

Xu Yuan Packaging Technology
Co., Ltd. and subsidiaries
Consolidated Financial Statements and Report of
Independent Accounts
Third 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 SEPTEMBER 30, 2025 AND 2024

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

Scope of review

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\$151,968 thousand and NT\$410,977 thousand, constituting 8% and 20% of the consolidated total assets as at September 30, 2025 and 2024, respectively, total liabilities amounted to NT\$59,334 and NT\$95,116 thousand, constituting 5% and 8% of the consolidated total liabilities as at September 30, 2025 and 2024, respectively, and the total comprehensive income (loss) amounted to NT\$1,345 thousand, NT\$16,594 thousand, NT\$(10,463) thousand and NT\$35,239

thousand, constituting 9%, 99%, 22% and 134% of the consolidated total comprehensive income for the three-month and nine-month periods then ended, respectively. And as explained in Notes 6(5) to the consolidated financial statements, as at September 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 September 30, 2025 and 2024 amounted to NT\$38,886 thousand and NT\$27,054 thousand, respectively, and the total comprehensive income (loss) amounted to NT\$5,687 thousand, NT\$2,850 thousand, NT\$10,602 thousand and NT\$3,260 thousand, constituting 38%, 17%, (22%) and 12% of the consolidated total comprehensive income for the three-month and nine-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 September 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.

Wei-Hao Wu

Ya-Hui Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

November 7, 2025

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

Unit: NT\$ thousand

Assets	Notes	September 30, 2025		December 31, 2024		September 30, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 49,825	3	\$ 85,558	5	\$ 87,660	5
1136	Financial assets measured at amortized cost— current	6(2) and 8	59,830	3	56,498	3	125,494	6
1150	Notes receivable, net	6(3)	34,456	2	37,717	2	42,105	2
1170	Accounts receivable, net	6(3)	253,970	14	238,054	12	260,752	13
1180	Accounts receivable, net - related parties	6(3) and 7	34,627	2	34,212	2	20,959	1
1200	Other receivables		2,722	-	3,650	-	2,268	-
1220	Current income tax assets		5,958	-	3,531	-	277	-
130X	Inventories, net	6(4)	305,500	16	345,546	18	349,255	17
1410	Prepayments	7	53,532	3	52,919	3	56,651	3
1470	Other current assets		41,702	2	33,795	2	39,763	2
11XX	Total current assets		<u>842,122</u>	<u>45</u>	<u>891,480</u>	<u>47</u>	<u>985,184</u>	<u>49</u>
Non-current assets								
1550	Investments accounted for under equity method	6(5)	38,886	2	29,076	2	27,054	1
1600	Property, plant and equipment	6(6) and 8	901,222	49	866,458	45	891,697	44
1755	Right-of-use assets	6(7) and 7	15,926	1	17,732	1	19,426	1
1780	Intangible assets		2,297	-	3,165	-	14,390	1
1840	Deferred income tax assets		9,267	1	7,696	-	7,696	-
1900	Other non-current assets	6(8)	42,728	2	95,731	5	72,719	4
15XX	Total non-current assets		<u>1,010,326</u>	<u>55</u>	<u>1,019,858</u>	<u>53</u>	<u>1,032,982</u>	<u>51</u>
1XXX	Total assets		<u>\$ 1,852,448</u>	<u>100</u>	<u>\$ 1,911,338</u>	<u>100</u>	<u>\$ 2,018,166</u>	<u>100</u>

(Continued)

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

Unit: NT\$ thousand

Liabilities and Equity	Notes	September 30, 2025		December 31, 2024		June 30, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(9)	\$ 284,598	15	\$ 298,681	16	\$ 334,805	17
2130	Contract liabilities - current	6(17) and 7	28,653	2	16,572	1	26,510	1
2150	Notes payable		43,292	2	63,997	3	66,834	3
2170	Accounts payable		100,887	5	122,830	7	120,812	6
2180	Accounts payable - related parties	7	352	-	105	-	133	-
2200	Other payables	6(10)	64,727	4	54,984	3	43,332	2
2220	Other payables - related parties	7	7,840	-	5,808	-	102,937	5
2230	Current income tax liabilities		-	-	866	-	1,382	-
2280	Lease liabilities - current	6(7) and 7	4,837	-	8,045	-	8,181	1
2320	Long-term liabilities maturing within one year or one business cycle	6(11)	50,573	3	56,828	3	439,450	22
21XX	Total current liabilities		<u>585,759</u>	<u>31</u>	<u>628,716</u>	<u>33</u>	<u>1,144,376</u>	<u>57</u>
Non-current liabilities								
2540	Long-term loans	6(11)	497,160	27	453,543	24	8,807	-
2570	Deferred income tax liabilities		488	-	-	-	-	-
2580	Lease liabilities - non-current	6(7) and 7	11,331	1	9,947	1	11,087	-
2600	Other non-current liabilities		6,290	-	9,482	-	13,074	1
25XX	Total non-current liabilities		<u>515,269</u>	<u>28</u>	<u>472,972</u>	<u>25</u>	<u>32,968</u>	<u>1</u>
2XXX	Total liabilities		<u>1,101,028</u>	<u>59</u>	<u>1,101,688</u>	<u>58</u>	<u>1,177,344</u>	<u>58</u>
Equity attributable to owners of the parent company								
Share capital								
3110	Share capital - common stock	6(13)	548,171	30	548,171	29	548,171	27
Capital surplus								
3200	Capital surplus	6(14)	89,343	5	89,343	5	89,343	5
Retained earnings								
3310	Legal reserve	6(15)	40,584	2	40,584	2	40,584	2
3320	Special reserve		64,746	3	64,746	3	64,746	3
3350	Unappropriated retained earnings		78,189	4	107,147	5	116,482	6
Other equity interest								
3400	Other equity interest	6(16)	(92,661)	(5)	(64,637)	(3)	(55,356)	(3)
3500	Treasury stocks	6(13)	(19,455)	(1)	(9,450)	(1)	(9,450)	-
31XX	Total equity attributable to owners of the parent company		<u>708,917</u>	<u>38</u>	<u>775,904</u>	<u>40</u>	<u>794,520</u>	<u>40</u>
36XX	Non-controlling equity		<u>42,503</u>	<u>3</u>	<u>33,746</u>	<u>2</u>	<u>46,302</u>	<u>2</u>
3XXX	Total equity		<u>751,420</u>	<u>41</u>	<u>809,650</u>	<u>42</u>	<u>840,822</u>	<u>42</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments								
3X2X	Total liabilities and equity		<u>\$ 1,852,448</u>	<u>100</u>	<u>\$ 1,911,338</u>	<u>100</u>	<u>\$ 2,018,166</u>	<u>100</u>

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

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

Item	Notes	For the three-month period ended September 30, 2025		For the three-month period ended September 30, 2024		For the nine-month period ended September 30, 2025		For the nine-month period ended September 30, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(17) and 7	\$ 287,566	100	\$ 318,330	100	\$ 867,363	100	\$ 918,945	100
5000	Operating costs	6(4)(21) (22) and 7	(249,506)	(87)	(257,203)	(81)	(725,054)	(84)	(735,263)	(80)
5900	Operating profit - gross		38,060	13	61,127	19	142,309	16	183,682	20
5910	Unrealized profit from sales		87	-	(2,067)	-	(1,504)	-	(2,147)	-
5920	Realized profit from sales		-	-	-	-	3,285	-	1,063	-
5950	Net operating margin		38,147	13	59,060	19	144,090	16	182,598	20
	Operating expenses	6(21) (22) and 7								
6100	Selling expenses		(24,337)	(8)	(19,492)	(6)	(73,370)	(8)	(54,110)	(6)
6200	Administrative expenses		(23,922)	(8)	(28,895)	(9)	(78,511)	(9)	(84,531)	(9)
6300	Research and development expenses		(2,190)	(1)	(1,888)	(1)	(6,498)	(1)	(5,672)	(1)
6450	Expected credit losses	12(2)	-	-	-	-	-	-	(156)	-
6000	Total operational expenses		(50,449)	(17)	(50,275)	(16)	(158,379)	(18)	(144,469)	(16)
6900	Operating profit(loss)		(12,302)	(4)	8,785	3	(14,289)	(2)	38,129	4
	Non-operating income and expenses									
7100	Interest income	6(18)	703	-	2,432	-	2,241	-	6,195	1
7020	Other gains and losses	6(19)	19,001	7	(3,288)	(1)	(4,101)	-	(8,387)	(1)
7050	Finance cost	6(20)	(6,278)	(2)	(6,551)	(2)	(17,669)	(2)	(17,945)	(2)
7060	Share of profit or loss of associates and joint ventures accounted for under the equity method	6(5)	5,687	2	2,850	1	10,602	1	3,260	-
7000	Total non-operating income and expenses		19,113	7	(4,557)	(2)	(8,927)	(1)	(16,877)	(2)
7900	Profit(loss) before income tax		6,811	3	4,228	1	(23,216)	(3)	21,252	2
7950	Income tax expense	6(23)	(4,800)	(2)	-	-	523	-	(5,199)	-
8200	Net income(losses) for the period		\$ 2,011	1	\$ 4,228	1	(\$ 22,693)	(3)	\$ 16,053	2
	Other comprehensive income (losses), net									
	Components of other comprehensive income (losses) that will not be reclassified to profit or loss	6(16)								
8361	Financial statements translation differences of foreign operations		\$ 12,783	4	\$ 12,515	4	(\$ 25,532)	(3)	\$ 10,177	1
8300	Other comprehensive income(loss), net		\$ 12,783	4	\$ 12,515	4	(\$ 25,532)	(3)	\$ 10,177	1
8500	Total comprehensive income for the period		\$ 14,794	5	\$ 16,743	5	(\$ 48,225)	(6)	\$ 26,230	3
	Net income(losses) attributable to:									
8610	Equity holders of the parent company		\$ 831	1	\$ 1,469	-	(\$ 28,958)	(4)	\$ 10,151	1
8620	Non-controlling interest		1,180	-	2,759	1	6,265	1	5,902	1
	Net income(losses) for the period		\$ 2,011	1	\$ 4,228	1	(\$ 22,693)	(3)	\$ 16,053	2
	Comprehensive income(losses) attributable to:									
8710	Equity holders of the parent company		\$ 11,517	4	\$ 9,714	3	(\$ 56,982)	(7)	\$ 19,101	2
8720	Non-controlling interest		3,277	1	7,029	2	8,757	1	7,129	1
	Total comprehensive income for the period		\$ 14,794	5	\$ 16,743	5	(\$ 48,225)	(6)	\$ 26,230	3
	Basic earnings(losses) per share	6(24)								
9750	Net income(loss) for the period		\$ 0.02		\$ 0.03		(\$ 0.54)		\$ 0.19	
	Diluted earnings(losses) per share	6(24)								
9850	Net income(loss) for the period		\$ 0.02		\$ 0.03		(\$ 0.54)		\$ 0.19	

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>Retained earnings</u>											
<u>Nine-month period ended September 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		-	-	-	-	10,151	-	-	10,151	5,902	16,053
Other comprehensive income for the period	6(16)	-	-	-	-	-	8,950	-	8,950	1,227	10,177
Total comprehensive income for the period		-	-	-	-	10,151	8,950	-	19,101	7,129	26,230
Exercise of the right of attribution	6(14)	-	2	-	-	-	-	-	2	-	2
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed	6(25)	-	-	-	-	(10,744)	-	-	(10,744)	-	(10,744)
Changes in ownership interests in subsidiaries	6(16)	-	-	-	-	(204)	204	-	-	-	-
Non-controlling interest	6(25)	-	-	-	-	-	-	-	-	(87,027)	(87,027)
Balance at September 30, 2024		\$ 548,171	\$ 89,343	\$ 40,584	\$ 64,746	\$ 116,482	(\$ 55,356)	(\$ 9,450)	\$ 794,520	\$ 46,302	\$ 840,822
<u>Nine-month period ended September 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		-	-	-	-	(28,958)	-	-	(28,958)	6,265	(22,693)
Other comprehensive income for the period	6(16)	-	-	-	-	-	(28,024)	-	(28,024)	2,492	(25,532)
Total comprehensive income (loss) for the period		-	-	-	-	(28,958)	(28,024)	-	(56,982)	8,757	(48,225)
Treasury Stocks Repurchase	6(13)	-	-	-	-	-	-	(10,005)	(10,005)	-	(10,005)
Balance at September 30, 2025		\$ 548,171	\$ 89,343	\$ 40,584	\$ 64,746	\$ 78,189	(\$ 92,661)	(\$ 19,455)	\$ 708,917	\$ 42,503	\$ 751,420

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

Unit: NT\$ thousand

	Notes	For the nine-month periods ended September 30, 2025		For the nine-month periods ended September 30, 2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before income tax		(\$ 23,216)	\$	21,252
Adjustments				
Adjustments to reconcile profit (loss)				
Depreciation	6(21)	86,131		87,445
Amortization	6(21)	868		695
Expected credit losses	12(2)	-		156
Interest expense	6(20)	17,669		17,945
Interest income	6(18)	(2,241 )	(	6,195)
Share of profit or loss of associates and joint ventures accounted for under the equity method	6(5)	(10,602 )	(	3,260)
Gains(losses) on disposal of property, plant and equipment	6(19)	(391 )	(	411)
Unrealized(realized) profit from sales		(1,781)		1,084
Changes in operating assets and liabilities				
Changes in operating assets				
Notes receivable, net		3,261		4,313
Accounts receivable, net		(15,820 )	(	11,735)
Accounts receivable, net - related parties		(415 )	(	15,937)
Other receivables		928		8,850
Other receivables-related parties		-		8,871
Inventories		40,046	(	28,194)
Prepayments		(613 )	(	11,920)
Other current assets		(7,907)		14,008
Changes in operating liabilities				
Contract liabilities - current		12,081		18,059
Notes payable		(20,705)		2,353
Accounts payable		(21,943)		17,400
Accounts payable - related parties		247	(	464)
Other payables		2,855	(	19,649)
Other payables - related parties		2,032	(	4,645)
Other non-current liabilities		(3,192 )	(	6,669)
Cash inflow generated from operations		57,292		93,352
Income taxes refund		(3,143)	(5,458)
Net cash inflow from operating activities		54,149		87,894

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

Unit: NT\$ thousand

Notes	For the nine-month periods ended September 30, 2025	For the nine-month periods ended September 30, 2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at amortized cost -		
current	(\$ 34,824)	(\$ 59,072)
Disposal of financial assets at amortized cost - current	31,492	70,408
Acquisition of property, plant and equipment	6(26) (63,540)	(62,470)
Disposal of property, plant and equipment	2,500	2,032
Increase in refundable deposits	(662)	-
Decrease in refundable deposits	-	12
Acquisition of intangible assets	-	(1,371)
Increase in prepaid equipment purchase	(11,596)	(33,252)
Receipt of dividends from investments accounted for under equity method	-	1,408
Interest received	2,241	6,195
Net cash outflow from investing activities	(74,389)	(76,110)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	89,963	107,736
Decrease in short-term borrowings	(103,591)	(66,815)
Proceeds from long-term loans	67,160	-
Repayments of long-term loans	(28,375)	(22,543)
Repayments of principal portion of lease liabilities	6(27) (7,182)	(7,920)
Cost of repurchase of treasury shares	6(13) (10,005)	-
Interest paid	(19,138)	(17,337)
Net cash inflow (outflow) from financing activities	(11,168)	(6,879)
Effect of exchange rate changes on cash	(4,325)	(6,044)
Net (decrease) increase in cash	(35,733)	(1,139)
Beginning cash balance	85,558	88,799
Ending cash balance	\$ 49,825	\$ 87,660

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 NINE-MONTH PERIODS ENDED SEPTEMBER 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 November 7, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by 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(Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

Except for the following, the above standards, 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.

(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
			September 30, 2025	December 31, 2024	September 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
			September 30, 2025	December 31, 2024	September 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 nine-month periods ended September 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 nine-month periods ended September 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 September 30, 2025, December 31, 2024, and September 30, 2024, the non-controlling interest amounted to \$42,503, \$33,746 and \$46,302, respectively. The information of non-controlling interest and respective subsidiaries is as follows :

Name of subsidiary	Principal place of business	Non-controlling interest						Description
		September 30, 2025		December 31, 2024		September 30, 2024		
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)	
XYPD	Brazil	<u>\$ 42,503</u>	49%	<u>\$ 33,746</u>	49%	<u>\$ 46,302</u>	49%	

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

Balance sheets

	XYPD company		
	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 157,814	\$ 174,124	\$ 197,961
Non-current assets	68,383	67,776	80,727
Current liabilities	(133,166)	(166,236)	(171,569)
Non-current liabilities	(6,290)	(6,794)	(12,624)
Total net assets	<u>\$ 86,741</u>	<u>\$ 68,870</u>	<u>\$ 94,495</u>

Statements of Comprehensive Income

	XYPD company	
	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024
Revenue	<u>\$ 41,279</u>	<u>\$ 51,041</u>
Profit before income tax	\$ 3,554	\$ 9,035
Income tax expense	(1,146)	-
Profit for the period	\$ 2,408	\$ 9,035
Other comprehensive income, net of tax	<u>4,280</u>	<u>40</u>
Total comprehensive income for the period	<u>\$ 6,688</u>	<u>\$ 9,075</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 3,277</u>	<u>\$ 4,448</u>

	XYPD company	
	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Revenue	\$ 131,527	\$ 179,706
Profit before income tax	\$ 15,921	\$ 20,765
Income tax expense	(3,136)	-
Profit for the period	\$ 12,785	\$ 20,765
Other comprehensive income, net of tax	5,086	(6,252)
Total comprehensive income for the period	<u>\$ 17,871</u>	<u>\$ 14,513</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 8,757</u>	<u>\$ 7,113</u>

Statement of Cash flows

	XYPD company	
	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Net cash provided by (used in) operating activities	\$ 15,683	\$ 14,274
Net cash provided by (used in) investing activities	(5,483)	(8,935)
Net cash provided by (used in) financing activities	(13,470)	(3,482)
Effect of exchange rates on cash and cash equivalents	470	(1,161)
Increase (decrease) in cash and cash equivalents	(2,800)	696
Cash and cash equivalents, beginning of period	8,034	16,313
Cash and cash equivalents, end of period	<u>\$ 5,234</u>	<u>\$ 17,009</u>

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

Balance sheets

	PT. XUYUAN
	September 30, 2024
Current assets	\$ -
Non-current assets	-
Current liabilities	-
Non-current liabilities	-
Total net assets	<u>\$ -</u>

Statements of Comprehensive Income

	PT. XUYUAN company	
	For the three-month period ended September 30, 2024	For the nine-month period ended September 30, 2024
Revenue	\$ 34,265	\$ 95,702
Profit before income tax	(\$ 4,393)	(\$ 11,246)
Income tax expense	-	-
Profit for the period	(\$ 4,393)	(\$ 11,246)
Other comprehensive income, net of tax	11,185	11,287
Total comprehensive income for the period	<u>\$ 6,792</u>	<u>\$ 41</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 2,581</u>	<u>\$ 16</u>

Statement of Cash flows

	PT. XUYUAN	
	For the nine-month period ended September 30, 2024	
Net cash provided by (used in) operating activities	\$	12,267
Net cash provided by (used in) investing activities	(	17,784)
Net cash provided by (used in) financing activities		-
Effect of exchange rates on cash and cash equivalents		715
Decrease in cash and cash equivalents	(	4,802)
Cash and cash equivalents, beginning of period		<u>16,838</u>
Cash and cash equivalents, end of period	<u>\$</u>	<u>12,036</u>

(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 September 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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Petty cash and cash on hand	\$ 1,596	\$ 1,321	\$ 3,188
Checking accounts and demand deposits	<u>48,229</u>	<u>84,237</u>	<u>84,472</u>
	<u>\$ 49,825</u>	<u>\$ 85,558</u>	<u>\$ 87,660</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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Time deposits pledged	<u>\$ 59,830</u>	<u>\$ 56,498</u>	<u>\$ 125,494</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 September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Interest income	<u>\$ 281</u>	<u>\$ 1,759</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Interest income	<u>\$ 1,123</u>	<u>\$ 4,788</u>

B. As at September 30, 2025, December 31, 2024, and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount were \$59,830, \$56,498 and \$125,494, 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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Note receivable	\$ 34,456	\$ 37,717	\$ 42,105
Accounts receivable	\$ 268,942	\$ 253,122	\$ 274,053
Less: Allowance for bad debts	(14,972)	(15,068)	(13,301)
	\$ 253,970	\$ 238,054	\$ 260,752
Accounts receivable – related parties	34,627	34,212	20,959
	<u>\$ 288,597</u>	<u>\$ 272,266</u>	<u>\$ 281,711</u>

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

	<u>September 30, 2025</u>		<u>December 31, 2024</u>		<u>September 30, 2024</u>	
	<u>Accounts receivable</u>	<u>Note receivable</u>	<u>Accounts receivable</u>	<u>Note receivable</u>	<u>Accounts receivable</u>	<u>Note receivable</u>
Not past due	\$ 258,663	\$ 34,456	\$ 236,927	\$ 37,717	\$ 253,783	\$ 42,105
Up to 60 days	21,070	-	18,850	-	16,727	-
61 to 180 days	5,604	-	11,659	-	3,520	-
181 to 360 days	3,915	-	560	-	356	-
Over 361 days	14,317	-	19,338	-	20,626	-
	<u>\$ 303,569</u>	<u>\$ 34,456</u>	<u>\$ 287,334</u>	<u>\$ 37,717</u>	<u>\$ 295,012</u>	<u>\$ 42,105</u>

The above aging analysis is based on past due date.

B. As at September 30, 2025, December 31, 2024 and September 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 September 30, 2025, December 31, 2024 and September 30, 2024.

D. As at September 30, 2025, December 31, 2024, and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable was \$34,456, \$37,717 and \$42,105, respectively. As at September 30, 2025, December 31, 2024, and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$288,597, \$272,266 and \$281,711, respectively.

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

(4) Inventories

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Raw materials	\$ 154,510	\$ 176,378	\$ 171,527
Work in progress	65,946	68,885	75,361
Finished goods	85,044	100,283	102,367
Total	<u>\$ 305,500</u>	<u>\$ 345,546</u>	<u>\$ 349,255</u>

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

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Cost of goods sold	\$ 242,485	\$ 257,203
Losses from value decline	5,921	-
Loss on scrap inventory	1,100	-
	<u>\$ 249,506</u>	<u>\$ 257,203</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Cost of goods sold	\$ 715,732	\$ 735,189
Losses from value decline	5,277	-
Loss on scrap inventory	4,045	74
	<u>\$ 725,054</u>	<u>\$ 735,263</u>

(5) Investments accounted for under equity method

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Associates:			
SLEEVE SEAL, LLC	<u>\$ 38,886</u>	<u>\$ 29,076</u>	<u>\$ 27,054</u>

As of September 30, 2025, December 31, 2024, September 30, 2024, the carrying amount of the Company's individually immaterial associates amounted to \$38,886, \$29,076 and \$27,054, respectively.

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Profit(loss) for the period from continuing operations	\$ 5,687	\$ 2,850
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 5,687</u>	<u>\$ 2,850</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Profit(loss) for the period from continuing operations	\$ 10,602	\$ 3,260
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 10,602</u>	<u>\$ 3,260</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	-	9,218	15,748	-	114	1,251	23,500	22,066	71,897
Disposals	-	-	(2,109)	-	-	-	-	-	(2,109)
Reclassifications(Note)	-	39,544	52,720	-	-	-	(144)	(26,859)	65,261
Depreciation expense	-	(13,426)	(34,489)	(369)	(112)	(4,877)	(25,632)	-	(78,905)
Net exchange differences	(13,452)	(1,515)	(5,168)	1	21	6	2,378	(3,651)	(21,380)
At September 30	<u>\$ 216,755</u>	<u>\$ 301,731</u>	<u>\$ 167,177</u>	<u>\$ 335</u>	<u>\$ 364</u>	<u>\$ 15,907</u>	<u>\$ 164,601</u>	<u>\$ 34,352</u>	<u>\$ 901,222</u>
<u>At September 30, 2025</u>									
Cost	\$ 216,755	\$ 472,909	\$ 641,270	\$ 7,179	\$ 2,431	\$ 40,092	\$ 346,451	\$ 34,352	\$ 1,761,439
Accumulated depreciation	-	(171,178)	(474,093)	(6,844)	(2,067)	(24,185)	(181,850)	-	(860,217)
	<u>\$ 216,755</u>	<u>\$ 301,731</u>	<u>\$ 167,177</u>	<u>\$ 335</u>	<u>\$ 364</u>	<u>\$ 15,907</u>	<u>\$ 164,601</u>	<u>\$ 34,352</u>	<u>\$ 901,222</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	-	6,707	2,062	-	-	2,360	17,431	33,910	62,470
Disposals	-	-	(1,507)	-	(114)	-	-	-	(1,621)
Reclassifications(Note)	-	41,730	20,208	(47)	47	590	1,820	(39,980)	24,368
Depreciation expense	-	(11,250)	(35,130)	(311)	(171)	(4,610)	(23,887)	-	(75,359)
Net exchange differences	6,266	(592)	1,513	(1)	(32)	(25)	(2,680)	790	5,239
At September 30	<u>\$ 234,829</u>	<u>\$ 272,860</u>	<u>\$ 160,074</u>	<u>\$ 805</u>	<u>\$ 410</u>	<u>\$ 21,112</u>	<u>\$ 165,674</u>	<u>\$ 35,933</u>	<u>\$ 891,697</u>
<u>At September 30, 2024</u>									
Cost	\$ 234,829	\$ 426,633	\$ 607,991	\$ 6,966	\$ 2,570	\$ 39,631	\$ 316,521	\$ 35,933	\$ 1,671,074
Accumulated depreciation	-	(153,773)	(447,917)	(6,161)	(2,160)	(18,519)	(150,847)	-	(779,377)
	<u>\$ 234,829</u>	<u>\$ 272,860</u>	<u>\$ 160,074</u>	<u>\$ 805</u>	<u>\$ 410</u>	<u>\$ 21,112</u>	<u>\$ 165,674</u>	<u>\$ 35,933</u>	<u>\$ 891,697</u>

- A. For the three-month and nine-month periods ended September 30, 2025 and 2024, The amounts of borrowing costs capitalized for real estate, plant, and equipment are \$22, \$63, \$68 and \$608, 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		
	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	\$ 13,158	\$ 13,512	\$ 14,511
Machinery and equipment	174	427	559
Transportation equipment (Business vehicles)	2,594	3,793	4,356
	<u>\$ 15,926</u>	<u>\$ 17,732</u>	<u>\$ 19,426</u>
	Depreciation		
	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024	
Buildings	\$ 1,565	\$ 2,975	
Machinery and equipment	48	131	
Transportation equipment (Business vehicles)	776	860	
	<u>\$ 2,389</u>	<u>\$ 3,966</u>	
	Depreciation		
	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024	
Buildings	\$ 4,565	\$ 9,112	
Machinery and equipment	254	340	
Transportation equipment (Business vehicles)	2,407	2,634	
	<u>\$ 7,226</u>	<u>\$ 12,086</u>	

- D. For the three-month and nine-month periods ended September 30, 2025 and 2024, the additions to right-of-use assets were \$336, \$2,026, \$5,533 and \$3,555, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 58	\$ 74
Expense on short-term lease contracts	1,014	520
Expense on leases of low-value assets	10	26

	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 189	\$ 253
Expense on short-term lease contracts	2,017	1,532
Expense on leases of low-value assets	138	41

F. For the three-month and nine-month periods ended September 30, 2025 and 2024, the Group's total cash outflow for leases were \$3,577, \$3,368, \$9,526 and \$9,746, respectively.

(8) Other non-current assets

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Prepayments for equipment	\$ 27,984	\$ 81,649	\$ 59,187
Refundable deposits	14,744	14,082	13,532
	<u>\$ 42,728</u>	<u>\$ 95,731</u>	<u>\$ 72,719</u>

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 51,520	2.22%~2.3%	Pledged deposit
Unsecured borrowings	233,078	2.55%~7.42%	None
	<u>\$ 284,598</u>		
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 48,310	2.35%	Pledged deposit
Unsecured borrowings	250,371	2.55%~7.42%	None
	<u>\$ 298,681</u>		
<u>Type of borrowings</u>	<u>September 30, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 110,280	1.94%~2.70%	Pledged deposit
Unsecured borrowings	224,525	2.65%~7.42%	None
	<u>\$ 334,805</u>		

(10) Other payables

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Salaries and bonuses payable	\$ 20,514	\$ 25,176	\$ 24,033
Remuneration payable to employees and directors	-	3,944	4,729
Insurance premium payable	1,586	1,479	1,464
Equipment purchase payables	8,897	540	-
Others	33,730	23,845	13,106
	<u>\$ 64,727</u>	<u>\$ 54,984</u>	<u>\$ 43,332</u>

(11) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 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	27,450
Credit borrowings	From November 2020 to November 2025, the principal and interest will be repaid monthly.	2.72%	None	473
Credit borrowings	From December 2020 to December 2025, the principal and interest will be repaid monthly.	2.72%	None	585
Credit borrowings	From January 2021 to January 2026, the principal and interest will be repaid monthly.	2.72%	None	800
Credit borrowings	From February 2021 to February 2026, the principal and interest will be repaid monthly.	2.72%	None	950
Credit borrowings	From March 2021 to March 2026, the principal and interest will be repaid monthly.	2.72%	None	1,110
Credit borrowings	From February 2023 to February 2026, the principal and interest will be repaid monthly.	1.44%	None	75
Credit borrowings	From January 2023 to January 2026, the principal and interest will be repaid monthly.	3.35%	None	556
Other long-term borrowings				
Credit borrowings	From December 2022 to December 2025, the principal and interest will be repaid quarterly	8.22%	None	4,517
				549,276
Less: long-term liabilities due within one year or one business cycle				(50,573)
Less: Syndicated loan fees and participation fees				(1,543)
				<u>\$ 497,160</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	<u>19,674</u>
				512,215
Less: long-term liabilities due within one year or one business cycle				(56,828)
Less: Syndicated loan fees and participation fees				(<u>1,844</u>)
				<u>\$ 453,543</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 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	2,380
Credit borrowings	From November 2020 to November 2025, the principal and interest are repaid monthly.	2.72%	None	2,777
Credit borrowings	From December 2020 to December 2025, the principal and interest are repaid monthly.	2.72%	None	2,925
Credit borrowings	From January 2021 to January 2026, the principal and interest shall be repaid monthly	2.72%	None	3,200
Credit borrowings	From February 2021 to February 2026, the principal and interest shall be repaid monthly.	2.72%	None	3,230
Credit borrowings	From March 2021 to March 2026, the principal and interest shall be repaid monthly.	2.72%	None	3,330
Credit borrowings	From January 2022 to January 2025, the principal and interest shall be repaid monthly.	1.89%	None	504
Credit borrowings	From January 2023 to January 2026, the principal and interest shall be repaid monthly.	3.35%	None	2,222
Credit borrowings	From February 2023 to February 2026, the principal and interest shall be repaid monthly.	1.56%	None	309
Other bank borrowings				
Unsecured borrowings	From December 2022 to December 2025, the principal and interest shall be repaid quarterly.	9.46%	None	<u>23,809</u>
				448,686
Less: long-term liabilities due within one year or one business cycle				(439,450)
Less: Syndicated loan fees and participation fees				(429)
				<u>\$ 8,807</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 September 30, 2025, December 31, 2024 and September 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. 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 220%.

[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 September 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 September 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 September 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 nine-month periods ended September 30, 2025 and 2024 were \$1,599, \$1,471, \$4,579 and \$4,485, respectively.

(13) Share capital

- A. As of September 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:

	2025	2024
January 1	54,249,140	54,249,140
Treasury shares purchase	(702,000)	-
September 30	<u>53,547,140</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	September 30, 2025		December 31, 2024		September 30, 2024	
		Number of shares	Carrying amount	Number of shares	Carrying amount	Number of shares	Carrying amount
The Company	To be reissued to employees	1,270,000	\$ 19,455	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 September 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 September 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	(28,024)	8,950
At September 30	(\$ 92,661)	(\$ 55,356)

(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	Taiwan	America	Asia	Others	Total
September 30, 2025					
Timing of revenue					
At a point intime	<u>\$ 177,493</u>	<u>\$ 79,968</u>	<u>\$ 29,987</u>	<u>\$ 118</u>	<u>\$ 287,566</u>
For the three-month period ended					
September 30, 2024					
Timing of revenue					
At a point intime	<u>\$ 174,598</u>	<u>\$ 102,179</u>	<u>\$ 41,525</u>	<u>\$ 28</u>	<u>\$ 318,330</u>
For the nine-month period ended					
September 30, 2025					
Timing of revenue					
At a point intime	<u>\$ 511,733</u>	<u>\$ 258,018</u>	<u>\$ 96,727</u>	<u>\$ 885</u>	<u>\$ 867,363</u>
For the nine-month period ended					
September 30, 2024					
Timing of revenue					
At a point intime	<u>\$ 503,925</u>	<u>\$ 303,721</u>	<u>\$ 106,114</u>	<u>\$ 5,185</u>	<u>\$ 918,945</u>

B. Contract liabilities

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

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract liabilities	<u>\$ 28,653</u>	<u>\$ 16,572</u>	<u>\$ 26,510</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 September 30, 2025	For the three-month period ended September 30, 2024
Contract liabilities – advance sales receipts	<u>\$ 3,823</u>	<u>\$ 1,155</u>
	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Contract liabilities – advance sales receipts	<u>\$ 13,596</u>	<u>\$ 4,712</u>

(18) Interest income

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Interest on bank deposits	\$ 696	\$ 2,429
Others	<u>7</u>	<u>3</u>
	<u>\$ 703</u>	<u>\$ 2,432</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Interest on bank deposits	\$ 2,218	\$ 6,169
Others	<u>23</u>	<u>26</u>
	<u>\$ 2,241</u>	<u>\$ 6,195</u>

(19) Other gains and losses

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Net currency exchange losses	\$ 15,434	(\$ 2,481)
Losses on disposal of property, plant and equipment	-	490
Subsidy Income(Note)	32	-
Other losses	<u>3,535</u>	<u>(1,297)</u>
	<u>\$ 19,001</u>	<u>(\$ 3,288)</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Net currency exchange losses	(\$ 11,394)	(\$ 5,336)
Gains(losses) on disposal of property, plant and equipment	391	411
Subsidy Income(Note)	5,033	-
Other losses	<u>1,869</u>	<u>(3,462)</u>
	<u>(\$ 4,101)</u>	<u>(\$ 8,387)</u>

(20) Finance costs

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Bank borrowings	\$ 6,242	\$ 6,540
Lease liabilities	<u>58</u>	<u>74</u>
	6,300	6,614
Less: interest capitalization	<u>(22)</u>	<u>(63)</u>
	<u>\$ 6,278</u>	<u>\$ 6,551</u>

	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Bank borrowings	\$ 17,548	\$ 18,300
Lease liabilities	189	253
	<u>17,737</u>	<u>18,553</u>
Less: interest capitalization	(68)	(608)
	<u>\$ 17,669</u>	<u>\$ 17,945</u>

(21) Expenses by nature

	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024
Employee welfare expenses	<u>\$ 45,046</u>	<u>\$ 48,407</u>
Depreciation expense (right-of-use assets included)	<u>\$ 29,065</u>	<u>\$ 28,972</u>
Amortization expense of intangible assets	<u>\$ 291</u>	<u>\$ 257</u>
	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Employee welfare expenses	<u>\$ 146,749</u>	<u>\$ 149,694</u>
Depreciation expense (right-of-use assets included)	<u>\$ 86,131</u>	<u>\$ 87,445</u>
Amortization expense of intangible assets	<u>\$ 868</u>	<u>\$ 695</u>

(22) Employee benefit expenses

	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024
Wages and salaries	\$ 38,432	\$ 40,496
Labor and health insurance fees	3,495	4,375
Pension costs	1,599	1,471
Other personnel expenses	1,520	2,065
	<u>\$ 45,046</u>	<u>\$ 48,407</u>
	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Wages and salaries	\$ 126,264	\$ 125,478
Labor and health insurance fees	10,868	13,522
Pension costs	4,579	4,485
Other personnel expenses	5,038	6,209
	<u>\$ 146,749</u>	<u>\$ 149,694</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 nine-month periods ended September 30, 2025, employees' compensation was accrued at \$0, \$74, \$0 and \$77, Directors' remuneration was accrued at \$0, \$44, \$0 and \$462 respectively. The amounts were estimated as salary expense in accordance with the Company's Articles of Incorporation. For the three-month and nine-month periods ended September 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 September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Current income tax:		
Current income tax on profits for the year	\$ 1,144	\$ -
Prior year income tax underestimation	<u>-</u>	<u>-</u>
Total current income tax	<u>\$ 1,144</u>	<u>\$ -</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>3,656</u>	<u>-</u>
Income tax expense	<u>\$ 4,800</u>	<u>\$ -</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Current income tax:		
Current income tax on profits for the year	\$ 3,134	\$ -
Prior year income tax underestimation	<u>(2,573)</u>	<u>5,199</u>
Total current income tax	<u>\$ 561</u>	<u>\$ 5,199</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>(1,084)</u>	<u>-</u>
Income tax expense	<u>(\$ 523)</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 September 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 September 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>\$ 831</u>	<u>53,552</u>	<u>\$ 0.02</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>\$ 831</u>	<u>53,552</u>	<u>\$ 0.02</u>
	<u>For the three-month period ended September 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>\$ 1,469</u>	<u>54,249</u>	<u>\$ 0.03</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential common shares			
Employees' compensation	<u>-</u>	<u>53</u>	
Profit attributable to common shareholders of the parent company plus assumed conversion of all dilutive potential common shares	<u>\$ 1,469</u>	<u>54,302</u>	<u>\$ 0.03</u>
	<u>For the nine-month period ended September 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>(\$ 28,958)</u>	<u>53,978</u>	<u>(\$ 0.54)</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>(\$ 28,958)</u>	<u>53,978</u>	<u>(\$ 0.54)</u>

	<u>For the nine-month period ended September 30, 2024</u>		
	<u>Amount after</u>	<u>Weighted average</u> <u>number of ordinary</u> <u>shares outstanding</u> <u>(shares in</u> <u>thousands)</u>	<u>Earnings per</u> <u>share</u> <u>(in dollars)</u>
	<u>tax</u>		
<u>Basic earnings per share</u>			
Profit attributable to common shareholders of the parent company	\$ 10,151	54,249	\$ 0.19
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential common shares			
Employees' compensation	-	53	
Profit attributable to common shareholders of the parent company plus assumed conversion of all dilutive potential common shares	\$ 10,151	54,302	\$ 0.19

(25) Transactions with non-controlling interest

Acquisition of additional equity in a subsidiary (there was no such transaction in 2025).

The Group acquired an additional 38% equity of the subsidiary, PT. XUYUAN in September 2024 at a consideration of IDR 47,004,751 thousand. The book value of the non-controlling interests of PT. XUYUAN on the acquisition date was NT\$87,027. The transaction reduced the non-controlling interests by NT\$87,027, and the equity attributable to the owners of the parent company decreased by NT\$10,744. The effect of changes in PT. XUYUAN's equity in 2024 on the equity attributable to the owners of the parent company is as follows:

	<u>2024</u>
Book value of the purchased non-controlling interests	\$ 87,027
Profit or loss allocated to non-controlling equity	(97,771)
Write-down of retained earnings	(\$ 10,744)

(26) Supplemental cash flow information

Investing activities with partial cash payments.

	<u>For the nine-month period</u> <u>ended June 30, 2025</u>	<u>For the nine-month period</u> <u>ended June 30, 2024</u>
Purchase of property, plant and equipment	\$ 71,897	\$ 62,470
Add: Opening balance of payable on equipment	540	-
Less: Ending balance of payable on equipment	(8,897)	-
Cash paid during the year	\$ 63,540	\$ 62,470

Changes in liabilities from financing activities

	For the nine-month period ended September 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	(13,628)	38,785	(7,182)	17,975
Interest expense	-	-	189	189
Interest paid	-	-	(189)	(189)
Impact of changes in foreign exchange	(455)	(1,423)	(175)	(2,053)
Changes in other non-cash items	-	-	5,533	5,533
At September 30	<u>\$ 284,598</u>	<u>\$ 547,733</u>	<u>\$ 16,168</u>	<u>\$ 848,499</u>
	For the nine-month period ended September 30, 2024			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-total
At January 1	\$ 293,798	\$ 474,113	\$ 23,728	\$ 791,639
Changes in cash flow from financing activities	40,921	(22,543)	(7,920)	10,458
Interest expense	-	-	253	253
Interest paid	-	-	(253)	(253)
Impact of changes in foreign exchange	86	(3,313)	(95)	(3,322)
Changes in other non-cash items	-	-	3,555	3,555
At September 30	<u>\$ 334,805</u>	<u>\$ 448,257</u>	<u>\$ 19,268</u>	<u>\$ 802,330</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 AMERICAIND.E COM .DE MA'QUIAS E EQUIP AMENTOS LTDA. (HRP)	Substantive related party
Dase-Sing Packaging Technology Co., LTD. (Dase-Sing)	Substantive related party
TURBO HOLDING LIMITED	Other related party
Peng, Shu-Chin	Close relatives of key management
NI,TUNG-PAO	Close relatives of key management
Chuang, Ya-Ping	President of the Company
Chairman, President and Vice Presidents	Key management of the Company

(2) Significant related party transactions and balances

A. Operating revenue:

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Sales of goods and services :		
Associate	\$ 6,226	\$ 15,028
Substantive related party	<u>-</u>	<u>23</u>
	\$ 6,226	\$ 15,051
Revenue from royalties:		
SSL Corporation	<u>563</u>	<u>879</u>
Total	<u>\$ 6,789</u>	<u>\$ 15,930</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Sales of goods and services :		
Associate	\$ 39,273	\$ 26,923
Substantive related party	<u>45</u>	<u>150</u>
	\$ 39,318	\$ 27,073
Revenue from royalties:		
SSL Corporation	<u>563</u>	<u>879</u>
Total	<u>\$ 39,881</u>	<u>\$ 27,952</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:

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Purchases:		
Substantive related party	<u>\$ 553</u>	<u>\$ 13</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Purchases:		
Substantive related party	<u>\$ 1,128</u>	<u>\$ 602</u>

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

C. Operating expenses

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Daseseal	<u>\$ 3,679</u>	<u>\$ 3,525</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Daseseal	<u>\$ 14,589</u>	<u>\$ 8,123</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:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable:			
SSL company	\$ 34,585	\$ 34,071	\$ 20,812
Substantive related party	42	141	147
subtotal	<u>\$ 34,627</u>	<u>\$ 34,212</u>	<u>\$ 20,959</u>

E. Payables to related parties:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts payable:			
Substantive related party	\$ 352	\$ 105	\$ 133
Other payables:			
Daseeal	\$ 7,840	\$ 5,808	\$ 5,166

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

F. Prepayments:

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

G. Contract liability

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

H. Minor equity transactions (no such transaction in 2025)

	<u>Number of shares traded</u>	<u>Transaction subject</u>	<u>2024</u> <u>Proceeds of acquisition</u>
NI,TUNG-PAO	2,450,000	Equity of PT. XUYUAN	\$ 63,036
TURBO HOLDING LIMITED	850,000	"	21,870
Chuang, Ya-Ping	500,000	"	12,865
Total	<u>3,800,000</u>		<u>\$ 97,771</u>

I. Lease transactions – lessee

(a) The Group leases buildings from associates, with the lease term running from 2024 to 2026, and the rent is payable at the end of each year.

(b) Acquisition of right-of-use assets

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other related parties	\$ 607	\$ 607	\$ 607

(c) Lease liabilities

a. As at September 30, 2025 :

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other related parties	\$ 305	\$ 152	\$ 303

b. Interest expense

	<u>For the three-month period</u> <u>ended September 30, 2025</u>	<u>For the three-month period</u> <u>ended September 30, 2024</u>
Other related parties	\$ 3	\$ 3
	<u>For the nine-month period</u> <u>ended September 30, 2025</u>	<u>For the nine-month period</u> <u>ended September 30, 2024</u>
Other related parties	\$ 5	\$ 5

(3) Key management compensation

	<u>For the three-month period ended September 30, 2025</u>	<u>For the three-month period ended September 30, 2024</u>
Salaries and other short-term employee benefits	\$ 5,030	\$ 5,872
Post-employment benefits	<u>132</u>	<u>145</u>
Total	<u>\$ 5,162</u>	<u>\$ 6,017</u>
	<u>For the nine-month period ended September 30, 2025</u>	<u>For the nine-month period ended September 30, 2024</u>
Salaries and other short-term employee benefits	\$ 15,330	\$ 14,596
Post-employment benefits	<u>409</u>	<u>433</u>
Total	<u>\$ 15,739</u>	<u>\$ 15,029</u>

8. PLEGDED ASSETS

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

Pledged asset	Book value			Purpose
	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>	
Property, plant and equipment	\$ 239,637	\$ 247,953	\$ 216,346	Long-term borrowings
Time deposits (shown in financial assets at amortized cost-current)	<u>59,830</u>	<u>56,498</u>	<u>125,494</u>	Short-term borrowings
	<u>\$ 299,467</u>	<u>\$ 304,451</u>	<u>\$ 341,840</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

1. Capital expenditures signed but not yet incurred:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Property, plant and equipment	\$ <u>13,626</u>	\$ <u>39,736</u>	\$ <u>-</u>

2. Issued but unused letter of credit:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
NTD	\$ <u>1,333</u>	\$ <u>5,816</u>	\$ <u>18,123</u>

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 September 30, 2025. As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group's debt-to-equity ratios were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Total borrowing	\$ 832,331	\$ 809,052	\$ 783,062
Less: Cash and cash equivalents	(49,825)	(85,558)	(87,660)
Net debt	782,506	723,494	695,402
Total equity	<u>751,420</u>	<u>809,650</u>	<u>840,822</u>
Total capital	<u>\$ 1,533,926</u>	<u>\$ 1,533,144</u>	<u>\$ 1,536,224</u>
Net worth to debts ratio	<u>51%</u>	<u>47%</u>	<u>45%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 49,825	\$ 85,558	\$ 87,660
Financial assets at amortized cost	59,830	56,498	125,494
Notes receivable	34,456	37,717	42,105
Accounts receivable (including related parties)	288,597	272,266	281,711
Other receivables (including related parties)	2,722	3,650	2,268
Guarantee deposits paid	14,744	14,082	13,532
	<u>\$ 450,174</u>	<u>\$ 469,771</u>	<u>\$ 552,770</u>

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term			
borrowings	\$ 284,598	\$ 298,681	\$ 334,805
Notes payable (including other non-current liabilities)			
	43,292	66,570	71,991
Accounts payable (including related parties)			
	101,239	122,935	120,945
Other payable (including related parties)			
	72,567	60,792	146,269
Long-term borrowings (including current portion)			
	<u>547,733</u>	<u>510,371</u>	<u>448,257</u>
	<u>\$ 1,049,429</u>	<u>\$ 1,059,349</u>	<u>\$ 1,122,267</u>
Lease liabilities	<u>\$ 16,168</u>	<u>\$ 17,992</u>	<u>\$ 19,268</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:

September 30, 2025

Foreign currency				
(Foreign currency: functional currency)	<u>amount(In thousands)</u>		<u>Exchange rate</u>	<u>Book value (NTD)</u>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 10,786		30.45	\$ 328,380
JPY:NTD	2,203		0.206	454
CNY:NTD	2,784		4.271	11,890
<u>Non-monetary items :</u>				
USD:NTD	1,277		30.45	38,886
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$ 1,111		30.45	\$ 33,824

December 31, 2024

Foreign currency				
(Foreign currency: functional currency)	<u>amount(In thousands)</u>		<u>Exchange rate</u>	<u>Book value (NTD)</u>
<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

September 30, 2024

Foreign currency				
(Foreign currency: functional currency)	<u>amount(In thousands)</u>		<u>Exchange rate</u>	<u>Book value (NTD)</u>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 12,849		31.65	\$ 406,671
JPY:NTD	2,683		0.222	596
CNY:NTD	1,142		4.523	5,165
<u>Non-monetary items :</u>				
USD:NTD	855		31.65	27,054
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$ 446		31.65	\$ 14,116

- 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 nine-month periods ended September 30, 2025 and 2024, amounted to \$15,434, (\$2,481), (\$11,394) and (\$5,336), respectively.

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

For the three-month period ended September 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%	\$ 16,419	\$ -
JPY:NTD	5%	23	-
CNY:NTD	5%	595	-
<u>Non-monetary items</u> :			
USD:NTD	5%	-	1,944
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	5%	1,691	-

For the three-month period ended September 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%	\$ 20,334	\$ -
JPY:NTD	5%	30	-
CNY:NTD	5%	258	-
<u>Non-monetary items</u> :			
USD:NTD	5%	-	1,353
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	5%	706	-

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 September 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 \$1,561 and \$1,468 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 September 30, 2025, December 31, 2024 and September 30, 2024, the provision matrix as follows:

September 30, 2025	Group 1	Group 2	Total
Expected loss			
rate	0.00%	4.45%	
value	\$ 1,418	\$ 336,607	\$ 338,025
allowance	-	14,972	14,972
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
September 30, 2024	Group 1	Group 2	Total
Expected loss			
rate	0.00%	4.20%	
value	\$ 20,556	\$ 316,561	\$ 337,117
allowance	-	13,301	13,301

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 nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
	At January 1	\$ 15,068	$ 13,423
Provision of impairment loss	-	156
Payment written off due to being unrecoverable	-	(156)
Effect of foreign exchange	(96)	(122)
At September 30	<u>\$ 14,972</u>	<u>\$ 13,301</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 September 30, 2025, December 31, 2024 and September 30, 2024 the Group held money market position of \$48,229, \$84,237 and \$84,472, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	September 30, 2025	December 31, 2024	September 30, 2024
Floating rate:			
Expiring within one year	<u>\$ 149,456</u>	<u>\$ 136,985</u>	<u>\$ 48,043</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.

September 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	\$ 284,598	\$ -	\$ -	\$ -
Notes payable (including long-term notes payable)	43,292	-	-	-
Accounts payable (including related parties)	101,239	-	-	-
other payable	72,567	-	-	-
Lease liabilities	8,770	4,565	3,802	-
Long-term borrowings (including current portion)	68,083	176,146	328,291	-

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	-
September 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	\$ 334,805	\$ -	\$ -	\$ -
Notes payable (including long-term notes payable)	66,834	5,157	-	-
Accounts payable (including related parties)	120,945	-	-	-
other payable	146,269	-	-	-
Lease liabilities	8,375	6,156	5,162	-
Long-term borrowings (including current portion)	445,603	13,153	-	-

(3) Fair value information

For information on the fair value of financial assets and financial liabilities not measured at fair value, please refer to Note 12, Section (2), Item 1.

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 nine-month period ended					Number of	
September 30, 2025	Taiwan	America	Asia	Others	write-offs	Total
Revenue from external customers	\$ 511,733	\$ 258,018	\$ 96,727	\$ 885	\$ -	\$ 867,363
Segment revenue	\$ 504	\$ 1,077	\$ 2,321	\$ -	(\$ 3,902)	\$ -
Segment income (loss)	(\$ 15,899)	\$ 12,785	(\$ 19,573)	\$ -	(\$ 6)	(\$ 22,693)
Segment assets	\$ 1,809,141	\$ 226,773	\$ 434,302	\$ -	(\$ 617,768)	\$ 1,852,448
For the nine-month period ended					Number of	
September 30, 2024	Taiwan	America	Asia	Others	write-offs	Total
Revenue from external customers	\$ 503,925	\$ 303,721	\$ 106,114	\$ 5,185	\$ -	\$ 918,945
Segment revenue	\$ 1,230	\$ 1,378	\$ 45,126	\$ -	(\$ 47,734)	\$ -
Segment income (loss)	(\$ 4,600)	\$ 20,769	(\$ 1,357)	\$ -	\$ 1,241	\$ 16,053
Segment assets	\$ 1,884,422	\$ 279,241	\$ 444,920	\$ -	(\$ 590,417)	\$ 2,018,166

(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 nine-month periods ended September 30, 2025 and 2024 is provided as follows:

	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Reportable segments income	(\$ 22,687)	\$ 14,812
Other	(6)	1,241
Income before tax from continuing operations	(\$ 22,693)	\$ 16,053

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries

Loans to others

For the nine-month period ended September 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 nine-month period ended September 30, 2025	Balance at		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
						September 30, 2025	Actual amount drawn down						Item	Value			
0	Xu Yuan Packaging Technology Co., Ltd.	XYPD Company	Other receivables-related parties	Y	\$ 129,822	\$ 116,612	\$ 116,612	-	1	\$ 1,077	Business transactions	\$ -	\$ -	\$ -	\$ 283,566	\$ 283,566	
0	PT. XUYUAN	PT. CHENG KUANG	Other receivables-related parties	Y	15,000	15,000	-	-	1	-	Operations	-	-	-	71,729	71,729	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 Director 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 nine-month period ended September 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 September 30, 2025	Outstanding endorsement/guarantee amount at September 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	\$ 708,917	\$ 10,000	\$ 10,000	\$ 556	\$ -	1.41%	\$ 708,917	Y	N	N	
0	Xu Yuan Packaging Technology Co., Ltd.	PT. CHENG HONG	Subsidiaries	708,917	30,450	27,000	27,000	-	3.81%	708,917	Y	N	N	
0	Xu Yuan Packaging Technology Co., Ltd.	XYPD Company	Subsidiaries	283,566	50,000	50,000	4,567	6,850	7.05%	354,458	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
 September 30, 2025

Table3

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 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	\$ 116,683	0.82	\$ 116,617	Continuing to demand payment	\$ 915	\$ -

Table 3

Xu Yuan Packaging Technology Co., Ltd. and subsidiaries
Significant inter-company transactions during the reporting period
For the nine-month period ended September 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	\$ 116,683	-	6.30
0	"	PT. XUYUAN	1	Other receivables	68,724	-	3.71
0	"	Hong Yuan Company	1	Other receivables	30,254	-	1.63
1	PT. CHENG HONG company	PT. XUYUAN	2	Accounts receivable	10,113	-	0.55
1	"	"	2	Accounts payable	12,041	-	0.65
1	"	"	2	Contract liabilities	12,425	-	0.67

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 nine-month period ended September 30, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table5

Investor	Investee	Location	Main business activities	Initial investment amount(Note 1)		Shares held as at September 30, 2025			Net profit (loss) of the investee for the nine-month period ended September 30, 2025	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2025	Footnote
				Balance as at September 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	\$ 9,627	(\$ 2,360)	(\$ 2,366)	
"	XU YUAN Company	U.S.A	Overseas holding company	16,000	16,000	700,000	100.00	6,611	169	169	
"	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	38,886	30,293	10,602	
"	XYP India Company	India	Sales of sleeve (sticker) labeling machines and color shrink labels	4,255	4,255	21,805	100.00	1,007	(620)	(620)	
"	XYPD Company	Brazil	Manufacturing and sale of color shrink labels	63,522	63,522	4,607,952	51.00	44,971	12,785	6,520	
"	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	178,846	(16,673)	(16,673)	
"	PT. CHENG HONG	Indonesia	Manufacturing and sale of plastic granules and transparent film materials	4,566	4,566	150	10.00	4,059	(2,443)	(244)	
"	PT. CHENG KUANG	Indonesia	Manufacture and sale of complete sets of labeling machines and other equipment	40,871	26,026	13,550	96.79	35,890	(6)	(6)	
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	40,061	(2,443)	(2,199)	
"	PT. CHENG KUANG	Indonesia	Manufacture and sale of complete sets of labeling machines and other equipment	1,370	1,370	450	3.21	1,192	(6)	-	

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 nine-month period ended September 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 nine-month period ended September 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as at September 30, 2025	Net income of investee for the nine-month period ended September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine- month period ended September 30, 2025 (Note2(2))	Book value of investment in Mainland China as at September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as at September 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	1	\$ 22,155	\$ -	\$ -	\$ 22,155	\$ 6	100.00	\$ 6	\$ 8,174	\$ -	Note 2(2)(C) 、 Note 4
<u>Company name</u>	<u>Accumulated amount of remittance from Taiwan to Mainland China as at September 30, 2025</u>	<u>approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4)</u>	<u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA</u>										
XU YUAN PACKAGING TECHNOLOGY CO., LTD.	\$21,312 (USD700)	\$21,312 (USD700)	\$ 450,852										

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.