,167</u>	<u>\$ 352,606</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

## 9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 147,118	\$ 180,746	\$ 173,567
Less: Allowance for impairment loss	<u>(1,434)</u>	<u>(1,721)</u>	<u>(1,645)</u>
	<u>\$ 145,684</u>	<u>\$ 179,025</u>	<u>\$ 171,922</u>

### Trade receivables

At amortized cost			
Gross carrying amount	\$ 1,504,795	\$ 1,615,609	\$ 1,928,471
Less: Allowance for impairment loss	<u>(42,894)</u>	<u>(41,401)</u>	<u>(26,190)</u>
	<u>1,461,901</u>	<u>1,574,208</u>	<u>1,902,281</u>
At FVTOCI	<u>625,514</u>	<u>730,761</u>	<u>762,478</u>
	<u>\$ 2,087,415</u>	<u>\$ 2,304,969</u>	<u>\$ 2,664,759</u>

## Trade Receivable

### a. At amortized cost

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, the GDP forecasts and industry outlook, as well as recent development of the COVID-19. The overdue trade receivables were provided with an allowance of 0.01% to 100%, 0.01% to 100% and 0.01% to 100% and not past due trade receivables were provided with an allowance of 0% to 2.02%, 0% to 1.14% and 0% to 0.95% as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's aging analysis:

	<b>December 31,</b>		
	<b>June 30, 2025</b>	<b>2024</b>	<b>June 30, 2024</b>
Not past due	\$ 1,115,154	\$ 1,262,190	\$ 1,591,186
Past due			
1-60 days	301,471	268,133	277,821
61-120 days	34,932	40,822	23,664
More than 120 days	<u>53,238</u>	<u>44,464</u>	<u>35,800</u>
	<u><u>\$ 1,504,795</u></u>	<u><u>\$ 1,615,609</u></u>	<u><u>\$ 1,928,471</u></u>

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the loss allowance of trade receivables at amortized cost were as follows:

	<b>For the Six Months Ended</b>	
	<b>June 30</b>	<b>2025</b>
Balance on January 1	\$ 41,401	\$ 26,041
Less: Reversal	-	(748)
Add: Recognition	4,142	-
Foreign exchange gains and losses	<u>(2,649)</u>	<u>897</u>
Balance on June 30	<u><u>\$ 42,894</u></u>	<u><u>\$ 26,190</u></u>

b. At FVTOCI

The Group signed a contract with a bank to sell certain accounts receivable without recourse and transaction costs. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets.

The following table details the loss allowance of trade receivables based on the Group's aging analysis:

	<b>December 31,</b> <b>June 30, 2025</b>	<b>2024</b>	<b>June 30, 2024</b>
Not past due	\$ 547,479	\$ 585,732	\$ 566,778
Past due			
1-60 days	63,842	131,403	166,138
61-120 days	13,844	13,620	25,991
More than 120 days	<u>349</u>	<u>6</u>	<u>3,571</u>
	<u><u>\$ 625,514</u></u>	<u><u>\$ 730,761</u></u>	<u><u>\$ 762,478</u></u>

The above aging schedule was based on the past due date.

The movements of the loss allowance of trade receivables at FVTOCI were as follows:

	<b>For the Six Months Ended</b> <b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 830	\$ -
Add: Recognition	<u>298</u>	<u>-</u>
Balance on June 30	<u><u>\$ 1,128</u></u>	<u><u>\$ -</u></u>

**Notes Receivable**

The following table details the loss allowance of notes receivable based on the Group's aging analysis:

	<b>December 31,</b> <b>June 30, 2025</b>	<b>2024</b>	<b>June 30, 2024</b>
Not past due	\$ 135,889	\$ 165,010	\$ 161,319
Past due	<u>11,229</u>	<u>15,736</u>	<u>12,248</u>
	<u><u>\$ 147,118</u></u>	<u><u>\$ 180,746</u></u>	<u><u>\$ 173,567</u></u>

The above aging schedule was based on the number of days past due from the expiration date.

The movements of the loss allowance of notes receivable were as follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 1,721	\$ 1,882
Less: Reversal	(205)	(275)
Foreign exchange gains and losses	<u>(82)</u>	<u>38</u>
Balance on June 30	<u><u>\$ 1,434</u></u>	<u><u>\$ 1,645</u></u>

## 10. INVENTORIES

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Raw materials	\$ 3,907,137	\$ 3,277,473	\$ 2,651,057
Supplies	765,005	548,351	550,393
Work in progress	2,271,517	2,385,377	1,912,103
Finished goods	677,468	902,168	658,020
Merchandise	275,725	206,013	164,305
Inventory in transit	<u>344,369</u>	<u>963,766</u>	<u>459,122</u>
	8,241,221	8,283,148	6,395,000
Less: Adjustments and eliminations	<u>(60,840)</u>	<u>(62,494)</u>	<u>(61,539)</u>
	<u><u>\$ 8,180,381</u></u>	<u><u>\$ 8,220,654</u></u>	<u><u>\$ 6,333,461</u></u>

The nature of the cost of goods sold is as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cost of inventories sold	\$ 2,372,518	\$ 2,496,837	\$ 4,632,766	\$ 4,955,303
Unamortized manufacturing expense	34,007	11,696	60,589	18,043
Inventory write-downs	<u>25,874</u>	<u>4,878</u>	<u>44,754</u>	<u>29,543</u>
	<u><u>\$ 2,432,399</u></u>	<u><u>\$ 2,513,411</u></u>	<u><u>\$ 4,738,109</u></u>	<u><u>\$ 5,002,889</u></u>

## 11. NON-CURRENT ASSETS HELD FOR SALE

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
VIM land, plant and equipment held for sale	\$ _____ -	\$ _____ -	\$ 486,653

The board of directors resolved on April 15, 2024, to dispose of the property, plant, and equipment of VIM to S-Tech Corp. They signed the related sale and purchase agreement on June 5, 2024, with a transaction amount of \$1,462,097 thousand. The disposal process is expected to be completed within 12 months. These assets have been reclassified as non-current assets held for sale and are presented separately in the consolidated balance sheet.

The selling price is expected to exceed the carrying amount of the related net assets; therefore, no impairment loss is recognized when classifying the unit as a non-current asset held for sale.

## 12. SUBSIDIARIES

### a. Subsidiaries included in consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Faith Easy Enterprises Ltd.	General investment and trading	96	96	96	2
The Company	Golden Win Steel Industrial Corp.	Processing and trading of special steel, carbon steel, super alloy material rollers	17	17	46	1, 2
The Company	Alloy Tool Steel Inc.	Trading of alloy steel	100	100	100	2
The Company	Ho Yang Investment Corp.	General investment	49	49	49	1, 2
The Company	All Win Enterprises Ltd.	General investment and trading	100	100	100	2
The Company	Rong Yang Investment Corp.	General investment	100	100	100	2
The Company	Gloria Material Technology Japan Co., Ltd.	Production and selling of alloy steel	100	100	100	2
The Company	Golden Win International Corp. (Original: Mutto Optronics Corporation)	Production and selling of stainless steel	54	54	-	2, 3
Faith Easy Enterprises Ltd.	Guangzhou Goldway Special Material Co., Ltd.	Production and selling of alloy steel	100	100	100	2
Faith Easy Enterprises Ltd.	Zhejiang Jiaxing Goldway Special Material Co., Ltd.	Production and selling of alloy steel	100	100	100	2, 5
Faith Easy Enterprises Ltd.	Tianjin Goldway Special Material Co., Ltd.	Production and selling of alloy steel	100	100	100	2
Faith Easy Enterprises Ltd.	Xian Goldway Special Material Co., Ltd.	Production and selling of alloy steel	100	100	100	2
Golden Win Steel Industrial Corp.	Rainbow Shines Limited	General investment and trading	97	97	97	2
Rainbow Shines Limited	Vietnam Goldway Special Material Co., Ltd.	Production and selling of alloy steel	100	100	100	2
All Win Enterprises Ltd.	G-Yao Enterprises Ltd.	General investment and trading	100	100	100	2
G-Yao Enterprises Ltd.	Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Production and selling of alloy steel	100	100	100	2
Golden Win International Corp.	Honest Mount Investments Limited	Investment	-	100	-	4
Golden Win International Corp.	Sheaffer Innovation Co., Ltd.	Selling of stainless steel	-	100	-	4
Sheaffer Innovation Co., Ltd.	Henan Sihe Industrial Co., Ltd.	Production of stainless steel	-	100	-	4
Honest Mount Investments Limited	The King Cut International Co., Ltd	Selling of stainless steel	-	100	-	4
Honest Mount Investments Limited	Nantong Sihe Stainless-steel Products Co., Ltd.	Selling of stainless steel	-	100	-	4

- 1) Although the Group's percentage of ownership in those entities is less than 50%, the Group has substantive control over the entities. Thus, those entities are considered a subsidiaries of the Group.
- 2) This is an immaterial subsidiary; its financial statements have not been reviewed.
- 3) On September 12, 2024, the Group subscribed to 79,000 thousand privately placed shares of Golden Win International Corp. (formerly Mutto Optronics Corporation, officially renamed on February 4, 2025). Following the private placement, the Group's shareholding increased to 53.83%. For details on the acquisition of Golden Win International Corp., please refer to Note 27.
- 4) On February 5, 2025, the Group's board of directors resolved to disposal subsidiaries of Honest Mount Investments Limited and Sheaffer Innovation Co., Ltd. As of that date, the entities have been excluded from the Group, please refer to Note 28.

5) On October 25, 2024, the Group's board of directors resolved to liquidated Zhejiang Jiaxing Goldway Special Material Co., Ltd., and as of June 30, 2025, it was still in the liquidation process.

b. Subsidiaries excluded from consolidated financial statements: None.

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### Investment in Associates

	June 30, 2025	December 31, 2024	June 30, 2024
Material associate corporation			
Soft-World International Corporation	\$ 2,661,807	\$ 2,935,356	\$ 2,908,368
Associate that is not individually material	<u>820,021</u>	<u>834,868</u>	<u>629,081</u>
	<u><u>\$ 3,481,828</u></u>	<u><u>\$ 3,770,224</u></u>	<u><u>\$ 3,537,449</u></u>

#### Material associate

	<b>Proportion of Ownership and Voting Rights (%)</b>		
	December 31, June 30, 2025	2024	June 30, 2024
Soft-World International Corporation	19%	19%	18%

Refer to Table 7 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associate.

In order to deepen the strategic cooperative relationship between the two parties, the board of directors of the Company resolved to conduct a share exchange with Soft-World International Corporation on December 21, 2023. The Company issued 62,920 thousand new shares for a total amount of \$2,994,992 thousand as consideration for the transfer of 28,600 thousand shares of Soft-World International Corporation. The base date for the share exchange was January 31, 2024, and it has been declared effective by the regulator. After the share exchange, the Company holds 18.39% of the voting rights in Soft-World International Corporation and is the single shareholder holding the largest portion of equity. Considering the relative size of and dispersion of the shareholdings owned by the other shareholders, the Company had a significant influence on Soft-World International Corporation, which has been recognized as an associate accounted for using the equity method.

The Company obtained two seats on the board of directors of Kuei Tien Cultural & Creative Entertainment Co., Ltd. on January 9, 2024. The Company had significant influence but no control over Kuei Tien Cultural & Creative Entertainment Co., Ltd., which has been recognized as an associate accounted for using the equity method.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements, which have not been reviewed, except for Soft-World International Corporation. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of the Soft-World International Corporation, which have not been reviewed.

Fair values (Level 1) of investments in the material associate with available published price quotations are summarized as follows:

	<b>December 31, June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Soft-World International Corporation	<u>\$ 3,029,037</u>	<u>\$ 3,619,875</u>	<u>\$ 4,204,200</u>

#### **14. PROPERTY, PLANT AND EQUIPMENT**

	<b>December 31, June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<b><u>Carrying amount</u></b>			
Land	\$ 2,691,754	\$ 2,691,754	\$ 2,691,754
Buildings	1,433,031	1,460,926	1,482,529
Equipment	2,252,519	2,259,618	2,112,835
Transportation equipment	47,983	53,570	49,449
Machinery	9,761	7,242	4,743
Other equipment	176,104	184,486	156,560
Construction in progress	<u>2,162,712</u>	<u>1,812,007</u>	<u>1,625,427</u>
	<u><b>\$ 8,773,864</b></u>	<u><b>\$ 8,469,603</b></u>	<u><b>\$ 8,123,297</b></u>
	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>
	<b>Transportation Equipment</b>	<b>Machinery</b>	<b>Other Equipment</b>
	<b>Construction in Progress</b>	<b>Total</b>	
<b><u>Cost</u></b>			
Balance on January 1, 2025	\$ 2,691,754	\$ 3,193,698	\$ 9,846,539
Additions	-	8,288	\$ 288,565
Disposals	-	-	(155,968)
Reclassified	-	-	(51,639)
Effects of foreign currency exchange differences	-	(9,010)	(12,045)
	<u>2,691,754</u>	<u>3,192,976</u>	<u>9,915,452</u>
	<u><b>\$ 328,792</b></u>	<u><b>\$ 103,325</b></u>	<u><b>\$ 369,849</b></u>
	<u><b>\$ 2,162,712</b></u>		<u><b>\$ 18,764,860</b></u>
<b><u>Accumulated depreciation</u></b>			
Balance on January 1, 2025	\$ -	\$ 1,732,772	\$ 7,586,921
Disposals	-	-	(107,303)
Depreciation expense	-	33,433	193,203
Reclassified	-	-	(361)
Effects of foreign currency exchange differences	-	(6,260)	(9,527)
	<u>-</u>	<u><b>1,759,945</b></u>	<u><b>7,662,933</b></u>
	<u><b>\$ 280,809</b></u>	<u><b>\$ 93,564</b></u>	<u><b>\$ 193,745</b></u>
	<u><b>\$ 9,990,996</b></u>		
Carrying amount on June 30, 2025	<u><b>\$ 2,691,754</b></u>	<u><b>\$ 1,433,031</b></u>	<u><b>\$ 2,252,519</b></u>
Carrying amount on December 31, 2024 and January 1, 2025	<u><b>\$ 2,691,754</b></u>	<u><b>\$ 1,460,926</b></u>	<u><b>\$ 2,259,618</b></u>
	<u><b>\$ 53,570</b></u>	<u><b>\$ 7,242</b></u>	<u><b>\$ 184,486</b></u>
	<u><b>\$ 1,812,007</b></u>	<u><b>\$ 1,625,427</b></u>	<u><b>\$ 8,469,603</b></u>
<b><u>Cost</u></b>			
Balance on January 1, 2024	\$ 2,732,369	\$ 3,419,188	\$ 9,854,944
Additions	-	5,457	\$ 266,723
Disposals	-	(215,743)	(108,729)
Reclassified as held for sale	(40,615)	(39,955)	(472,005)
Reclassified	-	-	(91,507)
Effects of foreign currency exchange differences	-	13,180	6,553
	<u>2,691,754</u>	<u>3,182,127</u>	<u>9,455,979</u>
	<u><b>\$ 320,622</b></u>	<u><b>\$ 103,080</b></u>	<u><b>\$ 327,022</b></u>
	<u><b>\$ 1,625,427</b></u>	<u><b>\$ 1,625,427</b></u>	<u><b>\$ 17,706,011</b></u>

(Continued)

	Land	Buildings	Equipment	Transportation Equipment	Machinery	Other Equipment	Construction in Progress	Total
<u>Accumulated depreciation</u>								
Balance on January 1, 2024	\$ -	\$ 1,735,336	\$ 7,496,654	\$ 297,432	\$ 132,042	\$ 164,027	\$ -	\$ 9,825,491
Disposals	-	(65,931)	(87,478)	(1,569)	(15,041)	(1,127)	-	(171,146)
Depreciation expense	-	36,020	179,303	7,597	1,199	11,026	-	235,145
Impairment losses recognized	-	-	57,359	-	-	-	-	57,359
Reclassified as held for sale	-	(11,033)	(307,353)	(32,372)	(20,856)	(4,208)	-	(375,822)
Effects of foreign currency exchange differences	-	5,206	4,659	85	993	744	-	11,687
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 1,699,598</u>	<u>\$ 7,343,144</u>	<u>\$ 271,173</u>	<u>\$ 98,337</u>	<u>\$ 170,462</u>	<u>\$ -</u>	<u>\$ 9,582,714</u>
Carrying amount on June 30, 2024	<u>\$ 2,691,754</u>	<u>\$ 1,482,529</u>	<u>\$ 2,112,835</u>	<u>\$ 49,449</u>	<u>\$ 4,743</u>	<u>\$ 156,560</u>	<u>\$ 1,625,427</u>	<u>\$ 8,123,297</u>

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

<b>Buildings</b>								
Houses and buildings (structure)								20-55 years
Mechanical and electrical facilities								2-10 years
Engineering system								1-15 years
<b>Equipment</b>								
Production line for forging								10-20 years
Process equipment								2-20 years
Mechanical system								5 years
Molds								1-3 years
<b>Transportation equipment</b>								
Stackers								3-10 years
Cranes								5-8 years
<b>Machinery</b>								
Analyzers and radiation detectors								3-10 years
Other tools and instruments								2-5 years
Other equipment								2-13 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 32.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	December 31, June 30, 2025	2024	June 30, 2024
<u>Carrying amount</u>			
Land	\$ 53,346	\$ 58,894	\$ 48,236
Buildings	41,768	54,893	26,852
Transportation equipment	<u>12,872</u>	<u>7,357</u>	<u>8,868</u>
	<u>\$ 107,986</u>	<u>\$ 121,144</u>	<u>\$ 83,956</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			\$ 7,998	\$ 4,299
Depreciation charge for right-of-use assets				
Land	\$ 1,100	\$ 783	\$ 2,247	\$ 1,676
Buildings	3,362	2,990	7,008	5,919
Transportation equipment	1,323	1,155	2,483	2,367
	\$ 5,785	\$ 4,928	\$ 11,738	\$ 9,962

Refer to Note 21 for details regarding the disposal of land use rights by the subsidiary, Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. ("Shiang Yang Company").

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	December 31, June 30, 2025	2024	June 30, 2024
<u>Carrying amount</u>			
Current	\$ 20,088	\$ 23,666	\$ 17,712
Non-current	\$ 86,258	\$ 94,699	\$ 63,752

Range of discount rates for lease liabilities was as follows:

	December 31, June 30, 2025	2024	June 30, 2024
Land	1.85%-2.14%	1.85%-2.14%	1.85%
Buildings	0.44%-4.38%	0.44%-4.75%	1.79%-3.95%
Transportation equipment	0.38%-2.02%	0.38%-2.02%	1.79%-2.02%

c. Material leasing activities and terms

In line with the Group's strategy of specialized production division of labor, the Group disposed of the land, plant and related equipment of the vacuum induction melting (VIM) plant to S-Tech Corp. in August 2024. However, some of the refineries in the plant, which are not part of the VIM process, are still owned and used by the Group and have not been sold. They are temporarily occupied due to its location in the VIM plant. Therefore, the Company pays rent to S-Tech Corp. for the land area occupied by the plant. The annual lease payments amounted to \$1,460 thousand with a lease term of five years.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases and low-value asset leases	\$ 3,149	\$ 114	\$ 6,488	\$ 216
Total cash outflow for leases			\$ 18,977	\$ 9,182

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

## 16. INVESTMENT PROPERTIES

	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 76,843	\$ 76,843	\$ 76,843
Buildings	<u>64,800</u>	<u>66,553</u>	<u>68,306</u>
	<u>\$ 141,643</u>	<u>\$ 143,396</u>	<u>\$ 145,149</u>

The Group reclassified investment properties as non-current assets held for sale, please refer to Note 11.

The depreciation of investment properties is recognized using the straight-line method over their useful lives as follows:

Houses and buildings (structure)	25-50 years
Mechanical and electrical facilities	2-10 years
Engineering system	2-20 years

As of December 31, 2024 and 2023, the determination of fair value was performed by independent qualified professional valuers in the balance sheet date.

The fair value as appraised was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value	<u>\$ 598,374</u>	<u>\$ 598,374</u>	<u>\$ 518,587</u>

Being consideration of the Group's management, except for the portion reclassified as non-current assets held for sale, there were no significant difference between in the fair value of investment properties as of June 30, 2025 and 2024 and as of December 31, 2024 and 2023.

The Group leases property, plant and equipment to Taiwan Steel Group Aerospace Technology Corporation. The lease terms were 3 years. Rents are paid at the end of each month.

Investment properties pledged as collateral for bank borrowings were set out in Note 32.

## 17. OTHER ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments	\$ 181,010	\$ 148,205	\$ 208,635
Refundable deposits (Note 32)	71,690	95,702	163,843
Restricted deposits (Note 32)	59,537	63,235	62,675
Goodwill (Note 27)	105,992	105,992	-
Others	<u>47,117</u>	<u>13,569</u>	<u>27,873</u>
	<u><u>\$ 465,346</u></u>	<u><u>\$ 426,703</u></u>	<u><u>\$ 463,026</u></u>
Current	\$ 246,660	\$ 212,316	\$ 289,320
Non-current	<u>218,686</u>	<u>214,387</u>	<u>173,706</u>
	<u><u>\$ 465,346</u></u>	<u><u>\$ 426,703</u></u>	<u><u>\$ 463,026</u></u>

## 18. BORROWINGS

### a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Secured borrowings (Note 32)</u>			
Bank loans	\$ 40,930	\$ 51,484	\$ 70,457
<u>Unsecured borrowings</u>			
Letters of credit	16,704	143,043	20,204
Line of credit borrowings	<u>1,669,045</u>	<u>1,780,832</u>	<u>999,101</u>
	<u><u>\$ 1,726,679</u></u>	<u><u>\$ 1,975,359</u></u>	<u><u>\$ 1,089,762</u></u>
Range of interest rates	2.04%-6.55%	0.50%-6.55%	0.50%-7.10%

### b. Current portion of long-term liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Current portion of long-term borrowings	<u>\$ 756,550</u>	<u>\$ 376,550</u>	<u>\$ _____ -</u>

c. Long-term borrowings

	<b>December 31, June 30, 2025</b>	<b>2024</b>	<b>June 30, 2024</b>
<b><u>Secured borrowings (Note 32)</u></b>			
Bank loans	\$ 5,890,150	\$ 5,888,675	\$ 5,476,950
Less: Current portions	<u>(756,550)</u>	<u>(376,550)</u>	-
Long-term borrowings	<u><u>\$ 5,133,600</u></u>	<u><u>\$ 5,512,125</u></u>	<u><u>\$ 5,476,950</u></u>
Range of interest rates	2.1421%	2.1421%	2.01%-2.14%

\* Due to bank loan repayment and operating fund needs, the Company obtained a syndicated loan with a credit line of NT\$8,000,000 thousand from First Bank and multiple financial institutions. The maturity period was 5 years, starting from the initial drawdown date.

- 1) Term Loan A: Loan limit NT\$3,800,000 thousand; non-revolving credit line.
- 2) Term Loan B: Loan limit NT\$4,200,000 thousand; revolving credit line.
- 3) Term Loan C: Loan limit NT\$2,100,000 thousand; revolving credit line.
- 4) The shared credit line of Term Loan B and Term Loan C cannot exceed the credit line of Term Loan B.

In addition to the general requirements, the maintenance of certain financial ratios is also required. If the Company is unable to comply with the financial ratio restrictions, the decision on whether the Company is in violation of the financial ratios will be made by a majority vote of the syndicate of banks.

According to the joint credit agreement aforementioned, during the loan period, the Company is required to maintain certain financial ratios as follows:

- 1) Current ratio: No less than 1.0.
- 2) Debt to net worth ratio: No higher than 1.8.
- 3) Debt service coverage ratio: No less than 3.0.

The above financial ratios are reviewed every six months based on either the audited annual financial statements or the reviewed financial statements of Q1 and Q2.

If the Company is unable to comply with any of the aforementioned financial ratio restrictions, the Company should propose a financial improvement plan immediately to the managing bank, and if the financial ratios in the next period's consolidated financial statements are in compliance with the restrictions, the Company will be deemed as not in violation of the financial ratio restrictions. However, the interest of the outstanding borrowings will be increased by 0.1% of the original agreed loan interest rate from the interest payment date of the month following the month the current consolidated financial statements are submitted to the interest payment date of the following month when the financial ratio restrictions are met.

## 19. BONDS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Secured domestic bonds (Note 32)	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Less: Discount on bonds payable	<u>(45,192)</u>	<u>(51,626)</u>	<u>(57,979)</u>
	1,454,808	1,448,374	1,442,021
Unsecured domestic convertible bonds	5,075,398	5,075,398	5,075,398
Less: Discount on bonds payable	<u>(110,408)</u>	<u>(160,419)</u>	<u>(210,261)</u>
	4,964,990	4,914,979	4,865,137
	<u><u>\$ 6,419,798</u></u>	<u><u>\$ 6,363,353</u></u>	<u><u>\$ 6,307,158</u></u>

a. Secured domestic bonds

On November 29, 2021, the Group issued \$1,500,000 thousand, which was 0.65% of its NTD denominated secured bonds in Taiwan, with maturity date on November 29, 2028. The interest will be paid annually and the bonds will be repaid on the maturity date. The bonds are guaranteed by Hua Nan Commercial Bank and as trustee for the bondholders by Taishin International Commercial Bank, Ltd.

b. The 7th unsecured domestic convertible bonds

On July 31, 2023, the Group issued 50,000 unsecured convertible bonds with a face value of \$100 thousand each at an interest rate of 0% at 100.5% of par value, with a total principal amount of \$5,000,000 thousand. The maturity period is three years from July 31, 2023 to July 31, 2026.

Unless the holders of the convertible bonds apply for conversion into the Company's ordinary shares, redeemed, or the Group repurchases and cancels the bonds from securities dealers, the Group repays the bonds in cash within five business days from the maturity date of the convertible bonds at the face value plus interest compensation (101.51% of the face value and 0.5% real rate of return).

From the day following the expiration of three months after the date of issuance of the convertible bonds (November 1, 2023) to the maturity date (July 31, 2026), the bondholders may, except for (a) The period during which the transfer of the ordinary shares is legally suspended; (b) The period from the fifteen business days prior to the date of cessation of transfer of the Company's allotment, the date of cessation of transfer of cash dividends or the date of cessation of transfer of stock options from cash capital increase to the base date; (c) The period from the base date of the capital reduction to the day before the commencement of trading of the capital reduction for the conversion of shares; (d) Except for the period from the start date of the suspension of conversion (subscription) for the change of face value of the stock to the day before the day of the issue of new shares in exchange for the old shares, the Company may request the Company's share agent to convert the bonds into shares of the Company's ordinary shares anytime, by forwarding a request to Taiwan Central Depository & Clearing Corporation (TDCC) through a trading broker.

The conversion price is determined on a base date of July 21, 2023. The base price was calculated by the arithmetic mean of the closing price of one day, three days or five days of the business days before the base date (not included). The conversion price is determined by multiplying the base price by 110% of the conversion rate (calculated to the nearest dollar, rounded up to the nearest dollar). The calculation is based on the following: If there is an ex-rights or ex-dividend date, the closing price used to calculate the conversion price shall be set as the ex-rights or ex-dividend price; if there is an ex-rights or ex-dividend date after the conversion price is determined and before the actual issuance date, the conversion price shall be adjusted according to the conversion price adjustment formula. In accordance with the above, the conversion price is set at NT\$59.2 per share upon issuance of the conversion bonds.

This convertible bond consists of a liability and an equity component, which is expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 2.0524%.

	<b>June 30, 2025</b>
Issue price (net of transaction costs and adjusted for related income tax effects)	\$ 5,019,682
Components of equity (net of transaction costs allocated to equity and adjusted for related income tax effects)	<u>(244,291)</u>
Components of liabilities at issue date (net of transaction costs allocated to liabilities)	4,775,391
Interest calculated at an effective rate of 2.0524%	139,684
Convertible bonds converted into ordinary shares	<u>(96)</u>
Liability components as of December 31, 2024	4,914,979
Interest calculated at an effective rate of 2.0524%	<u>50,011</u>
Liability components as of June 30, 2025	<u><u>\$ 4,964,990</u></u>
	<b>June 30, 2024</b>
Issue price (net of transaction costs and adjusted for related income tax effects)	\$ 5,019,682
Components of equity (net of transaction costs allocated to equity and adjusted for related income tax effects)	<u>(244,291)</u>
Components of liabilities at issue date (net of transaction costs allocated to liabilities)	4,775,391
Interest calculated at an effective rate of 2.0524%	40,838
Convertible bonds converted into ordinary shares	<u>(96)</u>
Liability components as of December 31, 2023	4,816,133
Interest calculated at an effective rate of 2.0524%	<u>49,004</u>
Liability components as of June 30, 2024	<u><u>\$ 4,865,137</u></u>

## 20. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Payable for salaries and bonuses	\$ 154,159	\$ 257,403	\$ 186,700
Payable for annual leave	55,535	60,663	54,977
Payable for purchase of equipment	87,603	61,708	105,193
Payable for fuel	44,849	49,706	35,584
Payable for utility bill	66,558	70,180	68,888
Payable for export fees	82,638	77,957	98,490
Payable for dividends	1,696,338	-	1,511,824
Others	<u>60,458</u>	<u>215,575</u>	<u>149,900</u>
	<u><u>\$ 2,248,138</u></u>	<u><u>\$ 793,192</u></u>	<u><u>\$ 2,211,556</u></u>

## 21. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Long-term deferred revenue (a)	\$ 4,519	\$ 5,035	\$ 5,027
Guarantee deposit received	291	417	308
Others	<u>36,972</u>	<u>58,840</u>	<u>35,590</u>
	<u><u>\$ 41,782</u></u>	<u><u>\$ 64,292</u></u>	<u><u>\$ 40,925</u></u>

- a. Long-term deferred revenue is the subsidy of the local government for the purchase of land and lease of land use rights for the investment and establishment of factories by the Group. After the construction of the factory is completed and the operation starts, it is recognized as other income based on the period of use of the factory.
- b. Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. (“Shiang Yang Company”), a subsidiary of the Group, signed an agreement of expropriation and movement on June 30, 2022 with Zhejiang Xinghui Co., Ltd. (“Xinghui Company”). According to the agreement, Xinghui Company would expropriate the land use right of 46,494 square meter and its buildings of Shiang Yang Company, at transaction price of CNY132,500 thousand. The proceeds would be paid according to stages of the agreement. The transaction price was referred to the appraisal report by professional appraisal institution and was agreed by both parties. The Group completed the relocation in accordance with the agreement during the second quarter of 2024, and recognized the gain from expropriation.

## 22. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the pension expense of defined benefit plans were \$250 thousand, \$468 thousand, \$500 thousand and \$934 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

## 23. EQUITY

- a. Share capital

### Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>602,471</u>	<u>602,471</u>	<u>602,471</u>
Shares issued	<u>\$ 6,024,712</u>	<u>\$ 6,024,712</u>	<u>\$ 6,024,712</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and the right to dividends.

As of June 30, 2025, the holders of the Company's 7th unsecured domestic convertible bonds had applied for conversion into the cumulative amount of 2 thousand shares of the Company's ordinary shares.

On December 21, 2023, the board of directors of the Company resolved to increase capital and issue new shares in exchange for the new shares issued by Soft-World International Corporation. The Company issued 62,920 thousand new shares as consideration in exchange for 28,600 thousand ordinary shares of Soft-World International Corporation. The base date for the share exchange was January 31, 2024. And the change registration was completed on March 8, 2024.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
Additional paid-in capital	\$ 2,579,710	\$ 2,579,710	\$ 2,579,710
Additional paid-in capital-bond conversion	3,592,624	3,592,624	3,592,624
Adjustment from changes in equity of subsidiaries and associates	40,834	32,099	19,990
Donated assets	<u>3,502</u>	<u>3,502</u>	<u>3,502</u>
	<u><u>\$ 6,216,670</u></u>	<u><u>\$ 6,207,935</u></u>	<u><u>\$ 6,195,826</u></u>

The premium from shares issued in excess of par (share premium from issuance of ordinary shares, bond conversion and treasury shares transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from adjustment from changes in equity of associates may only be used to offset a deficit.

The capital surplus from employee share options and convertible bonds share options may not be used for any purpose.

c. Retained earnings and dividends policy

The Company explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each quarter of the fiscal year.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a quarter, the profit shall be first utilized for paying taxes, offsetting losses of previous years, paying employee retention credits, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. The distribution of cash dividends should be resolved by the Company's board of directors, while the distribution of share dividends should be resolved by the shareholders in their meeting.

When the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. The distribution of share dividends should be resolved by the shareholders in their meeting. In accordance with Article 240, paragraph 5 of the Company Act, the distribution of cash dividends should be resolved by a majority of the directors present at a meeting of the board of directors attended by at least two-thirds of the total number of

directors. The Company's Articles also stipulate a dividends policy whereby the payment of cash dividends takes precedence over the issuance of share dividends.

The Company's Articles stipulated that the Company's dividend policy is designed to meet present and future development projects and consideration of the investment environment, funding requirements, international, domestic competitive conditions and shareholders' interests simultaneously. The distribution of dividends could be either cash or shares, while cash dividends shall not be less than 50% of the total dividends.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Legal reserve	\$ 261,084	\$ 233,498
Special reserve	(59,112)	24,378
Cash dividends	1,566,425	1,506,178
Cash dividends per share (NT\$)	2.6	2.5

Cash dividends were approved by the board of directors on February 25, 2025 and February 29, 2024, respectively. Other appropriations of earnings for 2024 and 2023 was approved by the shareholders in the shareholders' meeting on May 29, 2025 and May 29, 2024, respectively.

d. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Held by Subsidiaries (In Thousands of Shares)</b>	<b>Transferred to Employees (In Thousands of Shares)</b>	<b>Total (In Thousands of Shares)</b>
Number of shares on January 1, 2025	16,099	-	16,099
Increase during the period	-	-	-
Decrease during the period	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares on June 30, 2025	<u>16,099</u>	<u>-</u>	<u>16,099</u>
Book value of shares on June 30, 2025	<u>\$ 352,168</u>	<u>\$ -</u>	<u>\$ 352,168</u>
Number of shares on January 1, 2024	13,378	-	13,378
Increase during the period	2,338	-	2,338
Decrease during the period	<u>(40)</u>	<u>-</u>	<u>(40)</u>
Number of shares on June 30, 2024	<u>15,676</u>	<u>-</u>	<u>15,676</u>
Book value of shares on June 30, 2024	<u>\$ 338,842</u>	<u>\$ -</u>	<u>\$ 338,842</u>

For the six months ended June 30, 2024, subsidiaries sold 40 thousand shares of the Company for \$1,959 thousand.

For information on the shares of the Company held by its subsidiaries, please refer to Table 3.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The shares held by subsidiaries were accounted for as treasury shares.

## 24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations included the following items:

- a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Rental income	\$ 1,703	\$ 9,347	\$ 4,401	\$ 18,829
Sale of electricity	521	1,042	905	3,242
Dividends income	1,679	4,232	1,780	11,642
Others	<u>27,725</u>	<u>7,747</u>	<u>40,109</u>	<u>15,438</u>
	<u><u>\$ 31,628</u></u>	<u><u>\$ 22,368</u></u>	<u><u>\$ 47,195</u></u>	<u><u>\$ 49,151</u></u>

- b. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans and bills payable	\$ 53,436	\$ 49,586	\$ 108,470	\$ 94,705
Amortization of long-term borrowing costs	862	862	1,725	1,725
Interest on lease liabilities	812	307	1,692	632
Interest on bonds payable	31,011	30,446	62,022	60,891
Less: Amount included in the cost of qualifying assets	<u>(23,723)</u>	<u>(21,366)</u>	<u>(47,589)</u>	<u>(42,989)</u>
	<u><u>\$ 62,398</u></u>	<u><u>\$ 59,835</u></u>	<u><u>\$ 126,320</u></u>	<u><u>\$ 114,964</u></u>

Information on capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Capitalized interest	<u><u>\$ 23,723</u></u>	<u><u>\$ 21,366</u></u>	<u><u>\$ 47,589</u></u>	<u><u>\$ 42,989</u></u>
Capitalization rate	1.72%-1.88%	1.72%-1.79%	1.56%-1.88%	1.44%-2.37%

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net (loss) gain on fair value changes of financial assets/liabilities designated as at FVTPL	\$ (4,892)	\$ 110,014	\$ (11,162)	\$ 114,004
Gain on disposal of right-of-use assets	-	152,934	-	152,934
Gain on disposal of property, plant and equipment	1,028	208,738	1,260	208,891
Net foreign currency exchange gains	285,297	123,723	390,333	256,719
Net foreign currency exchange losses	(340,204)	(99,106)	(410,696)	(178,626)
Impairment loss	-	(57,359)	-	(57,359)
Others	<u>21,741</u>	<u>(50,288)</u>	<u>(14,709)</u>	<u>(68,096)</u>
	<u><u>\$ (37,030)</u></u>	<u><u>\$ 388,656</u></u>	<u><u>\$ (44,974)</u></u>	<u><u>\$ 428,467</u></u>

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of depreciation by function				
Operating costs	\$ 114,605	\$ 103,139	\$ 227,850	\$ 206,391
Operating expenses	14,236	14,251	27,173	24,095
Other losses	<u>4,545</u>	<u>7,039</u>	<u>9,388</u>	<u>18,455</u>
	<u><u>\$ 133,386</u></u>	<u><u>\$ 124,429</u></u>	<u><u>\$ 264,411</u></u>	<u><u>\$ 248,941</u></u>
An analysis of amortization by function				
Operating costs	\$ 537	\$ 486	\$ 1,022	\$ 672
Operating expenses	<u>380</u>	<u>159</u>	<u>789</u>	<u>294</u>
	<u><u>\$ 917</u></u>	<u><u>\$ 645</u></u>	<u><u>\$ 1,811</u></u>	<u><u>\$ 966</u></u>

e. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Defined contribution plan	\$ 9,102	\$ 10,195	\$ 18,999	\$ 20,409
Defined benefit plan (Note 22)	250	468	500	934
Other employee benefits	<u>318,041</u>	<u>351,537</u>	<u>647,638</u>	<u>681,215</u>
	<u><u>\$ 327,393</u></u>	<u><u>\$ 362,200</u></u>	<u><u>\$ 667,137</u></u>	<u><u>\$ 702,558</u></u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis by function				
Operating costs	\$ 224,542	\$ 232,861	\$ 449,269	\$ 469,850
Operating expenses	<u>102,851</u>	<u>129,339</u>	<u>217,868</u>	<u>232,708</u>
	<u>\$ 327,393</u>	<u>\$ 362,200</u>	<u>\$ 667,137</u>	<u>\$ 702,558</u>
				(Concluded)

f. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at the rates no less than 1% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of not less than 30% of the compensation of employees as compensation distributions for non-executive employees. For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the compensation of employees (including non-executive employees) and remuneration of directors and supervisors are as follows:

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Compensation of employees	<u>\$ 13,100</u>	<u>\$ 15,425</u>	<u>\$ 24,400</u>	<u>\$ 22,075</u>
Remuneration of directors and supervisors	<u>\$ 4,172</u>	<u>\$ 8,013</u>	<u>\$ 9,579</u>	<u>\$ 10,738</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of compensation of employees and remuneration of directors and supervisors for 2024 and 2023 that were resolved by the board of directors on February 25, 2025 and February 29, 2024, respectively, are as shown below:

	For the Year Ended December 31			
	2024		2023	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 50,000	\$ -	\$ 50,000	\$ -
Remuneration of directors and supervisors	25,000	-	25,000	-

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current year	\$ 42,617	\$ 167,793	\$ 121,026	\$ 267,535
Income tax on				
unappropriated earnings	-	1,048	-	1,048
Adjustments for prior year	-	-	(59,809)	(38,668)
Deferred tax				
In respect of the current year	<u>9,165</u>	<u>61,849</u>	<u>22,714</u>	<u>87,403</u>
Income tax expense recognized in profit or loss	<u>\$ 51,782</u>	<u>\$ 230,690</u>	<u>\$ 83,931</u>	<u>\$ 317,318</u>

### b. Income tax assessments

The Company's tax returns through 2023 have been assessed by the tax authorities, and the Group agrees with the assessment.

## 26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

### Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Profit for the period attributable to owners of the Group	\$ 219,472	\$ 715,997	\$ 591,990	\$ 1,287,402
Effect of dilutive potential ordinary shares:				
Employees' compensation	-	-	-	-
Interest on convertible bonds (after tax)	<u>20,004</u>	<u>19,602</u>	<u>40,008</u>	<u>39,204</u>
Earnings used in the computation of diluted earnings per share from continuing operations	<u>\$ 239,476</u>	<u>\$ 735,599</u>	<u>\$ 631,998</u>	<u>\$ 1,326,606</u>

**Shares (In Thousands)**

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	594,619	594,936	594,619	584,528
Effect of potentially dilutive ordinary shares:				
Employees' compensation	378	319	1,014	811
Convertible bonds	<u>84,458</u>	<u>84,458</u>	<u>84,458</u>	<u>84,458</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>679.455</u>	<u>679.713</u>	<u>680.091</u>	<u>669.797</u>

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

**27. BUSINESS COMBINATIONS**

a. Subsidiaries acquired

<b>Subsidiary</b>	<b>Principal Activity</b>	<b>Date of Acquisition</b>	<b>Proportion of Voting Equity Interests Acquired (%)</b>	<b>Consideration Transferred</b>
Golden Win International Corp.	Production and sale of stainless steel	September 13, 2024	53.83	\$ <u>434,500</u>

Golden Win International Corp. ("Golden Win") has conducted a private placement of ordinary shares in order to enrich its working capital and expand its business scale by introducing strategic partners. On September 12, 2024, the Group subscribed for 79,000 thousand shares of Golden Win's private placement for a total amount of \$434,500 thousand, with a shareholding ratio of 53.83% after the private placement.

b. Consideration transferred

<b>Golden Win</b>
\$ <u>434,500</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	<b>Golden Win</b>
Current assets	
Cash and cash equivalents	\$ 558,496
Trade and other receivables	13,491
Inventories	14,254
Other current assets	23,843
Non-current assets	
Property, plant and equipment	71,611
Right-of-use assets	13,140
Deferred tax assets	10,494
Other non-current assets	8,022
Current liabilities	
Trade and other payables	(67,833)
Lease liabilities - current	(5,506)
Other current liabilities	(3,227)
Non-current liabilities	
Lease liabilities - non-current	(7,520)
Deferred tax liabilities	(277)
Other non-current liabilities	<u>(18,712)</u>
	<u><u>\$ 610,276</u></u>

The initial accounting for the acquisition of Golden Win was only provisionally determined at the end of the period. The tax bases of Golden Win's assets were required to be reset based on the market values of the assets. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized, and they have, therefore, only been provisionally determined based on management's best estimate of the likely tax values.

d. Goodwill recognized on acquisitions

	<b>Golden Win</b>
Consideration transferred	\$ 434,500
Plus: Non-controlling interests (ownership interest of 46.17% in Golden Win)	281,768
Less: Fair value of identifiable net assets acquired	<u>(610,276)</u>
Goodwill recognized on acquisitions	<u><u>\$ 105,992</u></u>

The goodwill recognized in the acquisitions of Golden Win mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces of Golden Win. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

e. Net cash outflow on the acquisition of subsidiaries

	<b>Golden Win</b>
Consideration paid in cash	\$ 434,500
Less: Cash and cash equivalent balances acquired	<u>(558,496)</u>
	<u><u>\$ (123,996)</u></u>

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	<b>Golden Win</b>
Operating revenue	<u>\$ 1,105</u>
Net loss	<u>\$ 9,962</u>

Had Golden Win concluded the acquisition at the beginning of January 1, 2024, the Group's revenue would have been \$3,372,001 thousand and \$6,785,258 thousand, and the profit would have been \$719,573 thousand and \$1,278,406 thousand for the three-month period ended June 30, 2024 and the six-month period ended June 30, 2024, respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2024, nor is it intended to be a projection of future results.

## 28. DISPOSAL OF SUBSIDIARIES

On February 5, 2025, the Group's board of directors resolved to disposal of the subsidiaries, Honest Mount Investments Limited (HMIL) and Sheaffer Innovation Co., Ltd. (Sihhe Co., Ltd.). As of that date, the Group lost control over the aforementioned subsidiaries.

a. Consideration received from disposals

	<b>HMIL, Sihe Co., Ltd. and Its Subsidiaries</b>
Total consideration received	<u>\$ 6,284</u>

b. Analysis of assets and liabilities on the date control was lost

	<b>HMIL, Sihe Co., Ltd. and Its Subsidiaries</b>
Current assets	
Cash and cash equivalents	\$ 6,593
Other receivables	18,984
Inventories	14,968
Other current assets	6,216
Non-current assets	
Property, plant and equipment	61,200
Other non-current assets	9,359
Current liabilities	
Trade payables	23,288
Other payables	42,910
Other current liabilities	115
Non-current liabilities	
Provision	18,994
Other non-current liabilities	<u>316</u>
Net assets disposed of	<u>\$ 31,697</u>

c. Loss on disposal of subsidiaries

	<b>HMIL, Sihe Co., Ltd. and Its Subsidiaries</b>
Consideration received	\$ 6,284
Net assets of disposed	(31,697)
Reclassification of other comprehensive income in respect of subsidiaries	<u>(7,752)</u>
Loss on disposals	<u><u>\$ (33,165)</u></u>

d. Net cash outflow on disposals of subsidiaries

	<b>HMIL, Sihe Co., Ltd. and Its Subsidiaries</b>
Consideration received in cash and cash equivalents	\$ 6,284
Less: Cash and cash equivalent balances disposed of	<u>(6,593)</u>
	<u><u>\$ (309)</u></u>

## 29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged in the predictable future.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

The Group is not subject to any externally imposed capital requirements. However, the financial ratio restrictions stipulated in the loan contract are also included in the consideration of the Group's optimal capital structure.

The management of the Group re-examines the capital structure quarterly, and the inspection includes consideration of the cost of various types of capital and related risks. The Group will balance its overall capital structure by paying dividends, issuing new shares, buying back shares, and issuing new debts or repaying old debts based on the recommendations of key management personnel.

### 30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The carrying amounts of the financial assets and financial liabilities that are not measured at fair value are approaching their fair value or their fair value cannot be reliably measured.

June 30, 2025

Carrying Amount	Fair Value			
	Level 1	Level 2	Level 3	Total

Financial liabilities

Financial liabilities at amortized cost				
Convertible bonds	<u>\$ 4,964,990</u>	<u>\$ 4,999,900</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u> <u>\$ 4,999,900</u>

December 31, 2024

Carrying Amount	Fair Value			
	Level 1	Level 2	Level 3	Total

Financial liabilities

Financial liabilities at amortized cost				
Convertible bonds	<u>\$ 4,914,979</u>	<u>\$ 5,177,396</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u> <u>\$ 5,177,396</u>

June 30, 2024

Carrying Amount	Fair Value			
	Level 1	Level 2	Level 3	Total

Financial liabilities

Financial liabilities at amortized cost				
Convertible bonds	<u>\$ 4,865,137</u>	<u>\$ 5,722,386</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u> <u>\$ 5,722,386</u>

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	<u>\$ 185,423</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 185,423</u>
Unlisted shares	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 1,455</u>	<u>\$ 1,455</u>
Investments in debt instruments				
Trade receivables	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 625,514</u>	<u>\$ 625,514</u>

(Continued)

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Listed shares and emerging market shares	<u>\$ 316,156</u>	<u>\$ _____</u>	<u>\$ 223,350</u>	<u>\$ 539,506</u>
Mutual funds	<u>\$ 32,037</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 32,037</u>
Film investment agreements	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ _____</u>	<u>\$ 7,726</u>	<u>\$ _____</u>	<u>\$ 7,726</u>
				(Concluded)

December 31, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	<u>\$ 232,712</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 232,712</u>
Unlisted shares	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,455</u>	<u>\$ 1,455</u>
Investments in debt instruments				
Trade receivables	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 730,761</u>	<u>\$ 730,761</u>
Financial assets at FVTPL				
Derivative financial assets	<u>\$ _____</u>	<u>\$ 2,032</u>	<u>\$ _____</u>	<u>\$ 2,032</u>
Listed shares and emerging market shares	<u>\$ 8,619</u>	<u>\$ _____</u>	<u>\$ 220,900</u>	<u>\$ 229,519</u>
Mutual funds	<u>\$ 41,095</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 41,095</u>
Film investment agreements	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

June 30, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	<u>\$ 351,151</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 351,151</u>
Unlisted shares	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,455</u>	<u>\$ 1,455</u>
Investments in debt instruments				
Trade receivables	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 762,478</u>	<u>\$ 762,478</u>
Financial assets at FVTPL				
Listed shares and emerging market shares	<u>\$ 6,462</u>	<u>\$ _____</u>	<u>\$ 232,150</u>	<u>\$ 238,612</u>
Mutual funds	<u>\$ 59,076</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 59,076</u>
Film investment agreements	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Derivative financial assets	<u>\$ _____</u>	<u>\$ 1,243</u>	<u>\$ _____</u>	<u>\$ 1,243</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ _____</u>	<u>\$ 360</u>	<u>\$ _____</u>	<u>\$ 360</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2025

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>
Balance on January 1, 2025	\$ 225,900	\$ 732,216
Recognized in profit or loss (included in other losses)	(2,550)	-
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	-
Net changes in trade receivables	-	(105,247)
Sales	<u>—</u>	<u>—</u>
Balance on June 30, 2025	<u><u>\$ 223,350</u></u>	<u><u>\$ 626,969</u></u>

For the six months ended June 30, 2024

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>
Balance on January 1, 2024	\$ 399,587	\$ 956,212
Recognized in profit or loss (included in other losses)	111,268	-
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	-
Net changes in trade receivables	-	(192,279)
Sales	<u>(273,705)</u>	<u>—</u>
Balance on June 30, 2024	<u><u>\$ 237,150</u></u>	<u><u>\$ 763,933</u></u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Derivatives - foreign exchange forward contracts and foreign exchange swap contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The future cash flows of trade receivables at FVTOCI are estimated using the discounted cash flow method based on trade receivables at the end of the period, discounted at a rate that reflects the credit risk of the transaction. The valuation of unlisted shares is determined by using the market approach and adjusted for the impact of a lack of market liquidity. Valuation of domestic listed private stocks is based on observable stock prices at the end of the period and discounted for lack of liquidity. The film investment agreement adopts the income method and calculates the present value of the income that can be obtained and distributed by holding this contract based on the discounted cash flow method.

c. Categories of financial instruments

	December 31, June 30, 2025	2024	June 30, 2024
<b><u>Financial assets</u></b>			
Financial assets at amortized cost (1)	\$ 7,150,647	\$ 8,476,375	\$ 9,880,199
FVTPL			
Mandatorily classified as at FVTPL	571,543	277,646	303,931
Financial assets at FVTOCI			
Equity instruments	186,878	234,167	352,606
Debt instruments	625,514	730,761	762,478
<b><u>Financial liabilities</u></b>			
Financial liabilities at amortized cost (2)	14,761,613	15,431,723	13,957,207
FVTPL			
Held for trading	7,726	-	360

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, refundable deposits and restricted deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term borrowings (including current portion), short-term bills payable, trade and other payables, bonds payable and deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable, lease liabilities and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into forward foreign exchange contracts to manage its exposure to foreign currency risk.

There were no changes to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency denominated sales and purchases, which exposed the Group to foreign currency exchange risk. Approximately over 50% of the Group's sales is denominated in currencies other than the functional currency of the Group, whilst the cost of raw materials imported from abroad is denominated in currencies other than the functional currency of the Group. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 36. The carrying amount of the Group's derivative financial instruments exposed to foreign currency risk is immaterial.

Sensitivity analysis

The Group was mainly exposed to the CNY, USD, EUR and GBP.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency exchange risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis also included borrowings denominated in non-functional currencies. A positive number below indicates a decrease in pre-tax profit and other equity associated with the New Taiwan dollar strengthen 5% against the relevant currency. For a 5% weakening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
CNY impact	<u>\$ 5,357</u>	<u>\$ 3,121</u>
USD impact	<u>\$ (3,366)</u>	<u>\$ 29,127</u>
EUR impact	<u>\$ 8,275</u>	<u>\$ 10,959</u>
GBP impact	<u>\$ 8,199</u>	<u>\$ 13,159</u>

The result was mainly attributable to the exposure on outstanding receivables, payables and borrowing in foreign currency that were not hedged at the end of the reporting period.

The management believes that the sensitivity analysis could not represent the inherent risk of foreign currency risk, since the exposure of foreign currency risk at the end of the reporting period could not reflect foreign currency risk exposure during the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Fair value interest rate risk			
Financial assets	\$ 4,014,693	\$ 4,690,228	\$ 4,942,162
Financial liabilities	6,526,144	6,481,718	6,388,622
Cash flow interest rate risk			
Financial assets	773,518	1,385,314	1,883,649
Financial liabilities	7,616,829	7,864,034	6,566,712

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole reporting period. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2025 and 2024 would have decreased by \$3,422 thousand and \$2,342 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. The Group does not actively trade these investments. The Group's equity price risk was mainly concentrated on equity instruments operating in Taiwan.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, the pre-tax other comprehensive income for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$18,688 thousand and \$35,261 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI, and the Group's pre-tax profit for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$57,154 thousand and \$29,769 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

The policy adopted by the Group is to conduct transactions with creditworthy counterparty, and to use publicly available financial information and mutual transaction records to conduct credit evaluations on the customers.

In addition, the credit risk is limited, since the counterparty of the liquidity transaction is a bank with good credit.

The accounts receivable cover many customers, scattered in different industries and geographic regions. The Group evaluates the financial status of customers' accounts receivable continuously.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As the end of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had available unutilized bank loan facilities of \$7,037,001 thousand, \$6,833,947 thousand and \$6,894,530 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,895,069	\$ 301,529	\$ 440,925	\$ -	\$ -
Lease liabilities	2,161	4,322	16,407	79,763	23,202
Liabilities instruments	<u>411,056</u>	<u>719,148</u>	<u>1,510,519</u>	<u>12,692,228</u>	<u>-</u>
	<u>\$ 2,308,286</u>	<u>\$ 1,024,999</u>	<u>\$ 1,967,851</u>	<u>\$ 12,771,991</u>	<u>\$ 23,202</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10+ Years</b>
Lease liabilities	<u>\$ 22,890</u>	<u>\$ 79,763</u>	<u>\$ 8,756</u>	<u>\$ 14,446</u>

December 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u><b>Non-derivative financial liabilities</b></u>					
Non-interest bearing	\$ 897,971	\$ 175,310	\$ 452,649	\$ 4,216	\$ -
Lease liabilities	2,224	4,447	19,776	79,480	25,282
Liabilities instruments	<u>249,636</u>	<u>680,547</u>	<u>1,593,246</u>	<u>12,755,420</u>	<u>-</u>
	<u>\$ 1,149,831</u>	<u>\$ 860,304</u>	<u>\$ 2,065,671</u>	<u>\$ 12,839,116</u>	<u>\$ 25,282</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10+ Years</b>
Lease liabilities	<u>\$ 26,447</u>	<u>\$ 79,480</u>	<u>\$ 9,193</u>	<u>\$ 16,089</u>

June 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u><b>Non-derivative financial liabilities</b></u>					
Non-interest bearing	\$ 2,092,063	\$ 244,349	\$ 507,422	\$ -	\$ -
Lease liabilities	1,557	3,146	14,166	45,055	26,201
Liabilities instruments	<u>170,626</u>	<u>354,233</u>	<u>652,015</u>	<u>12,148,192</u>	<u>-</u>
	<u>\$ 2,264,246</u>	<u>\$ 601,728</u>	<u>\$ 1,173,603</u>	<u>\$ 12,193,247</u>	<u>\$ 26,201</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10+ Years</b>
Lease liabilities	<u>\$ 18,869</u>	<u>\$ 45,055</u>	<u>\$ 9,193</u>	<u>\$ 17,008</u>

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the period.

June 30, 2025

	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<b><u>Gross settled</u></b>			
Foreign exchange swap contracts			
- outflows	\$ 241,300	\$ 83,494	\$ -
Foreign exchange forward contracts			
- outflows	<u>91,366</u>	<u>126,071</u>	<u>-</u>
	<u>\$ 332,666</u>	<u>\$ 209,565</u>	<u>\$ -</u>

December 31, 2024

	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<b><u>Gross settled</u></b>			
Foreign exchange swap contracts			
- outflows	\$ 9,836	\$ -	\$ -
Foreign exchange forward contracts			
- outflows	<u>44,893</u>	<u>169,565</u>	<u>-</u>
	<u>\$ 54,729</u>	<u>\$ 169,565</u>	<u>\$ -</u>

June 30, 2024

	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<b><u>Gross settled</u></b>			
Foreign exchange swap contracts			
- outflows	\$ 158,405	\$ 54,577	\$ -
Foreign exchange forward contracts			
- outflows	<u>75,176</u>	<u>118,668</u>	<u>-</u>
	<u>\$ 233,581</u>	<u>\$ 173,245</u>	<u>\$ -</u>

e. Transfers of financial assets

Factored trade receivables that were not yet overdue at the end of the period were as follows:

June 30, 2025

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Financial institution	<u>\$ 123,706</u>	<u>\$ 13,338</u>	<u>\$ 110,368</u>	3-5

December 31, 2024

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Financial institution	<u>\$ 144,039</u>	<u>\$ 14,404</u>	<u>\$ 129,635</u>	4-6

June 30, 2024

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Financial institution	<u>\$ 125,920</u>	<u>\$ 12,592</u>	<u>\$ 113,328</u>	5-7

The Group has factoring agreements with financial institutions. The credit limit is US\$10,000 thousand for both June 30, 2025 and 2024 and the credit can be recycled.

Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks.

### 31. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Group and other related parties are disclosed as follows:

a. Related parties and relationships

<b>Related Party</b>	<b>Relationship</b>
S-Tech Corp.	Associate
Soft-World International Corporation	Associate
Kuei Tien Cultural & Creative Entertainment Co., Ltd.	Associate
Taiwan Steel Group Aerospace Technology Corporation	Related party in substance
Tsg Transport Corp.	Related party in substance
Tsg Environmental Technology Corp.	Related party in substance
Tsg Sports Marketing Co., Ltd.	Related party in substance
Tsg Power Corp.	Related party in substance
Tsg Hawks Baseball Co., Ltd.	Related party in substance
Dong-Ying Management Consulting Co., Ltd.	Related party in substance

b. Sales of goods

<b>Related Party Category</b>	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Associate	\$ 23,891	\$ 29,211	\$ 46,499	\$ 80,678
Related party in substance	<u>774</u>	<u>11,012</u>	<u>1,281</u>	<u>13,154</u>
	<u><u>\$ 24,665</u></u>	<u><u>\$ 40,223</u></u>	<u><u>\$ 47,780</u></u>	<u><u>\$ 93,832</u></u>

The terms of the transactions with S-Tech Corp. are 30 to 60 days T/T (settled by mutual offset of receivables and payments). The term of the transactions with other domestic related parties is 30 T/T. There were no significant differences in transaction terms between related parties and third parties.

c. Purchases of goods

<b>Related Party Category</b>	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Associate	\$ 122,580	\$ 53,100	\$ 202,253	\$ 123,489
Related party in substance	<u>16,344</u>	<u>13,750</u>	<u>32,186</u>	<u>25,051</u>
	<u><u>\$ 138,924</u></u>	<u><u>\$ 66,850</u></u>	<u><u>\$ 234,439</u></u>	<u><u>\$ 148,540</u></u>

The term of the transaction with domestic related parties is 30 days T/T. There were no significant differences in transaction terms between related parties and third parties.

d. Operating expenses and non-operating income and expenses

Account Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Operating expenses	Associate	\$ 843	\$ -	\$ 1,641	\$ -
	Tsg Transport Corp.	87,072	85,973	186,339	149,668
	Related party in substance	2,081	4,562	3,772	37,428
		<u>\$ 89,996</u>	<u>\$ 90,535</u>	<u>\$ 191,752</u>	<u>\$ 187,096</u>
Manufacturing costs	Associate	\$ 812	\$ 93	\$ 999	\$ 254
	Related party in substance	15,160	10,198	32,479	27,700
		<u>\$ 15,972</u>	<u>\$ 10,291</u>	<u>\$ 33,478</u>	<u>\$ 27,954</u>
Non-operating income and expenses	S-Tech Corp.	\$ 5,739	\$ 13,666	\$ 7,204	\$ 19,624
	Related party in substance	1,513	1,443	3,340	4,022
		<u>\$ 7,252</u>	<u>\$ 15,109</u>	<u>\$ 10,544</u>	<u>\$ 23,646</u>

e. Receivables from related parties (not including loans to related parties)

Account Item	Related Party Category	December 31,		June 30, 2024
		June 30, 2025	2024	
Trade receivables	Associate	<u>\$ 7,137</u>	<u>\$ 28,955</u>	<u>\$ 8,580</u>
	Related party in substance	<u>\$ 562</u>	<u>\$ 1,242</u>	<u>\$ 1,477</u>
Other receivables	Associate	<u>\$ 25,460</u>	<u>\$ 5,595</u>	<u>\$ 38,430</u>
	Related party in substance	<u>\$ 812</u>	<u>\$ 2,220</u>	<u>\$ 1,476</u>

The outstanding trade receivables from related parties are unsecured.

f. Payables to related parties

Account Item	Related Party Category	December 31,		June 30, 2024
		June 30, 2025	2024	
Accounts payable	Associate	<u>\$ 55,584</u>	<u>\$ 21,019</u>	<u>\$ 18,410</u>
	Related party in substance	<u>\$ 11,164</u>	<u>\$ 16,390</u>	<u>\$ 9,519</u>
Other payables	Associate	<u>\$ 606</u>	<u>\$ 428</u>	<u>\$ -</u>
	Related party in substance	<u>\$ 8,344</u>	<u>\$ 11,334</u>	<u>\$ 14,245</u>

The outstanding trade payables to related parties are unsecured.

g. Other assets

Account Item	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Other current assets	Related party in substance	\$ _____ -	\$ 6,979	\$ _____ -
	Associate	\$ 1,500	\$ 3,000	\$ _____ -
Prepayments for equipment	Related party in substance	\$ 73,335	\$ 24,738	\$ 26,393

h. Other liabilities

Account Item	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Other current liabilities	S-Tech Corp.	\$ _____ -	\$ _____ -	\$ 146,210

i. Disposals of property, plant and equipment

Related Party Category/Name	Proceeds		Gain (Loss) on Disposal	
	For the Three Months Ended June 30		For the Three Months Ended June 30	
	2025	2024	2025	2024
Associate	\$ _____ -	\$ 425	\$ _____ -	\$ 106
Related Party Category/Name	Proceeds		Gain (Loss) on Disposal	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Associate	\$ _____ -	\$ 425	\$ _____ -	\$ 106

j. Lease arrangements

Related Party Category/Name	Related Party Category		December 31, 2024		June 30, 2024	
	June 30, 2025		2024			
	2025	2024	2025	2024		
Lease liabilities	S-Tech Corp.	\$ 16,333	\$ 19,111	\$ _____ -		
Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30		2024	
	2025	2024	2025	2024		
	<u>Interest expense</u>					
S-Tech Corp.	\$ 90	\$ _____ -	\$ 186	\$ _____ -		
<u>Interest expense</u>						
S-Tech Corp.	\$ 1,009	\$ _____ -	\$ 2,017	\$ _____ -		

In August 2024, the Group leased land and buildings located in Yishi Rd., Liuying Dist., Tainan City, from S-Tech Corp. Under operating lease with lease term of 5 years, and the rental is based on similar asset's market rental rates and fixed lease payments are received monthly.

k. Remuneration of key management personnel

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term benefits	\$ 25,381	\$ 30,557	\$ 66,885	\$ 71,128
Post-employment benefits	<u>209</u>	<u>235</u>	<u>407</u>	<u>467</u>
	<u><u>\$ 25,590</u></u>	<u><u>\$ 30,792</u></u>	<u><u>\$ 67,292</u></u>	<u><u>\$ 71,595</u></u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

### 32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, issuance of bonds and letters of credit:

	June 30, 2025	December 31, 2024	June 30, 2024
Restricted deposits (classified as other current assets)	\$ 59,537	\$ 63,235	\$ 62,675
Pledged foreign currency time deposit (classified as refundable deposits)	13,066	13,770	13,629
Pledged time of deposit (classified as refundable deposits)	200	200	102,200
Pledged time deposit certificate (classified as refundable deposits)	8,000	30,000	-
Land	1,679,681	1,679,681	1,679,681
Buildings, net	651,523	671,474	676,237
Machinery and equipment, net	<u>-</u>	<u>1,009</u>	<u>-</u>
	<u><u>\$ 2,412,007</u></u>	<u><u>\$ 2,459,369</u></u>	<u><u>\$ 2,534,422</u></u>

### 33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. As of June 30, 2025, December 31, 2024 and June 30, 2024, unused letters of credit for purchases of raw materials and machinery and equipment were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
USD	\$ 323	\$ 353	\$ 1,306
EUR	\$ 1,390	\$ 1,454	\$ 3,592
CNY	\$ -	\$ 570	\$ 41,893
JPY	\$ -	\$ 28,203	\$ 14,740

b. As of June 30, 2025, December 31, 2024 and June 30, 2024, unrecognized commitments for purchases of machinery and equipment and plant were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
NTD	\$ 2,474,032	\$ 2,739,424	\$ 2,854,161
EUR	\$ 10,129	\$ 14,981	\$ 46,311
USD	\$ 3,686	\$ 4,301	\$ 4,301
CNY	\$ 235,230	\$ 237,522	\$ 242,702
CHF	\$ 88	\$ 133	\$ 125

Payment paid as commitment progress

	June 30, 2025	December 31, 2024	June 30, 2024
NTD	\$ 1,451,360	\$ 2,205,177	\$ 2,351,110
EUR	\$ 9,306	\$ 12,786	\$ 39,530
USD	\$ 2,610	\$ 3,034	\$ 2,236
CNY	\$ 178,292	\$ 158,379	\$ 103,419
CHF	\$ 31	\$ 93	\$ 87

c. As of June 30, 2025, December 31, 2024 and June 30, 2024, \$2,012,750 thousand, \$2,043,750 thousand and \$1,973,750 thousand, respectively, of issued bills were pledged as deposit guarantees to obtain credit facilities. They can be cancelled when the guarantee obligations are terminated.

### 33. SIGNIFICANT LOSSES FROM DISASTERS: NONE

### 34. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The board of directors resolved not to distribute dividends for the second quarter of 2025 on July 31, 2025.

### 35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2025

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 46,701	29.300 (USD:NTD)	\$ 1,368,333
USD	6,153	7.1621 (USD:CNY)	180,280
USD	63	24,215 (USD:VND)	1,833
EUR	8,055	35.970 (EUR:NTD)	289,752
AUD	788	19.140 (AUD:NTD)	15,075
GBP	4,083	40.160 (GBP:NTD)	163,984
JPY	85,927	0.2034 (JPY:NTD)	17,477
CNY	28,600	4.0910 (CNY:NTD)	117,003

Financial liabilities

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
Monetary items			
USD	51,520	29.300 (USD:NTD)	1,509,538
USD	3,120	7.1621 (USD:CNY)	91,426
USD	571	24,215 (USD:VND)	16,808
EUR	3,454	35.970 (EUR:NTD)	124,248
GBP	-	4.160 (GBP:NTD)	-
JPY	12,200	0.2034 (JPY:NTD)	2,481
CNY	2,416	4.0910 (CNY:NTD)	9,857

December 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 50,057	32.785 (USD:NTD)	\$ 1,641,124
USD	5,387	7.3213 (USD:CNY)	176,606
USD	49	25,815 (USD:VND)	1,595
EUR	7,982	34.140 (EUR:NTD)	272,515
AUD	549	20.390 (AUD:NTD)	11,189
GBP	5,831	41.190 (GBP:NTD)	240,190
JPY	95,283	0.2099 (JPY:NTD)	20,000
CNY	21,290	4.4780 (CNY:NTD)	95,339

(Continued)

	<b>Foreign Currency</b>		<b>Carrying Amount</b>
		<b>Exchange Rate</b>	
<b><u>Financial liabilities</u></b>			
Monetary items			
USD	\$ 51,571	32.785 (USD:NTD)	\$ 1,690,757
USD	3,290	7.3213 (USD:CNY)	107,852
USD	653	25,815 (USD:VND)	21,402
EUR	3,910	34.140 (EUR:NTD)	133,500
GBP	-	41.190 (GBP:NTD)	-
JPY	14,196	0.2099 (JPY:NTD)	2,980
CNY	16,345	4.4780 (CNY:NTD)	73,191
			(Concluded)

June 30, 2024

	<b>Foreign Currency</b>		<b>Carrying Amount</b>
		<b>Exchange Rate</b>	
<b><u>Financial assets</u></b>			
Monetary items			
USD	\$ 44,491	32.450 (USD:NTD)	\$ 1,443,734
USD	5,066	7.1268 (USD:CNY)	164,379
USD	32	26,818 (USD:VND)	1,023
EUR	7,725	34.710 (EUR:NTD)	268,138
AUD	384	21.520 (AUD:NTD)	8,257
GBP	7,863	41.040 (GBP:NTD)	322,693
JPY	157,821	0.2017 (JPY:NTD)	31,833
CNY	37,572	4.5532 (CNY:NTD)	171,073

Financial liabilities

Monetary items			
USD	25,895	32.450 (USD:NTD)	840,302
USD	4,175	7.1268 (USD:CNY)	135,484
USD	1,565	26,818 (USD:VND)	50,800
EUR	1,411	34.710 (EUR:NTD)	48,962
GBP	1,450	41.040 (GBP:NTD)	59,508
CNY	23,862	4.5532 (CNY:NTD)	108,647

The following information was aggregated by the functional currencies of entities in the Group, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended June 30			
	2025	Net Foreign Exchange Gain (Loss)	2024	Net Foreign Exchange Gain (Loss)
USD	30.823 (USD:NTD)	\$ 150	32.355 (USD:NTD)	\$ (108)
NTD	1 (NTD:NTD)	(67,083)	1 (NTD:NTD)	26,300
CNY	4.244 (CNY:NTD)	12,325	4.5532 (CNY:NTD)	(551)
VND	0.00117 (VND:NTD)	(299)	0.00126 (VND:NTD)	(1,024)
		<u>\$ (54,907)</u>		<u>\$ 24,617</u>

  

Foreign Currency	For the Six Months Ended June 30			
	2025	Net Foreign Exchange Gain (Loss)	2024	Net Foreign Exchange Gain (Loss)
USD	31.859 (USD:NTD)	\$ 166	31.901 (USD:NTD)	\$ (2,046)
NTD	1 (NTD:NTD)	(32,583)	1 (NTD:NTD)	83,178
CNY	4.4349 (CNY:NTD)	12,484	4.4897 (CNY:NTD)	(1,218)
VND	0.00122 (VND:NTD)	(430)	0.00126 (VND:NTD)	(1,821)
		<u>\$ (20,363)</u>		<u>\$ 78,093</u>

## 36. SEPARATELY DISCLOSED ITEMS

- Information about significant transactions:
  - Financing provided to others (Table 1)
  - Endorsements/guarantees provided (Table 2)
  - Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
  - Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
  - Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
  - Intercompany relationships and significant intercompany transactions (Table 6)

- b. Information on investees (Table 7)
- c. Information on investments in mainland China
  - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - c) The amount of property transactions and the amount of the resultant gains or losses.
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
    - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

## 37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows:

- The Company
- Golden Win International Corp.
- Golden Win Steel Industrial Corp.
- All Win Enterprises Ltd.
- Others

### Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	<b>Operating Segment Revenue</b> <b>For the Six Months Ended</b> <b>June 30</b>		<b>Operating Segment Income</b> <b>For the Six Months Ended</b> <b>June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
The Company	\$ 5,674,154	\$ 6,138,611	\$ 527,373	\$ 929,492
Golden Win International Corp.	528,967	-	13,549	-
Golden Win Steel Industrial Corp.	-	583,791	-	29,487
All Win Enterprises Ltd.	709,913	803,079	72,653	93,570
Others	<u>587,082</u>	<u>610,904</u>	<u>30,157</u>	<u>18,359</u>
Continuing operations amounts	7,500,116	8,136,385	643,732	1,070,908
Less: Eliminations	(1,404,461)	(1,359,411)	30,164	17,072
Revenue/income from external customers	<u>\$ 6,095,655</u>	<u>\$ 6,776,974</u>	<u>673,896</u>	<u>1,087,980</u>
Interest income			35,631	39,714
Other income			47,195	49,151
Other gains and losses			(44,974)	428,467
Finance costs			(126,320)	(114,964)
Share of profit of associates			<u>83,179</u>	<u>131,037</u>
Profit from operations			<u>\$ 668,607</u>	<u>\$ 1,621,385</u>

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, gains recognized on disposal of interests in former associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

**TABLE 1****GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Highest Balance for the Period (Note 3)	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 4)	Business Transaction Amount (Note 5)	Reasons for Short-term Financing (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Guangzhou Goldway Special Material Co., Ltd.	Xian Goldway Special Material Co., Ltd.	Other receivables	Yes	\$ 41,013	\$ 36,675	\$ 24,450	3.5	2	\$ -	For working capital	\$ -	-	\$ -	\$ 42,096 (Note 7)	\$ 42,096 (Note 7)	Note 1
2	Golden Win International Corp.	Nantong Sihe Stainless-steel Products Co., Ltd.	Other receivables	Note 11	36,937 (US\$ 1,130)	-	-	-	1	-	-	-	-	-	203,818 (Notes 7 and 8)	254,772 (Notes 7 and 8)	
3	Honest Mount Limited	Nantong Sihe Stainless-steel Products Co., Ltd.	Other receivables	Note 11	27,782 (US\$ 850)	-	-	-	2	-	Operational turnaround	-	-	-	- (Note 9)	- (Note 9)	
4	Sheaffer Innovation Co., Ltd.	Henan Sihe Industrial Co., Ltd.	Other receivables	Note 11	14,643 (US\$ 448)	-	-	-	2	-	Operational turnaround	-	-	-	- (Notes 7 and 8)	- (Notes 7 and 8)	

Note 1: The numbers denote the following:

- a. 0 represents the issuer.
- b. Investees are numbered starting from 1.

Note 2: Receivables from related parties, current account with shareholders, prepayments, temporary payments, etc.

Note 3: The limit on financing provided to others for the current year.

Note 4: Nature of financing is numbered as follows:

- a. For companies with business relationships: 1.
- b. For companies with short-term financing needs: 2.

Note 5: If the loan is made due to business relationships, the amount of the business transactions should be disclosed. The amount of business transactions refers to the amount of business transactions between the lender and the borrower in the most recent year.

Note 6: If the loan is made for short-term financing needs, the reason and purpose for the loan should be clearly described. For example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: The calculation was based on 40% of the net worth of the lending company as of June 30, 2025, which had been reviewed by an accountant.

Note 8: The calculation was based on 50% of the net worth of the lending company as of June 30, 2025, which had been reviewed by an accountant.

Note 9: The calculation was based on 3000% of the net worth of the lending company as of June 30, 2025, which had been reviewed by an accountant.

Note 10: Foreign currency amounts are expressed in New Taiwan dollars, converted at the USD exchange rate of 29.300 as of June 30, 2025.

Note 11: In February 2025, Golden Win International Corp. sold 100% equity of Honost Mount Limited and Sheaffer Innovation Co., Ltd. As of February 2025, both entities ceased to be related parties of the Company.

TABLE 2

## GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Guaranteed Party		Limit on Endorsement/Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Gloria Material Technology Corp.	Alloy Tool Steel Inc.	b	\$ 3,012,356 (Note 3)	\$ 26,564	\$ 23,440	\$ 23,440	\$ -	1.26	\$ 6,024,712 (Note 3)	Y	N	N
		Tianjin Goldway Special Material Co., Ltd.	c	3,012,356 (Note 3)	45,060	20,455	-	-			Y	N	Y
		All Win Enterprises Ltd.	b	3,012,356 (Note 3)	47,985	14,650	-	-			Y	N	N
		Xian Goldway Special Material Co., Ltd.	c	3,012,356 (Note 3)	225,617	166,900	40,910	-			Y	N	Y
		Faith Easy Enterprises Ltd.	b	3,012,356 (Note 3)	33,205	-	-	-			Y	N	N
		Guangzhou Goldway Special Material Co., Ltd.	c	3,012,356 (Note 3)	49,028	_____	_____	_____			Y	N	Y
1	Golden Win Steel Industrial Corp.	Vietnam Goldway Special Material Co., Ltd.	c	40,598 (Note 4)	19,923	<u>\$ 17,580</u>	<u>\$ 9,551</u>	-	2.29	60,896 (Note 4)	N	N	N

Note 1: The numbers denote the following:

- 0 represents the issuer.
- Investees are numbered starting from 1.

Note 2: The relationship between the endorser/guarantor and endorsee/guarantee are categorized as follows:

- Business partner.
- Subsidiary whose ordinary shares are more than 50% owned by the endorser/guarantor.
- An investee over which the Company and its subsidiary has a combined shareholding of more than fifty percent (50%).
- Parent company that directly or indirectly through its subsidiary, owns more than fifty percent (50%) of the investee.
- Guaranteed by the Company according to the construction contract.
- An investee company of which the guarantees were provided based on the Company's proportionate share in the investee company.
- Joint and several guarantees for performance assurance in presale housing sales contracts are provided among industry peers in accordance with consumer protection regulations.

Note 3: The limit on endorsements/guarantees is calculated as follows:

- The limit on endorsements or guarantees provided for each borrower is NT\$6,024,712 (paid-in capital)  $\times$  50% = NT\$3,012,356.
- The aggregate endorsement/guarantee limit is NT\$6,024,712 (paid-in capital)  $\times$  100% = NT\$6,024,712.
- Endorsements/guarantees provided for subsidiaries are not subject to the above restrictions.

Note 4: The limit on endorsements/guarantees is calculated as follows:

- The limit on endorsements or guarantees provided for each borrower is NT\$40,598 (paid-in capital)  $\times$  100% = NT\$40,598.
- The aggregate endorsement/guarantee limit is NT\$40,598 (paid-in capital)  $\times$  150% = NT\$60,896.
- Endorsements/guarantees provided for subsidiaries are not subject to the above restrictions.

Note 5: All intercompany gains and losses from investment have been eliminated from consolidation.

**TABLE 3****GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES****SIGNIFICANT MARKETABLE SECURITIES HELD****JUNE 30, 2025**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

<b>Holding Company Name</b>	<b>Type and Name of Marketable Securities (Note 1)</b>	<b>Relationship with the Holding Company (Note 2)</b>	<b>Financial Statement Account</b>	<b>June 30, 2025</b>				<b>Note</b>
				<b>Number of Shares (In Thousands)</b>	<b>Carrying Amount (Note 3)</b>	<b>Percentage of Ownership</b>	<b>Fair Value</b>	
Gloria Material Technology Corp.	Ordinary shares IBF Financial Holdings Co., Ltd.	-	Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - non-current	23,405	\$ 314,797	1	\$ 314,797	
	Huang Jia International Gourmet Co., Ltd. (Ensure Global Corp., Ltd.)			5,000	223,350	3	223,350	
Ho Yang Investment Corp.	Gloria Material Technology Corp.	The Company	Financial assets at fair value through other comprehensive income - non-current	16,099	557,832	3	557,832	

Note 1: Marketable securities in the table above refer to shares, bonds, beneficiary certificates and other related derivative securities that fall within the scope in accordance with IFRS 9 “Financial Instruments”.

Note 2: If the securities issuer is not a related party, the column is left blank.

Note 3: For securities measured at fair value, the carrying amount after fair value adjustments. For securities not measured at fair value, the carrying amount indicated is the original acquisition cost or amortized cost less accumulated impairment loss.

Note 4: The table sets forth the securities that the Group has determined, pursuant to the principle of significant, should be disclosed.

Note 5: For information on investments in subsidiaries, please see Tables 7 and 8.

Note 6: All intercompany gains and losses from investment have been eliminated from consolidation.

TABLE 4

## GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Trade Receivables (Payables)			Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Account	Ending Balance	% of Total	
Gloria Material Technology Corp.	Golden Win Steel Industrial Corp.	Subsidiary	Sale	\$ 268,141	5	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	\$ 50,486	3	
Golden Win Steel Industrial Corp.	Gloria Material Technology Corp.	Parent company	Purchase	268,141	63	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	50,486	74	
Gloria Material Technology Corp.	Alloy Tool Steel Inc.	Subsidiary	Sale	330,092	6	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables and other receivables	157,714	9	
Alloy Tool Steel Inc.	Gloria Material Technology Corp.	Parent company	Purchase	330,092	100	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	157,714	98	
Gloria Material Technology Corp.	All Win Enterprises Ltd.	Subsidiary	Sale	319,548	6	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	3,387	-	
All Win Enterprises Ltd.	Gloria Material Technology Corp.	Parent company	Purchase	319,548	86	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	3,387	15	
	Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Affiliated company	Sale	188,274	46	Net 90 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	64,136	36	
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	All Win Enterprises Ltd.	Affiliated company	Purchase	188,274	79	Net 90 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	64,136	84	
All Win Enterprises Ltd.	Xian Goldway Special Material Co., Ltd.	Affiliated company	Sale	184,900	45	Net 90 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	103,596	59	
Xian Goldway Special Material Co., Ltd.	All Win Enterprises Ltd.	Affiliated company	Purchase	184,900	100	Net 90 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	103,596	100	
Gloria Material Technology Corp.	S-Tech Corp.	Associate	Purchase	157,130	3	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	40,207	10	
Tsg Transport Corp.	Gloria Material Technology Corp.	Related party in substance	Sale	186,339	-	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	10,965	-	

Note 1: If the related party transaction terms are different from the general transaction terms, the description of the terms of the transaction and the reasons for the difference should be stated in the columns of unit price and payment terms.

Note 2: If there are any prepayments, the reason, contractual terms, amount, and differences from general transactions should be stated in the Note column.

Note 3: All intercompany gains and losses from investment, except for associates, have been eliminated from consolidation.

**TABLE 5****GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****JUNE 30, 2025**

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Receivables from Related Parties		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
			Account	Ending Balance		Amount	Actions Taken		
Gloria Material Technology Corp.	Alloy Tool Steel Inc.	Subsidiary	Other receivables (Notes 1 and 2)	\$ 157,714	5.05	\$ -	-	\$ 16,119	\$ -
All Win Enterprises Ltd.	Xian Goldway Special Material Co., Ltd.	Affiliated company	Trade receivables	103,596	4.24	\$ -	-	32,986	\$ -

Note 1: Includes trade receivables and other receivables.

Note 2: Have been eliminated from consolidation.

**TABLE 6****GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Gloria Material Technology Corp.	Alloy Tool Steel Inc. Alloy Tool Steel Inc. Golden Win Steel Industrial Corp. Golden Win Steel Industrial Corp. All Win Enterprises Ltd.	a a a a a	Trade receivables Sales revenue Trade receivables Sales revenue Sales revenue	\$ 157,515 330,092 50,486 268,141 319,548	No significant difference No significant difference No significant difference No significant difference No significant difference	- 5 - 4 5
1	Golden Win Steel Industrial Corp.	Vietnam Goldway Special Material Co., Ltd. Vietnam Goldway Special Material Co., Ltd. Gloria Material Technology Corp. All Win Enterprises Ltd.	c c b c	Trade receivables Sales revenue Sales revenue Sales revenue	15,647 25,652 17,057 10,481	No significant difference No significant difference No significant difference No significant difference	- - - -
2	Xian Goldway Special Material Co., Ltd.	Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	c	Sales revenue	8,942	No significant difference	-
3	Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Guangzhou Goldway Special Material Co., Ltd. Guangzhou Goldway Special Material Co., Ltd. Tianjin Goldway Special Material Co., Ltd. Tianjin Goldway Special Material Co., Ltd.	c c c c	Trade receivables Sales revenue Sales revenue Trade receivables	13,595 25,308 27,988 8,937	No significant difference No significant difference No significant difference No significant difference	- - - -
6	All Win Enterprises Ltd.	Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. Tianjin Goldway Special Material Co., Ltd. Guangzhou Goldway Special Material Co., Ltd. Guangzhou Goldway Special Material Co., Ltd. Xian Goldway Special Material Co., Ltd. Xian Goldway Special Material Co., Ltd.	c c c c c c c	Sales revenue Trade receivables Sales revenue Trade receivables Sales revenue Trade receivables Sales revenue	188,274 64,136 5,172 5,202 8,675 103,596 184,900	No significant difference No significant difference No significant difference No significant difference No significant difference No significant difference No significant difference	3 - - - - - 3

Note 1: The information on the business transactions between the parent company and its subsidiaries should be indicated in the serial number column respectively, and the serial number should be filled in as follows:

- The Company is numbered 0.
- Subsidiaries are numbered sequentially from 1 according to the company type.

Note 2: There are three types of relationship with the trader, just indicate the type:

- Company to Subsidiary.
- Subsidiary to Company.
- Subsidiary to Subsidiary.

(Continued)

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets. If it is an asset-liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, it is calculated as the cumulative amount at the end of the period accounts for the total consolidated revenue.

Note 4: All intercompany gains and losses from investment have been eliminated upon consolidation.

(Concluded)

TABLE 7

## GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEES  
 FOR THE SIX MONTHS ENDED JUNE 30, 2025  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company (Notes 1 and 2)	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net Income (Loss) of the Investee (Note 2)	Share of Profit (Loss) (Note 2)	Note
				June 30, 2025	December 31, 2024	Number of Shares (In Thousands)	%	Carrying Amount			
Gloria Material Technology Corp.	Faith Easy Enterprises Ltd.	Samoa	General investment and trading	\$ 192,558	\$ 192,558	6,000,000	96	\$ 546,951	\$ 39,156	\$ 37,610	Subsidiary
	Golden Win Steel Industrial Corp	Republic of China	Processing and trading of special steel, carbon steel, super alloy material rollers	11,500	11,500	715,280	17	109,322	37,115	4,740	Subsidiary
	Alloy Tool Steel, Inc.	USA	Sale of alloy steel	100,487	100,487	4,300,000	100	251,993	9,500	9,500	Subsidiary
	Ho Yang Investment Corp.	Republic of China	General investment	360,379	360,379	24,385,660	49	16,198	39,688	(1,694)	Subsidiary
	All Win Enterprises Ltd.	Seychelles	General investment	286,604	286,604	10,000,000	100	854,248	48,201	45,730	Subsidiary
	Rong Yang Investment Corp.	Republic of China	General investment	50,000	50,000	5,000,000	100	44,719	641	188	Subsidiary
Golden Win Steel Industrial Corp.	Gloria Material Technology Japan	Japan	Sale of alloy steel	15,852	15,852	1,380	100	24,546	1,841	1,841	Subsidiary
	Rainbow Shines Limited	Samoa	General investment and trading	89,065	89,065	3,122,222	97	56,244	(5,038)	NA	Subsidiary
All Win Enterprises Ltd.	Ho Yang Investment Corp.	Republic of China	General investment	180,208	180,208	12,947,170	26	187,467	39,688	NA	Subsidiary
	G-Yao Enterprises Ltd.	Mauritius	General investment	US\$ 10,000	US\$ 10,000	10,000,000	100	633,813	35,626	NA	Subsidiary
Rainbow Shines Limited	Vietnam Goldway Special Material Co., Ltd.	Vietnam	Processing and trading of special steel, carbon steel, super alloy material rollers	US\$ 3,000	US\$ 3,000	-	100	68,412	(4,132)	NA	Subsidiary
Gloria Material Technology Corp.	S-Tech Corp.	Republic of China	Production and sales of titanium alloys	619,775	608,233	29,757,756	13	559,300	9,983	5,969	Associate
	Soft-World International Corporation	Republic of China	Publishing of game software, publishing and trading of game software magazines and books	2,994,992	2,994,992	28,600,000	18	2,613,038	621,856	80,116	Associate
	Kuei Tien Cultural & Creative Entertainment Co., Ltd.	Republic of China	TV series production, screenwriting and artist management	273,705	273,705	25,700,000	13	260,721	(32,438)	(4,429)	Associate
	Golden Win International Corp.	Republic of China	Production and selling of stainless steel	434,500	434,500	79,000,000	54	374,159	(28,967)	(18,445)	Subsidiary
Ho Yang Investment Corp.	Soft-World International Corporation	Republic of China	Publishing of game software, publishing and trading of game software magazines and books	49,175	47,702	371,000	-	47,402	621,856	NA	Associate
Rong Yang Investment Corp.	Soft-World International Corporation	Republic of China	Publishing of game software, publishing and trading of game software magazines and books	1,395	-	15,000	-	1,367	621,856	NA	Associate
Golden Win International Corp.	Sheaffer Innovation Co., Ltd.	Republic of China	Sales of stainless-steel products	-	444,997	-	-	-	53,931	NA	Subsidiary
	Honest Mount Investments Limited	B.V.I.	General investment	-	459,378	-	-	-	36,981	NA	Subsidiary
	Golden Win Steel Industrial Corp.	Republic of China	Processing and trading of special steel, carbon steel, super alloy material rollers	417,871	417,871	2,178,591	54	304,766	37,115	NA	Subsidiary
Honest Mount Investments Limited	The King Cut International Co., Ltd	B.V.I.	Sales of stainless-steel products	-	US\$ 200	-	-	-	(19)	NA	Subsidiary

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

Note 2: For companies that do not belong to the type as described in Note 1, the information is disclosed as follows:

- The columns of Investee Company, Location, Main Businesses and Products, Original Investment Amount and Number of Shares are filled out in order of the reinvestment situation of the public company and the reinvestment situation of each investee company that is directly or indirectly controlled. In the Note column, the relationship between each investee and the public company (subsidiary/second-tier subsidiary) is disclosed.
- The profit or loss of the investee company is disclosed in the column of Net Income (Loss) of the Investee.
- The Company is only required to list the amount of profit or loss of each of subsidiary that the Company has directly invested in and each investee that is accounted for using the equity method. The rest of the information is exempt from disclosure.

Note 3: For information on investments in mainland China, please see Table 8.

Note 4: All intercompany gains and losses from investment have been eliminated from consolidation.

TABLE 8

## GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025	Note
					Outward	Inward							
Guangzhou Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,000 thousand (paid-in capital of CNY24,856 thousand)	b	US\$ 2,837 HK\$ 700	\$ -	\$ -	US\$ 2,837 HK\$ 700	\$ 9,675	96	\$ b-2) 9,289	\$ 105,160	\$ 109,064	-
Zhejiang Jiaxing Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,000 thousand (paid-in capital of CNY22,124 thousand)	b	- (Note 4)	-	-	- (Note 4)	4,429	96	b-2) 4,242	140,209	112,926	-
Tianjin Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,300 thousand (paid-in capital of CNY26,719 thousand)	b	US\$ 3,300	-	-	US\$ 3,300	2,199	96	b-2) 1,782	128,454	40,597	-
Xian Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$2,000 thousand (paid-in capital of CNY12,660 thousand)	b	- (Note 5)	-	-	- (Note 5)	35,231	96	b-2) 33,856	187,172	-	-
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Production and sale of alloy steel	Registered capital US\$10,000 thousand (paid-in capital of CNY63,926 thousand)	b	US\$ 10,000	-	-	US\$ 10,000	35,989	100	b-2) 35,898	634,930	87,296	-
Nantong Sihe Stainless-steel Products Co., Ltd.	Manufacture of stainless-steel products	Registered capital US\$7,500 thousand (paid-in capital of CNY219,750 thousand)	b	US\$ 7,500	-	-	US\$ - (Note 6)	37,084	-	b-2) 37,084	-	-	-
Henan Sihe Industrial Co., Ltd.	Manufacture of stainless-steel products	Registered capital US\$1,000 thousand (paid-in capital of CNY29,300 thousand)	e	US\$ 1,000	-	-	US\$ - (Note 7)	2,754	-	b-2) 37,084	-	-	-

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
US\$ 16,137 HK\$ 700	\$ 893,650 (US\$ 30,500)	\$ 10,705,772 (Note 3)

Note 1: Methods of investment are classified as below:

- Investments through a holding company registered in a third region.
- Reinvestments through a holding company set up in a third region.
- Reinvestments through a holding company existing in a third region.
- Direct investment.
- Others.

(Continued)

Note 2: Investment gain or loss was recognized as a percentage of the shares held:

- a. Companies that are still in the preparatory stage and therefore have no investment gain or loss should be disclosed.
- b. Investment gain or loss recognized based on the following should be disclosed:
  - 1) Financial statements which were reviewed by an international accounting firm with a cooperative relationship with an accounting firm in the ROC.
  - 2) Financial statements which were reviewed by the parent company's accounting firm.
  - 3) Other financial statements which were not reviewed by the accounting firm.

Note 3: The upper limit on investments was 60% of the consolidated net asset value of the Group:  $\$17,842,953 \times 60\% = \$10,705,772$ .

Note 4: The amount represents the retained earnings received by Faith Easy Enterprises Ltd. from Guangzhou Goldway Special Material Co., Ltd., that was transferred to the share capital of Zhejiang Jiaxing Goldway Special Material Co., Ltd.

Note 5: The amount represents the retained earnings of Faith Easy Enterprises Ltd. transferred to the share capital of Xian Goldway Special Material Co., Ltd.

Note 6: On February 5, 2025, Golden Win International Corp. sold its 100% equity in its subsidiary, Honest Mount Investments Limited. As of June 30, 2025, the entity is no longer an indirect subsidiary of the Company.

Note 7: On February 5, 2025, Golden Win International Corp. sold its 100% equity in its subsidiary, Sheaffer Innovation Co., Ltd. As of June 30, 2025, the entity is no longer an indirect subsidiary of the Company.

(Concluded)

**TABLE 9****GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
**(In Thousands of New Taiwan Dollars)**

Investee Company	Transaction Type	Purchase/Sale		Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	Percentage	Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage		
Guangzhou Goldway Special Material Co., Ltd.	Sale	\$ 8,675	-	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	\$ -	-	\$ 86	Note 1
Tianjin Goldway Special Material Co., Ltd.	Sale	5,172	-	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	-	-	2,360	Note 1
Xian Goldway Special Material Co., Ltd.	Sale	154,051	2	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	-	-	14,297	Note 1
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Sale	165,900	3	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	7,606	-	4,937	Note 1

Note 1: The Company transacted with the above companies through All Win Enterprises Ltd. directly or indirectly.

Note 2: For information of the Company's endorsements and guarantees provided for the above companies, refer to Table 2.