

**CHUN YU WORKS & CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2025 AND 2024**

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chun Yu Works & Co., Ltd.

Introduction

We have reviewed the consolidated balance sheets of Chun Yu Works & Co., Ltd. and its subsidiaries (the "Group") as of September 30, 2025 and 2024 and the related consolidated statements of comprehensive income, for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flow for the nine-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies. The management is responsible for the preparing and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the financial statements based on the result of reviews.

Scope of Review

Except as discussed in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of 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 of Qualified Conclusion

Certain the non-significant subsidiaries' financial statements which are included in the consolidated financial statements mentioned above, and the relevant information disclosed in note 13 were not reviewed. These subsidiaries' total assets were NT\$1,414,361 thousand and NT\$1,546,315 thousand respectively, accounting for 13% of the total consolidated assets respectively; the total liabilities were NT\$424,140 thousand and NT\$465,590 thousand respectively, accounting for 6% and 7% of the total consolidated liabilities as of September 30, 2025 and 2024; the total comprehensive income were NT\$(2,981) thousand, NT\$9,883 thousand, NT\$(1,512) thousand and NT\$(17,666) thousand respectively, accounting for (1%) ,14% and (5%) of the total consolidated comprehensive income for the three-month and

nine-month periods ended September 30, 2025 and 2024, respectively.

Qualified Conclusion

According to our reviews and the review report of other accountants (please refer to Miscellaneous), except that the financial statements of some of the non-significant subsidiaries and the relevant information disclosed in note 13 as mentioned in Basis of Qualified Conclusion, if reviewed by us, may lead to adjustments to the consolidated financial statements, it is not found that the consolidated financial statements above have not been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” approved and promulgated by the Financial Supervisory Commission which may lead to the inability to properly express the consolidated financial status of Chun Yu Group as of September 30, 2025 and 2024 and the consolidated financial performance for the three-month and nine-month periods ended and consolidated cash flow for the nine-month periods ended September 30, 2025 and 2024.

Other Matter

The financial statements of PT. Moon Lion Industries Indonesia for the three-month and nine-month periods ended September 30, 2025 and 2024 and the relevant information disclosed in note 13 were not reviewed by us, but by other accountants. Therefore, the amounts listed in the financial statements of the subsidiary and the relevant information disclosed in note 13 of the review report issued by us on the consolidated financial statements above are based on the review reports of other accountants. Total assets on September 30, 2025 and 2024 were NT\$1,318,407 thousand and NT\$1,345,419 thousand respectively, accounting for 12% and 11% of the total consolidated assets, net operating income were NT\$459,339 thousand, NT\$501,665 thousand, NT\$1,293,974 thousand and NT\$1,294,653 thousand respectively, accounting for 22%, 21%, 20% and 20% of the total consolidated comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

Chung-Yu, Tien

Independent Accountants

Huei-Yu, Hsu

PricewaterhouseCoopers, Taiwan

Republic of China

November 6, 2025

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current Assets								
1100	Cash and cash equivalents	6(1)	\$ 833,684	7	\$ 1,390,365	12	\$ 1,500,676	13
1110	Financial assets at fair value through profit or loss – current	6(2)	184,684	2	210,550	2	124,452	1
1136	Financial assets at amortised cost – current	6(1) and 8	275,551	2	356,006	3	355,144	3
1150	Notes receivable, net	6(3) and 7	372,223	3	418,851	3	355,571	3
1170	Accounts receivable, net	6(3) and 7	1,424,774	13	1,532,034	13	1,611,569	13
1200	Other receivables	7	18,887	-	22,368	-	19,014	-
1220	Current income tax assets	6(28)	19,834	-	4,791	-	5,567	-
130X	Inventories	6(4) and 8	3,673,685	33	3,770,253	31	3,871,777	32
1410	Prepayments	7	87,209	1	400,145	3	104,377	1
1460	Non-current assets classified as held for sale, net	6(9)	28,377	-	28,377	-	-	-
11XX	Total current assets		6,918,908	61	8,133,740	67	7,948,147	66
Non-current assets								
1510	Financial assets at fair value through profit or loss – non-current	6(2)	231,100	2	220,900	2	233,500	2
1517	Financial assets at fair value through other comprehensive income – non-current	6(5)	809,570	7	619,463	5	608,746	5
1600	Property, plant and equipment	6(6)(10), 7and8	2,649,251	24	2,719,517	22	2,774,946	23
1755	Right-of-use assets	6(7) and 7	379,684	3	189,942	2	185,742	2
1780	Intangible assets	6(8)	5,731	-	5,072	-	5,447	-
1840	Deferred income tax assets	6(28)	217,023	2	185,552	2	188,673	2
1915	Prepayments for equipment	6(6)(8)	52,545	1	25,367	-	22,937	-
1920	Guarantee deposits paid	7	23,556	-	21,168	-	24,326	-
1990	Other non-current assets	6(6)	139	-	1,861	-	61	-
15XX	Total non-current assets		4,368,599	39	3,988,842	33	4,044,378	34
1XXX	Total assets		\$ 11,287,507	100	\$ 12,122,582	100	\$ 11,992,525	100

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CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2025		December 31,2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AOUNT	%
Current liabilities								
2100	Short-term borrowings	6(11) and 8	\$ 1,407,167	12	\$ 260,877	2	\$ 122,000	1
2110	Short-term notes and bills payable	6(12)	59,864	1	-	-	-	-
2130	Current contract liabilities	6(21)	431,551	4	493,416	4	561,877	5
2150	Notes payable		121	-	125	-	322	-
2170	Accounts payable	7	507,167	4	517,483	5	503,749	4
2200	Other payables	7	402,736	4	384,466	3	360,667	3
2230	Current income tax liabilities	6(28)	16,083	-	16,220	-	14,319	-
2250	Provisions for liabilities - current	6(14)	4,271	-	7,002	-	6,730	-
2280	Current lease liabilities	6(7) and 7	100,795	1	29,378	1	24,696	-
2310	Advance receipts	6(9) and 7	12,249	-	12,249	-	-	-
2320	Long-term liabilities, current portion	6(13)(15) and 8	6,583	-	1,603,319	13	1,599,709	14
21XX	Total current liabilities		2,948,587	26	3,324,535	28	3,194,069	27
Non-current liabilities								
2530	Bonds payable	6(13) and 8	2,997,547	26	2,996,944	25	2,996,740	25
2540	Long-term borrowings	6(15) and 8	111,603	1	16,540	-	18,186	-
2570	Deferred income tax liabilities	6(28)	463,297	4	485,875	4	477,644	4
2580	Non-current lease liabilities	6(7) and 7	211,464	2	82,028	-	81,481	-
2640	Net defined benefit liabilities – non-current	6(16)	74,903	1	84,835	1	96,777	1
2645	Guarantee deposits received		457	-	457	-	457	-
25XX	Total non-current liabilities		3,859,271	34	3,666,679	30	3,671,285	30
2XXX	Total liabilities		6,807,858	60	6,991,214	58	6,865,354	57
Equity attributable to owners of the parent								
	Share capital	6(17)						
3110	Common stock		3,021,627	27	3,021,627	25	3,021,627	25
3200	Capital surplus	6(13) (17)(18) (30)	559,704	5	522,676	4	522,676	4
	Retained earnings	6(19)						
3310	Legal reserve		399,149	4	369,727	3	369,727	3
3320	Special reserve		442,934	4	430,610	4	430,610	4
3350	Unappropriated retained earnings		361,480	3	635,508	5	600,366	5
3400	Other equity interest	6(5)(20)	(725,043)	(7)	(442,934)	(4)	(367,099)	(3)
3500	Treasury stocks	6(17)	(267,195)	(2)	(267,195)	(2)	(267,195)	(2)
31XX	Equity attributable to owners of the parent		3,792,656	34	4,270,019	35	4,310,712	36
36XX	Non-controlling interest	4(3)and6(30)	686,993	6	861,349	7	816,459	7
3XXX	Total equity		4,479,649	40	5,131,368	42	5,127,171	43
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
3X2X	Total liabilities and equity		\$ 11,287,507	100	\$12,122,582	100	\$ 11,992,525	100

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

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	For three-month periods ended September 30,				For nine-month periods ended September 30,			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7	\$ 2,046,279	100	\$ 2,379,777	100	\$ 6,381,197	100	\$ 6,600,043	100
5000 Operating costs	6(4)(7)(8) (16)(26) (27) and 7	(1,794,336)	(88)	(2,066,448)	(87)	(5,498,470)	(86)	(5,660,940)	(86)
5900 Net operating margin		<u>251,943</u>	<u>12</u>	<u>313,329</u>	<u>13</u>	<u>882,727</u>	<u>14</u>	<u>939,103</u>	<u>14</u>
Operating expenses	6(7)(8) (16)(26) (27), 7 and 12								
6100 Selling expenses		(60,771)	(3)	(82,956)	(4)	(196,328)	(3)	(230,040)	(4)
6200 General and administrative expenses		(129,578)	(6)	(123,638)	(5)	(370,903)	(6)	(358,112)	(5)
6300 Research and development expenses		(17,240)	(1)	(16,332)	(1)	(49,326)	(1)	(50,163)	(1)
6450 Expected creditlosses		(5,014)	-	(1,994)	-	(6,034)	-	(2,274)	-
6000 Total operating expenses		<u>(212,603)</u>	<u>(10)</u>	<u>(224,920)</u>	<u>(10)</u>	<u>(622,591)</u>	<u>(10)</u>	<u>(640,589)</u>	<u>(10)</u>
6900 Operating profit		<u>39,340</u>	<u>2</u>	<u>88,409</u>	<u>3</u>	<u>260,136</u>	<u>4</u>	<u>298,514</u>	<u>4</u>
Non-operating income and expenses									
7100 Interest income	6(3)(22)	3,727	-	13,146	-	16,982	-	29,994	-
7010 Other income	6(2)(5)(23) and 7	9,472	-	16,693	1	41,146	1	31,551	1
7020 Other gains and losses	6(2)(24), 7 and 12	42,128	2	(10,041)	-	(44,829)	(1)	123,430	2
7050 Financial cost	6(7)(25) and 7	(23,270)	(1)	(24,141)	(1)	(68,404)	(1)	(76,257)	(1)
7000 Total non-operating income and expenses		<u>32,057</u>	<u>1</u>	<u>(4,343)</u>	<u>-</u>	<u>(55,105)</u>	<u>(1)</u>	<u>108,718</u>	<u>2</u>
7900 Profit before income tax		<u>71,397</u>	<u>3</u>	<u>84,066</u>	<u>3</u>	<u>205,031</u>	<u>3</u>	<u>407,232</u>	<u>6</u>
7950 Income tax expense	6(28)	(24,717)	(1)	(24,476)	(1)	(80,850)	(1)	(83,653)	(1)
8200 Profit for the period		<u>\$ 46,680</u>	<u>2</u>	<u>\$ 59,590</u>	<u>2</u>	<u>\$ 124,181</u>	<u>2</u>	<u>\$ 323,579</u>	<u>5</u>

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

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	For three-month periods ended September 30,				For nine-month periods ended September 30,			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income(loss)									
Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316 Unrealized (loss) gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(5)	\$ 83,777	4	(\$ 8,424)	-	(\$ 68,368)	(1)	(\$ 72,565)	(1)
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations		121,737	6	27,631	1	(275,093)	(4)	136,451	2
8399 Aggregated income tax relating to components of other comprehensive (loss) income	6(28)	(10,714)	-	(6,423)	-	36,745	-	(13,598)	-
8300 Total other comprehensive (loss) income for the period		<u>\$ 194,800</u>	<u>10</u>	<u>\$ 12,784</u>	<u>1</u>	<u>(\$ 306,716)</u>	<u>(5)</u>	<u>\$ 50,288</u>	<u>1</u>
8500 Total comprehensive income for the period		<u>\$ 241,480</u>	<u>12</u>	<u>\$ 72,374</u>	<u>3</u>	<u>(\$ 182,535)</u>	<u>(3)</u>	<u>\$ 373,867</u>	<u>6</u>
Profit attributable to:									
8610 Owners of the parent		\$ 32,859	1	\$ 42,554	1	\$ 69,881	1	\$ 259,080	4
8620 Non-controlling interests		<u>13,821</u>	<u>1</u>	<u>17,036</u>	<u>1</u>	<u>54,300</u>	<u>1</u>	<u>64,499</u>	<u>1</u>
		<u>\$ 46,680</u>	<u>2</u>	<u>\$ 59,590</u>	<u>2</u>	<u>\$ 124,181</u>	<u>2</u>	<u>\$ 323,579</u>	<u>5</u>
Comprehensive income attributable to:									
8710 Owners of the parent		\$ 204,883	10	\$ 42,709	2	(\$ 212,228)	(3)	\$ 286,621	5
8720 Non-controlling interests		<u>36,597</u>	<u>2</u>	<u>29,665</u>	<u>1</u>	<u>29,693</u>	<u>-</u>	<u>87,246</u>	<u>1</u>
		<u>\$ 241,480</u>	<u>12</u>	<u>\$ 72,374</u>	<u>3</u>	<u>(\$ 182,535)</u>	<u>(3)</u>	<u>\$ 373,867</u>	<u>6</u>
Earnings per share (in dollars)	6(29)								
9750 Basic		<u>\$ 0.12</u>		<u>\$ 0.15</u>		<u>\$ 0.25</u>		<u>\$ 0.93</u>	
9850 Diluted		<u>\$ 0.12</u>		<u>\$ 0.14</u>		<u>\$ 0.23</u>		<u>\$ 0.83</u>	

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

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
		Retained Earnings				Other Equity Interest						
	Notes	Share capital - common stock	Treasury stock transactions	Legal reserve	Special reserve	Unappropriated retained earning	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest	Total equity
For the nine-month periods ended September 30, 2024												
Balance at January 1, 2024		\$ 3,021,627	\$ 501,353	\$ 336,485	\$ 430,610	\$ 649,496	(\$ 191,581)	(\$ 203,059)	(\$ 267,195)	\$ 4,277,736	\$ 801,350	\$ 5,079,086
Consolidated net income		-	-	-	-	259,080	-	-	-	259,080	64,499	323,579
Other comprehensive income (loss)	6(5)(20)	-	-	-	-	-	100,106	(72,565)	-	27,541	22,747	50,288
Total comprehensive income (loss)		-	-	-	-	259,080	100,106	(72,565)	-	286,621	87,246	373,867
Distribution of 2023 consolidated net income:												
Legal reserve		-	-	33,242	-	(33,242)	-	-	-	-	-	-
Cash dividends	6(19)	-	-	-	-	(274,968)	-	-	-	(274,968)	-	(274,968)
The Company's dividends received by subsidiaries	6(17)(18)	-	21,323	-	-	-	-	-	-	21,323	-	21,323
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	-	(72,137)	(72,137)
Balance at September 30, 2024		\$ 3,021,627	\$ 522,676	\$ 369,727	\$ 430,610	\$ 600,366	(\$ 91,475)	(\$ 275,624)	(\$ 267,195)	\$ 4,310,712	\$ 816,459	\$ 5,127,171
For the nine-month periods ended September 30, 2025												
Balance at January 1, 2025		\$ 3,021,627	\$ 522,676	\$ 369,727	\$ 430,610	\$ 635,508	(\$ 78,627)	(\$ 364,307)	(\$ 267,195)	\$ 4,270,019	\$ 861,349	\$ 5,131,368
Consolidated net income		-	-	-	-	69,881	-	-	-	69,881	54,300	124,181
Other comprehensive income (loss)	6(5)(20)	-	-	-	-	-	(203,839)	(78,270)	-	(282,109)	(24,607)	(306,716)
Total comprehensive income (loss)		-	-	-	-	69,881	(203,839)	(78,270)	-	(212,228)	29,693	(182,535)
Distribution of 2024 consolidated net income:												
Legal reserve		-	-	29,422	-	(29,422)	-	-	-	-	-	-
Special Reserve	6(19)	-	-	-	12,324	(12,324)	-	-	-	-	-	-
Cash dividends	6(19)	-	-	-	-	(302,163)	-	-	-	(302,163)	-	(302,163)
The Company's dividends received by subsidiaries	6(17)(18)	-	23,430	-	-	-	-	-	-	23,430	-	23,430
Difference between the acquisition or disposal price and the book value of subsidiary shares	6(18)(30)	-	13,598	-	-	-	-	-	-	13,598	(142,465)	(128,867)
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	-	(61,584)	(61,584)
Balance at September 30, 2025		\$ 3,021,627	\$ 559,704	\$ 399,149	\$ 442,934	\$ 361,480	(\$ 282,466)	(\$ 442,577)	(\$ 267,195)	\$ 3,792,656	\$ 686,993	\$ 4,479,649

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

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		For the nine-month periods ended September 30,	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 205,031	\$ 407,232
Adjustments			
Adjustments to reconcile profit (loss)			
Net gains (losses) on financial assets at fair value through profit or loss		34,267	(103,225)
Expected credit losses	12	6,034	2,274
(Reversal of allowance) provision for inventory market price decline	6(4)	44,596	77
Depreciation	6(6)(7)(26)	229,044	199,335
Gains on disposal of property, plant and equipment	6(24)	(26,712)	(11,290)
Amortization	6(8)(26)	2,167	2,598
Interest income	6(22)	(16,982)	(29,994)
Dividend income	6(23)	(22,850)	(13,826)
Interest expense	6(25)	68,404	76,257
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		(18,601)	(124,500)
Notes receivable		46,501	(30,552)
Accounts receivable		101,318	(118,104)
Other receivables		3,481	1,255
Inventories		51,972	(516,855)
Prepayments		312,936	(23,449)
Changes in operating liabilities			
Current contract liabilities		(61,865)	79,953
Notes payable		(4)	(116)
Accounts payable		(10,316)	9,616
Other payables		(4,883)	(34,978)
Provision for liabilities – current		(2,731)	329
Net defined benefit liabilities –non-current		(9,932)	(2,003)
Cash (outflow) inflow generated from operations		930,875	(229,966)
Interest received		16,982	29,994
Dividends received		22,850	13,826
Interest paid		(50,406)	(45,310)
Income tax paid		(113,334)	(128,797)
Net cash flows from (used in) operating activities		806,967	(360,253)

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CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		For the nine-month periods ended September 30,	
	Notes	2025	2024
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Decrease (increase) in financial assets at amortized cost - current		\$ 80,455	(\$ 48,150)
Acquisition of financial assets at fair value through other comprehensive income - non-current		(258,475)	-
Cash paid for acquisition of property, plant and equipment	6(31)	(124,406)	(46,976)
Proceeds from disposal of property, plant and equipment		30,724	26,064
Acquisition of intangible assets	6(8)	(748)	(149)
Increase in prepayments for equipment		(49,288)	(16,288)
(Increase) decrease in guarantee deposits paid		(2,388)	437
Decrease in other non-current assets		1,722	1,522
Net cash flows used in investing activities		(322,404)	(83,540)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(32)	1,146,290	(356,186)
Increase in short-term bills payable	6(32)	59,864	-
Payments of lease liabilities	6(32)	(60,919)	(19,836)
Redemption of bonds payable	6(32)	(1,600,000)	-
Increase in long-term borrowings	6(32)	100,000	-
Decrease in long-term borrowings	6(32)	(4,937)	(4,937)
Payment of cash dividends	6(31)	(278,733)	(253,645)
Cash dividends paid to non-controlling interest		(61,584)	(72,137)
Decrease in non-controlling interests	6(30)	(128,867)	-
Net cash flows used in financing activities		(828,886)	(706,741)
Effect of foreign exchange rate changes on cash and cash equivalents		(212,358)	98,274
Net decrease in cash and cash equivalents		(556,681)	(1,052,260)
Cash and cash equivalents at beginning of period	6(1)	1,390,365	2,552,936
Cash and cash equivalents at end of period	6(1)	\$ 833,684	\$ 1,500,676

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

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Unit: NT\$ thousand
(unless specified)

1. History and Organization

(1) Chun Yu Works & Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and other related regulations in March 1965. The Company is primarily engaged in the manufacture and heat treatment of screws, nuts and polished steel bars as well as design of pollution prevention equipment and undertaking related services. The information on main business activities of the Company’s subsidiaries is provided in Note 4(3).

(2) The Company’s shares have been listed on the Taiwan Stock Exchange since October 1991.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for authorisation

This consolidated financial report was issued on November 6, 2025 after submission to the board of directors.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“IASB”)
Amendments to IAS 21, ‘Lack of Exchangeability’	January 1, 2025
The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.	

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IAS 7, ‘Amendments to the Classification and Measurement of Financial Instruments’	January 1, 2026

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9-comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards–Volume 11	January 1, 2026
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 18, 'Presentation and Disclosure in Financial Statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without Public Accountability: disclosures'	January 1, 2027

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

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024. In addition to following the instructions, basis of preparation, basis of consolidation and applicable portions of the interim financial statements as follows: These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of Preparation

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

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for the preparation of these consolidated financial statements is consistent with the basis applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

- B. Subsidiaries included in the consolidated financial statements :

Investment company name	Subsidiary name	Business nature	Percentage of equity held			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
Chun Yu Works & Co., Ltd.	Chun Bang Precision Co., Ltd.	Manufacture and sales of moulds	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	Chun Yu Works(USA) Inc.	Import and export of hardware products	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	Chun Yu Investment Co., Ltd.	Professional investment	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	Chun Yu Bio-tech Corp.	Powder metallurgy	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	Scholar Holdings Ltd.	Reinvestment and import and export sales	100.00	100.00	100.00	-
Chun Yu Works & Co., Ltd.	Sunny City International Limited	Reinvestment and import and export sales	100.00	100.00	100.00	(note 1)

Investment company name	Subsidiary name	Business nature	Percentage of equity held			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
Chun Yu Works & Co., Ltd.	PT. Moon Lion Industries Indonesia	Manufacture and sales of screws and nuts	83.23	71.85	71.85	(note 1)
Chun Yu Works & Co., Ltd.	Chun Zu Machinery Industry co., Ltd.	Manufacture and sales of machinery	47.82	47.82	47.82	(note 2) (note 3)
Scholar Holdings Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	Manufacture and sales of screws and nuts	100.00	100.00	100.00	-
Sunny City International Limited	Shanghai Uchee Hardware Products Ltd.	Sales of screws and nuts	100.00	100.00	100.00	(note 1)
Shanghai Uchee Hardware Products Ltd.	Chunyu Group Shanghai Tongsheng Trade Co., Ltd.	Sales of screws and nuts	100.00	100.00	100.00	(note 1)
Chun Zu Machinery Industry Co., Ltd.	Lion City Management Ltd.	Professional investment	100.00	100.00	100.00	(note 3)
Lion City Management Ltd.	Shanghai Chun Zu Machinery Industry Ltd.	Manufacture and sales of machinery	100.00	100.00	100.00	(note 3)

(Note 1) For these companies, except for the relevant information of PT. Moon lion Industries Indonesia disclosed in the financial statements note 13 which were reviewed by other accountants, the relevant information of the remaining companies disclosed in the financial statements for the nine-month periods ended September 30, 2025 and 2024 and Note 13 were not reviewed by the independent auditors..

(Note 2) Jointly owned by the Group.

(Note 3) A representative appointed by the Company was elected as the chairman of the investee, and the general manager of the investee had to report to the Board of Directors of the Company. Thus, the Company had substantial control over the investee and its subsidiaries. Subsidiaries not included in the consolidated financial statements: None.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of September 30, 2025 December 31, 2024 and September 30, 2024 were NT\$686,993, NT\$861,349 and NT\$816,459, respectively. Information on non-controlling interests and subsidiaries that are significant to the Group as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		September 30, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
Chun Zu Machinery Industry Co., Ltd	Taiwan	<u>\$ 501,035</u>	52.18%	<u>\$ 526,880</u>	52.18%

Name of subsidiary	Principal place of business	Non-controlling interest	
		September 30, 2024	
		Amount	Ownership (%)
Chun Zu Machinery Industry Co., Ltd	Taiwan	<u>\$ 498,241</u>	52.18%

Summary financial information of subsidiaries:

<u>Consolidated balance sheet</u>	Chun Zu Machinery Industry and Subsidiaries		
	September 30, 2025	December 31, 2024	September 30, 2024
Current Assets	\$ 1,351,370	\$ 1,524,226	\$ 1,513,450
Non-current Assets	543,693	460,869	470,691
Current Liabilities	(737,118)	(767,783)	(826,143)
Non-current Liabilities	(124,389)	(136,162)	(131,383)
Total net assets	<u>\$ 1,033,556</u>	<u>\$ 1,081,150</u>	<u>\$ 1,026,615</u>

<u>Consolidated statement of comprehensive Income</u>	For the three-month periods ended September 30,	
	2025	2024
Revenue	\$ 262,903	\$ 303,852
Profit for the year	\$ 1,607	(\$ 9,544)
Other comprehensive (loss) income	34,882	(3,521)
Total comprehensive income	<u>\$ 36,489</u>	<u>(\$ 13,065)</u>
Comprehensive income attributable to non-controlling interest	\$ 18,471	(\$ 6,429)
Dividends paid to non-controlling interest	<u>\$ 34,605</u>	<u>\$ 38,695</u>

<u>Consolidated statement of comprehensive Income</u>	For the nine-month periods ended September 30,	
	2025	2024
Revenue	\$ 879,027	\$ 810,437
Profit for the year	\$ 24,281	\$ 20,261
Other comprehensive (loss) income	(5,557)	16,767
Total comprehensive income	<u>\$ 18,724</u>	<u>\$ 37,028</u>
Comprehensive income attributable to non-controlling interest	\$ 8,759	\$ 20,445
Dividends paid to non-controlling interest	<u>\$ 34,605</u>	<u>\$ 38,695</u>

<u>Consolidated statements of cash flows</u>	<u>For the nine-month periods ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Net cash provided by operating activities	\$ 2,551	\$ 61,329
Net cash used in investing activities	(137,832)	(54,475)
Net cash used in financing activities	2,205	(30,618)
Effect of exchange rate changes on cash and cash equivalents	(22,739)	15,358
Increase in cash and cash equivalents	(155,815)	(8,406)
Cash and cash equivalents, beginning of period	401,301	366,466
Cash and cash equivalents, end of period	<u>\$ 245,486</u>	<u>\$ 358,060</u>

(4) Employee benefits

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

(5) Income tax

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

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes during the period. For detailed information, refer to Note 5 of the financial statements for the year ended December 31, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash:			
Cash in stock	\$ 1,186	\$ 1,243	\$ 2,384
Checking deposit	106	49,324	66,620
Demand deposit	697,485	691,980	823,495
	<u>698,777</u>	<u>742,547</u>	<u>892,499</u>
Cash equivalent:			
Time deposit	134,907	647,818	558,177
Short-term bills	-	-	50,000
	<u>134,907</u>	<u>647,818</u>	<u>608,177</u>
	<u>\$ 833,684</u>	<u>\$ 1,390,365</u>	<u>\$ 1,500,676</u>

A. The credit quality of the financial institutions with which the Group interacts is good, and the Group interacts with a number of financial institutions to diversify credit risks; therefore, the probability of default is very low.

B. The Group's classified time deposits maturing in excess of three month as financial assets at amortized current in amount of \$275,551 and \$341,368 and \$339,629 as of September 30, 2025, December 31, 2024, and September 30, 2024.

C. As of nine-month periods ended September 30, 2025, December 31, 2024 and September 30, 2024, the Group's demand deposits amounting to \$–, \$14,638 and \$15,515, respectively, were pledged to others as collateral (listed as 'Financial assets at amortized cost – current'). Details are provided in Note 8, 'Pledged assets'.

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

Item	September 30, 2025	December 31, 2024	September 30, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 114,771	\$ 96,170	\$ 170
Emerging stocks	121,500	121,500	121,500
Beneficiary certificates	-	-	6,000
	<u>236,271</u>	<u>217,670</u>	<u>127,670</u>
Valuation adjustment	(51,587)	(7,120)	(3,218)
	<u>\$ 184,684</u>	<u>\$ 210,550</u>	<u>\$ 124,452</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks-private placement	\$ 36,000	\$ 36,000	\$ 36,000
Put right of convertible bonds	-	3,349	3,349
	<u>36,000</u>	<u>39,349</u>	<u>39,349</u>
Valuation adjustment	195,100	181,551	194,151
	<u>\$ 231,100</u>	<u>\$ 220,900</u>	<u>\$ 233,500</u>

A. The Group recognized net profit amounting to \$13,400 and (\$12,719) and (\$29,888) and \$103,337 (listed as 'Other income' and 'Other gains and losses') on financial assets at fair value through profit or loss for three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

B. In November 2023, the Company subscribed a total of 5,000 thousand shares of King House CO., Ltd. (Formerly known as Ensure Global Corp., Ltd.) through private placement, and the transfer of the private placement stock is restricted within three years.

C. As of September 30, 2025, December 31, 2024 and September 30, 2024 the Group has no financial assets at fair value through profit or loss pledged to others.

(3) Notes and accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 372,415	\$ 405,870	\$ 335,661
Installment notes receivable	-	13,475	20,528
	<u>372,415</u>	<u>419,345</u>	<u>356,189</u>
Less: Unrealized interest income	- (	429 (	523)
Allowance for uncollectible accounts	(192)	(65)	(95)
	<u>\$ 372,223</u>	<u>\$ 418,851</u>	<u>\$ 355,571</u>
Accounts receivable	\$ 1,447,885	\$ 1,560,002	\$ 1,641,287
Less: Allowance for uncollectible accounts	(23,111)	(27,968)	(29,718)
	<u>\$ 1,424,774</u>	<u>\$ 1,532,034</u>	<u>\$ 1,611,569</u>

A. The aging analysis of notes and accounts receivable is as follows:

	September 30, 2025		December 31, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$ 372,415	\$ 1,338,568	\$ 419,345	\$ 1,425,361
Up to 30 days past due	-	64,166	-	71,527
31~90 days past due	-	16,552	-	26,679
91~180 days past due	-	3,582	-	13,755
Over 181 days	-	25,017	-	22,680
	<u>\$ 372,415</u>	<u>\$ 1,447,885</u>	<u>\$ 419,345</u>	<u>\$ 1,560,002</u>

	September 30, 2024	
	Notes receivable	Accounts receivable
Not past due	\$ 356,189	\$ 1,477,295
Up to 30 days past due	-	78,569
31~90 days past due	-	35,861
91~180 days past due	-	24,484
Over 181 days	-	25,078
	<u>\$ 356,189</u>	<u>\$ 1,641,287</u>

The above is an aging analysis based on the number of overdue days.

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, notes receivable and accounts receivable were all from contracts with customers. Also, as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$1,850,159.

C. For the three-month and the nine-month periods ended September 30, 2025 and 2024, the interest income (including installment notes receivable) recognised in profit or loss amounted to \$149 and \$389 and \$420 and \$1,739 (listed as 'Interest income'), respectively.

D. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group did not hold any collateral as security for accounts receivable.

E. As of September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes or accounts receivable held by the Group was their carrying amount.

F. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2), 'Financial instruments'.

G. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group had no notes receivable and accounts receivable pledged to others.

(4) Inventories

September 30, 2025			
	Cost	Allowance for inventory valuation loss	Book value
Raw material	\$ 730,274	(\$ 29,889)	\$ 700,385
Supplies	476,256	(24,541)	451,715
Work in progress	1,214,060	(72,270)	1,141,790
Finished goods	1,486,792	(106,997)	1,379,795
	<u>\$ 3,907,382</u>	<u>(\$ 233,697)</u>	<u>\$ 3,673,685</u>

December 31, 2024			
	Cost	Allowance for inventory valuation loss	Book value
Raw material	\$ 1,013,028	(\$ 26,284)	\$ 986,744
Supplies	386,250	(18,218)	368,032
Work in progress	983,555	(42,692)	940,863
Finished goods	1,576,521	(101,907)	1,474,614
	<u>\$ 3,959,354</u>	<u>(\$ 189,101)</u>	<u>\$ 3,770,253</u>

September 30, 2024			
	Cost	Allowance for inventory valuation loss	Book value
Raw material	\$ 990,681	(\$ 24,030)	\$ 966,651
Supplies	402,684	(18,613)	384,071
Work in progress	997,312	(41,431)	955,881
Finished goods	1,669,635	(104,461)	1,565,174
	<u>\$ 4,060,312</u>	<u>(\$ 188,535)</u>	<u>\$ 3,871,777</u>

A. The cost of inventories recognized as expense for the period:

	For the three-month periods ended September 30,	
	2025	2024
Cost of goods sold	\$ 1,762,487	\$ 2,090,191
Loss on decline (gain on reversal of) in market value (Note)	46,894	(8,849)
Gain on physical inventory	210	615
Revenue from sales of scraps	(15,255)	(15,509)
	<u>\$ 1,794,336</u>	<u>\$ 2,066,448</u>

	For the nine-month periods ended September 30,	
	2025	2024
Cost of goods sold	\$ 5,495,670	\$ 5,699,591
Loss on decline in market value (Note)	44,596	77
(Gain) loss on physical inventory	(589)	761
Revenue from sales of scraps	(41,207)	(39,489)
	<u>\$ 5,498,470</u>	<u>\$ 5,660,940</u>

(Note)The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because certain inventories which were previously provided with allowance for decline in value were subsequently sold or scrapped for the three-month periods ended September 30, 2024.

B. Details of the Group's inventories pledged to others as collateral as of September 30, 2025, December 31, 2024 and September 30, 2024 are provided in Note 8, 'Pledged assets'.

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

Item	September 30, 2025	December 31, 2024	September 30, 2024
Equity instruments			
Listed stocks	\$ 1,142,073	\$ 883,598	\$ 883,598
Listed stocks-private placement	99,400	99,400	-
Unlisted stocks	772	772	772
	<u>1,242,245</u>	<u>983,770</u>	<u>884,370</u>
Reevaluation adjustment	(432,675)	(364,307)	(275,624)
	<u>\$ 809,570</u>	<u>\$ 619,463</u>	<u>\$ 608,746</u>

A. The Group has elected to classify equity investments that are considered to be steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$809,570 and \$619,463 and \$608,746 as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

B. In December 2024, the Group subscribed a total of 7,000 thousand shares of Data Van

International Corp., Ltd. through private placement, and the transfer of the private placement stock is restricted within three years.

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

	For the three-month periods ended September 30,	
	2025	2024
Fair value change recognised in other comprehensive income (listed as 'Other equity')	\$ 83,777	(\$ 8,424)
Dividend income recognised in profit or loss (shown as 'Other income')	5,578	13,815
	<u> </u>	<u> </u>
	For the nine-month periods ended September 30,	
	2025	2024
Fair value change recognised in other comprehensive income (listed as 'Other equity')	(\$ 68,368)	(\$ 72,565)
Dividend income recognised in profit or loss (shown as 'Other income')	19,946	13,815
	<u> </u>	<u> </u>

- D. As of September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the carrying amount.
- E. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group had no financial assets at fair value through other comprehensive income pledged to others.

(6) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Equipment under acceptance and construction in progress	Total
<u>January 1, 2025</u>									
Cost	\$ 1,552,828	\$ 1,984,258	\$ 4,420,148	\$ 90,837	\$ 95,714	\$ 109,660	\$ 718,363	\$ 8,948	\$ 8,980,756
Accumulated depreciation	-	(1,560,827)	(3,840,200)	(78,240)	(80,980)	(76,294)	(624,656)	-	(6,261,197)
Accumulated impairment	-	-	(42)	-	-	-	-	-	(42)
	<u>\$ 1,552,828</u>	<u>\$ 423,431</u>	<u>\$ 579,906</u>	<u>\$ 12,597</u>	<u>\$ 14,734</u>	<u>\$ 33,366</u>	<u>\$ 93,707</u>	<u>\$ 8,948</u>	<u>\$ 2,719,517</u>
<u>For the nine-month periods ended September 30, 2025</u>									
At January 1	\$ 1,552,828	\$ 423,431	\$ 579,906	\$ 12,597	\$ 14,734	\$ 33,366	\$ 93,707	\$ 8,948	\$ 2,719,517
Additions	-	2,402	66,168	2,363	4,850	896	16,953	39,796	133,428
Transfers after acceptance	-	8,285	12,048	-	-	-	425	(20,758)	-
Transfers from prepayments for equipment	-	-	10,849	592	4,795	-	2,012	1,637	19,885
Depreciation charge	-	(31,345)	(96,890)	(2,794)	(5,006)	(4,339)	(20,913)	-	(161,287)
Disposals – Cost	-	-	(115,726)	-	(4,263)	(343)	(18,466)	-	(138,798)
–Accumulated depreciation	-	-	111,752	-	4,263	329	18,442	-	134,786
Net exchange differences	(9,540)	(13,247)	(28,377)	-	(604)	(2,535)	(2,869)	(1,108)	(58,280)
At September 30	<u>\$ 1,543,288</u>	<u>\$ 389,526</u>	<u>\$ 539,730</u>	<u>\$ 12,758</u>	<u>\$ 18,769</u>	<u>\$ 27,374</u>	<u>\$ 89,291</u>	<u>\$ 28,515</u>	<u>\$ 2,649,251</u>
<u>September 30, 2025</u>									
Cost	\$ 1,543,288	\$ 1,943,601	\$ 4,234,258	\$ 93,792	\$ 98,443	\$ 104,911	\$ 690,601	\$ 28,515	\$ 8,737,409
Accumulated depreciation	-	(1,554,075)	(3,694,486)	(81,034)	(79,674)	(77,537)	(601,310)	-	(6,088,116)
Accumulated impairment	-	-	(42)	-	-	-	-	-	(42)
	<u>\$ 1,543,288</u>	<u>\$ 389,526</u>	<u>\$ 539,730</u>	<u>\$ 12,758</u>	<u>\$ 18,769</u>	<u>\$ 27,374</u>	<u>\$ 89,291</u>	<u>\$ 28,515</u>	<u>\$ 2,649,251</u>

	Land	Buildings and structures	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Equipment under acceptance and construction in progress	Total
<u>January 1, 2024</u>									
Cost	\$ 1,573,597	\$ 1,946,335	\$ 4,548,341	\$ 90,837	\$ 95,088	\$ 105,806	\$ 691,193	\$ 9,425	\$ 9,060,622
Accumulated depreciation	-	(1,504,754)	(3,873,065)	(74,548)	(79,385)	(70,986)	(578,503)	-	(6,181,241)
Accumulated impairment	-	-	(42)	-	-	-	-	-	(42)
	<u>\$ 1,573,597</u>	<u>\$ 441,581</u>	<u>\$ 675,234</u>	<u>\$ 16,289</u>	<u>\$ 15,703</u>	<u>\$ 34,820</u>	<u>\$ 112,690</u>	<u>\$ 9,425</u>	<u>\$ 2,879,339</u>
<u>For the nine-month periods ended September 30, 2024</u>									
At January 1	\$ 1,573,597	\$ 441,581	\$ 675,234	\$ 16,289	\$ 15,703	\$ 34,820	\$ 112,690	\$ 9,425	\$ 2,879,339
Additions	-	3,873	14,759	-	5,838	3,965	7,779	8,191	44,405
Transfers after acceptance	-	1,944	6,138	-	-	-	1,266	(9,348)	-
Transfers from inventories	-	-	-	-	-	-	-	583	583
Transfers from prepayments for equipment	-	-	1,530	-	-	-	2,560	1,220	5,310
Transfers from other non- current assets	681	-	-	-	-	-	-	-	681
Depreciation charge	-	(33,195)	(102,538)	(2,798)	(5,619)	(4,879)	(26,783)	-	(175,812)
Disposals – Cost	-	-	(274,279)	-	(6,760)	(196)	(3,012)	-	(284,247)
–Accumulated depreciation	-	-	259,505	-	6,760	196	3,012	-	269,473
Net exchange differences	4,770	7,806	17,559	-	327	1,364	2,659	729	35,214
At September 30	<u>\$ 1,579,048</u>	<u>\$ 422,009</u>	<u>\$ 597,908</u>	<u>\$ 13,491</u>	<u>\$ 16,249</u>	<u>\$ 35,270</u>	<u>\$ 100,171</u>	<u>\$ 10,800</u>	<u>\$ 2,774,946</u>
<u>September 30, 2024</u>									
Cost	\$ 1,579,048	\$ 1,983,777	\$ 4,364,838	\$ 90,837	\$ 95,581	\$ 112,453	\$ 718,341	\$ 10,800	\$ 8,955,675
Accumulated depreciation	-	(1,561,768)	(3,766,888)	(77,346)	(79,332)	(77,183)	(618,170)	-	(6,180,687)
Accumulated impairment	-	-	(42)	-	-	-	-	-	(42)
	<u>\$ 1,579,048</u>	<u>\$ 422,009</u>	<u>\$ 597,908</u>	<u>\$ 13,491</u>	<u>\$ 16,249</u>	<u>\$ 35,270</u>	<u>\$ 100,171</u>	<u>\$ 10,800</u>	<u>\$ 2,774,946</u>

- A. The Group's property, plant and equipment as of September 30, 2025, December 31, 2024 and September 30, 2024 are for its own use.
- B. No interest expenses were capitalized in property, plant and equipment for the nine-month periods ended September 30, 2025 and 2024.
- C. The Group's land, buildings, and constructions intended for sale are provided in Note 6(9), 'Non-current assets held for sale, net'.
- D. Impairment information about the property, plant and equipment is provided in Note 6(10), 'Impairment of non-financial assets'.
- E. Information about the property, plant and equipment that were pledged to others as collateral as of September 30, 2025, December 31, 2024 and September 30, 2024 is provided in Note 8, 'Pledged assets'.

(7) Lease transaction – lessee

- A. The Group leases various assets including land (including the land located in Dayong Section, Gangshan District, Kaohsiung City and the land use right in Songmushan management area, Dalang Town, Dongguan City and Baihe Town, Shanghai City under the contracts signed with the People's Republic of China), buildings, and business vehicles. Rental contracts are typically made for periods of 1 to 50 year(s). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 82,074	\$ 91,212	\$ 91,842
Buildings	191,891	95,331	90,108
Machinery and equipment	101,531	-	-
Transportation equipment	4,188	3,399	3,792
	<u>\$ 379,684</u>	<u>\$ 189,942</u>	<u>\$ 185,742</u>

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,354	\$ 1,433
Buildings	13,945	6,186
Machinery and equipment	10,503	-
Transportation equipment	553	392
	<u>\$ 26,355</u>	<u>\$ 8,011</u>

	For the nine-month periods ended September 30,	
	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 4,168	\$ 4,272
Buildings	37,540	18,265
Machinery and equipment	24,507	-
Transportation equipment	1,542	986
	<u>\$ 67,757</u>	<u>\$ 23,523</u>

- C. For the three-month and nine-month periods ended September 30, 2025 and 2024, the additions to right-of-use assets were \$277, \$—, \$268,778 and \$83,456, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	For the three-month periods ended September 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expenses on lease liabilities	\$ 3,203	\$ 1,931
Expense on short-term leases	3,354	2,108

	For the nine-month periods ended September 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expenses on lease liabilities	\$ 8,675	\$ 5,973
Expense on short-term leases	9,584	6,769

- E. For the nine-month periods ended September 30, 2025 and 2024, the company's total cash outflow for leases were \$79,178 and \$32,578, respectively.
- F. Details of the Group's right-of-use assets pledged to others as collateral as of September 30, 2025, December 31, 2024 and September 30, 2024 are provided in Note 8, 'Pledged assets'.

(8) Intangible assets

	Computer Software	
	For the nine-month periods ended September 30,	
	2025	2024
<u>At January 1</u>		
Cost	\$ 23,488	\$ 24,436
Accumulated amortization	(18,416)	(16,689)
	<u>\$ 5,072</u>	<u>\$ 7,747</u>
<u>Period from January to September</u>		
At January 1	\$ 5,072	\$ 7,747
Additions – acquired separately	748	149
Transfers from prepayments for equipment	2,225	-
Amortization charge	(2,167)	(2,598)
Write-offs - cost	(935)	(2,399)
- accumulated amortization	935	2,399
Net exchange differences	(147)	149
At September 30	<u>\$ 5,731</u>	<u>\$ 5,447</u>
<u>At September 30</u>		
Cost	\$ 24,420	\$ 22,924
Accumulated amortization	(18,689)	(17,477)
	<u>\$ 5,731</u>	<u>\$ 5,447</u>

A. No interest expense was capitalized for the three-month and nine-month periods ended September 30, 2025 and 2024.

B. Details of amortization expenses on intangible assets are as follows:

	For the three-month periods ended September 30,	
	2025	2024
Operating costs	\$ 110	\$ 168
Selling expenses	4	4
General and administrative expenses	321	397
Research and development expenses	247	286
	<u>\$ 682</u>	<u>\$ 855</u>
	For the nine-month periods ended September 30,	
	2025	2024
Operating costs	\$ 445	\$ 514
Selling expenses	12	12
General and administrative expenses	946	1,169
Research and development expenses	764	903
	<u>\$ 2,167</u>	<u>\$ 2,598</u>

- C. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group had no intangible assets pledged to others.

(9) Non-current assets held for sale, net

The Company's Board of Directors resolved to sell land and buildings located in the Tai'an section of Gangshan District, Kaohsiung City, to a related party - Mixiang Foods Co., Ltd., a 100% owned subsidiary of Jia Jie Biomedical Co., Ltd. The transaction amount is authorized to be determined by the Chairman, with a minimum price set at \$121,500. A sales contract was signed in November 2024, which the transaction amount is \$122,666. The first installment payment of \$12,249 has been received in advance. This transaction is expected to be completed in the first quarter of 2026.

	September 30, 2025	December 31, 2024
Land	\$ 23,834	\$ 23,834
Buildings	4,543	4,543
	<u>\$ 28,377</u>	<u>\$ 28,377</u>

As of September 30, 2024, there was no such situation.

(10) Impairment of non-financial assets

- A. The Group did not recognize impairment loss for the nine-month periods ended September 30, 2025 and 2024.
- B. As of September 30, 2025, December 31, 2024 and September 30, 2024, the accumulated impairment loss of property, plant and equipment both amounted to \$42, after recognizing or reversing any impairment loss.

(11) Short-term borrowings

Type of borrowings	September 30, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ <u>1,407,167</u>	0.40%~2.49%	No
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ <u>260,877</u>	0.50%~5.50%	No
Type of borrowings	September 30, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 117,000	1.86%~2.58%	No
Secured borrowings	5,000	2.13%	Note
	<u>\$ 122,000</u>		

(Note) Please refer to Note 8 "Explanation of pledged assets."

- A. For the interest expenses recognized in profit and loss for the three-month and nine-month periods ended September 30, 2025 and 2024, please refer to Note 6、(25) 'Explanation of

Financial Costs.’

(12) Short-term notes and bills payable

Type of borrowings	September 30, 2025	Interest rate range	Collateral
Commercial papers	\$ 59,864	2.08%	No

- A. There was no such transaction as of September 30, 2024 and December 31, 2024.
- B. The aforementioned commercial papers payable was issued and guaranteed by financial institutions for short-term funds.
- C. Details of interest expense recognized in profit or loss for the three-month and nine-month periods ended September 30, 2025 are provided in Note 6(25), ‘Finance costs’.

(13) Bonds payable

	September 30, 2025	December 31, 2024	September 30, 2024	Collateral
Guaranteed ordinary bonds payable	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	Note
Guaranteed convertible bonds payable	-	1,600,000	1,600,000	—
	\$ 3,000,000	\$ 4,600,000	\$ 4,600,000	
Less: Discount on bonds payable	(2,453)	(6,320)	(10,134)	
	2,997,547	4,593,680	4,589,866	
Less: Current portion	-	(1,596,736)	(1,593,126)	
	\$ 2,997,547	\$ 2,996,944	\$ 2,996,740	

(Note) Please refer to Note 8 “Explanation of pledged assets.”

- A. The Company was issued the first domestic guaranteed bonds payable from October 2021, its main issuance conditions are as follows:
- (a) The company was approved by the competent authority to raise and issue the first domestic guaranteed bonds payable with a total amount of \$3,000,000 (Related issue costs \$5,650), with a coupon rate of 0.65% and a maturity period of 7 years from October 15, 2021 to October 15, 2028. The bonds are repayable in cash at the face value of the bonds upon maturity.
- (b) First Commercial Bank Co., Ltd. was appointed as the guarantor bank for the bonds. The guarantee period is from the date of full collection of the bonds to the date of full payment of the principal and interest payable under the Plan, and the guarantee covers the outstanding principal and interest compensation payable under the Plan, which are subordinate to the principal debt.
- (c) The principal and simple interest will be paid every year by coupon rate since the day approved to issue. If the local financial institutions are closed in payment day, the principal

and interest will be paid on the next operating day without extra interest.

- B. In March 2022, the company issued first, second and third domestic guaranteed convertible bonds payable with a total amount of \$700,000(Related issue costs \$2,432), \$500,000(Related issue costs \$2,006), \$400,000(Related issue costs \$1,417), respectively. Issuance price were \$779,162, \$557,563 and \$445,004, respectively with a coupon rate of 0% and a maturity period of 3 years from March 25, 2022 to March 25, 2025. Upon maturity, all convertible bonds were fully redeemed.
- C. When the company issues convertible corporate bonds, in accordance with the provisions of Amendments to IAS 32 "Financial Instruments: Expression", the conversion right which is of the nature of equity is separated from each liability component, and the account is "capital reserve-share options" \$221,790. Since the bonds have matured and were fully redeemed, the balance was reclassified to "Capital Surplus – Others."
- D. Details of interest expense recognized in profit or loss for the three-month and nine-month periods ended September 30, 2025 and 2024 provided in Note 6, (25), Financial costs.

(14) Provisions for liabilities – current

	Warranty	
	For the nine-month periods ended September 30,	
	2025	2024
At January 1	\$ 7,002	\$ 6,401
Additional provisions	1,740	3,308
Used during the year	(3,905)	(2,771)
Unused amounts reversed	(566)	(208)
At the period	\$ 4,271	\$ 6,730

The Group provides warranties on machinery products sold. Provision for warranty is estimated based on historical warranty data of such products.

(15) Long term borrowings

Type of borrowings	Borrowing period	Interest rate range	Collateral	September 30, 2025
Long-term bank borrowings				
Unsecured borrowings	2025.6.6~2027.4.8	2.03%	No	\$ 100,000
Secured borrowings	2022.5.15~2029.6.15	1.55%	Refer to Note 8	18,186
				118,186
Less: Current portion of long-term borrowings				(6,583)
				\$ 111,603

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured borrowings	2022.5.15~ 2029.6.15	1.55%	Refer to Note 8	\$ 23,123
Less: Current portion of long-term borrowings				(6,583)
				<u>\$ 16,540</u>

Type of borrowings	Borrowing period	Interest rate range	Collateral	September 30, 2024
Long-term bank borrowings				
Secured borrowings	2022.5.15~ 2029.6.15	1.55%	Refer to Note 8	\$ 24,769
Less: Current portion of long-term borrowings				(6,583)
				<u>\$ 18,186</u>

Details of interest expense recognized in profit or loss for the three-month and nine-month periods ended September 30, 2025 and 2024 are provided in Note 6(25), 'Finance costs'.

(16) Pensions

A. The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the R.O.C. Labor Standards Act, covering all regular employees' service years prior to the enforcement of the R.O.C. Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the R.O.C. Labor Pension Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March. The information on defined benefit pension plans of the Company and its subsidiary, Pt Moon Lion Industries Indonesia, is as follows:

- (a) Retirement costs recognized by the Group in accordance with the above-mentioned pension measures for the three-month and nine-month periods ended September 30, 2025 and 2024 were \$4,918, \$2,755, \$13,351 and \$8,125, respectively.
- (b) The estimated contribution of the Group to the retirement plan in the next year is \$1,955.

- B. Since July 1, 2005, the Company and its domestic subsidiaries have established defined retirement measures in accordance with the “Labor Pension Act” of the Republic of China applicable to employees of the ROC nationality. The employees of the Company and its domestic subsidiaries who choose to apply the labor pension system stipulated in the “Labor Pension Act” of the Republic of China, 6% of their salaries is allocated to the individual accounts of the employees at the Labor Insurance Bureau. The payment is based on the employee’s individual retirement pension account and the amount of accumulated income, and is received by the employee in the form of monthly pension or lump-sum pension. In accordance with the pension insurance system prescribed by the government of the People’s Republic of China, the subsidiaries of the Group allocate pension insurance funds at a certain rate of the total salary of local employees every month, and the retirement pension of each employee is managed and arranged by the local government. Subsidiaries have no further obligations except for monthly allocations. The cost of pensions recognized in accordance with the above-mentioned pension measures for the three-month and nine-month periods ended September 30, 2025 and 2024 were \$12,670, \$11,876, \$38,072 and \$37,775, respectively.

(17) Share capital

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

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Number of shares at the beginning and at the end of the periods	<u>302,163</u>	<u>302,163</u>

- B. As of September 30, 2025, the Company’s authorised capital was \$3,920,696, and the paid-in capital was \$3,021,627, consisting of 302,163 thousand ordinary shares, with a par value of \$10 (in dollars) per share which were issued in several installments. All proceeds from shares issued have been collected.

- C. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company’s treasury shares are as follows: (Unit: Shares in thousands)

<u>Reason for reacquisition</u>	<u>For the nine-month periods ended September 30, 2025</u>				<u>Number of shares at the end of the year</u>
	<u>Number of shares at the beginning of the year</u>	<u>Addition</u>	<u>Decrease</u>		
Acquisition of the parent company’s shares by subsidiaries	<u>23,430</u>	<u>-</u>	<u>-</u>		<u>23,430</u>

For the nine-month periods ended +September 30, 2024				
Reason for reacquisition	Number of shares at the beginning of the year	Addition	Decrease	Number of shares at the end of the year
Acquisition of the parent company's shares by subsidiaries	23,430	-	-	23,430

(b) As of September 30, 2025, December 31, 2024 and September 30, 2024 the book value (cost) was both \$267,195, and the fair value were \$402,999, \$574,039 and \$622,071, respectively. The shares of the Company held by the subsidiaries are recognised as treasury shares and are entitled to dividends, recorded under "Capital reserve-treasury stock transaction". The cash dividends and stock dividends paid to the subsidiaries amounted to \$23,430 and \$21,323 for the nine-month periods ended September 30, 2025 and 2024, respectively.

(c) Reason for share reacquisition and the number of the Company's treasury shares changed as of September 30, 2025, December 31, 2024 and September 30, 2024. Details are as follows:

Name of company holding the shares	Reason for reacquisition	September 30, 2025	
		Number of shares (in thousands)	Carrying amount
Chun Yu Investment Co., Ltd.	Acquisition of the parent company's shares by subsidiaries	23,430	\$ 267,195

Name of company holding the shares	Reason for reacquisition	December 31, 2024	
		Number of shares (in thousands)	Carrying amount
Chun Yu Investment Co., Ltd.	Acquisition of the parent company's shares by subsidiaries	23,430	\$ 267,195

Name of company holding the shares	Reason for reacquisition	September 30, 2024	
		Number of shares (in thousands)	Carrying amount
Chun Yu Investment Co., Ltd.	Acquisition of the parent company's shares by subsidiaries	23,430	\$ 267,195

(18) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. Movements in capital surplus are as follows:

For the nine-month periods ended September 30, 2025	Share options	Consideration and carrying amount of subsidiaries acquired or disposed	Treasury share transactions	Other	Total
Balance at the beginning of year	\$ 221,790	\$ 26,901	\$ 273,985	\$ -	\$ 522,676
Transactions with non- controlling interests of subsidiaries	-	13,598	-	-	13,598
Transfers to capital surplus for the Company's dividends received by subsidiaries	-	-	23,430	-	23,430
Reclassification of expired share options.	(221,790)	-	-	221,790	-
Balance at the end of year	\$ -	\$ 40,499	\$ 297,415	\$ 221,790	\$ 559,704

For the nine-month periods ended September 30, 2024	Share options	Consideration and carrying amount of subsidiaries acquired or disposed	Treasury share transactions	Total
Balance at the beginning of year	\$ 221,790	\$ 26,901	\$ 252,662	\$ 501,353
Transfers to capital surplus for the Company's dividends received by subsidiaries	-	-	21,323	21,323
Balance at the end of year	\$ 221,790	\$ 26,901	\$ 273,985	\$ 522,676

- B. Details of ‘Capital reserve-share options’ are provided in Note 6(13), ‘Bonds payable’.
- C. Details of ‘Capital reserve-treasury share transactions’ are provided in Note 6(17), ‘Share capital’.
- D. Details of ‘Capital reserve-Consideration and carrying amount of subsidiaries acquired or disposed’ are provided in Note 6(30), and ‘the description of transactions with non-controlling interests’.

(19) Retained earnings

- A. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company’s paid-in capital.
- B. Under the Company’s Articles of Incorporation, the Company may distribute earnings or offset losses at the end of each half fiscal year in accordance with the Company Act. When distributing earnings, the Company shall estimate and reserve for taxes payable, offset losses and set aside as legal reserve until the legal reserve equals the paid-in capital in accordance with the regulations. Where dividends are distributed in the form of cash, it shall be approved by the Board of Directors. Where dividends are distributed by issuing new shares, it shall be approved by the stockholders in accordance with the regulations. The current year’s earnings, if any, shall first be used to pay all taxes, offset prior years’ operating losses, set aside 10% of the remaining amount as legal reserve and then reverse or set aside as special reserve in accordance with relevant regulations. The remaining earnings along with accumulated unappropriated earnings from prior years will be the accumulated distributable earnings, and the Board of Directors will present a proposal of the earnings distribution for the approval of the shareholders. Where dividends and bonus, capital surplus and legal reserve, in whole or in part, are distributed in the form of cash, the Board of Directors is authorised make the distribution by approval of more than half of the directors present at the meeting, where more than two-thirds of the directors are present, and the report of such distribution shall be submitted to the shareholders’ meeting. The regulation in relation to approval from the shareholders is not applicable. In principal, at least 50% of earnings, after considering the capital needs for current and future development and the interest of shareholders, shall be distributed as dividends according to the dividend policy. However, if there is a need due to changes in the industry’s environment or operational plans, the Board of Directors may present a proposal to adjust the ratio for the approval of the shareholders.

C. Special reserve:

- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. For the period from January to September 2025, a special reserve of \$12,324 was appropriated in accordance with the above-mentioned circumstances. As of September 30, 2025, the balance of the special reserve that has not yet been reversed amounted to \$442,934.
- (b) The amount of \$430,610 previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The Company recognized cash dividends of \$274,968 distributed to owners for the fiscal year 2023. On May 26, 2025, the Annual general meeting proposed for the distribution of cash dividends from 2024 earnings amounting to \$302,163 (\$1.00 (in dollars) per share).

(20) Other equity

For the nine-month periods ended September 30, 2025			
	Currency translation	Unrealized gains(losses) on valuation	Total
At January 1	(\$ 78,627)	(\$ 364,307)	(\$ 442,934)
Revaluation – currency translation	(203,839)	-	(203,839)
Revaluation – unrealized gains (losses) on valuation	-	(78,270)	(78,270)
At September 30	(\$ 282,466)	(\$ 442,577)	(\$ 725,043)
For the nine-month periods ended September 30, 2024			
	Currency translation	Unrealized gains(losses) on valuation	Total
At January 1	(\$ 191,581)	(\$ 203,059)	(\$ 394,640)
Revaluation – currency translation	100,106	-	100,106
Revaluation – unrealized gains (losses) on valuation	-	(72,565)	(72,565)
At September 30	(\$ 91,475)	(\$ 275,624)	(\$ 367,099)

(21) Operating revenue

For the three-month periods ended September 30,		
	2025	2024
Revenue from contracts with customers	\$ 2,046,279	\$ 2,379,777
For the nine-month periods ended September 30,		
	2025	2024
Revenue from contracts with customers	\$ 6,381,197	\$ 6,600,043

A. The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

For the three-month periods ended September 30,2025

<u>Major product line</u>	<u>Screw segment</u>	<u>Machinery segment</u>	<u>Total</u>
Screws and nuts	\$ 1,246,444	\$ -	\$ 1,246,444
Billet	243,275	-	243,275
Machinery and equipment	-	212,340	212,340
Wire rods	256,889	-	256,889
Other	40,065	47,266	87,331
	<u>\$ 1,786,673</u>	<u>\$ 259,606</u>	<u>\$ 2,046,279</u>

For the three-month periods ended September 30,2024

<u>Main product line</u>	<u>Screw segment</u>	<u>Machinery segment</u>	<u>Total</u>
Screws and nuts	\$ 1,224,866	\$ -	\$ 1,224,866
Billet	315,824	-	315,824
Machinery and equipment	-	283,032	283,032
Wire rods	483,338	-	483,338
Other	52,087	20,630	72,717
	<u>\$ 2,076,115</u>	<u>\$ 303,662</u>	<u>\$ 2,379,777</u>

For the nine-month periods ended September 30,2025

<u>Major product line</u>	<u>Screw segment</u>	<u>Machinery segment</u>	<u>Total</u>
Screws and nuts	\$ 3,608,451	\$ -	\$ 3,608,451
Billet	934,662	-	934,662
Machinery and equipment	-	767,704	767,704
Wire rods	854,405	-	854,405
Other	119,479	96,496	215,975
	<u>\$ 5,516,997</u>	<u>\$ 864,200</u>	<u>\$ 6,381,197</u>

For the nine-month periods ended September 30,2024

<u>Main product line</u>	<u>Screw segment</u>	<u>Machinery segment</u>	<u>Total</u>
Screws and nuts	\$ 3,571,218	\$ -	\$ 3,571,218
Billet	559,316	-	559,316
Machinery and equipment	-	727,221	727,221
Wire rods	1,526,885	-	1,526,885
Other	139,284	76,119	215,403
	<u>\$ 5,796,703</u>	<u>\$ 803,340</u>	<u>\$ 6,600,043</u>

B. Contract liabilities

As of September 30, 2025, December 31, 2024, September 30, 2024 and December 31, 2023, the Group has recognized revenue-related contract liabilities of \$431,551, \$493,416, \$561,877 and \$481,924, respectively. Revenue recognised for the nine-months periods ended September 30, 2025 and 2024, which was included in the contract liabilities at the beginning of the year, amounted to \$312,623 and \$327,173, respectively.

(22) Interest income

		<u>For the three-month periods ended September 30,</u>	
		<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$	2,417	\$ 9,249
Other interest		1,310	3,897
	\$	<u>3,727</u>	<u>\$ 13,146</u>
		<u>For the nine-month periods ended September 30,</u>	
		<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$	13,375	\$ 21,905
Other interest		3,607	8,089
	\$	<u>16,982</u>	<u>\$ 29,994</u>

(23) Other income

		<u>For the three-month periods ended September 30,</u>	
		<u>2025</u>	<u>2024</u>
Rent income	\$	477	\$ 525
Dividend income		6,382	13,826
Government grants		164	-
Other income		2,449	2,342
	\$	<u>9,472</u>	<u>\$ 16,693</u>
		<u>For the nine-month periods ended September 30,</u>	
		<u>2025</u>	<u>2024</u>
Rent income	\$	1,175	\$ 1,450
Dividend income		22,850	13,826
Government grants		626	4,080
Other income		16,495	12,195
	\$	<u>41,146</u>	<u>\$ 31,551</u>

(24) Other gains and losses

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Gains (losses) on financial assets at fair value through profit or loss	\$ 12,596	(\$ 12,730)
Gains on disposal of property, plant and equipment	15,833	6,096
Net foreign exchange gains(losses)	13,789	(1,092)
Miscellaneous disbursements	(90)	(2,315)
	<u>\$ 42,128</u>	<u>(\$ 10,041)</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
(Losses)gains on financial assets at fair value through profit or loss	(\$ 32,792)	\$ 103,326
Gains on disposal of property, plant and equipment	26,712	11,290
Net foreign exchange (losses)gains	(31,146)	13,566
Compensation losses	(4,810)	-
Miscellaneous disbursements	(2,793)	(4,752)
	<u>(\$ 44,829)</u>	<u>\$ 123,430</u>

(25) Finance costs

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest expenses:		
Bank borrowings	\$ 7,950	\$ 2,992
Ordinary bonds payable	12,117	11,925
Convertible bonds payable	-	7,293
Interest on lease liabilities	3,203	1,931
	<u>\$ 23,270</u>	<u>\$ 24,141</u>

	For the nine-month periods ended September 30,	
	2025	2024
Interest expenses:		
Bank borrowings	\$ 17,836	\$ 12,845
Ordinary bonds payable	36,052	36,346
Convertible bonds payable	5,841	21,093
Interest on lease liabilities	8,675	5,973
	<u>\$ 68,404</u>	<u>\$ 76,257</u>

(26) Expenses by nature

	For the three-month periods ended September 30, 2025		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 214,597	\$ 111,249	\$ 325,846
Depreciation	63,118	14,922	78,040
Amortization	110	572	682
	<u>\$ 277,825</u>	<u>\$ 126,743</u>	<u>\$ 404,568</u>

	For the three-month periods ended September 30, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 198,043	\$ 105,212	\$ 303,255
Depreciation	49,995	15,265	65,260
Amortization	168	687	855
	<u>\$ 248,206</u>	<u>\$ 121,164</u>	<u>\$ 369,370</u>

	For the nine-month periods ended September 30, 2025		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 606,464	\$ 318,174	\$ 924,638
Depreciation	182,765	46,279	229,044
Amortization	445	1,722	2,167
	<u>\$ 789,674</u>	<u>\$ 366,175</u>	<u>\$ 1,155,849</u>

	For the nine-month periods ended September 30, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 582,257	\$ 311,403	\$ 893,660
Depreciation	153,504	45,831	199,335
Amortization	514	2,084	2,598
	<u>\$ 736,275</u>	<u>\$ 359,318</u>	<u>\$ 1,095,593</u>

(27) Employee benefit expense

For the three-month periods ended September 30,2025			
	Classified as	Classified as	
	operating costs	operating expenses	Total
Wages and salaries	\$ 178,628	\$ 93,291	\$ 271,919
Labour and health insurance fees	16,250	6,035	22,285
Pension costs	10,691	6,897	17,588
Other personnel expenses	9,028	5,026	14,054
	<u>\$ 214,597</u>	<u>\$ 111,249</u>	<u>\$ 325,846</u>

For the three-month periods ended September 30,2024			
	Classified as	Classified as	
	operating costs	operating expenses	Total
Wages and salaries	\$ 167,604	\$ 89,355	\$ 256,959
Labour and health insurance fees	14,158	6,151	20,309
Pension costs	10,580	4,051	14,631
Other personnel expenses	5,701	5,655	11,356
	<u>\$ 198,043</u>	<u>\$ 105,212</u>	<u>\$ 303,255</u>

For the nine-month periods ended September 30,2025			
	Classified as	Classified as	
	operating costs	operating expenses	Total
Wages and salaries	\$ 508,531	\$ 267,035	\$ 775,566
Labour and health insurance fees	46,229	17,965	64,194
Pension costs	31,877	19,546	51,423
Other personnel expenses	19,827	13,628	33,455
	<u>\$ 606,464</u>	<u>\$ 318,174</u>	<u>\$ 924,638</u>

For the nine-month periods ended September 30,2024			
	Classified as	Classified as	
	operating costs	operating expenses	Total
Wages and salaries	\$ 490,424	\$ 266,461	\$ 756,885
Labour and health insurance fees	42,751	16,546	59,297
Pension costs	31,754	14,146	45,900
Other personnel expenses	17,328	14,250	31,578
	<u>\$ 582,257</u>	<u>\$ 311,403</u>	<u>\$ 893,660</u>

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be less than 2% for employees' compensation (0.4% of the profits shall be allocated as remuneration for junior-level employees) and shall not be higher than 2% for directors' remuneration. However, if the Company has accumulated deficit, the earnings shall be reserved to offset losses.
- B. For the three-month periods and the nine-month periods ended September 30, 2025 and 2024, employees' compensation was accrued at \$1,300, \$3,600, \$2,080 and \$5,915 respectively; while directors' remuneration were accrued at \$1,300, \$3,600, \$2,080 and \$5,915, respectively. The employees' compensation and directors' remuneration resolved by the Board of Directors on March 6, 2025 were \$6,290 and 6,280, respectively, and the employees' compensation will be distributed in the form of cash, consistent with the amount recognized on the financial statements for the year ended December 31, 2024. The aforementioned amounts were recognized in salary expenses and were accrued based on the earnings of current year and the percentage prescribed by the Company's Articles of Incorporation. The employees' compensation and directors' remuneration resolved by the Board of Directors on March 6, 2025 were \$6,290 and 6,280, respectively.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

- A. Components of income tax expenses:

- (a) Components of income tax expenses:

	For the three-month periods ended September 30,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 39,965	\$ 36,442
Tax on undistributed surplus earnings	-	601
Prior year income tax under estimation	103	28
Total current tax	<u>40,068</u>	<u>37,071</u>
Deferred tax:		
Origination and reversal of temporary differences	(15,351)	(12,595)
Income tax expense	<u>\$ 24,717</u>	<u>\$ 24,476</u>

		For the nine-month periods ended September 30,	
		2025	2024
Current tax:			
Current tax on profits for the year	\$	97,003	\$ 98,828
Tax on undistributed surplus earnings		-	601
Prior year income tax under estimation		1,151	(1,689)
Total current tax		<u>98,154</u>	<u>97,740</u>
Deferred tax:			
Origination and reversal of temporary differences		(17,304)	(14,087)
Income tax expense	\$	<u>80,850</u>	<u>\$ 83,653</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

		For the three-month periods ended September 30,	
		2025	2024
Exchange differences on translation of foreign financial statements	\$	<u>10,714</u>	<u>\$ 6,423</u>

		For the nine-month periods ended September 30,	
		2025	2024
Exchange differences on translation of foreign financial statements	(\$	<u>36,745)</u>	<u>\$ 13,598</u>

- B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of November 6, 2025.

(29) Earnings per share

For the three-month periods ended September 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 32,859	278,733	\$ 0.12
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 32,859	278,733	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	128	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 32,859	278,861	\$ 0.12

For the three-month periods ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 42,554	278,733	\$ 0.15
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 42,554	278,733	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	231	
Convertible bonds	2,881	42,667	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 45,435	321,631	\$ 0.14

For the nine-month periods ended September 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 69,881	278,733	\$ 0.25
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 69,881	278,733	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	185	
Convertible bonds	2,770	42,667	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 72,651	321,585	\$ 0.23

For the nine-month periods ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 259,080	278,733	\$ 0.93
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 259,080	278,733	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	296	
Convertible bonds	8,563	42,667	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 267,643	321,696	\$ 0.83

(30) Transactions with non-controlling interests

In April 2025, the Group acquired an 11.38% equity interest in its subsidiary, Pt Moon Lion Industries Indonesia, for a total consideration of \$128,867. The carrying amount of the related non-controlling interests at the acquisition date was \$142,465. As a result of the transaction, non-controlling interests decreased by \$142,465, and equity attributable to owners of the parent increased by \$13,598, which was presented under “Capital surplus – difference between consideration paid or received for acquisition or disposal of equity interests in subsidiaries and their carrying amounts.”

(31) Supplementary cash flow information

A. Investment and financing activities with partial cash payments:

	For the nine-month periods ended September 30,	
	2025	2024
(a) Acquisition of property, plant and equipment		
	\$ 133,428	\$ 44,405
Add: Opening balance of payable on equipment (listed as ‘Other payables’)	8,024	14,491
Less: Ending balance of payable on equipment (listed as ‘Other payables’)	(17,046)	(11,920)
Cash paid for acquisition of property, plant and equipment	<u>\$ 124,406</u>	<u>\$ 46,976</u>
(b) Cash dividends declared		
Less: Dividends received by subsidiaries for holding the parent company’s shares	\$ 302,163	\$ 274,968
Ending balance of payable on cash dividends (shown as ‘Other payables’)	(23,430)	(21,323)
Cash dividends declared	<u>\$ 278,733</u>	<u>\$ 253,645</u>

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

	For the nine-month periods ended September 30,	
	2025	2024
(a) Write-offs of uncollectible receivables	\$ 10,799	\$ 72
(b) Inventories transferred to property, plant and equipment	\$ -	\$ 583
(c) Prepayments for business facilities transferred to property, plant and equipment	\$ 19,885	\$ 5,310
(d) Prepayments for business facilities transferred to intangible assets	\$ 2,225	\$ -
(e) Other non-current assets transferred to property estate, plant and equipment	\$ -	\$ 681

(32) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liability	Bonds Payable (including current portion)	Long-term borrowings (including current portion)	Guarantee Deposits received	Liabilities from Financing activities-gross
January 1, 2025	\$ 260,877	\$ -	\$ 111,406	\$ 4,593,680	\$ 23,123	\$ 457	\$ 4,989,543
Changes in cash flow from financing activities	1,146,290	59,864	(60,919)	(1,600,000)	95,063	-(	359,702)
Changes in unamortized discount	-	-	-	3,867	-	-	3,867
Changes in other non-cash items	-	-	268,778	-	-	-	268,778
Impact of changes in foreign exchange rate	-	-(	7,006)	-	-	-(	7,006)
September 30, 2025	<u>\$ 1,407,167</u>	<u>\$ 59,864</u>	<u>\$ 312,259</u>	<u>\$ 2,997,547</u>	<u>\$ 118,186</u>	<u>\$ 457</u>	<u>\$ 4,895,480</u>

	Short-term borrowings	Lease liability	Bonds Payable (including current portion)	Long-term borrowings (including current portion)	Guarantee Deposits received	Liabilities from Financing activities-gross	
January 1, 2024	\$ 478,186	\$ 43,424	\$ 4,578,558	\$ 29,706	\$ 457	\$ 5,130,331	
Changes in cash flow from financing activities	(356,186)	(19,836)	-	(4,937)	-(	380,959)	
Changes in unamortized discount	-	-	11,308	-	-	11,308	
Changes in other non-cash items	-	83,456	-	-	-	83,456	
Impact of changes in foreign exchange rate	-	-(	867)	-	-	-(	867)
September 30, 2024	<u>\$ 122,000</u>	<u>\$ 106,177</u>	<u>\$ 4,589,866</u>	<u>\$ 24,769</u>	<u>\$ 457</u>	<u>\$ 4,843,269</u>	

7. Related party transactions

(1) Names of related parties and relationship

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Ofco Industrial Corp.	Other related party
Gloria Material Technology Corp.	Other related party
TSG Transportation Corp.	Other related party
TSG Power Corp.	Other related party
Golden Win Steel Industrial Corp.	Other related party
Shanghai Wangzhan Trading Co.,Ltd.	Other related party
Jia Jie Biomedical Co., Ltd.	Other related party
Mixiang Foods Co., Ltd.	Other related party

(2) Significant related party transactions

A. Operating revenue

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Sales of goods:		
Other related parties	\$ <u>136,984</u>	\$ <u>177,572</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Sales of goods:		
Other related parties	\$ <u>403,902</u>	\$ <u>462,897</u>

Goods are sold to related parties based on the terms that would be available to third parties and the average credit term is 2 months. The credit terms for machinery and equipment sales are based on the terms specified in the contracts, some of which are sold on installment over a period of 1 ~ 3 years, and for spare parts sales are 3 ~ 4 months.

B. Purchase

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Purchases of goods:		
Other related parties	\$ <u>9,622</u>	\$ <u>19,264</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Purchases of goods:		
Other related parties	\$ <u>147,508</u>	\$ <u>35,072</u>

Goods are purchased from related parties based on the prices and terms that would be available to third parties and the average payment terms are 1 ~ 2 months. However, both parties may negotiate to extend payment terms according to the funds available.

C. Property transactions

(a) Acquisition of assets:

		<u>For the nine-month periods ended September 30,</u>	
	<u>Objects</u>	<u>2025</u>	<u>2024</u>
Other related parties	Machinery and equipment	\$ <u>17,776</u>	\$ <u>-</u>

The Group purchases property, plant and equipment from related parties at a negotiated price.

(b) Disposals of assets :

	Objects	For the nine-month periods ended September 30, 2024	
		Disposal proceeds	Gain on disposal
Other related parties	Machinery and equipment	\$ 1,762	\$ 1,637

There was no such transaction for the nine-month periods ended September 30, 2025.

D. Lease transactions — lessee

- (a) The Group entered into a lease agreement with Ofco Industrial Corp.. in March 2025 to lease buildings and machinery. The lease term ranges from 3 to 7 years, with monthly rental payments made in accordance with the terms of the agreement.

- (b) Statement of the acquisition of use-right assets

	For the nine-month periods ended September 30,	
	2025	2024
Ofco Industrial Corp.	\$ 262,885	\$ -

- (c) Interest on lease liabilities:

- i. Balance at September 30

	September 30, 2025	September 30, 2024
Ofco Industrial Corp.	\$ 223,896	\$ -

- ii. Interest expense:

	For the three-month periods ended September 30,	
	2025	2024
Ofco Industrial Corp.	\$ 2,305	\$ -

	For the nine-month periods ended September 30,	
	2025	2024
Ofco Industrial Corp.	\$ 5,640	\$ -

E. Other expenses

	For the three-month periods ended September 30,	
	2025	2024
Other related parties	\$ 16,855	\$ 21,701
	For the nine-month periods ended September 30,	
	2025	2024
Other related parties	\$ 41,461	\$ 56,185

F. Other income

	For the three-month periods ended September 30,	
	2025	2024
Other related parties	\$ 357	\$ 421
	For the nine-month periods ended September 30,	
	2025	2024
Gloria Material Technology Corp.	\$ 14,368	\$ -
Other related parties	2,832	2,239
	\$ 17,200	\$ 2,239

G. Amounts receivable from related parties

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable :			
Other related parties	\$ -	\$ -	\$ 164
Accounts receivable :			
Ofco Industrial Corp.	\$ 153,557	\$ 140,215	\$ 71,143
Other receivable :			
Other related parties	\$ 132	\$ 94	\$ 144

H. Prepayments

	September 30, 2025	December 31, 2024	September 30, 2024
Other related parties	\$ 29	\$ 6,765	\$ -

I. Guarantee deposits paid

	September 30, 2025	December 31, 2024	September 30, 2024
Ofco Industrial Corp.	\$ 12,192	\$ -	\$ -

J. Payables to related parties

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable			
Other related parties	\$ 11,702	\$ 31,224	\$ 12,042
Other payables			
Other related parties	\$ 16,580	\$ 10,607	\$ 10,833

K. Advance receipts

	September 30, 2025	December 31, 2024	September 30, 2024
Mixiang Foods Co., Ltd.	\$ 12,249	\$ 12,249	\$ -

(3) Key management compensation

	For the three-month periods ended September 30,	
	2025	2024
Wages and salaries and other short-term benefits	\$ 15,625	\$ 19,481
	For the nine-month periods ended September 30,	
	2025	2024
Wages and salaries and other short-term benefits	\$ 53,069	\$ 55,012

8. Pledged assets

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

Assets	September 30, 2025	December 31, 2024	September 30, 2024	Purpose
Pledged demand deposits (Note 1)	\$ -	\$ 14,638	\$ 15,515	Guarantee, collateral for short-term and long-term borrowings and bonds payable
Inventories	79,200	79,200	79,200	Collateral for short-term and long-term borrowings
Land (Note 2)	453,275	453,275	453,275	Collateral for short-term and long-term borrowings and bonds payable
Buildings, net (Note 2)	105,346	107,379	108,167	Collateral for short-term and long-term borrowings and bonds payable
Machinery and equipment, net (Note 2)	45,668	47,475	47,475	Collateral for short-term and long-term borrowings
	<u>\$ 683,489</u>	<u>\$ 701,967</u>	<u>\$ 703,632</u>	

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

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

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group's capital expenditures contracted for at the balance sheet date but not yet incurred were \$78,488, \$11,378 and \$7,442, respectively.

(2) As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group's line of credit issued but not yet negotiated were \$24,898, \$101,718 and \$451,103, respectively.

(3) Information on provision of endorsements and guarantees to others is provided in Note 13(1)B.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

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

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for over all risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

- (i) The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the RMB, USD and IDR. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- (ii) Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. The Group treasury uses forward foreign exchange contracts to manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- (iii) The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB and IDR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	September 30, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 8,238	30.45	\$ 250,809
USD : RMB	825	7.1055	25,124
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : IDR	1,310	16,637	39,887

		December 31, 2024		
(Foreign currency: functional currency)	Foreign currency	amount	Exchange	Book
	(In thousands)		rate	value
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	8,141	32.79	\$ 266,907
RMB : NTD		8,464	4.56	38,598
USD : RMB		844	7.1884	27,678
EUR : NTD		394	34.14	13,445
JPY : NTD		58,616	0.2099	12,303
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD		4,818	32.79	157,957
USD : IDR		889	16,150	29,139

		September 30, 2024		
(Foreign currency: functional currency)	Foreign currency	amount	Exchange	Book
	(In thousands)		rate	value
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	9,350	31.65	\$ 295,920
RMB : NTD		3,891	4.52	17,574
USD : RMB		1,056	7.0074	33,408
EUR : NTD		397	35.38	14,045
JPY : NTD		56,727	0.2223	12,610
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : IDR		1,042	15,216	32,971

The sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 1%, the Group's net income for the nine-month periods ended September 30, 2025, and 2024 would have decreased/increased by \$1,896 and \$2,724, respectively.

The total exchange gains (losses), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended September 30, the nine-month periods ended September 30, 2025 and 2024, amounted to \$13,789, (\$1,092), (\$31,146) and \$13,566, respectively.

ii. Price risk

- (i) The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio

is done in accordance with the limits set by the Group.

- (ii) The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit would have increased/decreased by \$4,158 and \$3,580 for the nine-month periods ended September 30, 2025 and 2024, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$8,096 and \$6,087, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

- (i) The Group's main interest rate risk arises from some borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the nine-month periods ended September 30, 2025, and 2024, the Group's borrowings at variable rate were mainly denominated in NTD, USD, and RMB.
- (ii) The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- (iii) If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax would have decreased/increased by \$549 and \$611 for the nine-month periods ended September 30, 2025 and 2024, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a certain rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. If the default rate of an investment target exceeds 10%, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Group adopts the assumption under IFRS 9, that is, the default occurs when the

contract payments are past due over 90 days.

- vii. The Group classifies customer's accounts receivable in accordance with credit risk on trade. The Group applies the modified approach using a provision matrix to estimate the expected credit loss and uses the historical and timely information to establish loss rate for assessing the default possibility of accounts receivable. Movements in relation to the Group applying the modified approach to provide loss allowance for notes and accounts receivable are as follows:

For the nine-month periods ended September 30,2025			
	Notes receivable	Accounts receivable	Total
Balance at January 1	\$ 65	\$ 27,968	\$ 28,033
Expected credit (gain) loss	133	5,901	6,034
Write-offs	-	(10,799)	(10,799)
Effect of foreign exchange	(6)	41	35
Balance at September 30	<u>\$ 192</u>	<u>\$ 23,111</u>	<u>\$ 23,303</u>

For the nine-month periods ended September 30,2024			
	Notes receivable	Accounts receivable	Total
Balance at January 1	\$ 153	\$ 26,664	\$ 26,817
Expected credit (gain) loss	(66)	2,340	2,274
Write-offs	-	(72)	(72)
Effect of foreign exchange	8	786	794
Balance at September 30	<u>\$ 95</u>	<u>\$ 29,718</u>	<u>\$ 29,813</u>

(c)Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

September 30, 2025	Less than 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities				
Short-term borrowings	\$ 1,418,926	\$ -	\$ -	\$ -
Short-term notes and bills payable	59,864	-	-	-
Notes payable	121	-	-	-
Accounts payable	507,167	-	-	-
Other payables	402,736	-	-	-
Lease liability	109,897	107,131	105,101	12,038
Bonds payable	1,950	1,950	3,003,900	-
Long-term borrowings (including current portion)	8,902	106,700	6,462	-
Guarantee deposits received	457	-	-	-

December 31, 2024	Less than 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities				
Short-term borrowings	\$ 265,865	\$ -	\$ -	\$ -
Notes payable	125	-	-	-
Accounts payable	517,483	-	-	-
Other payables	384,466	-	-	-
Lease liability	33,188	32,390	54,278	-
Bonds payable (including current portion)	1,601,950	1,950	3,003,900	-
Long-term borrowings (including current portion)	6,937	6,848	10,224	-
Guarantee deposits received	457	-	-	-

September 30, 2024	Less than 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities				
Short-term borrowings	\$ 123,718	\$ -	\$ -	\$ -
Notes payable	322	-	-	-
Accounts payable	503,749	-	-	-
Other payables	360,667	-	-	-
Lease liability	31,267	30,954	59,981	172
Bonds payable (including current portion)	1,601,950	1,950	3,005,850	-
Long-term borrowings (including current portion)	6,945	6,875	11,908	-
Guarantee deposits received	457	-	-	-

- iii. For non-derivative financial liabilities, the Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where

a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, emerging stocks with active market and beneficiary certificates is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability.

- B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost-current, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, bonds payable (including current portion), long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.
- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

<u>September 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 184,684	\$ 231,100	\$ -	\$ 415,784
Financial assets at fair value through other comprehensive income				
Equity securities	733,760	75,810	-	809,570
	<u>\$ 918,444</u>	<u>\$ 306,910</u>	<u>\$ -</u>	<u>\$ 1,225,354</u>
<u>Non-recurring fair value measurements</u>				
Non-current assets held for sale	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,377</u>	<u>\$ 28,377</u>
 <u>December 31, 2024</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 210,550	\$ 220,900	\$ -	\$ 431,450
Financial assets at fair value through other comprehensive income				
Equity securities	508,023	111,440	-	619,463
	<u>\$ 718,573</u>	<u>\$ 332,340</u>	<u>\$ -</u>	<u>\$ 1,050,913</u>
<u>Non-recurring fair value measurements</u>				
Non-current assets held for sale	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,377</u>	<u>\$ 28,377</u>

<u>September 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 118,352	\$ 233,500	\$ -	\$ 351,852
Beneficiary certificates	6,100	-	-	6,100
	<u>124,452</u>	<u>233,500</u>	<u>-</u>	<u>357,952</u>
Financial assets at fair value through other comprehensive income				
Equity securities	608,746	-	-	608,746
	<u>\$ 733,198</u>	<u>\$ 233,500</u>	<u>\$ -</u>	<u>\$ 966,698</u>

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

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

	<u>Listed shares</u>	<u>Emerging stocks</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Closing price	Net asset value

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- (c) Details of the non-current assets held for sale are provided in 6(9) 'Non-current assets held for sale'.
- E. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- F. For the nine-month periods ended September 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- G. For the nine-month periods ended September 30, 2025 and 2024, there was no transfer into or out from Level 3.
- H. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and making any other necessary adjustments to the fair value.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at September 30, 2025</u>	<u>Valuation technique</u>	<u>Significant Unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-current assets held for sale	\$ 122,666	Negotiation	Not Applicable	Not Applicable	Not Applicable
	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant Unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-current assets held for sale	\$ 122,666	Negotiation	Not Applicable	Not Applicable	Not Applicable

As of September 30, 2024, there was no such situation.

13. Supplementary Disclosures

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

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- F. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 7.
- B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: Purchases and sales between the Company and investees in Mainland China are eliminated when preparing consolidated financial statements. Information on significant transactions, such as purchases and sales, receivables and payables, provision of endorsements and guarantees and financing, between the Company and investees in Mainland China is provided in Note 13(1), B and F.

14. Segment Information

(1) General information

- A. Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The Group's reportable segments are as follows:
- (a) Screw segment: Primarily engaging in the manufacture, process and trade of screws and nuts, etc.
 - (b) Machinery segment: Primarily engaging in the manufacture, assemble and trade of machine tools and chemical machinery, etc.
 - (c) Investment segment: Primarily engaging in the general investment.
- B. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.
- C. The Group's chief operating decision-maker assesses the performance based on the segment's net operating profit. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4 in the consolidated financial statements.

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

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

	For the nine-month periods ended September 30, 2025			
	Screw segment	Machinery segment	Investment segment	Total
Segment revenue	\$ 5,919,403	\$ 879,027	\$ -	\$ 6,798,430
Inter-segment revenue	(402,406)	(14,827)	-	(417,233)
Revenue from external customers, net	5,516,997	864,200	-	6,381,197
Segment income before tax	400,556	31,392	(149,221)	282,727
Segment assets	9,334,226	1,816,090	137,191	11,287,507
Segment liabilities	5,956,463	851,395	-	6,807,858

	For the nine-month periods ended September 30, 2024			
	Screw segment	Machinery segment	Investment segment	Total
Segment revenue	\$ 6,263,140	\$ 810,437	\$ -	\$ 7,073,577
Inter-segment revenue	(466,437)	(7,097)	-	(473,534)
Revenue from external customers, net	5,796,703	803,340	-	6,600,043
Segment income before tax	590,222	22,421	51,802	664,445
Segment assets	9,935,267	1,913,372	143,886	11,992,525
Segment liabilities	5,924,209	941,145	-	6,865,354

(3) Reconciliation for segment profit or loss, assets and liabilities

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income. A reconciliation of reportable segment income or loss before tax to the income/(loss) before tax is provided as follows:

	For the nine-month periods ended September 30,	
	2025	2024
Reportable operating segments income before tax	\$ 282,727	\$ 664,445
Elimination of inter-segment income (loss)	(77,696)	(257,213)
Profit before income tax	<u>\$ 205,031</u>	<u>\$ 407,232</u>

B. The amounts provided to the chief operating decision maker with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. Therefore, such reconciliation is not required.

Chun Yu Works & Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
For the nine-month periods ended September 30, 2025

Table 1

Expressed in thousands of NTD

Number	Endorser/ guarantor	Company name	Party being endorsed/guaranteed		Maximum outstanding endorsement/ amount as of September 30, 2025	Outstanding		Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
			Relationship with the endorser/ guarantor (Note 1)	Limit on endorsements/ guarantees provided for a single party		endorsement/ guarantee amount at September 30, 2025	Actual amount drawn down							
0	Chun Yu Works & Co., Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	2	\$ 2,275,594	\$ 332,050	\$ 304,450	\$ -	\$ -	8.03%	\$ 3,034,125	Y	N	Y	(Note 2)

(Note 1) The numbers filled in for the relationship with the Company are as follows:

1. Having business relationship.
2. The Company direct and indirect owns over 50% ownership of the investee company.

(Note 2) The total amount of transactions of endorsement equals to 80% of the Company's net worth, the limit of endorsement for any single entity is 60% of the Company's net worth,
and all of the related transactions are to be submitted to the stockholders' meeting for reference.

(Note 3) Foreign currencies are translated into New Taiwan dollars. Exchange rate of foreign currencies indicated as of report date were as follow: USD : NTD 1 : 30.4450 ; RMB : NTD 1 : 4.2836.

Chun Yu Works & Co., Ltd. and subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
September 30, 2025

Table 2

Expressed in thousands of NTD

		As of June 30, 2025						
		Relationship with the securities issuer	General ledger account (Note 1)	shares (In thousands of shares or units)	Book value	(%)	Fair value	Footnote
Securities held by	Marketable securities							
Chun Yu Works & Co., Ltd.	Stocks - Taiwan Styrene Monomer Corporation	—	3	11,678	\$ 101,248	2.21	\$ 101,248	-
	Stocks - Gloria Material Technology Corporation	Other related party	3	5,526	197,831	0.92	197,831	-
	Stocks - King Kong Iron Works, Ltd.	—	3	304	772	0.55	772	-
	Stocks - King House CO., Ltd.	—	2	5,000	231,100	2.96	231,100	
	Stocks - Argo Yachts Development Co.,Ltd.	—	1	4,500	89,775	3.22	89,775	-
	Stocks - DataVan International Corporation	—	3	7,000	75,810	5.46	75,810	-
	Stocks - IBF Financial Holdings Co. Ltd	—	3	11,696	180,123	0.32	180,123	
Chun Bang Precision Co., Ltd.	Stocks - S-TECH Co., Ltd.	—	1	3,000	79,200	1.29	79,200	-
	Stocks - The First Insurance Co., Ltd.	—	1	10	268	-	268	-
	Stocks - Taiwan Styrene Monomer Corporation	—	3	6,440	55,835	1.22	55,835	-
Chun Yu Investment Corp.	Stocks - Chun Yu Works & Co., Ltd.	The Company	(Note 2)	23,430	402,999	7.75	402,999	-
	Stocks - OFCO Industrial Corporation	—	1	565	6,045	0.56	6,045	-
	Stocks - TMP Steel Corporation	—	1	435	9,396	0.44	9,396	
	Stocks - Taiwan Styrene Monomer Corporation	—	3	6,618	57,378	1.25	57,378	-
Chun Yu Bio-tech Corp.	Stocks - Chun Zu Machinery Industry Co., Ltd.	Subsidiary	(Note 3)	9	149	0.01	149	-
	Stocks - Taiwan Styrene Monomer Corporation	—	3	1,500	13,005	0.28	13,005	-
	Stocks - Jia Jie Biomedical Co., Ltd.	Other related party	3	750	13,125	0.63	13,125	-
Chun Zu Machinery Industry Co., Ltd.	Stocks - IBF Financial Holdings Co. Ltd	—	3	7,224	114,443	0.20	114,443	

(Note 1) The code number explanation is as follows:

1. Financial assets at fair value through profit or loss - current.
2. Financial assets at fair value through profit or loss- non-current.
3. Financial assets at fair value through other comprehensive profit or loss- non-current.

(Note 2) Information relating to the Company's stocks is provided in Note 6(17), 'Share capital'.

(Note 3) The Company's stocks held by Chun Yu Bio-tech Corp., listed as 'Financial assets at fair value through other comprehensive profit or loss- non-current', were when the group prepared the consolidated financial statements and fully eliminated.

Chun Yu Works & Co., Ltd. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the nine-month periods ended September 30, 2025

Table 3

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Chun Yu Works & Co., Ltd.	Ofco Industrial Corporation	Other related party	(Sales)	(\$ 394,478)	(13%)	2 ~ 3 months	\$ -	1 ~ 4 months	\$ 153,557	24%	-
	Ofco Industrial Corporation	Other related party	Purchases	147,508	7%	2 months	-	1 ~ 3 months	(11,616)	(6%)	-
	Chun Bang Precision Co., Ltd.	Subsidiary	Purchases	106,189	5%	3 months	-	(Note 1)	(40,057)	(20%)	-
Chun Bang Precision Co., Ltd.	Chun Yu Works & Co., Ltd.	The Company	(Sales)	(106,189)	(73%)	3 months	-	(Note 1)	40,057	88%	-
Chun Yu (Dongguan) Metal Products Co., Ltd.	Shanghai Uchee Hardware Products Ltd.	Subsidiary	(Sales)	(110,558)	(16%)	3 months	-	(Note 1)	-	-	-
	Shanghai Uchee Hardware Products Ltd.	Subsidiary	Purchases	120,130	24%	3 months	-	(Note 2)	-	-	-
Shanghai Uchee Hardware Products Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	Subsidiary	(Sales)	(120,130)	(27%)	3 months	-	(Note 1)	-	-	-
	Chun Yu (Dongguan) Metal Products Co., Ltd.	Subsidiary	Purchases	110,558	31%	3 months	-	(Note 2)	-	-	-

(Note 1) The credit terms to third parties are 1 ~ 3 months after the sale.

(Note 2) The payment terms to third parties are 3 ~ 6 months after the acceptance.

(Note 3) Foreign currencies are translated into New Taiwan Dollars using the following exchanges: Ending balance of receivable and payable are translated using the exchange rates as of report date (USD : NTD 1 : 30.4450, RMB : NTD 1 : 4.2836), and the transactions amounts are translated into New Taiwan dollars at the average exchange rate for the nine-month periods ended September 30, 2025 (USD : NTD 1 : 31.1547, RMB : NTD 1 : 4.3492).

Chun Yu Works & Co., Ltd. and subsidiaries
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital
September 30, 2025

Table 4

Expressed in thousands of NTD

Company Name	Name of the counterparty	Relationship	Receivables from related party		Turnover rate	Overdue receivables			
			General ledger	Amount		Amount	Action taken for overdue accounts	Subsequent collections	Allowance for doubtful
Chun Yu Works & Co., Ltd.	Ofco Industrial Corporation	Other related party	Accounts Receivable	\$ 153,557	3.79	\$ -	-	\$ 49,706	\$ -

Chun Yu Works & Co., Ltd. and subsidiaries
Significant inter-company transactions during the reporting period
For the nine-month periods ended September 30, 2025

Table 5

Expressed in thousands of NTD

Number (Note2)	Company name	Counterparty	Relationship (Note 3)	Transaction			Percentage of consolidated total operating revenue or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
0	Chun Yu Works & Co., Ltd.	Chun Yu Works (USA) Inc.	1	Sales	\$ 48,323	4 months	1%
		Chun Yu (Dongguan) Metal Products Co., Ltd.	1	Provision of endorsements and guarantees	304,450	-	3%
		Scholar Holdings Ltd.	1	Other receivables	12,000	-	-
1	Chun Bang Precision Co., Ltd.	Chun Yu Works & Co., Ltd.	2	Sales	106,189	3 months	2%
		Chun Yu Works & Co., Ltd.	2	Accounts receivable	40,057	-	-
		Pt Moon Lion Industries Indonesia	3	Sales	10,864	3 months	-
2	Chun Zu Machinery Industry Co., Ltd.	Chun Yu Works & Co., Ltd.	2	Sales	19,362	3 months	-
		Shanghai Chun Zu Machinery Industry Ltd.	3	Other receivables	19,220	-	-
3	Shanghai Chun Zu Machinery Industry Ltd.	Chun Zu Machinery Industry Co., Ltd.	3	Sales	38,728	3 months	1%
		Chun Zu Machinery Industry Co., Ltd.	3	Accounts receivable	21,001	-	-
4	Chun Yu (Dongguan) Metal Products Co., Ltd.	Shanghai Uchee Hardware Products Ltd.	3	Sales	110,558	3 months	2%
		Shanghai Uchee Hardware Products Ltd.	3	Other receivables	34,209	-	-
		Scholar Holdings Ltd.	3	Other receivables	14,802	-	-
5	Shanghai Uchee Hardware Products Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	3	Sales	120,130	3 months	2%
6	Chunyu Group Shanghai Tongsheng Trade Co., Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	3	Accounts receivable	27,482	-	-

(Note 1) Intercompany transactions between the parent company and its subsidiaries or between subsidiaries are not disclosed repetitively since the circumstances and amounts of each transaction is the same on each side.

In addition, the disclosure threshold for significant intercompany transactions is \$10 million and the transactions are disclosed in asset and income aspects.

(Note 2) The transaction information of the Company and the consolidated subsidiaries should be noted in column "Number". The number means:

1. Number 0 presents the Company.
2. The consolidated subsidiaries are in order from number 1.

(Note 3) The relationships among the transaction parties are as follows:

1. The Company to the consolidated subsidiary.
2. The consolidated subsidiary to the Company.
3. The consolidated subsidiary to another consolidated subsidiary.

(Note 4) The percentage of transaction amount over consolidated total revenues or total assets is as follows: Assets and liabilities are calculated using the ending balance over the consolidated total assets at period end;

Sales is calculated using the amount of the period over the consolidated total revenue of the period.

(Note 5) For the amounts denominated in foreign currencies, the balances of notes/accounts receivable (payable) are translated into New Taiwan dollars at the exchange rate (USD : NTD 1 : 30.4450 ; RMB : NTD 1 : 4.2836) ; prevailing at the financial reporting date, and the transactions amounts are translated into New Taiwan dollars at the average exchange rate for the nine-month periods ended September 30, 2025

(USD : NTD 1 : 31.1547 ; RMB : NTD 1 : 4.3492).

Table 6

Chun Yu Works & Co., Ltd. and subsidiaries
Information on investees
For the nine-month periods ended September 30, 2025

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the nine-month periods ended September 30, 2025	Investment income (loss) recognised by the Company for the nine-month periods ended September 30, 2025	Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Chun Yu Works & Co., Ltd.	Chun Bang Precision Co., Ltd.	Taiwan	Manufacture and trade of moulds	\$ 125,344	\$ 125,344	17,000,000	100.00	\$ 175,918	\$ 10,622	\$ 10,961	A subsidiary
	Chun Yu Works (U.S.A.) Inc.	U.S.A.	Import and export of hardware products	114,728	114,728	3,800,000	100.00	404,148	9,122	10,178	A subsidiary
	Chun Yu Investment Corporation	Taiwan	Professional investment	267,652	267,652	74,888,032	100.00	137,191 (	149,221) (	1,611)	A subsidiary
	Chun Yu Bio-tech Corporation	Taiwan	Powder metallurgy	90,260	90,260	10,000,000	100.00	67,444 (	17,918) (	17,910)	A subsidiary
	Scholar Holdings Ltd.	Virgin Islands	Reinvestment and import and export trade	2,581,891	2,581,891	33,183,211	100.00	1,073,028	32,477	33,444	A subsidiary
	Sunny City International Ltd.	Samoa	Reinvestment and import and export trade	84,824	84,824	1,000,000	100.00	217,229	11,313	11,313	A subsidiary
	Pt Moon Lion Industries Indonesia	Indonesia	Manufacture and trade of screws and nuts	297,226	154,760	16,646,000	83.23	922,854	211,318	168,678	A subsidiary
	Chun Zu Machinery Industry Co., Ltd.	Taiwan	Manufacture and trade of machinery	52,597	52,597	28,821,939	47.81	457,992	24,281	10,685	A subsidiary
Chun Zu Machinery Industry Co., Ltd.	Lion City Management Ltd.	Virgin Islands	Professional investment	60,890	60,890	-	100.00	462,940	46,856	-	A subsidiary (Note 1)

(Note 1) According to the related regulations, it is not required to disclose income (loss) recognized by the Company.

(Note 2) Foreign currencies are translated into New Taiwan Dollars using the following exchanges:

Ending balance of receivable and payable are translated using the exchange rates as of report date: (USD : NTD 1 : 30.4450 ; RMB : NTD 1 : 4.2836).

and the transactions amounts are translated into New Taiwan dollars at the average exchange rate for the nine-month periods ended September 30, 2025 as follows: USD : NTD 1 : 31.1547 ; RMB : NTD 1 : 4.3492.

Table 7

<u>Chun Yu Works & Co., Ltd. and subsidiaries</u> <u>Information on investments in Mainland China</u> <u>For the nine-month periods ended September 30, 2025</u>														
Investee in	Main business	Investment	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month periods ended September 30, 2025	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Accumulated amount remitted back from Taiwan to Mainland China as of September 30, 2025	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Net income of investee for the nine-month periods ended September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month periods ended September 30, 2025	Book value of investments in Mainland China as of September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2025	Footnote	Expressed in thousands of NTD	
													2025	2025
Mainland China	activities	Paid-in capital	method	2025	China	to Taiwan	2025	Seotember 30, 2025						
Chun Yu (Dongguan) Metal Products Co., Ltd.	Manufacture and trade of screws and nuts	\$ 1,963,124 (Note 1)	(Note 3)	\$ 1,467,236	\$ -	\$ -	\$ 1,467,236	\$ 32,615	100%	\$ 32,615	\$ 1,101,199	\$ -	(Note 9)	
Shanghai Uchee Hardware Products Ltd.	Trade of screws and nuts	30,445	(Note 4)	30,445	-	-	30,445	11,353	100%	11,353	215,579	144,705 (Note 7)	(Note 9)	
Chunyu Group Shanghai Tongsheng Trade Co., Ltd.	Trade of screws and nuts	8,098	(Note 5)	-	-	-	- (	138)	100%	(138)	(3,671)	-	(Note 9)	
Shanghai Chun Zu Machinery Industry Ltd.	Manufacture and trade of machinery	258,783 (Note 2)	(Note 6)	60,890	-	-	60,890	46,846	47.82%	22,402	233,894	548,546 (Note 8)	(Note 10)	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 10)											
Chun Yu Works & Co., Ltd.	\$ 1,720,538	\$ 1,720,538	\$ 2,687,789											
Chun Zu Machinery Industry Co., Ltd.	60,890	197,893	620,134											

(Note 1) The investment in Chun Yu (Dongguan) Metal Products Co., Ltd. amounted to US\$64,481 thousand, consisting of US\$48,193 thousand that has been reported to the Investment Commission and US\$16,288 thousand from an investment loan from Scholar Holdings Ltd.

(Note 2) The paid-in capital of Shanghai Chun Zu Machinery Industry Ltd. amounted to US\$8,500 thousand, consisting of US\$4,000 thousand from remittance from Chun Zu Machinery Industry Co., Ltd. through its subsidiary, Lion City Management Ltd.

and US\$4,500 thousand from capitalisation of retained earnings of Shanghai Chun Zu Machinery Industry Ltd., which were reported to the Investment Commission. In addition, proceeds from capital reduction of Lion City Management Ltd. in 2008 amounting to US\$2,000 thousand were reported to the Investment Commission.

(Note 3) Indirect investment in PRC through the existing company (Scholar Holdings Ltd.) located in the third area.

(Note 4) Indirect investment in PRC through the existing company (Sunny City International Ltd.) located in the third area.

(Note 5) Indirect investment in PRC through the existing company (Shanghai Uchee Hardware Products Ltd.) located in PRC.

(Note 6) Indirect investment in PRC through the existing company (Lion City Management Ltd.) located in the third area.

(Note 7) It is the cash dividends totaling US\$4,753 thousand distributed by Shanghai Uchee Hardware Products Ltd. to Sunny City International Ltd., which then remitted to the Company and Chun Bang Precision Co., Ltd.

(Note 8) It is the cash dividends amounting to US\$37,678 thousand distributed by Shanghai Chun Zu Machinery Industry Ltd. to Lion City Management Ltd., which then remitted to Chun Zu Machinery Industry Co., Ltd.

(Note 9) Investment gains or losses were recognised based on audited financial statements.

(Note 10) The ceiling is calculated based on the 60% of the investor's net assets or consolidated net assets (whichever is higher).

(Note 11) For the amounts denominated in foreign currencies, the paid-in capital, amount of remittance from Taiwan and book value as of September 30, 2025 are translated into New Taiwan dollars at the exchange rate (USD : NTD 1 : 30.4450 ; RMB : NTD 1 : 4.2836) prevailing at the financial reporting date, and the net profit (loss) of the investee and investment income (loss) recognised by the Group are translated into New Taiwan dollars at the average exchange rate for the nine-month periods ended September 30, 2025 (USD : NTD 1 : 31.1547 ; RMB : NTD 1 : 4.3492).