

Xu Yuan Packaging Technology  
Co., Ltd. and subsidiaries  
Consolidated Financial Statements and Report of  
Independent Accounts  
Second Quarter in 2025 and 2024  
(STOCK CODE: 8421)

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Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
CONSOLIDATED FINANCIAL STATEMENTS AND REVIEWED REPORT OF  
INDEPENDENT ACCOUNTANTS AS OF JUNE 30, 2025 AND 2024

Table of Contents

<u>Item</u>	<u>Page No.</u>
1. Front Cover	1
2. Table of Contents	2 ~ 3
3. Reviewed Report of Independent Accountants	4 ~ 5
4. Consolidated Balance Sheets	6 ~ 7
5. Consolidated Statements of Comprehensive Income	8
6. Consolidated Statements of Changes in Equity	9
7. Consolidated Statements of Cash Flows	10 ~ 11
8. Notes to the Consolidated Financial Statements	12 ~ 51
(1) History and Organization	12
(2) The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization	12
(3) Application of New Standards, Amendments and Interpretations	12 ~ 13
(4) Summary of Critical Accounting Policies	13 ~ 18
(5) Critical Accounting Judgments, Estimates and Assumptions on Uncertainty	19
(6) Details of Significant Accounts	19 ~ 39
(7) Related Party Transactions	39 ~ 41

<u>Item</u>	<u>Page No.</u>
(8) Pledged Assets	41
(9) Significant Contingent Liabilities and Unrecognized Contract Commitments	42
(10) Significant Disaster Loss	42
(11) Significant events after the balance sheet date	42
(12) Others	42 ~ 49
(13) Supplementary disclosures	49
(14) Supplementary disclosures	50

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Xu Yuan Packaging Technology Co., Ltd

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Xu Yuan Packaging Technology Co., Ltd and subsidiaries as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the six-month and three-month periods then ended, of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of review***

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

### ***Basis for qualified conclusion***

As explained in Notes 4(3), the consolidated financial statements of certain insignificant consolidated subsidiaries, which were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$151,340 thousand and NT\$399,446 thousand, constituting 8% and 20% of the consolidated total assets as at June 30, 2025 and 2024, respectively, total liabilities amounted to NT\$58,061 and NT\$102,700 thousand, constituting 5% and 9% of the consolidated total liabilities as at June 30, 2025 and 2024, respectively, and the total comprehensive income (loss) amounted to NT\$(11,853) thousand, NT\$(748) thousand, NT\$(11,808) thousand and NT\$18,645 thousand,

constituting 15%, 5%, 19% and 197% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively. And as explained in Notes 6(5) to the consolidated financial statements, as at June 30, 2025 and 2024 the financial statements of investees recognized in the consolidated financial statements using the equity method have not been reviewed, the investments accounted for under equity method as at June 30, 2025 and 2024 amounted to NT\$31,851 thousand and NT\$28,692 thousand, respectively, and the total comprehensive income (loss) amounted to NT\$2,542 thousand, NT\$4,445 thousand, NT\$4,915 thousand and NT\$410 thousand, constituting (3%), (30%), (8%) and 4% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively.

### ***Conclusion***

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

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Wei-Hao Wu

Ya-Hui Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

August 11, 2025

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024

Unit: NT\$ thousand

Assets	Notes	June 30, 2025		December 31, 2024		June 30, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 67,076	4	\$ 85,558	5	\$ 93,974	5
1136	Financial assets measured at amortized cost— current	6(2) and 8	57,686	3	56,498	3	139,182	7
1150	Notes receivable, net	6(3)	43,148	2	37,717	2	51,133	2
1170	Accounts receivable, net	6(3)	241,204	13	238,054	12	263,759	13
1180	Accounts receivable, net - related parties	6(3) and 7	44,340	3	34,212	2	13,393	1
1200	Other receivables		1,216	-	3,650	-	2,475	-
1220	Current income tax assets		6,112	-	3,531	-	234	-
130X	Inventories, net	6(4)	319,458	17	345,546	18	330,338	16
1410	Prepayments	7	42,893	2	52,919	3	62,802	3
1470	Other current assets		36,766	2	33,795	2	56,865	3
11XX	<b>Total current assets</b>		<u>859,899</u>	<u>46</u>	<u>891,480</u>	<u>47</u>	<u>1,014,155</u>	<u>50</u>
<b>Non-current assets</b>								
1550	Investments accounted for under equity method	6(5)	31,851	2	29,076	2	28,692	2
1600	Property, plant and equipment	6(6) and 8	901,042	48	866,458	45	857,824	43
1755	Right-of-use assets	6(7) and 7	17,873	1	17,732	1	21,265	1
1780	Intangible assets		2,588	-	3,165	-	13,276	1
1840	Deferred income tax assets		12,436	1	7,696	-	7,696	-
1900	Other non-current assets	6(8)	36,164	2	95,731	5	65,495	3
15XX	<b>Total non-current assets</b>		<u>1,001,954</u>	<u>54</u>	<u>1,019,858</u>	<u>53</u>	<u>994,248</u>	<u>50</u>
1XXX	<b>Total assets</b>		<u>\$ 1,861,853</u>	<u>100</u>	<u>\$ 1,911,338</u>	<u>100</u>	<u>\$ 2,008,403</u>	<u>100</u>

(Continued)

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024

Unit: NT\$ thousand

	Liabilities and Equity	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(9)	\$ 290,392	16	\$ 298,681	16	\$ 327,017	16
2130	Contract liabilities - current	6(17) and 7	29,717	2	16,572	1	32,100	2
2150	Notes payable		44,163	2	63,997	3	52,462	3
2170	Accounts payable		105,223	6	122,830	7	109,664	6
2180	Accounts payable - related parties	7	475	-	105	-	486	-
2200	Other payables	6(10)	66,684	4	54,984	3	64,719	3
2220	Other payables - related parties	7	6,932	-	5,808	-	4,074	-
2230	Current income tax liabilities		-	-	866	-	2,065	-
2280	Lease liabilities - current	6(7) and 7	8,564	-	8,045	-	7,769	-
2320	Long-term liabilities maturing within one year or one business cycle	6(11)	56,942	3	56,828	3	440,433	22
21XX	<b>Total current liabilities</b>		609,092	33	628,716	33	1,040,789	52
	<b>Non-current liabilities</b>							
2540	Long-term loans	6(11)	498,119	27	453,543	24	17,733	1
2580	Lease liabilities - non-current	6(7) and 7	9,591	-	9,947	1	12,072	-
2600	Other non-current liabilities		6,279	-	9,482	-	15,959	1
25XX	<b>Total non-current liabilities</b>		513,989	27	472,972	25	45,764	2
2XXX	<b>Total liabilities</b>		1,123,081	60	1,101,688	58	1,086,553	54
	<b>Equity attributable to owners of the parent company</b>							
	Share capital	6(13)						
3110	Share capital - common stock		548,171	29	548,171	29	548,171	27
	Capital surplus	6(14)						
3200	Capital surplus		89,343	5	89,343	5	89,343	5
	Retained earnings	6(15)						
3310	Legal reserve		40,584	2	40,584	2	40,584	2
3320	Special reserve		64,746	4	64,746	3	64,746	3
3350	Unappropriated retained earnings		77,358	4	107,147	5	125,757	6
	Other equity interest	6(16)						
3400	Other equity interest		( 103,347)	( 5)	( 64,637)	( 3)	( 63,601)	( 3)
3500	Treasury stocks	6(13)	( 17,309)	( 1)	( 9,450)	( 1)	( 9,450)	-
31XX	<b>Total equity attributable to owners of the parent company</b>		699,546	38	775,904	40	795,550	40
36XX	<b>Non-controlling equity</b>		39,226	2	33,746	2	126,300	6
3XXX	<b>Total equity</b>		738,772	40	809,650	42	921,850	46
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
3X2X	<b>Total liabilities and equity</b>		\$ 1,861,853	100	\$ 1,911,338	100	\$ 2,008,403	100

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

Unit: NT\$ thousand  
(Except earnings per share)

Item	Notes	For the three-month period ended June 30, 2025		For the three-month period ended June 30, 2024		For the six-month period ended June 30, 2025		For the six-month period ended June 30, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(17) and 7	\$ 288,335	100	\$ 302,645	100	\$ 579,797	100	\$ 600,615	100
5000	Operating costs	6(4)(21) (22) and 7	( 236,799)	( 82)	( 239,827)	( 79)	( 475,548)	( 82)	( 478,060)	( 79)
5900	<b>Operating profit - gross</b>		51,536	18	62,818	21	104,249	18	122,555	21
5910	Unrealized profit from sales		( 87)	-	( 80)	-	( 1,591)	-	( 80)	-
5920	Realized profit from sales		-	-	-	-	3,285	-	1,063	-
5950	<b>Net operating margin</b>		51,449	18	62,738	21	105,943	18	123,538	21
	<b>Operating expenses</b>	6(21) (22) and 7								
6100	Selling expenses		( 21,493)	( 7)	( 17,817)	( 6)	( 49,033)	( 8)	( 34,618)	( 6)
6200	Administrative expenses		( 25,378)	( 9)	( 27,630)	( 9)	( 54,589)	( 9)	( 55,636)	( 9)
6300	Research and development expenses		( 2,321)	( 1)	( 1,696)	( 1)	( 4,308)	( 1)	( 3,784)	( 1)
6450	Expected credit losses	12(2)	-	-	( 156)	-	-	-	( 156)	-
6000	<b>Total operational expenses</b>		( 49,192)	( 17)	( 47,299)	( 16)	( 107,930)	( 18)	( 94,194)	( 16)
6900	Operating profit(loss)		2,257	1	15,439	5	( 1,987)	-	29,344	5
	Non-operating income and expenses									
7100	Interest income	6(18)	552	-	1,285	-	1,538	-	3,763	1
7020	Other gains and losses	6(19)	( 37,181)	( 13)	( 10,155)	( 3)	( 23,102)	( 4)	( 5,099)	( 1)
7050	Finance cost	6(20)	( 5,163)	( 2)	( 5,996)	( 2)	( 11,391)	( 2)	( 11,394)	( 2)
7060	Share of profit or loss of associates and joint ventures accounted for under the equity method	6(5)	2,542	1	4,445	2	4,915	1	410	-
7000	<b>Total non-operating income and expenses</b>		( 39,250)	( 14)	( 10,421)	( 3)	( 28,040)	( 5)	( 12,320)	( 2)
7900	<b>Profit(loss) before income tax</b>		( 36,993)	( 13)	5,018	2	( 30,027)	( 5)	17,024	3
7950	Income tax expense	6(23)	6,329	3	( 5,199)	( 2)	5,323	1	( 5,199)	( 1)
8200	<b>Net income(losses) for the period</b>		<u>(\$ 30,664)</u>	<u>( 10)</u>	<u>(\$ 181)</u>	<u>-</u>	<u>(\$ 24,704)</u>	<u>( 4)</u>	<u>\$ 11,825</u>	<u>2</u>
	<b>Other comprehensive income (losses), net</b>									
	<b>Components of other comprehensive income (losses) that will not be reclassified to profit or loss</b>	6(16)								
8361	Financial statements translation differences of foreign operations		(\$ 48,460)	( 17)	(\$ 14,441)	( 5)	(\$ 38,315)	( 7)	(\$ 2,338)	-
8300	<b>Other comprehensive income(loss), net</b>		<u>(\$ 48,460)</u>	<u>( 17)</u>	<u>(\$ 14,441)</u>	<u>( 5)</u>	<u>(\$ 38,315)</u>	<u>( 7)</u>	<u>(\$ 2,338)</u>	<u>-</u>
8500	<b>Total comprehensive income for the period</b>		<u>(\$ 79,124)</u>	<u>( 27)</u>	<u>(\$ 14,622)</u>	<u>( 5)</u>	<u>(\$ 63,019)</u>	<u>( 11)</u>	<u>\$ 9,487</u>	<u>2</u>
	Net income(losses) attributable to:									
8610	Equity holders of the parent company		(\$ 32,334)	( 11)	\$ 1,134	-	(\$ 29,789)	( 5)	\$ 8,682	1
8620	Non-controlling interest		1,670	1	( 1,315)	-	5,085	1	3,143	1
	<b>Net income(losses) for the period</b>		<u>(\$ 30,664)</u>	<u>( 10)</u>	<u>(\$ 181)</u>	<u>-</u>	<u>(\$ 24,704)</u>	<u>( 4)</u>	<u>\$ 11,825</u>	<u>2</u>
	Comprehensive income(losses) attributable to:									
8710	Equity holders of the parent company		(\$ 77,620)	( 26)	(\$ 7,408)	( 3)	(\$ 68,499)	( 12)	\$ 9,387	2
8720	Non-controlling interest		( 1,504)	( 1)	( 7,214)	( 2)	5,480	1	100	-
	<b>Total comprehensive income for the period</b>		<u>(\$ 79,124)</u>	<u>( 27)</u>	<u>(\$ 14,622)</u>	<u>( 5)</u>	<u>(\$ 63,019)</u>	<u>( 11)</u>	<u>\$ 9,487</u>	<u>2</u>
	Basic earnings(losses) per share	6(24)								
9750	Net income(loss) for the period		<u>(\$ 0.60)</u>		<u>\$ 0.02</u>		<u>(\$ 0.55)</u>		<u>\$ 0.16</u>	
	Diluted earnings(losses) per share	6(24)								
9850	Net income(loss) for the period		<u>(\$ 0.60)</u>		<u>\$ 0.02</u>		<u>(\$ 0.55)</u>		<u>\$ 0.16</u>	

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

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

Unit: NT\$ thousand

	Notes	Equity attributable to owners of the parent company							Non-controlling interest	Total equity	
		Common shares	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange difference on translation of financial statements of foreign operations	Treasury stocks			Total
<u>Six-month period ended June 30, 2024</u>											
Balance at January 1, 2024		\$ 548,171	\$ 89,341	\$ 40,584	\$ 64,746	\$ 117,279	(\$ 64,510)	(\$ 9,450)	\$ 786,161	\$ 126,200	\$ 912,361
Net income for the period		-	-	-	-	8,682	-	-	8,682	3,143	11,825
Other comprehensive income for the period	6(16)	-	-	-	-	-	705	-	705	(3,043)	(2,338)
Total comprehensive income for the period		-	-	-	-	8,682	705	-	9,387	100	9,487
Exercise of the right of attribution	6(14)	-	2	-	-	-	-	-	2	-	2
Changes in ownership interests in subsidiaries		-	-	-	-	(204)	204	-	-	-	-
Balance at June 30, 2024		\$ 548,171	\$ 89,343	\$ 40,584	\$ 64,746	\$ 125,757	(\$ 63,601)	(\$ 9,450)	\$ 795,550	\$ 126,300	\$ 921,850
<u>Six-month period ended June 30, 2025</u>											
Balance at January 1, 2025		\$ 548,171	\$ 89,343	\$ 40,584	\$ 64,746	\$ 107,147	(\$ 64,637)	(\$ 9,450)	\$ 775,904	\$ 33,746	\$ 809,650
Net loss for the period		-	-	-	-	(29,789)	-	-	(29,789)	5,085	(24,704)
Other comprehensive income for the period	6(16)	-	-	-	-	-	(38,710)	-	(38,710)	395	(38,315)
Total comprehensive income (loss) for the period		-	-	-	-	(29,789)	(38,710)	-	(68,499)	5,480	(63,019)
Treasury Stocks Repurchase	6(13)	-	-	-	-	-	-	(7,859)	(7,859)	-	(7,859)
Balance at June 30, 2025		\$ 548,171	\$ 89,343	\$ 40,584	\$ 64,746	\$ 77,358	(\$ 103,347)	(\$ 17,309)	\$ 699,546	\$ 39,226	\$ 738,772

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

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

Unit: NT\$ thousand

	<u>Notes</u>	<u>For the six-month periods ended June 30, 2025</u>	<u>For the six-month periods ended June 30, 2024</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before income tax		( \$ 30,027 )	\$ 17,024
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(21)	57,066	58,473
Amortization	6(21)	577	438
Expected credit losses	12(2)	-	156
Interest expense	6(20)	11,391	11,394
Interest income	6(18)	( 1,538 )	( 3,763 )
Share of profit or loss of associates and joint ventures accounted for under the equity method	6(5)	( 4,915 )	( 410 )
Gains(losses) on disposal of property, plant and equipment	6(19)	( 391 )	79
Unrealized(realized) profit from sales		( 1,694 )	( 983 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		( 5,431 )	( 4,715 )
Accounts receivable, net		( 2,945 )	( 14,568 )
Accounts receivable, net - related parties		( 10,128 )	( 8,371 )
Other receivables		2,434	8,799
Other receivables-related parties		-	8,871
Inventories		26,088	( 9,277 )
Prepayments		10,026	( 21,691 )
Other current assets		( 2,971 )	526
Changes in operating liabilities			
Contract liabilities - current		13,145	23,649
Notes payable		( 19,834 )	( 12,019 )
Accounts payable		( 17,607 )	6,252
Accounts payable - related parties		370	( 111 )
Other payables		5,056	1,393
Other payables - related parties		1,124	( 5,737 )
Other non-current liabilities		( 3,203 )	( 3,784 )
Cash inflow generated from operations		26,593	51,625
Income taxes refund		( 1,997 )	( 5,414 )
Net cash inflow from operating activities		<u>24,596</u>	<u>46,211</u>

(Continued)

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

Unit: NT\$ thousand

	<u>Notes</u>	<u>For the six-month periods ended June 30, 2025</u>	<u>For the six-month periods ended June 30, 2024</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortized cost - current, net		( \$ 1,188 )	( \$ 4,181 )
Acquisition of property, plant and equipment	6(25)	( 51,521 )	( 30,536 )
Disposal of property, plant and equipment		2,500	830
Decrease in refundable deposits		508	293
Increase in prepaid equipment purchase		( 3,909 )	( 7,654 )
Receipt of dividends from investments accounted for under equity method		-	1,408
Interest received		1,538	3,763
Net cash outflow from investing activities		<u>( 52,072 )</u>	<u>( 36,077 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		58,942	84,433
Decrease in short-term borrowings		( 66,881 )	( 51,600 )
Proceeds from long-term loans		67,160	-
Repayments of long-term loans		( 17,187 )	( 17,964 )
Repayments of principal portion of lease liabilities	6(26)	( 4,687 )	( 5,172 )
Cost of repurchase of treasury shares	6(13)	( 7,859 )	-
Interest paid		( 12,861 )	( 11,050 )
Net cash inflow (outflow) from financing activities		<u>16,627</u>	<u>( 1,353 )</u>
Effect of exchange rate changes on cash		( 7,633 )	( 3,606 )
Net (decrease) increase in cash		( 18,482 )	5,175
Beginning cash balance		85,558	88,799
Ending cash balance		<u>\$ 67,076</u>	<u>\$ 93,974</u>

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

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Xu Yuan Packaging Technology Co., Ltd. (the “Company”) was approved for establishment on October 26, 2004. The Company and its subsidiaries (collectively referred herein as the “Group”) The main business includes manufacturing and retailing of heat shrinkable film, tube-sleeping plastic packaging materials, machinery and equipment manufacturing, mould manufacturing and retailing, other chemical product wholesale, product design, and international trade.

The Company's shares were listed on the Taipei Exchange on November 2012.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 11, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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

Effective Date Announced by IASB	New Standards, Interpretations and Amendments
Amendments to IFRS 9 and IFRS 7 “Amendments to the classification and measurement requirements of financial instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature dependent electricity’	January 1, 2026

Effective Date Announced by IASB	New Standards, Interpretations and Amendments
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

New Standards, Interpretations and Amendments	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 International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Except for the following, the above standards, interpretations and amendments 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, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of comprehensive income, 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 applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024. 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.

(2) Basis of preparation

A. The consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “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.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation of consolidated financial statements is consistent with the 2024 consolidated financial statements..

B. Subsidiaries included in the consolidated financial statements :

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Hong Yuan Packaging Technology Co., Ltd. (Hong Yuan)	Manufacturing and wholesale of plastic products and related machinery and molds	100%	100%	100%	Note 1
The Company	XU YUAN PACKAGING TECHNOLOGY CO., LTD.(XU YUAN)	General investment	100%	100%	100%	Note 1
The Company	DASE-SEAL PACKAGING TECHNOLOGY CO., LTD.(DASE-SEAL)	Sales of sleeve (sticker) labeling machines and color shrink labels	-	-	100%	Note 1 and 6
The Company	XYP Japan Co., Ltd. (XYP JAPAN)	Sales of sleeve (sticker) labeling machines and color shrink labels	-	-	-	Note 1 and 4
The Company	XU YUAN PACKAGING XU YUAN PACKAGING TECHNOLOGY INDIA PVT LTD.(XYP India)	Sales of sleeve (sticker) labeling machines and color shrink labels	100%	100%	100%	Note 1
The Company	XYPD DO BRASIL EMBALAGENS LTDA.(XYPD)	Manufacturing and sale of color shrink labels	51%	51%	51%	Note 2
The Company	PT XUYUAN PACKAGING TECHNOLOGY INDONESIA ( PT. XUYUAN)	Manufacturing and sales of color shrink labels and plastic products; sales of sleeve (sticker) labeling machines	100%	100%	62%	Note 5

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company and HONG YUAN company	PT. CHENG HONG PACKAGING TECHNOLOGY INDONESIA (PT. CHENG HONG)	Manufacturing and sale of plastic granules and transparent film materials	100%	100%	100%	Note 1
The Company and HONG YUAN company	PT. CHENG KUANG MACHINE PACKAGING TECHNOLOGY INDONESIA (PT. CHENG KUANG)	Manufacture and sale of complete sets of labeling machines and other equipment	100%	100%	100%	Note 1
XU YUAN company	Hongxu Packaging Machinery (Shanghai) Co., Ltd. (Shanghai Hongxu)	Manufacture of other plastic products	100%	100%	100%	Note 1
HONG YUAN company	HONG SHENG HOLDING LTD.(HONG SHENG)	General investment	-	-	-	Note 1 and 3
HONG SHENG company	Hung Tai Trading Co., Ltd. (Hung Tai)	Sale of packaging machinery and plastic products	-	-	-	Note 1 and 3
HONG YUAN company	Hung Tai Trading Co., Ltd. (Hung Tai)	Sale of packaging machinery and plastic products	-	-	-	Note 1 and 3

Note 1: The financial statements of the entity as at and for the six-month periods ended June 30, 2025 and 2024 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2: The financial statements of the entity as at and for the six-month periods ended June 30, 2024 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: The liquidation of HONG SHENG was completed in March 2024, and the remaining properties were distributed to Hong Yuan, so Hong Yuan acquired 100% of the equity of Hong Tai Trading Co., Ltd. In addition, Hong Tai was merged with Hong Yuan in June 2024, as the dissolved company.

Note 4: XYP Japan was liquidated and dissolved in June 2024.

Note 5: The Company acquired 38% equity of PT. XUYUAN from a related party in September 2024, and increased its shareholding from 62% to 100%. The equity registration was completed.

Note 6: DASE-SEAL was dissolved in November 2024.

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 June 30, 2025, December 31, 2024, and June 30, 2024, the non-controlling interest amounted to \$34,226, \$33,746 and \$126,300, respectively. The information of non-controlling interest and respective subsidiaries is as follows :

Name of subsidiary	Principal place of business	Non-controlling interest						Description
		June 30, 2025		December 31, 2024		June 30, 2024		
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)	
XYPD	Brazil	\$ 39,226	49%	\$ 33,746	49%	\$ 41,855	49%	
PT. XUYUAN	Indonesia	\$ -	-	\$ -	-	\$ 84,445	38%	

(1) Aggregated financial information of the subsidiary - XYPD:

Balance sheets

	XYPD company		
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 153,438	\$ 174,124	\$ 198,570
Non-current assets	66,265	67,776	81,199
Current liabilities	( 133,371)	( 166,236)	( 176,428)
Non-current liabilities	( 6,279)	( 6,794)	( 17,922)
Total net assets	\$ 80,053	\$ 68,870	\$ 85,419

Statements of Comprehensive Income

	XYPD company	
	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Revenue	\$ 43,127	\$ 61,713
Profit before income tax	\$ 4,391	\$ 829
Income tax expense	( 984)	-
Profit for the period	\$ 3,407	\$ 829
Other comprehensive income, net of tax	( 6,478)	( 8,550)
Total comprehensive income for the period	(\$ 3,071)	(\$ 7,721)
Comprehensive income attributable to non-controlling interest	(\$ 1,504)	(\$ 3,783)

	XYPD company	
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
	2025	2024
Revenue	\$ 90,248	\$ 128,665
Profit before income tax	\$ 12,367	\$ 11,730
Income tax expense	( 1,990)	-
Profit for the period	\$ 10,377	\$ 11,730
Other comprehensive income, net of tax	806	( 6,292)
Total comprehensive income for the period	\$ 11,183	\$ 5,438
Comprehensive income attributable to non-controlling interest	\$ 5,480	\$ 2,665

Statement of Cash flows

	XYPD company	
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
	2025	2024
Net cash provided by (used in) operating activities	\$ 14,692	\$ 5,023
Net cash provided by (used in) investing activities	( 3,599)	( 6,012)
Net cash provided by (used in) financing activities	( 17,640)	2,893
Effect of exchange rates on cash and cash equivalents	305	( 1,248)
Increase (decrease) in cash and cash equivalents	( 6,242)	656
Cash and cash equivalents, beginning of period	8,034	16,313
Cash and cash equivalents, end of period	\$ 1,792	\$ 16,969

(2) Aggregated financial information of the subsidiary - PT. XUYUAN:

Balance sheets

	PT. XUYUAN
	June 30, 2024
Current assets	\$ 146,116
Non-current assets	170,378
Current liabilities	( 94,252)
Non-current liabilities	( 18)
Total net assets	\$ 222,224

Statements of Comprehensive Income

	PT. XUYUAN company	
	For the three-month period ended June 30,	For the six-month period ended June 30,
	2024	2024
Revenue	\$ 27,369	\$ 61,437
Profit before income tax	(\$ 4,528)	(\$ 6,853)
Income tax expense	-	-
Profit for the period	(\$ 4,528)	(\$ 6,853)
Other comprehensive income, net of tax	( 4,500)	102
Total comprehensive income for the period	(\$ 9,028)	(\$ 6,751)
Comprehensive income attributable to non-controlling interest	(\$ 3,431)	(\$ 2,565)

Statement of Cash flows

	PT. XUYUAN
	For the six-month period ended June 30, 2024
Net cash provided by (used in) operating activities	(\$ 473)
Net cash provided by (used in) investing activities	( 2,430)
Net cash provided by (used in) financing activities	-
Effect of exchange rates on cash and cash equivalents	43
Decrease in cash and cash equivalents	( 2,860)
Cash and cash equivalents, beginning of period	16,838
Cash and cash equivalents, end of period	\$ 13,978

(4) 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 pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant changes as at June 30, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Petty cash and cash on hand	\$ 707	\$ 1,321	\$ 4,166
Checking accounts and demand deposits	<u>66,369</u>	<u>84,237</u>	<u>89,808</u>
	<u>\$ 67,076</u>	<u>\$ 85,558</u>	<u>\$ 93,974</u>

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

B. The Group's time deposits maturing over three months and pledged as collateral recorded in financial assets, please refer to Note 6(2).

(2) Financial assets at amortised cost

<u>Items</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current items:			
Time deposits pledged	\$ 57,686	\$ 56,498	\$ 127,302
Time deposits with original maturities of more than 3 months	<u>-</u>	<u>-</u>	<u>11,880</u>
	<u>\$ 57,686</u>	<u>\$ 56,498</u>	<u>\$ 139,182</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below :

	<u>For the three-month period ended June 30, 2025</u>	<u>For the three-month period ended June 30, 2024</u>
Interest income	<u>\$ 191</u>	<u>\$ 1,168</u>
	<u>For the six-month period ended June 30, 2025</u>	<u>For the six-month period ended June 30, 2024</u>
Interest income	<u>\$ 842</u>	<u>\$ 3,029</u>

B. As at June 30, 2025, December 31, 2024, and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount were \$57,686, \$56,498 and \$139,182, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Note receivable	\$ 43,148	\$ 37,717	\$ 51,133
Accounts receivable	\$ 256,067	\$ 253,122	\$ 277,042
Less: Allowance for bad debts	( 14,863)	( 15,068)	( 13,283)
	\$ 241,204	\$ 238,054	\$ 263,759
Accounts receivable – related parties	44,340	34,212	13,393
	<u>\$ 285,544</u>	<u>\$ 272,266</u>	<u>\$ 277,152</u>

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

	<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
	Accounts receivable	Note receivable	Accounts receivable	Note receivable	Accounts receivable	Note receivable
Not past due	\$ 254,637	\$ 43,148	\$ 236,927	\$ 37,717	\$ 246,691	\$ 51,133
Up to 60 days	18,044	-	18,850	-	16,886	-
61 to 180 days	5,961	-	11,659	-	4,636	-
181 to 360 days	5,497	-	560	-	1,829	-
Over 361 days	16,268	-	19,338	-	20,393	-
	<u>\$ 300,407</u>	<u>\$ 43,148</u>	<u>\$ 287,334</u>	<u>\$ 37,717</u>	<u>\$ 290,435</u>	<u>\$ 51,133</u>

The above aging analysis is based on past due date.

B. As at June 30, 2025, December 31, 2024 and June 30, 2024, notes and accounts receivable were all from contracts with customers. And as at January 1, 2024, the balance of receivables from contracts with customers amounted to \$313,914.

C. The Group did not pledge notes and accounts receivable as collateral on June 30, 2025, December 31, 2024 and June 30, 2024.

D. As at June 30, 2025, December 31, 2024, and June 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 Group's notes receivable was \$43,148, \$37,717 and \$51,133, respectively. As at June 30, 2025, December 31, 2024, and June 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 Group's accounts receivable was \$285,544, \$272,266 and \$277,152, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Inventories

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Raw materials	\$ 156,387	\$ 176,378	\$ 147,266
Work in progress	72,628	68,885	80,006
Finished goods	90,443	100,283	103,066
Total	<u>\$ 319,458</u>	<u>\$ 345,546</u>	<u>\$ 330,338</u>

Operating costs incurred on inventories for the nine-month periods ended June 30, 2025 and 2024 were as follows :

	<u>For the three-month period ended June 30, 2025</u>	<u>For the three-month period ended June 30, 2024</u>
Cost of goods sold	\$ 236,155	\$ 239,753
Gain on inventory write-up	( 644)	-
Loss on scrap inventory	1,288	74
	<u>\$ 236,799</u>	<u>\$ 239,827</u>
	<u>For the six-month period ended June 30, 2025</u>	<u>For the six-month period ended June 30, 2024</u>
Cost of goods sold	\$ 473,247	\$ 477,986
Gain on inventory write-up	( 644)	-
Loss on scrap inventory	2,945	74
	<u>\$ 475,548</u>	<u>\$ 478,060</u>

(5) Investments accounted for under equity method

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Associates:			
SLEEVE SEAL, LLC	<u>\$ 31,851</u>	<u>\$ 29,076</u>	<u>\$ 28,692</u>

As of June 30, 2025, December 31, 2024, June 30, 2024, the carrying amount of the Company's individually immaterial associates amounted to \$31,851, \$29,076 and \$28,692, respectively.

	<u>For the three-month period ended June 30, 2025</u>	<u>For the three-month period ended June 30, 2024</u>
Profit(loss) for the period from continuing operations	\$ 2,542	\$ 4,445
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 2,542</u>	<u>\$ 4,445</u>
	<u>For the six-month period ended June 30, 2025</u>	<u>For the six-month period ended June 30, 2024</u>
Profit(loss) for the period from continuing operations	\$ 4,915	\$ 410
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 4,915</u>	<u>\$ 410</u>

(6) Property, plant and equipment

	2025								
	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Leased Improvements	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2025</u>									
Cost	\$ 230,207	\$ 425,207	\$ 587,403	\$ 6,870	\$ 2,446	\$ 39,802	\$ 319,215	\$ 42,796	\$ 1,653,946
Accumulated depreciation	-	( 157,297)	( 446,928)	( 6,167)	( 2,105)	( 20,275)	( 154,716)	-	( 787,488)
	<u>\$ 230,207</u>	<u>\$ 267,910</u>	<u>\$ 140,475</u>	<u>\$ 703</u>	<u>\$ 341</u>	<u>\$ 19,527</u>	<u>\$ 164,499</u>	<u>\$ 42,796</u>	<u>\$ 866,458</u>
<u>2025</u>									
Opening net book amount as at January 1	\$ 230,207	\$ 267,910	\$ 140,475	\$ 703	\$ 341	\$ 19,527	\$ 164,499	\$ 42,796	\$ 866,458
Additions	-	9,652	14,827	-	114	1,310	18,086	15,646	59,635
Disposals	-	-	( 2,109)	-	-	-	-	-	( 2,109)
Reclassifications(Note)	-	41,408	37,242	-	-	-	( 151)	( 15,531)	62,968
Depreciation expense	-	( 8,622)	( 23,137)	( 243)	( 74)	( 3,218)	( 16,935)	-	( 52,229)
Net exchange differences	( 17,570)	( 5,469)	( 5,897)	-	8	( 72)	144	( 4,825)	( 33,681)
At June 30	<u>\$ 212,637</u>	<u>\$ 304,879</u>	<u>\$ 161,401</u>	<u>\$ 460</u>	<u>\$ 389</u>	<u>\$ 17,547</u>	<u>\$ 165,643</u>	<u>\$ 38,086</u>	<u>\$ 901,042</u>
<u>At June 30, 2025</u>									
Cost	\$ 212,637	\$ 470,875	\$ 618,129	\$ 6,841	\$ 2,531	\$ 39,912	\$ 336,875	\$ 38,086	\$ 1,725,886
Accumulated depreciation	-	( 165,996)	( 456,728)	( 6,381)	( 2,142)	( 22,365)	( 171,232)	-	( 824,844)
	<u>\$ 212,637</u>	<u>\$ 304,879</u>	<u>\$ 161,401</u>	<u>\$ 460</u>	<u>\$ 389</u>	<u>\$ 17,547</u>	<u>\$ 165,643</u>	<u>\$ 38,086</u>	<u>\$ 901,042</u>

Note: The primary transfer from non-current assets - prepaid equipment payments.

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Leased Improvements	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2024</u>									
Cost	\$ 228,563	\$ 379,297	\$ 624,314	\$ 8,075	\$ 5,077	\$ 43,792	\$ 309,270	\$ 41,213	\$ 1,639,601
Accumulated depreciation	-	( 143,032)	( 451,386)	( 6,911)	( 4,397)	( 20,995)	( 136,280)	-	( 763,001)
	<u>\$ 228,563</u>	<u>\$ 236,265</u>	<u>\$ 172,928</u>	<u>\$ 1,164</u>	<u>\$ 680</u>	<u>\$ 22,797</u>	<u>\$ 172,990</u>	<u>\$ 41,213</u>	<u>\$ 876,600</u>
<u>2024</u>									
Opening net book amount as at January 1	\$ 228,563	\$ 236,265	\$ 172,928	\$ 1,164	\$ 680	\$ 22,797	\$ 172,990	\$ 41,213	\$ 876,600
Additions	-	-	1,042	-	-	2,950	11,159	15,385	30,536
Disposals	-	-	( 794)	-	( 114)	-	-	-	( 908)
Reclassifications(Note)	-	-	-	( 47)	47	-	-	7,307	7,307
Depreciation expense	-	( 7,244)	( 23,915)	( 208)	( 130)	( 3,012)	( 15,844)	-	( 50,353)
Net exchange differences	( 858)	( 611)	( 1,246)	-	( 32)	2	( 2,615)	2	( 5,358)
At June 30	<u>\$ 227,705</u>	<u>\$ 228,410</u>	<u>\$ 148,015</u>	<u>\$ 909</u>	<u>\$ 451</u>	<u>\$ 22,737</u>	<u>\$ 165,690</u>	<u>\$ 63,907</u>	<u>\$ 857,824</u>
<u>At June 30, 2024</u>									
Cost	\$ 227,705	\$ 378,159	\$ 595,343	\$ 7,184	\$ 2,552	\$ 39,336	\$ 308,243	\$ 63,907	\$ 1,622,429
Accumulated depreciation	-	( 149,749)	( 447,328)	( 6,275)	( 2,101)	( 16,599)	( 142,553)	-	( 764,605)
	<u>\$ 227,705</u>	<u>\$ 228,410</u>	<u>\$ 148,015</u>	<u>\$ 909</u>	<u>\$ 451</u>	<u>\$ 22,737</u>	<u>\$ 165,690</u>	<u>\$ 63,907</u>	<u>\$ 857,824</u>

- A. For the three-month and six-month periods ended June 30, 2025 and 2024, The amounts of borrowing costs capitalized for real estate, plant, and equipment are \$23, \$282, \$46 and \$545, respectively.
- B. The major components of the Group's houses and buildings, including buildings, electromechanical power equipment, and construction, are depreciated over 15 to 30 years and 2 to 22 years, respectively.
- C. For information on property, plant and equipment provided as collateral, please refer to the descriptions in Note 8.

(7) Leasing arrangements – lessee

- A. The Group leases various assets including buildings, machinery and transportation equipment. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise building and structure. Low-value assets comprise printer.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount		
	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	\$ 14,622	\$ 13,512	\$ 16,535
Machinery and equipment	221	427	689
Transportation equipment (Business vehicles)	3,030	3,793	4,041
	<u>\$ 17,873</u>	<u>\$ 17,732</u>	<u>\$ 21,265</u>
	Depreciation		
	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024	
Buildings	\$ 1,552	\$ 3,070	
Machinery and equipment	75	125	
Transportation equipment (Business vehicles)	799	887	
	<u>\$ 2,426</u>	<u>\$ 4,082</u>	
	Depreciation		
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024	
Buildings	\$ 3,000	\$ 6,137	
Machinery and equipment	206	209	
Transportation equipment (Business vehicles)	1,631	1,774	
	<u>\$ 4,837</u>	<u>\$ 8,120</u>	

- D. For the three-month and six-month periods ended June 30, 2025 and 2024, the additions to right-of-use assets were \$4,886, \$1,247, \$5,197 and \$1,529, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 67	\$ 83
Expense on short-term lease contracts	500	514
Expense on leases of low-value assets	114	7
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 131	\$ 179
Expense on short-term lease contracts	1,003	1,012
Expense on leases of low-value assets	128	15

F. For the three-month and six-month periods ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$3,121, \$3,172, \$5,949 and \$6,378, respectively.

(8) Other non-current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for equipment	\$ 22,590	\$ 81,649	\$ 52,244
Refundable deposits	13,574	14,082	13,251
	<u>\$ 36,164</u>	<u>\$ 95,731</u>	<u>\$ 65,495</u>

(9) Short-term borrowings

Type of borrowings	June 30, 2025	Interest rate range	Collateral
<u>Bank borrowings</u>			
Secured borrowings	\$ 54,450	2.22%~2.23%	Pledged deposit
Unsecured borrowings	235,942	2.55%~7.42%	None
	<u>\$ 290,392</u>		
Type of borrowings	December 31, 2024	Interest rate range	Collateral
<u>Bank borrowings</u>			
Secured borrowings	\$ 48,310	2.35%	Pledged deposit
Unsecured borrowings	250,371	2.55%~7.42%	None
	<u>\$ 298,681</u>		
Type of borrowings	June 30, 2024	Interest rate range	Collateral
<u>Bank borrowings</u>			
Secured borrowings	\$ 110,280	1.94%~2.70%	Pledged deposit
Unsecured borrowings	216,737	2.65%~7.42%	None
	<u>\$ 327,017</u>		

(10) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Salaries and bonuses payable	\$ 21,862	\$ 25,176	\$ 22,383
Remuneration payable to employees and directors	3,697	3,944	10,003
Insurance premium payable	1,555	1,479	1,466
Equipment purchase payables	8,654	540	-
Others	30,916	23,845	30,867
	<u>\$ 66,684</u>	<u>\$ 54,984</u>	<u>\$ 64,719</u>

## (11) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2025
Long-term bank borrowings				
Secured borrowings	From November 2024 to November 2029, the interest are paid monthly and the principal will be repaid by the agreed percentage.	2.46%	Note 1	\$ 363,600
Secured borrowings	December 2024 to October 2027 is the grace period for principal repayment, and interest is paid monthly. From November 2027 to November 2029, the principal and interest will be repaid monthly.	2.06%	Note 1	12,000
Secured borrowings	From December 2024 to November 2029, the interest is paid monthly, and the principal is repaid in a lump sum upon maturity.	2.56%	Note 1	20,000
Secured borrowings	From November 2024 to November 2029, interest is paid monthly, and principal is repaid in a lump sum upon maturity.	2.56%	Note 1	50,000
Secured borrowings	January 2025 to October 2027 is the grace period for principal repayment, and interest is paid monthly. From November 2027 to November 2029, the principal and interest will be repaid monthly.	2.06%	Note 1	20,000
Secured borrowings	February 2025 to October 2027 is the grace period for principal repayment, and interest is paid monthly. From November 2027 to November 2029, the principal and interest will be repaid monthly.	2.06%	Note 1	20,430
Secured borrowings	April 2025 to October 2027 is the grace period for principal repayment, and interest is paid monthly. From November 2027 to November 2029, the principal and interest will be repaid monthly.	2.06%	Note 1	9,000
Secured borrowings	May 2025 to October 2027 is the grace period for principal repayment, and interest is paid monthly. From November 2027 to November 2029, the principal and interest will be repaid monthly.	2.06%	Note 1	17,730
Secured borrowings	January 2025 to December 2025 is the grace period for principal repayment, and interest is paid monthly. From January 2026 to December 2029, the principal and interest will be repaid monthly.	7.70%	Property, plant and equipment	26,700
Credit borrowings	From September 2020 to September 2025, the principal and interest will be repaid monthly.	2.72%	None	595
Credit borrowings	From November 2020 to November 2025, the principal and interest will be repaid monthly.	2.72%	None	991
Credit borrowings	From December 2020 to December 2025, the principal and interest will be repaid monthly.	2.72%	None	1,170
Credit borrowings	From January 2021 to January 2026, the principal and interest will be repaid monthly.	2.72%	None	1,400
Credit borrowings	From February 2021 to February 2026, the principal and interest will be repaid monthly.	2.72%	None	1,520
Credit borrowings	From March 2021 to March 2026, the principal and interest will be repaid monthly.	2.72%	None	1,665
Credit borrowings	From February 2023 to February 2026, the principal and interest will be repaid monthly.	1.44%	None	125
Credit borrowings	From January 2023 to January 2026, the principal and interest will be repaid monthly.	3.35%	None	972
Other long-term borrowings				
Credit borrowings	From December 2022 to December 2025, the principal and interest will be repaid quarterly	8.48%	None	8,806
				556,704
Less: long-term liabilities due within one year or one business cycle				( 56,942)
Less: Syndicated loan fees and participation fees				( 1,642)
				<u>\$ 498,119</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured borrowings	From November 2024 to November 2029, the interest are paid monthly and the principal will be repaid by the agreed percentage.	2.46%	Note 1	\$ 363,600
Secured borrowings	December 2024 to October 2027 is the grace period for principal repayment, and interest is paid monthly. From November 2027 to November 2029, the principal and interest will be repaid monthly.	2.06%	Note 1	12,000
Secured borrowings	From December 2024 to November 2029, the interest is paid monthly, and the principal is repaid in a lump sum upon maturity.	2.56%	Note 1	20,000
Secured borrowings	From November 2024 to November 2029, interest is paid monthly, and principal is repaid in a lump sum upon maturity.	2.56%	Note 1	50,000
Secured borrowings	January 2025 to December 2025 is the grace period for principal repayment, and interest is paid monthly. From January 2026 to December 2029, the principal and interest will be repaid monthly.	8.25%	Property, plant and equipment	30,450
Credit borrowings	From September 2020 to September 2025, the principal and interest will be repaid monthly.	2.72%	None	1,785
Credit borrowings	From November 2020 to November 2025, the principal and interest will be repaid monthly.	2.72%	None	2,182
Credit borrowings	From December 2020 to December 2025, the principal and interest will be repaid monthly.	2.72%	None	2,340
Credit borrowings	From January 2021 to January 2026, the principal and interest will be repaid monthly.	2.72%	None	2,600
Credit borrowings	From February 2021 to February 2026, the principal and interest will be repaid monthly.	2.72%	None	2,660
Credit borrowings	From March 2021 to March 2026, the principal and interest will be repaid monthly.	2.72%	None	2,775
Credit borrowings	From January 2023 to January 2026, the principal and interest will be repaid monthly. y.	3.35%	None	1,806
Credit borrowings	From January 2022 to January 2025, the principal and interest will be repaid monthly	1.89%	None	115
Credit borrowings	From February 2023 to February 2026, the principal and interest will be repaid monthly	1.56%	None	228
Other long-term borrowings				
Credit borrowings	From December 2022 to December 2025, the principal and interest will be repaid quarterly	8.50%	None	19,674
				512,215
Less: long-term liabilities due within one year or one business cycle				( 56,828)
Less: Syndicated loan fees and participation fees				( 1,844)
				<u>\$ 453,543</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2024
Long-term bank borrowings				
Secured borrowings	From December 2019 to December 2024, interest will be paid monthly and settled in one lump sum upon maturity.	3.04%	Note 2	\$ 404,000
Credit borrowings	From September 2019 to September 2025, the principal and interest were repaid monthly.	2.72%	None	3,173
Credit borrowings	From November 2020 to November 2025, the principal and interest are repaid monthly.	2.72%	None	3,372
Credit borrowings	From December 2020 to December 2025, the principal and interest are repaid monthly.	2.72%	None	3,510
Credit borrowings	From January 2021 to January 2026, the principal and interest shall be repaid monthly	2.72%	None	3,800
Credit borrowings	From February 2021 to February 2026, the principal and interest shall be repaid monthly.	2.72%	None	3,800
Credit borrowings	From March 2021 to March 2026, the principal and interest shall be repaid monthly.	2.72%	None	3,885
Credit borrowings	From September 2019 to September 2024, the principal and interest are repaid monthly.	3.17%	None	267
Credit borrowings	From January 2022 to January 2025, the principal and interest shall be repaid monthly.	1.89%	None	880
Credit borrowings	From January 2023 to January 2026, the principal and interest shall be repaid monthly.	3.30%	None	2,639
Credit borrowings	From February 2023 to February 2026, the principal and interest shall be repaid monthly.	1.56%	None	366
Other bank borrowings				
Unsecured borrowings	From December 2022 to December 2025, the principal and interest shall be repaid quarterly.	9.50%	None	<u>29,082</u>
				458,774
Less: long-term liabilities due within one year or one business cycle				( 440,433)
Less: Syndicated loan fees and participation fees				( 608)
				<u>\$ 17,733</u>

Note 1: In order to repay the existing bank borrowings and replenish the interim working capital, the Company pledged real estates (please refer to Note 8) to the bank as collateral.

The Company promised on June 30, 2025 and December 31, 2024, to maintain the following financial ratios and requirements in the consolidated financial statements at the end of each year throughout the duration of the credit extension:

A. The current ratio : shall be maintained at or above 100%

[The "current ratio" refers to the ratio of the borrower's current assets divided by current liabilities less mid- and long-term liabilities due within one year (current assets ÷ current liabilities less medium and long-term liabilities due within one year)].

B. The debt ratio : shall be maintained below 200%.

[The "debt ratio" refers to the ratio of the borrower's liabilities less cash and cash equivalents, divided by tangible net worth (debt less cash and cash equivalents / tangible net worth)].

C. Principal - interest coverage ratio: 1.1 times (inclusive) or more (2025 onward).

"The "principle - interest coverage ratio" refers to the multiple where the sum of the borrower's net profit before tax, interest

expenses, depreciation, and amortization is divided by the long term borrowings due within one year in the previous period plus the interest expense ((pre-tax net profit + interest expense + depreciation + amortization) ÷ long-term borrowings due within one year in the previous period plus interest expense)].

D. The minimum tangible net worth: shall be maintained at more than NT\$600 million (inclusive).

["Tangible net worth is the net worth less intangible assets and deferred expenses (net worth - intangible assets - deferred expenses)"].

If the said requirements are not complied with, the Group shall have a capital increase in cash or make improvements and adjustments by other means during the period of improvement before providing the next consolidated and non-consolidated financial statements. During the improvement period, it shall not be deemed that a breach of contract has occurred. However, during the period of improvement, the Group shall accrue interest on the balance of this credit facility and the additional credit facility drawn at the extra interest rate of 0.10% per annum.

If the borrower fails to complete the improvement during the above improvement period, the credit interest shall still be accrued and paid at the above-mentioned agreed annual interest (fee) rate from the next day upon the expiration of the improvement period to the day before the borrower actually completes the improvement, and it is deemed a breach of the contract.

The Group's financial ratios as of June 30, 2025 and December 31, 2024 complied with the above requirements.

Note 2: In order to repay the existing bank borrowings and replenish the interim working capital, the Company pledged real estates (please refer to Note 8) to the bank as collateral.

The Company promised on June 30, 2024, to maintain the following financial ratios and requirements in the consolidated financial statements at the end of each year throughout the duration of the credit extension:

A. Current ratio: One hundred percent (100%) (inclusive) or more

[The "current ratio" refers to the ratio of the borrower's current assets divided by current liabilities less mid- and long-term liabilities due within one year (current assets ÷ current liabilities less medium and long-term liabilities due within one year)].

B. Debt ratio: Two hundred percent (200%) (inclusive) or less

[The "debt ratio" refers to the ratio of the borrower's liabilities less cash and cash equivalents, divided by tangible net worth (debt less cash and cash equivalents / tangible net worth)].

C. Interest coverage ratio: three times (inclusive) or more

"The "interest coverage ratio" refers to the multiple where the sum of the borrower's net profit before tax, interest expenses, depreciation, and amortization is divided by the interest expense ((pre-tax net profit + interest expense + depreciation + amortization)

÷ interest expense)].

D. Tangible net worth: \$600,000 (inclusive) or more

["Tangible net worth is the net worth less intangible assets and deferred expenses (net worth - intangible assets - deferred expenses)"].

If the above requirements are not met, the interest rate of the syndicated loan shall be increased by 0.10%, and the Group shall make adjustments before the annual consolidated financial statements are audited and verified in the next fiscal year (hereinafter referred to as the "improvement period") to conform with the requirements. The improvement period shall not be deemed as a breach of contract (however, if the improvement is not completed within the improvement period, it still constitutes a breach of contract). However, during the improvement period, except for the loaning of new loans and repayment of the old loans under the terms of this contract, the use of this loan shall be suspended.

All the Group's financial ratios as of June 30, 2024 complied with the above requirements.

(12) Pension

- A. Effective July 1, 2005, the Group and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The pension costs under the defined benefit pension plans of the Group for the three-month and six-month periods ended June 30, 2025 and 2024 were \$1,488, \$1,481, \$2,980 and \$3,014, respectively.

(13) Share capital

- A. As of June 30, 2025, the Company's authorised capital was \$650,000, consisting of 65,000 thousand shares of ordinary stock (including 1,000 thousand shares reserved for employee stock options), and the paid-in capital was \$548,171 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number (thousands of shares) of the Company's common shares outstanding are as follows:

	<u>2025</u>	<u>2024</u>
January 1	54,249,140	54,249,140
Treasury shares purchase	( 596,000)	-
June 30	<u>53,653,140</u>	<u>54,249,140</u>

### C. Treasury shares

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

Name of company holding the shares	Reason for reacquisition	June 30, 2025		December 31, 2024		June 30, 2024	
		Number of shares	Carrying amount	Number of shares	Carrying amount	Number of shares	Carrying amount
The Company	To be reissued to employees	1,164,000	\$17,309	568,000	\$ 9,450	568,000	\$9,450

- (b) The Securities and Exchange Act stipulates that the proportion of the outstanding shares redeemed by the Company shall not exceed 10% of the total number of the outstanding shares, and the total amount of the shares redeemed shall not exceed the retained earnings plus the premium from issuance of the shares and the realized capital surplus.
- (c) The treasury shares held by the Group shall not be pledged in accordance with the Securities and Exchange Act, nor shall they be entitled to shareholder rights until they are transferred.
- (d) Pursuant to the Securities and Exchange Act, the shares repurchased due to the transfer of shares to employees shall be transferred within five years from the date of repurchase. If the shares are not transferred within the time limit, they shall be deemed as unissued shares, and the change of registration shall be made to eliminate shares. For the repurchased shares to protect the Company's credit and shareholders' equity, a change registration shall be made to eliminate the shares within six months from the date of repurchase.

#### (14) Capital surplus

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. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025						
	Share premium	Treasury share transactions	Corporate bond conversion premium	executed employee share warrants	Stock options	Donated assets	Total
At June 30 (at January 1)	\$26,844	\$ 19	\$ 61,412	\$ 773	\$ 293	\$ 2	\$ 89,343
	2024						
	Share premium	Treasury share transactions	Corporate bond conversion premium	executed employee share warrants	Stock options	Donated assets	Total
At January 1	\$26,844	\$ 19	\$ 61,412	\$ 773	\$ 293	\$ -	\$ 89,341
Exercise of disgorgement	-	-	-	-	-	2	2
At June 30	\$26,844	\$ 19	\$ 61,412	\$ 773	\$ 293	\$ 2	\$ 89,343

#### (15) Retained earnings

- A. For the current year's pre-tax net profit before deducting employee and director compensation, the Company shall allocate no less than 4% as employee compensation and no more than 4% as director compensation. However, if the Company has accumulated losses, the amount shall be reserved to cover these losses in advance. The aforementioned employee compensation may be distributed in the form of stock or cash, and the

recipients may include employees of subsidiaries who meet certain conditions. The director compensation, however, shall only be distributed in cash. The allocation of both employee and director compensation shall be resolved by the board of directors and reported to the shareholders' meeting.

- B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, if legal reserve has accumulated to an amount equal to the paid-in capital, then legal reserve is not required to be set aside any more. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the Competent Authority. The remainder, if any, along with prior year's accumulated undistributed earnings shall be proposed by the Board of Directors. However, the appropriation of earnings shall be resolved by the shareholders if earnings are distributed by issuing new shares, or the appropriation of earnings shall be resolved by the Board of Directors. In accordance with Company Act Article 240, and Article 241, the resolution, for all or partial of distributable dividends, legal reserve and capital surplus are distributed in the form of cash, will be adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors, and will be reported to the shareholders.
- C. Before the distribution of dividends, the Company shall first take into consideration its operating environment and industry developments, as well as its programs to maintain operating efficiency, and meet its capital expenditure budget, business expansion, and financial goals, in determining the stock or cash dividends to be distributed. Dividend distributions should not be less than 10% of the distributable earnings. The Company shall distribute the dividends of at least 10% of the aggregate dividends, if the distributions include cash dividends. °
- D. 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.
- E. 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.
- F. The Company recognised dividends distributed to owners amounting to \$0 for the years ended December 31, 2025 and 2024.

(16) Other equity items

	Currency translation	
	2025	2024
At January 1	(\$ 64,637)	(\$ 64,510)
Revaluation transferred to retained earnings	-	204
Foreign currency translation difference	( 38,710)	705
At June 30	(\$ 103,347)	(\$ 63,601)

(17) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

For the three-month period ended					
June 30, 2025	Taiwan	America	Asia	Others	Total
Timing of revenue					
At a point intime	<u>\$ 179,459</u>	<u>\$ 83,134</u>	<u>\$ 25,227</u>	<u>\$ 515</u>	<u>\$ 288,335</u>
For the three-month period ended					
June 30, 2024	Taiwan	America	Asia	Others	Total
Timing of revenue					
At a point intime	<u>\$ 164,795</u>	<u>\$ 103,943</u>	<u>\$ 30,578</u>	<u>\$ 3,329</u>	<u>\$ 302,645</u>
For the six-month period ended					
June 30, 2025	Taiwan	America	Asia	Others	Total
Timing of revenue					
At a point intime	<u>\$ 334,240</u>	<u>\$ 178,050</u>	<u>\$ 66,740</u>	<u>\$ 767</u>	<u>\$ 579,797</u>
For the six-month period ended					
June 30, 2024	Taiwan	America	Asia	Others	Total
Timing of revenue					
At a point intime	<u>\$ 329,327</u>	<u>\$ 201,542</u>	<u>\$ 64,589</u>	<u>\$ 5,157</u>	<u>\$ 600,615</u>

B. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities	<u>\$ 29,717</u>	<u>\$ 16,572</u>	<u>\$ 32,100</u>	<u>\$ 8,451</u>

Revenue recognized that was included in the contract liability balance at the beginning of the period:

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Contract liabilities – advance sales receipts	<u>\$ 3,838</u>	<u>\$ 2,304</u>
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Contract liabilities – advance sales receipts	<u>\$ 9,773</u>	<u>\$ 3,557</u>

(18) Interest income

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Interest on bank deposits	\$ 544	\$ 1,273
Others	8	12
	<u>\$ 552</u>	<u>\$ 1,285</u>
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Interest on bank deposits	\$ 1,522	\$ 3,740
Others	16	23
	<u>\$ 1,538</u>	<u>\$ 3,763</u>

(19) Other gains and losses

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Net currency exchange losses	(\$ 36,792)	(\$ 8,834)
Losses on disposal of property, plant and equipment	-	( 540)
Subsidy Income(Note)	1	-
Other losses	( 390)	( 781)
	<u>(\$ 37,181)</u>	<u>(\$ 10,155)</u>
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Net currency exchange losses	(\$ 26,828)	(\$ 2,855)
Gains(losses) on disposal of property, plant and equipment	391	( 79)
Subsidy Income(Note)	5,001	-
Other losses	( 1,666)	( 2,165)
	<u>(\$ 23,102)</u>	<u>(\$ 5,099)</u>

(20) Finance costs

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Bank borrowings	\$ 5,119	\$ 6,195
Lease liabilities	67	83
	5,186	6,278
Less: interest capitalization	( 23)	( 282)
	<u>\$ 5,163</u>	<u>\$ 5,996</u>

	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Bank borrowings	\$ 11,306	\$ 11,760
Lease liabilities	131	179
	<u>11,437</u>	<u>11,939</u>
Less: interest capitalization	( 46)	( 545)
	<u>\$ 11,391</u>	<u>\$ 11,394</u>

(21) Expenses by nature

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Employee welfare expenses	\$ 49,719	\$ 50,965
Depreciation expense (right-of-use assets included)	\$ 29,128	\$ 29,403
Amortization expense of intangible assets	\$ 271	\$ 241
	<u>For the six-month period ended June 30, 2025</u>	<u>For the six-month period ended June 30, 2024</u>
Employee welfare expenses	\$ 101,703	\$ 101,287
Depreciation expense (right-of-use assets included)	\$ 57,066	\$ 58,473
Amortization expense of intangible assets	\$ 577	\$ 438

(22) Employee benefit expenses

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Wages and salaries	\$ 43,019	\$ 43,160
Labor and health insurance fees	3,526	4,420
Pension costs	1,488	1,481
Other personnel expenses	1,686	1,904
	<u>\$ 49,719</u>	<u>\$ 50,965</u>
	<u>For the six-month period ended June 30, 2025</u>	<u>For the six-month period ended June 30, 2024</u>
Wages and salaries	\$ 87,832	\$ 84,982
Labor and health insurance fees	7,373	9,147
Pension costs	2,980	3,014
Other personnel expenses	3,518	4,144
	<u>\$ 101,703</u>	<u>\$ 101,287</u>

A. In accordance with the Company's Articles of Incorporation, the Company shall appropriate no higher than 4% for directors' remuneration and no less than 4% for employees' compensation, if the Company generates profit.

B. For the three-month and six-month periods ended June 30, 2025, employees' compensation was accrued at (\$127), \$318, \$0 and \$696, Directors' remuneration was accrued at (\$76), \$192, \$0 and \$418 respectively. The amounts were estimated as salary expense in accordance with the Company's Articles of Incorporation. For the three-month and six-month periods ended June 30, 2025, there was a pre-tax loss, so employee and director/supervisor compensation were not estimated.

For 2025, based on the profit situation up to the end of the period, 5% and 3% were estimated respectively.

The employees' compensation was \$154, and directors' remuneration was \$92 for 2024 resolved at the meeting of the Board of Directors, both distributed in cash and agreed with those amounts recognized in the 2024 financial statements.

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

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>For the three-month period ended June 30, 2025</u>	<u>For the three-month period ended June 30, 2024</u>
Current income tax:		
Current income tax on profits for the year	\$ 984	\$ -
Prior year income tax underestimation	( 2,573)	5,199
Total current income tax	<u>(\$ 1,589)</u>	<u>\$ 5,199</u>
Deferred tax:		
Origination and reversal of temporary differences	( 4,740)	-
Income tax expense	<u>(\$ 6,329)</u>	<u>\$ 5,199</u>
	<u>For the six-month period ended June 30, 2025</u>	<u>For the six-month period ended June 30, 2024</u>
Current income tax:		
Current income tax on profits for the year	\$ 1,990	\$ -
Prior year income tax underestimation	( 2,573)	5,199
Total current income tax	<u>(\$ 583)</u>	<u>\$ 5,199</u>
Deferred tax:		
Origination and reversal of temporary differences	( 4,740)	-
Income tax expense	<u>(\$ 5,323)</u>	<u>\$ 5,199</u>

(b) The income tax credit relating to components of other comprehensive income is as follows: None.

(c) The income tax charged/(credited) to equity during the period is as follows: None.

B. As at June 30, 2025, the Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(24) Earnings per share

	<u>For the three-month period ended June 30, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to common shareholders of the parent company	<u>(\$ 32,334)</u>	<u>54,141</u>	<u>(\$ 0.60)</u>
<u>Diluted earnings per share</u>			
Profit attributable to common shareholders of the parent company plus assumed conversion of all dilutive potential common shares	<u>(\$ 32,334)</u>	<u>54,141</u>	<u>(\$ 0.60)</u>
	<u>For the three-month period ended June 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to common shareholders of the parent company	<u>\$ 1,134</u>	<u>54,249</u>	<u>\$ 0.02</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential common shares			
Employees' compensation	<u>-</u>	<u>48</u>	
Profit attributable to common shareholders of the parent company plus assumed conversion of all dilutive potential common shares	<u>\$ 1,134</u>	<u>54,297</u>	<u>\$ 0.02</u>
	<u>For the six-month period ended June 30, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to common shareholders of the parent company	<u>(\$ 29,789)</u>	<u>54,194</u>	<u>(\$ 0.55)</u>
<u>Diluted earnings per share</u>			
Profit attributable to common shareholders of the parent company plus assumed conversion of all dilutive potential common shares	<u>(\$ 29,789)</u>	<u>54,194</u>	<u>(\$ 0.55)</u>

	For the six-month period ended June 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 common shareholders of the parent company	\$ 8,682	54,249	\$ 0.16
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential common shares			
Employees' compensation	-	48	
Profit attributable to common shareholders of the parent company plus assumed conversion of all dilutive potential common shares	\$ 8,682	54,297	\$ 0.16

(25) Supplemental cash flow information

Investing activities with partial cash payments.

	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Purchase of property, plant and equipment	\$ 59,635	\$ 30,536
Add: Opening balance of payable on equipment	540	-
Less: Ending balance of payable on equipment	( 8,654)	-
Cash paid during the year	\$ 51,521	\$ 30,536

Changes in liabilities from financing activities

	For the six-month period ended June 30, 2025			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-total
At January 1	\$ 298,681	\$ 510,371	\$ 17,992	\$ 827,044
Changes in cash flow from financing activities	( 7,939)	49,973	( 4,687)	37,347
Interest expense	-	-	131	131
Interest paid	-	-	( 131)	( 131)
Impact of changes in foreign exchange	( 350)	( 5,283)	( 499)	( 6,132)
Changes in other non-cash items	-	-	5,349	5,349
At June 30	\$ 290,392	\$ 555,061	\$ 18,155	\$ 863,608

	For the six-month period ended June 30, 2024			
	Short-term	Long-term	Lease	Liabilities from
	borrowings	borrowings	liabilities	financing
				activities-total
At January 1	\$ 293,798	\$ 474,113	\$ 23,728	\$ 791,639
Changes in cash flow from financing activities	32,833	( 17,964)	( 5,172)	9,697
Interest expense	-	-	179	179
Interest paid	-	-	( 179)	( 179)
Impact of changes in foreign exchange	386	2,017	( 115)	2,288
Changes in other non-cash items	-	-	1,400	1,400
At June 30	<u>\$ 327,017</u>	<u>\$ 458,166</u>	<u>\$ 19,841</u>	<u>\$ 805,024</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Company
SLEEVE SEAL, LLC (SSL)	Associate
Daseseal Packaging Technology Limitada (Daseseal)	Substantive related party
HRP SUL AMERICAINDE COM. DE MA'QUIAS E EQUIP AMENTOS LTDA. (HRP)	Substantive related party
Dase-Sing Packaging Technology Co., LTD. (Dase-Sing)	Substantive related party
Peng, Shu-Chin	Close relatives of key management
Chairman, President and Vice Presidents	Key management of the Company

### (2) Significant related party transactions and balances

#### A. Operating revenue:

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Sales of goods and services :		
Associate	\$ 10,259	\$ 7,905
Substantive related party	-	127
	<u>\$ 10,259</u>	<u>\$ 8,032</u>
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Sales of goods and services :		
Associate	\$ 33,047	\$ 11,895
Substantive related party	45	127
	<u>\$ 33,092</u>	<u>\$ 12,022</u>

Goods are sold based on the price lists in force and terms that would be available to the general collection term was 30 ~ 90 days after monthly billings.

B. Purchases:

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Purchases:		
Substantive related party	\$ <u>369</u>	\$ <u>196</u>
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Purchases:		
Substantive related party	\$ <u>575</u>	\$ <u>589</u>

The Company's purchases from related parties are conducted under standard procurement conditions, with payment terms negotiated between both parties.

C. Operating expenses

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Daseseal	\$ <u>1,072</u>	\$ <u>2,637</u>
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Daseseal	\$ <u>10,910</u>	\$ <u>4,598</u>

The Company's commission payments to related parties are determined based on mutual agreements in contracts, with no other comparable transactions available.

D. Receivables from related parties:

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable:			
Associate	\$ 44,300	\$ 34,071	\$ 13,265
Substantive related party	<u>40</u>	<u>141</u>	<u>128</u>
subtotal	<u>\$ 44,340</u>	<u>\$ 34,212</u>	<u>\$ 13,393</u>

E. Payables to related parties:

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable:			
Substantive related party	\$ <u>475</u>	\$ <u>105</u>	\$ <u>486</u>
Other payables:			
Daseseal	\$ <u>6,932</u>	\$ <u>5,808</u>	\$ <u>4,074</u>

The outstanding balances of payable amounts to related parties are unsecured.

F. Prepayments:

	June 30, 2025	December 31, 2024	June 30, 2024
Substantive related party	\$ <u>-</u>	\$ <u>91</u>	\$ <u>-</u>

G. Contract liability

	June 30, 2025	December 31, 2024	June 30, 2024
SSL company	\$ <u>3,478</u>	\$ <u>5,217</u>	\$ <u>6,410</u>

## H. Lease transactions – lessee

(a) The Group leases buildings from associates, with the lease term running from 2024 to 2025, and the rent is payable at the end of each year.

(b) Acquisition of right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties	\$ -	\$ 607	\$ -

(c) Lease liabilities

a. As at June 30, 2025 :

	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties	\$ 607	\$ 607	\$ 607

b. Interest expense

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Other related parties	\$ 2	\$ 2
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Other related parties	\$ 2	\$ 2

(3) Key management compensation

	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024
Salaries and other short-term employee benefits	\$ 5,313	\$ 4,344
Post-employment benefits	133	144
Total	\$ 5,446	\$ 4,488
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Salaries and other short-term employee benefits	\$ 10,300	\$ 8,724
Post-employment benefits	277	288
Total	\$ 10,577	\$ 9,012

## 8. PLEGDED ASSETS

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

Pledged asset	Book value			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Property, plant and equipment	\$ 240,817	\$ 247,953	\$ 218,338	Long-term borrowings
Time deposits (shown in financial assets at amortized cost-current)	57,686	56,498	127,302	Short-term borrowings
	\$ 298,503	\$ 304,451	\$ 345,640	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

1. Capital expenditures signed but not yet incurred:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Property, plant and equipment	\$ 21,913	\$ 39,736	\$ -

2. Issued but unused letter of credit:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
NTD	\$ 383	\$ 5,816	\$ 9,959

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. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The Group endeavored to maintain its debt-to-equity ratio at a reasonable risk level as of June 30, 2025. As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group's debt-to-equity ratios were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Total borrowing	\$ 845,453	\$ 809,052	\$ 785,183
Less: Cash and cash equivalents	( 67,076)	( 85,558)	( 93,974)
Net debt	778,377	723,494	691,209
Total equity	738,772	809,650	921,850
Total capital	<u>\$ 1,517,149</u>	<u>\$ 1,533,144</u>	<u>\$ 1,613,059</u>
Net worth to debts ratio	<u>51%</u>	<u>47%</u>	<u>43%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 67,076	\$ 85,558	\$ 93,974
Financial assets at amortized cost	57,686	56,498	139,182
Notes receivable	43,148	37,717	51,133
Accounts receivable (including related parties)	285,544	272,266	277,152
Other receivables (including related parties)	1,216	3,650	2,475
Guarantee deposits paid	13,574	14,082	13,251
	<u>\$ 468,244</u>	<u>\$ 469,771</u>	<u>\$ 577,167</u>
	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 290,392	\$ 298,681	\$ 327,017
Notes payable (including other non-current liabilities)	44,163	66,570	60,327
Accounts payable (including related parties)	105,698	122,935	110,150
Other payable (including related parties)	73,616	60,792	68,793
Long-term borrowings (including current portion)	555,061	510,371	458,166
	<u>\$ 1,068,930</u>	<u>\$ 1,059,349</u>	<u>\$ 1,024,453</u>
Lease liabilities	<u>\$ 18,155</u>	<u>\$ 17,992</u>	<u>\$ 19,841</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (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 co-operation with the Group's operating units. The Board provides written principles for overall 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

Foreign exchange risk

- A. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: 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:

		June 30, 2025		
		Foreign currency amount(In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	11,490	29.30	\$ 336,657
JPY:NTD		2,432	0.203	494
CNY:NTD		3,059	4.091	12,514
<u>Non-monetary items :</u>				
USD:NTD		1,087	29.30	31,851
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	988	29.30	\$ 28,948
		December 31, 2024		
		Foreign currency amount(In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	10,110	32.79	\$ 331,507
JPY:NTD		2,939	0.210	617
CNY:NTD		3,609	4.480	16,168
<u>Non-monetary items :</u>				
USD:NTD		887	32.79	29,076
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	557	32.79	\$ 18,264

June 30, 2024

Foreign currency			
	amount(In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 12,726	32.45	\$ 412,959
JPY:NTD	44,585	0.202	9,006
CNY:NTD	4,210	4.445	18,713
<u>Non-monetary items</u> :			
USD:NTD	887	32.45	28,692
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 367	32.45	\$ 11,909

B. The exchange gains (losses), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2025 and 2024, amounted to (\$36,792), (\$8,834), (\$26,828) and (\$2,855), respectively.

C. Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the three-month period ended June 30, 2025			
Sensitivity analysis			
Degree of variation	Effect on profit	Effect on other comprehensive income	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 16,833	\$ -
JPY:NTD	5%	25	-
CNY:NTD	5%	626	-
<u>Non-monetary items</u> :			
USD:NTD	5%	-	1,597
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	5%	1,447	-
For the three-month period ended June 30, 2024			
Sensitivity analysis			
Degree of variation	Effect on profit	Effect on other comprehensive income	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 20,648	\$ -
JPY:NTD	5%	450	-
CNY:NTD	5%	936	-
<u>Non-monetary items</u> :			
USD:NTD	5%	-	1,435
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	5%	595	-

### Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term and some long-term borrowings. Borrowings issued at floating interest rates expose the Group to cash flow interest rate risk, partially offset by cash and cash equivalents held at floating rates. Borrowings issued at fixed interest rates expose the Group to fair value interest rate risk. For the years 2025 and 2024 from January 1 to June 30, borrowings calculated at floating rates were priced in NTD, with each market rate rising by 0.25%. The company increased its cash outflow by \$1,057 and \$981 respectively.

#### (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, and the contract cash flows of financial assets at amortized cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' 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 the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 120 days.
- iv. The Group adopts the following assumption 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.
- v. The Group classifies customer's accounts receivable, contract assets and rents receivable in accordance with product types. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. The Group used the forecast ability of semiconductor industry research report to adjust historical and timely information to assess the default possibility of accounts receivable. As at June 30, 2025, December 31, 2024 and June 30, 2024, the provision matrix as follows:

June 30, 2025	Group 1	Group 2	Total
Expected loss			
rate	0.00%	4.95%	
value	\$ 43,357	\$ 300,198	\$ 343,555
allowance	-	14,863	14,863
December 31, 2024	Group 1	Group 2	Total
Expected loss			
rate	0.00%	5.03%	
value	\$ 25,350	\$ 299,701	\$ 325,051
allowance	-	15,068	15,068
June 30, 2024	Group 1	Group 2	Total
Expected loss			
rate	0.00%	3.93%	
value	\$ 3,473	\$ 338,095	\$ 341,568
allowance	-	13,283	13,283

vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	Accounts receivable	
	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
	At January 1	\$ 15,068
Provision of impairment loss	-	156
Payment written off due to being unrecoverable	-	(156)
Effect of foreign exchange	(205)	(140)
At June 30	<u>\$ 14,863</u>	<u>\$ 13,283</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors 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.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at June 30, 2025, December 31, 2024 and June 30, 2024 the Group held money market position of \$66,369, \$84,237 and \$89,808, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Group has the following undrawn borrowing facilities:

	June 30, 2025	December 31, 2024	June 30, 2024
Floating rate:			
Expiring within one year	<u>\$ 134,608</u>	<u>\$ 136,985</u>	<u>\$ 109,192</u>

- iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining

period at the balance sheet date to the contractual maturity date for nonderivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flow.

June 30, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>				
Short-term borrowings	\$ 290,392	\$ -	\$ -	\$ -
Notes payable (including long-term notes payable)	44,163	-	-	-
Accounts payable (including related parties)	105,698	-	-	-
other payable	73,616	-	-	-
Lease liabilities	8,982	5,922	3,919	-
Long-term borrowings (including current portion)	71,053	176,056	329,833	-
December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>				
Short-term borrowings	\$ 298,681	\$ -	\$ -	\$ -
Notes payable (including long-term notes payable)	63,997	2,573	-	-
Accounts payable (including related parties)	122,935	-	-	-
other payable	60,792	-	-	-
Lease liabilities	8,205	6,180	3,991	-
Long-term borrowings (including current portion)	70,079	144,160	331,859	-
June 30, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>				
Short-term borrowings	\$ 327,017	\$ -	\$ -	\$ -
Notes payable (including long-term notes payable)	52,462	7,774	91	-
Accounts payable (including related parties)	110,150	-	-	-
other payable	68,793	-	-	-
Lease liabilities	7,959	5,841	6,473	-
Long-term borrowings (including current portion)	446,661	18,559	-	-

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.

F. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to tables 4.

14. Segment Information

(1) General information

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

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

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

For the six-month period ended June 30,						
2025	Taiwan	America	Asia	Others	Number of write-offs	Total
Revenue from external customers	\$ 334,240	\$ 178,050	\$ 66,740	\$ 767	\$ -	\$ 579,797
Segment revenue	\$ 528	\$ 1,016	\$ 2,262	\$ -	(\$ 3,806)	\$ -
Segment income (loss)	(\$ 29,981)	\$ 10,377	(\$ 13,422)	\$ -	\$ 8,322	(\$ 24,704)
Segment assets	\$ 1,842,431	\$ 219,629	\$ 423,963	\$ -	(\$ 624,170)	\$ 1,861,853
For the six-month period ended June 30,						
2024	Taiwan	America	Asia	Others	Number of write-offs	Total
Revenue from external customers	\$ 329,327	\$ 201,542	\$ 64,589	\$ 5,157	\$ -	\$ 600,615
Segment revenue	\$ 1,218	\$ 734	\$ 29,026	\$ -	(\$ 30,978)	\$ -
Segment income (loss)	(\$ 3,704)	\$ 11,733	\$ 2,555	\$ -	\$ 1,241	\$ 11,825
Segment assets	\$ 1,853,915	\$ 280,337	\$ 442,026	\$ -	(\$ 567,875)	\$ 2,008,403

(3) Reconciliation for segment income (loss)

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 statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations For the six-month periods ended June 30, 2025 and 2024 is provided as follows:

	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Reportable segments income	(\$ 33,026)	\$ 10,584
Other	<u>8,322</u>	<u>1,241</u>
Income before tax from continuing operations	<u>(\$ 24,704)</u>	<u>\$ 11,825</u>

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries

Loans to others

For the six-month period ended June 30, 2025

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2025	Balance at June 30, 2025	Actual amount drawn down	Interest rate(%)	Nature of loan	Amount of transactions with the borrower	Reason for short term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Xu Yuan Packaging Technology Co., Ltd.	XYPD Company	Other receivables-related parties	Y	\$ 129,822	\$ 113,733	\$ 113,733	-	1	\$ -	Business transactions	\$ -	\$ -	\$ -	\$ 279,818	\$ 279,818	
0	PT. XUYUAN	PT. CHENG KUANG	Other receivables-related parties	Y	15,000	15,000	-	-	1	-	Operations	-	-	-	71,819	71,819	Note 2

Note 1 : Xu Yuan Packaging Technology Co., Ltd's Procedures for Provision of Loans are as follows :

(1) Limit on loans granted by a subsidiary to a single party is 40% of the net assets value of the Company.

(2) ceiling on total loans granted by a subsidiary is 40% of the net assets value of the Company.

Note 2 : The Company's subsidiary, PT. Xuyuan Packaging Technology Indonesia, provided an intercompany loan to its subsidiary, PT. Cheng Kuang Machine Packaging Technology Indonesia. The loan was approved by the Company's Board of Directors on August 11, 2025. The loan has been fully repaid.

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
Provision of endorsements and guarantees to others  
For the six-month period ended June 30, 2025

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number	Party being endorsed/guaranteed		Relationship with the endorser/guarantor	Limited on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/amount as at June 30, 2025	Outstanding endorsement/guarantee amount at June 30, 2025	Actual amount drawn down	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 (Note)	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
	Endorser/guarantor	Company name												
0	Xu Yuan Packaging Technology Co., Ltd.	Hong Yuan Company	Subsidiaries	\$ 699,546	\$ 10,000	\$ 10,000	\$ 972	\$ -	1.43%	\$ 698,702	Y	N	N	
0	Xu Yuan Packaging Technology Co., Ltd.	PT. CHENG HONG	Subsidiaries	699,546	30,450	26,700	26,700	-	3.82%	698,702	Y	N	N	
0	Xu Yuan Packaging Technology Co., Ltd.	XYPD Company	Subsidiaries	279,818	50,000	50,000	8,790	6,593	7.15%	349,773	Y	N	N	

Note : According to the "Procedure for Endorsement and Guarantee" of the Company, the amount of endorsement and guarantee made for a single 100%-owned reinvestment enterprise shall not exceed the net worth of the Company; The amount of a single enterprise endorsement and guarantee shall not exceed 40% of the net worth of the company. The total amount of endorsement and guarantee for the reinvested enterprises for which the Company holds 100% of its shares shall not exceed the net worth of the Company; the total amount of endorsements and guarantees for the investees to which the Company does not hold 100% of its shares shall not exceed 50% of the net worth of the Company.

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
 June 30, 2025

Table3

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Xu Yuan Packaging Technology Co., Ltd.	XYPD Company	Subsidiaries	\$ 114,989	0.82	\$ 113,733	Continuing to demand payment	\$ 810	\$ -

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
 Significant inter-company transactions during the reporting period  
 For the six-month period ended June 30, 2025

Table4

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms(Note 3)	
0	Xu Yuan Packaging Technology Co., Ltd.	XYPD Company	1	Other receivables	\$ 114,178	-	6.13
0	"	PT. XUYUAN	1	Other receivables	65,941	-	3.54
0	"	Hong Yuan Company	1	Other receivables	30,254	-	1.62
1	PT. CHENG HONG company	PT. XUYUAN	2	Accounts receivable	10,165	-	0.55
1	"	"	2	Accounts payable	11,712	-	0.63
1	"	"	2	Contract liabilities	12,086	-	0.65

Note 1: The types of business transactions are indicated by the following numbers shown in the No. column:

- (1) The parent company is coded "0".
- (2) The subsidiaries are coded sequentially beginning from "1" by each individual company

Note 2: There are the three types of relations with the counterparty, and it is sufficient to just indicate the type (if it is the same transaction between parent and subsidiary or between subsidiaries, there is no need to disclose it repeatedly.

For example, if parent has disclosed a transaction with a subsidiary, the subsidiary does not need to disclose the same transaction again;

(If a subsidiary has disclosed a transaction with another subsidiary, the other subsidiary does not need to disclose the same transaction again)

- (1) Parent company to subsidiary.
- (2) Subsidiary to subsidiary

Note 3: The sales and purchases between the parent company and its subsidiaries are conducted in accordance with the general sales and purchase conditions. The payment period is O/A 30 to 120 days, and the collection period is O/A 30 days to 90 days. Currently, the amount is charged based on the subsidiary's funding position.

Note 4: As for the percentage of the transaction amount in the consolidated total revenue or total assets, if it is an asset-liability item,

it is a percentage of the closing balance in the consolidated total assets; if it is a profit or loss item, it is a percentage of the cumulative amount in the interim period in the consolidated total revenue.

Note 5: Only for these whose amount over NT\$10 million disclosed, the related party as counterparty are disclosed separately

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries

Information on investees

For the six-month period ended June 30, 2025

Table5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount(Note 1)		Shares held as at June 30, 2025				Net profit (loss) of the investee for the six-month period ended June 30, 2025	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares (thousand unit)	Ownership (%)	Book value				
Xu Yuan Packaging Technology Co., Ltd.	Hong Yuan Company	Taiwan	Manufacturing and wholesale of plastic products and related machinery and molds	\$ 24,738	\$ 24,738	4,399,808	100.00	\$ 8,788	(\$ 2,136)	(\$ 2,141)		
"	XU YUAN Company	U.S.A	Overseas holding company	16,000	16,000	700,000	100.00	6,900	779	779		
"	SLEEVE SEAL, LLC	U.S.A	Manufacture and sale of sleeve (applicator) labeling machines and color shrink labels	6,455	6,455	210,000	35.00	31,851	14,044	4,915		
"	XYP India Company	India	Sales of sleeve (sticker) labeling machines and color shrink labels	4,255	4,255	21,805	100.00	1,291	( 321)	( 321)		
"	XYPD Company	Brazil	Manufacturing and sale of color shrink labels	63,522	63,522	4,607,952	51.00	40,932	10,377	5,292		
"	PT. XUYUAN	Indonesia	Manufacturing and sales of color shrink labels and plastic products; sales of sleeve (sticker) labeling machines	292,167	292,167	10,000,000	100.00	179,073	( 11,700)	( 11,700)	Note 5	
"	PT. CHENG HONG	Indonesia	Manufacturing and sale of plastic granules and transparent film materials	4,566	4,566	150	10.00	3,973	( 2,158)	( 216)		
"	PT. CHENG KUANG	Indonesia	Manufacture and sale of complete sets of labeling machines and other equipment	40,871	26,026	13,550	96.79	34,895	( 21)	( 20)		
HONG YUAN PACKAGING TECHNOLOGY CO., LTD.	PT. CHENG HONG	Indonesia	Manufacturing and sale of plastic granules and transparent film materials	41,094	41,094	1,350	90.00	39,287	( 2,158)	( 1,942)		
"	PT. CHENG KUANG	Indonesia	Manufacture and sale of complete sets of labeling machines and other equipment	1,370	1,370	450	3.21	1,125	( 21)	( 1)		

Note 1 : The original investment amount is the NTD value evaluated based on the original exchange rate.

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries

Information on investments in Mainland China

For the six-month period ended June 30, 2025

Table6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in Capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2025	Net income of investee for the six-month period ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six- month period ended June 30, 2025 (Note2(2))	Book value of investment in Mainland China as at June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as at June 30, 2025	Foot note
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Hongxu Company	Assembly of packaging machinery and equipment and spare parts, grinding machines, and giant beds, sales of self-produced products, and provision of related technical consultation and technical services	\$ 22,155	Reinvestment in companies in Mainland China through reinvesting in an existing company (XU YUAN) in a third place	\$ 22,155	\$ -	\$ -	\$ 22,155	\$ 785	100.00	\$ 785	\$ 6,900	\$ -	Note 2(2)(C) · Note 4

Company name	Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA

Note 1: Investment methods are divided into the following three types. It is sufficient to indicate the type of investment:

- (1) Direct investment in Mainland China
- (2) Reinvestment in Mainland China through a company in a third place (please specify the investee in the third place)
- (3) Other methods

Note 2: In the column of investment gains/losses recognized in the current period:

- (1) If it is in the preparation process, so there is no investment gain or loss, please specify
- (2) The basis for recognition of investment gains and losses are divided into the following three types, please specify
  - A. Financial statements audited by an international accounting firm that has a cooperative relationship with a CPA firm of ROC
  - B. Financial statements audited by the parent company's CPAs in Taiwan
  - C. Self-settled financial statements.

Note 3: Relevant figures in this statement shall be presented in New Taiwan Dollars.

Note 4: Xu Yuan Company has invested in XU YUAN in December 2009, and indirectly acquired the investee companies in Mainland China. The investment has been approved by the Investment Commission, Ministry of Economic Affairs