

6670

**FUSHENG PRECISION CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2025 AND 2024**

**Address: 3F., No. 172, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)
Telephone: 886-2-2507-2211**

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Review Report Originally Issued in Chinese

Independent Auditors' Review Report

To Fusheng Precision Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Fusheng Precision Co., Ltd. (the “Company”) and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in stockholders’ equity and cash flows for the three-month periods ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively “the consolidated financial statements”). 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” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of 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 conducted in accordance with the Standards on Auditing of the Republic of China 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.

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 the Company and its subsidiaries as of March 31, 2025 and 2024, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Chang, Chiao-Ying
Huang, Zi-Ping
Ernst & Young, Taiwan
May 8, 2025

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2025, December 31, 2024 and March 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of		
		March 31, 2025	December 31, 2024 (After retrospective)	March 31, 2024
Current assets				
Cash and cash equivalents	6	\$7,397,345	\$7,397,574	\$6,385,625
Current financial assets at fair value through profit or loss	6	175,401	170,870	169,454
Current financial assets at amortised cost	6, 8	15,000	15,000	72,582
Notes receivable, net	6	33,267	16,515	10,624
Accounts receivable, net	6, 7	5,091,528	5,361,161	3,700,432
Other receivables		551,257	651,873	303,401
Current tax assets		7,989	7,707	17,871
Inventories, net	6	3,022,990	4,077,040	2,618,800
Prepayments		277,705	219,806	184,023
Other current assets		2,009	1,416	2,450
Total current assets		<u>16,574,491</u>	<u>17,918,962</u>	<u>13,465,262</u>
Non-current assets				
Non-current financial assets at fair value through profit or loss	6	80,044	62,817	44,421
Non-current financial assets at amortised cost	6	618	4,533	515
Property, plant and equipment	6, 8	5,872,468	5,802,878	5,080,491
Right-of-use assets	6, 7	788,911	767,762	567,517
Investment property, net		-	-	9,416
Intangible assets	6	1,096,878	1,099,545	643,576
Deferred tax assets		39,806	75,616	53,796
Prepayments for business facilities		53,583	65,329	68,679
Guarantee deposits paid	7	86,618	85,220	144,402
Non-current prepayments for investments	11	1,481,295	-	-
Other non-current assets, others		257,219	280,864	323,017
Total non-current assets		<u>9,757,440</u>	<u>8,244,564</u>	<u>6,935,830</u>
Total assets		<u><u>\$26,331,931</u></u>	<u><u>\$26,163,526</u></u>	<u><u>\$20,401,092</u></u>

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
March 31, 2025, December 31, 2024 and March 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity	Notes	As of		
		March 31, 2025	December 31, 2024 (After retrospective)	March 31, 2024
Current liabilities				
Current borrowings	6, 8	\$1,224,974	\$1,188,095	\$670,330
Current contract liabilities	6	60,268	44,386	29,517
Notes payable		14	5	256
Accounts payable	7	2,751,408	3,599,725	2,084,957
Other payables	6, 7	1,765,992	2,473,550	1,269,797
Current tax liabilities		890,930	742,636	667,921
Current provisions	6	21,817	22,032	27,197
Current lease liabilities	6, 7	31,689	39,359	57,393
Bonds payable, current portion	6	21,881	352,783	-
Long-term borrowings, current portion	6	8,160	8,160	8,160
Other current liabilities, others		213,754	224,433	71,848
Total current liabilities		6,990,887	8,695,164	4,887,376
Non-current liabilities				
Bonds Payable	6	-	-	1,080,442
Non-current portion of non-current borrowings	6	22,440	24,480	30,600
Non-current provisions	6	10,478	10,391	10,135
Deferred tax liabilities		143,576	141,379	100,064
Non-current lease liabilities	6, 7	352,928	322,687	242,010
Net defined benefit liability, non-current		89,037	86,796	60,562
Guarantee deposits received		384	376	3,220
Other non-current liabilities, others	6	181,046	185,851	324,102
Total non-current liabilities		799,889	771,960	1,851,135
Total liabilities		7,790,776	9,467,124	6,738,511
Equity				
Equity attributable to owners of parent				
Ordinary share	6	1,374,088	1,366,582	1,325,735
Certificate of entitlement of new shares from convertible bond		19,506	7,506	5,570
Capital surplus	6	3,561,778	3,247,601	2,305,848
Retained earnings				
Legal reserve		2,252,645	2,252,645	2,013,994
Special reserve		582,078	582,078	421,540
Unappropriated retained earnings		8,703,069	7,483,535	6,688,660
Total retained earnings		11,537,792	10,318,258	9,124,194
Other equity interest				
Exchange differences on translation of foreign financial statements		(89,022)	(266,902)	(438,049)
Total equity attributable to owners of parent		16,404,142	14,673,045	12,323,298
Non-controlling interests	6	2,137,013	2,023,357	1,339,283
Total equity		18,541,155	16,696,402	13,662,581
Total liabilities and equity		\$26,331,931	\$26,163,526	\$20,401,092

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month periods ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Accounting Items	Notes	For the three-month periods ended March 31,	
		2025	2024
Operating revenue	6, 7	\$8,479,513	\$6,369,633
Operating costs	6, 7	(6,268,369)	(4,702,711)
Gross profit from operations		<u>2,211,144</u>	<u>1,666,922</u>
Operating expenses	6, 7		
Selling expenses		(156,604)	(118,339)
Administrative expenses		(357,315)	(328,236)
Research and development expenses		(232,182)	(176,684)
Impairment loss (impairment gain and reversal of impairment loss)		7,305	(455)
Total operating expenses		<u>(738,796)</u>	<u>(623,714)</u>
Net operating income		<u>1,472,348</u>	<u>1,043,208</u>
Non-operating income and expenses	6, 7		
Interest income		40,792	38,984
Other income		22,503	19,185
Other gains and losses, net		134,351	148,512
Finance costs, net		<u>(24,076)</u>	<u>(11,879)</u>
Total non-operating income and expenses		<u>173,570</u>	<u>194,802</u>
Profit from continuing operations before tax		1,645,918	1,238,010
Total tax expense	6	<u>(341,364)</u>	<u>(263,667)</u>
Profit		<u>1,304,554</u>	<u>974,343</u>
Other comprehensive income, net	6		
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation		<u>208,483</u>	<u>156,475</u>
Other comprehensive income, net		<u>208,483</u>	<u>156,475</u>
Total comprehensive income		<u>\$1,513,037</u>	<u>\$1,130,818</u>
Profit, attributable to:			
Profit, attributable to owners of parent		\$1,219,534	\$930,222
Profit, attributable to non-controlling interests		<u>85,020</u>	<u>44,121</u>
		<u>\$1,304,554</u>	<u>\$974,343</u>
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		\$1,397,414	\$1,074,251
Comprehensive income, attributable to non-controlling interests		<u>115,623</u>	<u>56,567</u>
		<u>\$1,513,037</u>	<u>\$1,130,818</u>
Earnings per share(NT\$):	6		
Basic earnings per share		<u>\$8.83</u>	<u>\$7.01</u>
Diluted earnings per share		<u>\$8.73</u>	<u>\$6.76</u>

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY
For the three-month periods ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Share capital		Retained earnings				Other equity interest	Total	Non-controlling interests	Total equity
	Ordinary share	Certificate of entitlement of new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements			
Balance as of January 1, 2024	\$1,325,735	\$-	\$2,211,537	\$2,013,994	\$421,540	\$5,758,438	\$(582,078)	\$11,149,166	\$1,282,232	\$12,431,398
Due to recognition of equity component of convertible bonds issued	-	-	(15,789)	-	-	-	-	(15,789)	-	(15,789)
Profit for the three-month period ended March 31, 2024	-	-	-	-	-	930,222	-	930,222	44,121	974,343
Other comprehensive income for the three-month period ended March 31, 2024	-	-	-	-	-	-	144,029	144,029	12,446	156,475
Total comprehensive income	-	-	-	-	-	930,222	144,029	1,074,251	56,567	1,130,818
Conversion of convertible bonds	-	5,570	107,900	-	-	-	-	113,470	-	113,470
Changes in ownership interests in subsidiaries	-	-	2,200	-	-	-	-	2,200	484	2,684
Balance as of March 31, 2024	<u>\$1,325,735</u>	<u>\$5,570</u>	<u>\$2,305,848</u>	<u>\$2,013,994</u>	<u>\$421,540</u>	<u>\$6,688,660</u>	<u>\$(438,049)</u>	<u>\$12,323,298</u>	<u>\$1,339,283</u>	<u>\$13,662,581</u>
Balance as of January 1, 2025 (After retrospective)	\$1,366,582	\$7,506	\$3,247,601	\$2,252,645	\$582,078	\$7,483,535	\$(266,902)	\$14,673,045	\$2,023,357	\$16,696,402
Due to recognition of equity component of convertible bonds issued	-	-	(52,907)	-	-	-	-	(52,907)	-	(52,907)
Profit for the three-month period ended March 31, 2025	-	-	-	-	-	1,219,534	-	1,219,534	85,020	1,304,554
Other comprehensive income for the three-month period ended March 31, 2025	-	-	-	-	-	-	177,880	177,880	30,603	208,483
Total comprehensive income	-	-	-	-	-	1,219,534	177,880	1,397,414	115,623	1,513,037
Conversion of convertible bonds	-	19,506	365,117	-	-	-	-	384,623	-	384,623
Conversion of certificates of bonds-to-share	7,506	(7,506)	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	1,967	-	-	-	-	1,967	(1,967)	-
Balance as of March 31, 2025	<u>\$1,374,088</u>	<u>\$19,506</u>	<u>\$3,561,778</u>	<u>\$2,252,645</u>	<u>\$582,078</u>	<u>\$8,703,069</u>	<u>\$(89,022)</u>	<u>\$16,404,142</u>	<u>\$2,137,013</u>	<u>\$18,541,155</u>

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three-month periods ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the three-month periods ended March 31,	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$1,645,918	\$1,238,010
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	219,292	204,385
Amortization expense	15,966	9,752
Expected credit loss (gain) for bad debt expense	(7,305)	455
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(15,758)	(316)
Interest expense	24,076	11,879
Interest income	(40,792)	(38,984)
Share-based payments	-	2,684
Loss (gain) on disposal of property, plan and equipment	(3,063)	(183)
Gain on lease modification	-	(120)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(16,752)	2
Decrease (increase) in accounts receivable	276,853	757,621
Decrease (increase) in other receivable	100,616	(14,832)
Decrease (increase) in inventories	1,054,050	453,637
Decrease (increase) in prepayments	(57,899)	(23,403)
Decrease (increase) in other current assets	(593)	4,490
Increase (decrease) in contract liabilities	15,882	9,447
Increase (decrease) in notes payable	9	251
Increase (decrease) in accounts payable	(848,317)	(616,572)
Increase (decrease) in other payable	(705,017)	(353,530)
Increase (decrease) in provisions	(680)	(6,209)
Increase (decrease) in other current liabilities	(10,679)	44,960
Increase (decrease) in net defined benefit liability	(3,966)	(115)
Cash inflow (outflow) generated from operations	1,641,841	1,683,309
Interest received	40,792	38,984
Interest paid	(23,700)	(5,186)
Income taxes paid	(155,345)	(92,957)
Net cash flows from (used in) operating activities	1,503,588	1,624,150
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(40)	(598)
Proceeds from disposal of financial assets at amortised cost	3,973	457
Acquisition of financial assets at fair value through profit or loss	(6,000)	-
Increase in prepayments for investments	(1,481,295)	-
Acquisition of property, plant and equipment	(215,633)	(204,657)
Proceeds from disposal of property, plant and equipment	10,518	16,518
Increase in refundable deposits	(1,398)	(2,063)
Acquisition of intangible assets	(717)	(596)
Decrease in other non-current assets	19,959	30,680
Increase in prepayments for business facilities	-	(36,124)
Decrease in prepayments for business facilities	11,746	-
Net cash flows from (used in) investing activities	(1,658,887)	(196,383)
Cash flows from (used in) financing activities:		
Increase in short-term loans	169,816	419,545
Decrease in short-term loans	(149,645)	(442,614)
Repayments of long-term debt	(2,040)	(2,040)
Decrease in guarantee deposits received	-	(59)
Payments of lease liabilities	(11,990)	(17,835)
Decrease in other non-current liabilities	-	12,281
Increase in other non-current liabilities	(4,805)	-
Net cash flows from (used in) financing activities	1,336	(30,722)
Effect of exchange rate changes on cash and cash equivalents	153,734	134,105
Net increase (decrease) in cash and cash equivalents	(229)	1,531,150
Cash and cash equivalents at beginning of period	7,397,574	4,854,475
Cash and cash equivalents at end of period	\$7,397,345	\$6,385,625

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
FUSHENG PRECISION CO., LTD.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three-Month Periods Ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

- (1) Fusheng Precision Co., Ltd. (The Company) was established by Coöperatieve Valiant APO Global U.A. on September 14, 2010.
- (2) To work in line with the parent company, Coöperatieve Valiant APO Global U.A., to engage in re-organization and specialization to enhance competitiveness and efficiency of management, the Company's board of directors ("Board of Directors") approved on September 14, 2010 the proposed deal to divide and assign the Sporting Goods Divisions (SGD) and Precision Products Divisions (PPD) of Fu Sheng Industrial CO., Ltd. under "Business Mergers and Acquisitions Act" and "Company Act", effective November 1, 2010. The assets, liabilities, all rights and obligations of SGD and PPD, including the existing factories, equipment and employees, were assigned to the Company upon completion of the division and assignment. The Company will continue to operate its business.
- (3) The Company's first public offering was approved in October 2017 and its shares were first traded on the emerging stock market on November 30, 2017. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on December 18, 2018. The Company's registered office and the main business location are at 3F., No. 172. Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.) and No. 9, Xingzhong St., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the three-month periods ended March 31, 2025 and 2024 were authorized for issue by the Board of Directors on May 8, 2025.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) The Q&A related to the early application of certain amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" issued by the FSC, which has not yet been adopted by the Group as at the date when the Group's financial statements were authorized for issue.

In the Q&A, only Section 4.1 (Classification of Financial Assets) of the application guidance is allowed to early adopt from 1 January 2025. Additionally, entities must also comply with the requirements of paragraphs 20B, 20C and 20D of IFRS 7 and disclose the fact of early adoption of these amendments in the financial statements.

- (3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 17 "Insurance Contracts"	January 1, 2023
C	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
D	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
E	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
F	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
G	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

- A. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017, and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

C. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analysing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

D. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

E. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

F. Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

G. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under A, C, E and F, it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 *Interim Financial Reporting* as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Basis of consolidation

The principles of the preparation of the Group’s consolidated financial statements are the same as those of the 2024 consolidated financial report, please refer to the Group’s 2024 consolidated financial report.

The consolidated entities are listed as follows:

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2025	December 31, 2024	March 31, 2024
The Company	Sharphope Company Ltd.	Investment holding	100%	100%	100%
The Company	Vision International Co., Ltd.	Manufacture and sale of golf club head	62.31%	62.31%	62.31%
The Company	Gainsmart Group Ltd.	Investment holding	100%	100%	100%
The Company	World Gate Holdings Ltd.	Investment holding	100%	100%	100%
The Company	NFT Technology Co., Ltd.	Manufacture and sale of medical equipment and automotive parts	69.74%	69.74%	69.74%
The Company	Crosspace Co., Ltd.	Selling pure titanium tableware and kitchenware	100%	100%	100%
The Company	Minson Integration, Inc. (Note 1)	R&D and sales of shoes, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other sports	65.3%	65.3%	81.96%
Sharphope Company Ltd.	Extensor World Trading Ltd. (Hong Kong)	International trade	100%	100%	100%
Sharphope Company Ltd.	Vision International Co., Ltd.	Manufacture and sale of golf club head	37.69%	37.69%	37.69%
Gainsmart Group Ltd.	FS-North America, Inc.	Investment holding	100%	100%	100%
FS-North America, Inc.	FS-Precision Tech Co., LLC. (Note 2)	Manufacture and sale of medical equipment and automotive parts	100%	100%	100%
World Gate Holdings Ltd.	Zhong Shan Worldmark Sporting Goods Ltd.	Manufacture and sale of golf club head	100%	100%	100%
World Gate Holdings Ltd.	Zhong Shan LongXing Precision Machinery Co., Ltd.	Manufacture and sale of sports equipment, automotive parts, molds and other products	100%	100%	100%
World Gate Holdings Ltd.	Zhong Shan Aubo Precision Technology Co., Ltd.	Researching and developing and manufacturing of hardware, plastics and printing of packaging	52.5%	52.5%	52.5%
Zhong Shan Aubo Precision Technology Co., Ltd.	Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	Anodizing process	100%	100%	100%
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO (VIETNAM) PRECISION TECHNOLOGY COMPANY LIMITED	Manufacture hardware and plastics	100%	100%	100%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2025	December 31, 2024	March 31, 2024
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO PRECISION (HONG KONG) CO., LIMITED	International trade	100%	100%	100%
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo (Chongqing) Optoelectronics Co., Ltd. (Note 3)	Manufacture and sales of optical and electronic related parts, instruments and optical glass	100%	100%	-%
Zhong Shan Worldmark Sporting Goods Ltd.	Zhong Shan Dingxing Vacuum Technology Co., Ltd.	Research, development and manufacturing of vacuum technology products, vacuum coating processing and sports equipment, metal products import and export business	100%	100%	100%
Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Industry (SZ) Co., LTD. (Note 4)	Manufacture and sale metalworking (aluminum alloy forged products)	77.51%	77.51%	-%
Alloy Seiko Industry (SZ) Co., LTD.	Alloy Seiko Technology (Jiangsu) CO., LTD. (Note 4)	Manufacture and sale metalworking (aluminum alloy forged products)	100%	100%	-%
Minson Integration,Inc.	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Manufacture and sale of ice hockey shoes	100%	100%	100%
Minson Integration,Inc.	MINONE ENTERPRISES COMPANY LIMITED	Manufacture and sale of sports protective gear	100%	100%	100%
Minson Integration,Inc.	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Manufacture and sale of motocross boots	100%	100%	100%
Minson Integration,Inc.	MINTECH ENTERPRISES COMPANY LIMITED	Manufacture and sale of plastic injection parts and sports helmets	100%	100%	100%
MINTECH ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Manufacture and sale of ice hockey shoes	0%	0%	0%
MINTECH ENTERPRISES COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	Manufacture and sale of sports protective gear	0%	0%	0%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2025	December 31, 2024	March 31, 2024
MINTECH ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Manufacture and sale of motocross boots	0%	0%	0%
MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	Manufacture and sale of plastic injection parts and sports helmets	0%	0%	0%

(Note 1) To comply with the public float threshold required for Minson Integration, Inc. (“Minson Integration”) to apply to be listed on the emerging market, the Company's board of directors approved the share release plan of Minson Integration. The Company sold a total of 4,593 thousand shares at NT\$120 per share. After the completion of the share release process in the fourth quarter of 2024, the Company's shareholding in Minson Integration was decreased to 65.30%. Since the Company still maintains control over Minson Integration, the difference of NT\$195,037 thousand between the equity and carrying amount of subsidiaries disposed will be recorded under capital surplus in accordance with the accounting standards. Additionally, the changes in the percentage of equity held by Minson Integration in each financial statement period was due to the change caused by exercising the employee stock options issued by Minson Integration in each period. Refer to Note 6(17) for the relevant share-based payment plan.

(Note 2) In response to the Group’s long-term development plan and improve the business structure and performance, the Company approved the liquidation of FS-Precision Tech Co., LLC., a subsidiary of Gainsmart Group Ltd., by a board meeting resolution held on January 26, 2024, and planned to suspend production and enter the liquidation and dissolution procedures in the fourth quarter of 2024. The subsidiary has prepared its financial statements on a liquidation value basis from December 31, 2023.

(Note 3) In order to develop new businesses, the Company established a subsidiary, Aubo (Chongqing) Optoelectronics Co., Ltd., through another subsidiary, Zhong Shan Aubo Precision Technology Co., Ltd., upon board resolution approved on May 7, 2024 and the entity was included in the consolidated financial statements in that quarter. Zhong Shan Aubo Precision Technology Co., Ltd. has subscribed for a capital contribution of RMB 3,060 thousand and RMB 324 thousand as of May 27, 2024 and December 23, 2024, respectively. As of the financial report date, Zhong Shan Aubo Precision Technology Co., Ltd. recorded a registered capital of RMB 3,600 thousand and a total contribution ratio of 100%.

(Note 4) In order to develop new businesses, the Company obtained a subsidiary, Alloy Seiko Industry (SZ) Co., LTD. and its subsidiary, Alloy Seiko Technology (Jiangsu) CO., LTD., through another subsidiary, Zhong Shan Worldmark Sporting Goods Ltd. The record date for this acquisition is August 23, 2024. During the third quarter of 2024, the group remitted share payments to acquire 77.51% stock in Alloy Seiko Industry (SZ) Co., LTD., and from that quarter onwards, it will be included in the consolidated financial statements. For information related to the business combination, please refer to Note 6 (26).

(4) The same accounting policies applied in the Group's consolidated financial statements for the three-month periods ended March 31, 2025, as those applied in the Group's consolidated financial statements for the year ended December 31, 2024, except for the accounting policies below. For summary of other significant policies, please refer to Note 4 to the Group's consolidated financial statements for the year ended December 31, 2024.

- (a) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- (b) Pension cost for an interim period is calculated on a year-to-date by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlement, or other significant one-off events.
- (c) Income tax expense for the interim period is accrued and disclosed at the rate applicable to the expected gross surplus of the current year, the estimated annual average effective tax rate includes only current income tax expense, while deferred income tax is consistent with the annual financial report and is recognized and measured in accordance with IAS 12 Income Taxes. When there is a change in the tax rate in the current period, the impact of the change in the tax rate on the deferred income tax will be recognized in profit or loss, other comprehensive income or loss or directly recognized in equity.

5. Significant accounting judgments, estimates and assumptions

The same significant accounting judgments, estimates and assumptions have been applied in the Group's consolidated financial statements for the three-month periods ended March 31, 2025, as those applied in the Group's consolidated financial statements for the year ended December 31, 2024. For significant accounting judgments, estimates and assumptions, please refer to Note 5 to the Group's consolidated financial statements for the year ended December 31, 2024.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$2,881	\$2,434	\$2,623
Checking and savings accounts	6,952,747	6,331,103	5,251,329
Time deposits (Note)	441,717	1,064,037	1,131,673
Total	<u>\$7,397,345</u>	<u>\$7,397,574</u>	<u>\$6,385,625</u>

Note: The contract will expire within 3 months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

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

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets mandatorily measured at fair value through profit or loss:			
Preferred stocks	\$175,401	\$170,870	\$169,454
Unlisted stocks	1,400	1,400	1,400
Convertible bond redemption	-	-	109
US dollar aggressive funds	-	-	416
Private-placement Fund	78,644	61,417	42,496
Total	<u>\$255,445</u>	<u>\$233,687</u>	<u>\$213,875</u>
Current	\$175,401	\$170,870	\$169,454
Non-current	80,044	62,817	44,421
Total	<u>\$255,445</u>	<u>\$233,687</u>	<u>\$213,875</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at amortized cost

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits	\$15,618	\$19,533	\$73,097
Less: loss allowance	-	-	-
Total	<u>\$15,618</u>	<u>\$19,533</u>	<u>\$73,097</u>
Current	\$15,000	\$15,000	\$72,582
Non-current	<u>618</u>	<u>4,533</u>	<u>515</u>
Total	<u>\$15,618</u>	<u>\$19,533</u>	<u>\$73,097</u>

The Group classified certain financial assets as financial assets at amortized cost. Please refer to Note 6(19) for more details on loss allowance and Note 8 for more details on financial assets at amortized cost under pledge. Please refer to Note 12 for more details on credit risk.

(4) Notes receivables

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivables arising from operating activities (total carrying amount)	\$33,267	\$16,515	\$10,624
Less: loss allowance	-	-	-
Total	<u>\$33,267</u>	<u>\$16,515</u>	<u>\$10,624</u>

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(19) for more details on loss allowance and Note 12 for details on credit risk.

(5) Accounts receivable, net

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable (total carrying amount)	\$5,091,052	\$5,369,550	\$3,724,135
Less: loss allowance	(1,670)	(8,890)	(24,216)
Subtotal	5,089,382	5,360,660	3,699,919
Accounts receivable — related parties (total carrying amount)	2,146	501	513
Less: loss allowance	-	-	-
Subtotal	2,146	501	513
Total	<u>\$5,091,528</u>	<u>\$5,361,161</u>	<u>\$3,700,432</u>

Accounts receivable were not pledged.

Accounts receivable are generally on 30-90 day terms. The total carrying amount as of March 31, 2025, December 31, 2024, and March 31, 2024, were \$5,126,465 thousand, \$5,386,566 thousand and \$3,735,272 thousand, respectively. Please refer to Note 6(19) for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(6) Inventories, net

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$961,833	\$1,098,585	\$763,226
Work in progress	934,136	1,060,634	773,618
Finished goods	685,787	990,654	744,068
Goods	25,520	26,738	10,992
Inventories in transit	415,714	900,429	326,896
Total	<u>\$3,022,990</u>	<u>\$4,077,040</u>	<u>\$2,618,800</u>

For the three-month periods ended March 31, 2025 and 2024, the Group recognized \$6,268,369 thousand and \$4,702,711 thousand, respectively, in operating cost, including the write-down / (reversal of) of inventories of \$18,045 thousand and \$(40,019) thousand, respectively. The reversal is due to destocking of slow-moving inventories.

No inventories were pledged.

(7) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Others	Construction in progress and equipment awaiting examination	Total
Cost:						
As of January 1, 2025	\$1,459,849	\$3,134,846	\$5,620,279	\$878,516	\$264,502	\$11,357,992
Additions	-	47,385	80,088	9,331	78,829	215,633
Disposals	-	(229)	(29,626)	(7,168)	-	(37,023)
Transfers	-	4,204	2,162	130	(11,102)	(4,606)
Exchange differences	3,866	51,626	75,859	6,065	2,965	140,381
As of March 31, 2025	<u>\$1,463,715</u>	<u>\$3,237,832</u>	<u>\$5,748,762</u>	<u>\$886,874</u>	<u>\$335,194</u>	<u>\$11,672,377</u>
As of January 1, 2024	\$1,448,379	\$2,393,753	\$4,991,647	\$866,424	\$213,804	\$9,914,007
Additions	-	-	30,466	11,921	162,270	204,657
Disposals	-	-	(21,379)	(23,169)	-	(44,548)
Transfers	-	-	25,401	14,295	(39,696)	-
Exchange differences	(2,812)	21,357	59,568	5,038	407	83,558
As of March 31, 2024	<u>\$1,445,567</u>	<u>\$2,415,110</u>	<u>\$5,085,703</u>	<u>\$874,509</u>	<u>\$336,785</u>	<u>\$10,157,674</u>
Depreciation and impairment:						
As of January 1, 2025	\$-	\$1,585,889	\$3,382,283	\$586,942	\$-	\$5,555,114
Depreciation	-	24,081	143,264	33,006	-	200,351
Impairments	-	(229)	(22,896)	(6,443)	-	(29,568)
Disposals	-	-	(5,862)	-	-	(5,862)
Exchange differences	-	27,274	48,157	4,443	-	79,874
As of March 31, 2025	<u>\$-</u>	<u>\$1,637,015</u>	<u>\$3,544,946</u>	<u>\$617,948</u>	<u>\$-</u>	<u>\$5,799,909</u>
As of January 1, 2024	\$-	\$1,319,568	\$2,963,746	\$582,847	\$-	\$4,866,161
Depreciation	-	20,059	133,456	32,920	-	186,435
Disposals	-	-	(18,444)	(9,769)	-	(28,213)
Transfers	-	-	(4,550)	4,550	-	-
Exchange differences	-	13,337	34,702	4,761	-	52,800
As of March 31, 2024	<u>\$-</u>	<u>\$1,352,964</u>	<u>\$3,108,910</u>	<u>\$615,309</u>	<u>\$-</u>	<u>\$5,077,183</u>
Net carrying amount as of:						
March 31, 2025	<u>\$1,463,715</u>	<u>\$1,600,817</u>	<u>\$2,203,816</u>	<u>\$268,926</u>	<u>\$335,194</u>	<u>\$5,872,468</u>
December 31, 2024	<u>\$1,459,849</u>	<u>\$1,548,957</u>	<u>\$2,237,996</u>	<u>\$291,574</u>	<u>\$264,502</u>	<u>\$5,802,878</u>
March 31, 2024	<u>\$1,445,567</u>	<u>\$1,062,146</u>	<u>\$1,976,793</u>	<u>\$259,200</u>	<u>\$336,785</u>	<u>\$5,080,491</u>

Components of building that have different useful lives are main building structure, fire protection engineering, air conditioning units and elevators, which are depreciated respectively.

There were no capitalized borrowing costs of construction in progress for the three-month periods ended March 31, 2025 and 2024.

Please refer to Note 8 for more details on property, plant, and equipment under pledge.

(8) Intangible assets

	Relationship of customer	Technology and Know-how	Goodwill	Computer software	Total
Cost:					
As of January 1, 2025	\$243,210	\$201,410	\$760,427	\$113,830	\$1,318,877
Additions	-	-	-	717	717
Disposals	-	-	-	(206)	(206)
Transfers	-	-	-	2,430	2,430
Exchange differences	2,444	2,105	5,511	733	10,793
As of March 31, 2025	<u>\$245,654</u>	<u>\$203,515</u>	<u>\$765,938</u>	<u>\$117,504</u>	<u>\$1,332,611</u>
As of January 1, 2024	\$136,000	\$103,000	\$500,078	\$85,473	\$824,551
Additions	-	-	-	596	596
Exchange differences	-	-	177	676	853
As of March 31, 2024	<u>\$136,000</u>	<u>\$103,000</u>	<u>\$500,255</u>	<u>\$86,745</u>	<u>\$826,000</u>
Amortization and impairment:					
As of January 1, 2025	\$74,275	\$69,924	\$-	\$75,133	\$219,332
Amortization	5,312	5,828	-	4,826	15,966
Disposals	-	-	-	(206)	(206)
Exchange differences	109	93	-	439	641
As of March 31, 2025	<u>\$79,696</u>	<u>\$75,845</u>	<u>\$-</u>	<u>\$80,192</u>	<u>\$235,733</u>
As of January 1, 2024	\$55,300	\$51,929	\$-	\$64,986	\$172,215
Amortization	3,700	3,679	-	2,373	9,752
Exchange differences	-	-	-	457	457
As of March 31, 2024	<u>\$59,000</u>	<u>\$55,608</u>	<u>\$-</u>	<u>\$67,816</u>	<u>\$182,424</u>
Net carrying amount as of:					
March 31, 2025	<u>\$165,958</u>	<u>\$127,670</u>	<u>\$765,938</u>	<u>\$37,312</u>	<u>\$1,096,878</u>
December 31, 2024	<u>\$168,935</u>	<u>\$131,486</u>	<u>\$760,427</u>	<u>\$38,697</u>	<u>\$1,099,545</u>
March 31, 2024	<u>\$77,000</u>	<u>\$47,392</u>	<u>\$500,255</u>	<u>\$18,929</u>	<u>\$643,576</u>

Amortization expense of intangible assets under the statement of comprehensive income:

	For the three-month periods ended March 31,	
	2025	2024
Operating costs	\$46	\$225
Operating expenses		
Selling expenses	119	119
Administrative expenses	15,241	9,009
Research and development expenses	560	399
Subtotal	15,920	9,527
Total	\$15,966	\$9,752

(9) Current borrowings

	Interest Rates (%)	As of		
		March 31, 2025	December 31, 2024	March 31, 2024
Secured bank loans	2.11%~4.20%	\$466,999	\$319,427	\$-
Unsecured bank loans	1.00%~6.96%	757,975	868,668	670,330
Total		\$1,224,974	\$1,188,095	\$670,330

(a) The Group's unused short-term lines of credits amount to \$13,015,766 thousand, \$13,189,668 thousand and \$12,755,497 thousand, as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

(b) Please refer to Note 8 for more details on assets pledged as security for current borrowings.

(10) Other payables

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Salaries payable	\$663,267	\$1,021,443	\$620,516
Accrued expenses	535,673	624,432	486,194
Dividends payable	252,147	272,861	-
Share capital payable	-	192,026	-
Employees' compensation and remuneration to directors and supervisors payable	53,044	103,015	61,777
Other payable — other (Note)	261,456	258,154	100,905
Other payable — related parties	405	1,619	405
Total	\$1,765,992	\$2,473,550	\$1,269,797

Note: Individual items amount not exceeded \$50,000 thousand were aggregated as others.

(11) Bonds payable

Domestic convertible bonds payable

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Liability component:			
Principal amount	\$21,900	\$354,300	\$1,096,400
Discounts on bonds payable	(19)	(1,517)	(15,958)
Subtotal	21,881	352,783	1,080,442
Less: current portion	(21,881)	(352,783)	-
Net	\$-	\$-	\$1,080,442
Embedded derivative (Recognized in “Financial assets at fair value through profit or loss - non-current”)	\$-	\$-	\$109
Equity component (Recognized in “Equity - Capital surplus”)	\$3,485	\$56,392	\$174,510

On April 11, 2022, the Company issued zero coupon unsecured convertible bonds. The actual fund raised amounted to a total of \$1,680,102 thousand. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer’s ordinary shares). The terms of the bonds are as follows:

Issue amount: NT\$1,500,000 thousand with issue price at par value of \$100 thousand per bond.

Coupon rate: 0%

Period: April 11, 2022 ~ April 11, 2025

Important redemption clauses:

- A. The Company may redeem the bonds at par value, in whole or in part, after 3 months of the issuance and prior to 40th day before maturity date, if the closing price of the Company’s ordinary shares on the Taiwan Stock Exchange (TWSE) for 30 consecutive trading days is at least 130% of the conversion price.
- B. The Company may redeem the bonds, in whole, at the early redemption conversion price if the amount of the company’s outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the issuance and prior to 40th day before maturity date.

Terms of Exchange:

- A. Underlying Securities: Common shares of the Company.
- B. Exchange Period: The bonds are exchangeable at any time on or after July 12, 2022, and prior to April 11, 2025, into common shares of the Company.
- C. Exchange Price and Adjustment: The exchange price was set at NT\$210 per share when the shares were issued. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. As of March 31, 2025, the exchange price was adjusted to NT\$170.4 per share as dividends were issued for the year in accordance with the terms of the offering.
- D. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

The bonds already exchanged amount to \$1,478,100 thousand, \$1,145,700 thousand and \$403,600 thousand, as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

(12) Non-current borrowings

Details of non-current borrowings as of March 31, 2025, are as follows:

Lenders	As of March 31, 2025	Interest Rate (%)	Maturity date and terms of repayment
CTBC bank. — Unsecured bank loan	\$30,600	2.21%	The terms of repayment are from December 14, 2023, to December 14, 2028, repayment of 5% of the principal is repayable quarterly, and interest is paid monthly.
Subtotal	30,600		
Less: current portion	(8,160)		
Total	<u>\$22,440</u>		

Details of non-current borrowings as of December 31, 2024, are as follows:

Lenders	As of December 31, 2024	Interest Rate (%)	Maturity date and terms of repayment
CTBC bank. — Unsecured bank loan	\$32,640	1.98%	The terms of repayment are from December 14, 2023, to December 14, 2028, repayment of 5% of the principal is repayable quarterly, and interest is paid monthly.
Subtotal	32,640		
Less: current portion	(8,160)		
Total	<u>\$24,480</u>		

Details of non-current borrowings as of March 31, 2024, are as follows:

Lenders	As of March 31, 2024	Interest Rate (%)	Maturity date and terms of repayment
CTBC bank. — Unsecured bank loan	\$38,760	1.98%	The terms of repayment are from December 14, 2023, to December 14, 2028, repayment of 5% of the principal is repayable quarterly, and interest is paid monthly.
Subtotal	38,760		
Less: current portion	(8,160)		
Total	<u>\$30,600</u>		

(13) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month ended March 31, 2025 and 2024 were \$72,002 thousand and \$56,256 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended March 31, 2025 and 2024 were \$2,184 thousand and \$1,772 thousand, respectively.

(14) Provisions

	Decommissioning, restoration, and rehabilitation	Other provision	Total
As of January 1, 2025	\$10,391	\$22,032	\$32,423
Utilized	-	(3,396)	(3,396)
Additions	-	2,716	2,716
Discount rate adjustment and unwinding of discount from the passage of time	87	-	87
Exchange differences	-	465	465
As of March 31, 2025	<u>\$10,478</u>	<u>\$21,817</u>	<u>\$32,295</u>

	Decommissioning, restoration, and rehabilitation	Other provision	Total
As of January 1, 2024	\$10,052	\$32,826	\$42,878
Utilized	-	(12,782)	(12,782)
Additions	-	6,573	6,573
Discount rate adjustment and unwinding of discount from the passage of time	83	-	83
Exchange differences	-	580	580
As of March 31, 2024	<u>\$10,135</u>	<u>\$27,197</u>	<u>\$37,332</u>
Current – March 31, 2025	\$-	\$21,817	\$21,817
Non-current – March 31, 2025	10,478	-	10,478
As of March 31, 2025	<u>\$10,478</u>	<u>\$21,817</u>	<u>\$32,295</u>
Current – December 31, 2024	\$-	\$22,032	\$22,032
Non-current – December 31, 2024	10,391	-	10,391
As of December 31, 2024	<u>\$10,391</u>	<u>\$22,032</u>	<u>\$32,423</u>
Current – March 31, 2024	\$-	\$27,197	\$27,197
Non-current – March 31, 2024	10,135	-	10,135
As of March 31, 2024	<u>\$10,135</u>	<u>\$27,197</u>	<u>\$37,332</u>

Decommissioning, restoration and rehabilitation

A provision has been recognized for decommissioning costs associated with a factory owned by subsidiary. The Group is committed to restore the site as was when decommissioning the site.

Other provision

According to the management's judgement and other known reasons, the expected employee occupational injury expenses were recognized as miscellaneous expense and estimated related provisions.

Carbon fees

The Company has been conducting carbon inventory since 2022. Based on the historical information and the assessment of greenhouse gas emissions in 2025, the Company is not subject to carbon fee collection under Taiwan's Ministry of Environment. Therefore, as of March 31, 2025, the Company has not yet been required to estimate related liabilities for carbon fees.

(15) Other non-current liabilities

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Other non-current liabilities- Temporary credits	\$157,560	\$157,560	\$319,900
Other liabilities - others	23,486	28,291	4,202
Total	<u>\$181,046</u>	<u>\$185,851</u>	<u>\$324,102</u>

(16) Equities

A. Ordinary share

The Company's authorized capital and issued capital was \$3,000,000 thousand and \$1,366,582 thousand as of January 1, 2024. Each share at a par value of \$10 and has one voting right and a right to receive dividends.

The Company issued domestic unsecured convertible corporate bonds on April 11, 2022. For the three-month periods ended March 31, 2025 and 2024 and for the year period ended December 31, 2024, 1,951 thousand, 557 thousand and 4,835 thousand shares with a nominal value of \$10 per share were successively requested by bondholders, respectively. As of March 31, 2025, December 31, 2024 and March 31, 2024, 1,951 thousand, 751 thousand and 557 thousand shares had not been completed and registered yet. The bond conversion entitlement certificates of January 1, 2025 and 2024 were amended in the first quarter of 2025 and 2024 with 751 shares and 0 thousand shares respectively.

As of March 31, 2025, the accumulated shares been successively requested by bondholders were 8,330 thousand shares with a nominal value of \$10 per share.

The Company's authorized capital were all \$3,000,000 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024. The Company's issued capital were \$1,374,088 thousand, \$1,366,582 thousand and \$1,325,735 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. Each share at a par value of \$10 and has one voting right and a right to receive dividends.

B. Capital surplus

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	\$3,198,250	\$2,833,133	\$2,022,975
Difference between consideration given/ received and carrying amount of interests in subsidiaries acquired/disposed of	270,909	270,909	75,872
Share options	3,485	56,392	174,510
Changes in ownership interest in subsidiaries	88,683	86,716	32,491
Others	451	451	-
Total	<u>\$3,561,778</u>	<u>\$3,247,601</u>	<u>\$2,305,848</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of all taxes and dues;
- (b) Offset prior years' operation losses;
- (c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- (d) Set aside or reverse special reserve in accordance with law and regulations; and
- (e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The Company's Articles of Incorporation further provide at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributes distributable earnings, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity, provided that the Company has already set aside special reserve according to the requirements for the adoption of IFRS. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

On first-time adoption of the TIFRS, the Company's special reserve amounted to \$112,383 thousand. The Company did not reverse special reserve to undistributed earnings for the years ended 2024 and 2023 as a result of the use, disposal of or reclassification of related assets. Following the Company's first time adoption of the TIFRS, the difference between the balance of the special reserve previously appropriated upon the first adoption of IFRS and the net amount of other equity contra account was additionally appropriated/(reversed) to the special reserve of earnings, in the amount of \$160,538 thousand and \$(208,914) thousand in 2024 and 2023, respectively.

Details of the year of 2024 and 2023 earnings distribution and dividends per share as proposed by Board of Directors' meeting on March 11, 2025 and resolved by the stockholders' meeting on June 18, 2024, are as follows:

	<u>Appropriation of earnings</u>		<u>Dividend per share (\$)</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Legal reserve	\$378,389	\$238,651		
Special reserve	(315,176)	160,538		
Cash dividend of common stock	2,738,837	1,659,703	\$19.7(note)	\$12.5

Note: Calculation was based on the number of ordinary shares outstanding as of March 6, 2025, plus 139,027 thousand shares that were applied for conversion. The actual dividend paid to each share will be determined by the number of ordinary shares outstanding on ex-dividend date.

Please refer to Note 6(21) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the three-month periods ended March 31,	
	2025	2024
Beginning balance	\$2,023,357	\$1,282,232
Net gains attributable to non-controlling interests	85,020	44,121
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	30,603	12,446
Share-based payment	-	484
Changes in ownership interests in subsidiaries	(1,967)	-
Ending balance	<u>\$2,137,013</u>	<u>\$1,339,283</u>

(17) Share-based payment plans

A. The relevant details of share-based payment plan of the subsidiary Minson Integration, Inc. were as follows:

Type of agreement	Grant date	Total number of share options granted (in thousands)	Contract period	Vesting condition
The first employee stock option plan in 2021	December 1, 2021	327	2.13 years	The certificate holder can exercise a certain percentage of the granted stock option within two years after the issuance expires.
Cash capital increase retained employee subscription	July 2, 2022	760	-	Immediately vested.
The first employee stock option plan in 2022	December 1, 2022	274	1.98 years	The certificate holder can exercise a certain percentage of the granted stock option within two years after the issuance expires.
The first employee stock option plan in 2024	July 16, 2024	322	0.04 years	The certificate holder may exercise the granted stock option from the month end of issuance.

The share-based payment agreement mentioned above was accounted for equity-based settlement.

- B. The following table contains further details on the aforementioned share-based payment plan of the subsidiary Minson Integration, Inc.:

	For the three-month periods ended March 31,			
	2025		2024	
	Number of	Weighted	Number of	Weighted
	share options	average	share options	average
	outstanding	exercise price	outstanding	exercise price
	of share	of share	of share	of share
	(in thousands)	options (NT\$)	(in thousands)	options (NT\$)
Outstanding at beginning of period	-	\$-	274	\$10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of period	-	\$-	274	\$10
Exercisable at end of period	-	\$-	-	\$-
Weighted average fair value of share				
options granted during the period (\$)	\$-		\$-	

The information of the subsidiary Minson Integration, Inc. on the outstanding share options is as follows:

	Range of exercise price	Weighted average remaining contractual life (years)
As of March 31, 2025		
share options outstanding at the end of the period	\$-	-
As of December 31, 2024		
share options outstanding at the end of the period	\$-	-
As of March 31, 2024		
share options outstanding at the end of the period	\$10	0.68

- C. The Black-Scholes option pricing model was used by the subsidiary, Minson Integration, Inc. to estimate the fair value of the share options on the grant date. The information on each factor is as follows:

	Grant date			
	July 16, 2024	December 1, 2022	July 2, 2022	December 1, 2021
Expected volatility (%)	32.08	38.48	38.77	39.17
Risk-free interest rate (%)	1.49	1.09	0.89	0.31
Expected option life (Years)	0.04	2.04	0.07	2.13
Weighted average share price (\$)	110.07	88.14	2.99	61.18

- D. The Group's equity-settled share-based payment transactions generated fees for the three-month periods ended March 31, 2025 and 2024 were \$0 and \$2,684 thousand respectively.

(18) Operating revenue

A. Disaggregation of revenue

	For the three-month periods ended March 31,	
	2025	2024
Revenue from contracts with customers		
Sale of goods	\$8,396,149	\$6,295,407
Other revenue	83,364	74,226
Total	<u>\$8,479,513</u>	<u>\$6,369,633</u>

- B. The Group recognizes contract revenue which is at a point in time.

C. Contract balances

Current contract liabilities

	As of			
	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Sales of goods	<u>\$60,268</u>	<u>\$44,386</u>	<u>\$29,517</u>	<u>\$20,070</u>

The significant changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2025 and 2024 were as follows:

	For the three-month periods ended March 31,	
	2025	2024
The opening balance transferred to revenue	\$(28,370)	\$(4,542)
Increase in unearned receipted during the period (excluding the amount incurred and transferred to revenue during the period)	44,184	13,901
Effect of changes in foreign exchange rates and others	68	88

(19) Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9

	For the three-month periods ended March 31,	
	2025	2024
Operating expenses — Expected credit (losses) gains		
Accounts receivables	<u>\$7,305</u>	<u>\$(455)</u>

Please refer to Note 12 for more details on credit risk.

The credit risk for the Group's financial assets at amortized cost are assessed as low as of March 31, 2025, December 31, 2024, and March 31, 2024 (the same as the assessment result in the beginning of the period). Since the counterparties of the company are all financial institutions such as banks with good credit profile, all of them are calculated based on the expected credit loss rate of 0% and the allowance loss amount is \$0 thousand.

The Group measures the loss allowance of its accounts receivable (including notes receivables and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of March 31, 2025, December 31, 2024, and March 31, 2024 are as follows:

Considering counterparties credit rating, industry characteristics, the loss allowance of accounts receivable is measured by using a provision matrix. In addition, the provision matrix is expressed aggregately since overdue days interval between each entities in the Group is equivalent. Details for provision matrix are as follows:

As of March 31, 2025

	Not yet due (Note)	Overdue			Total
		Under 60 days	61~180 days	Over 181 days	
Gross carrying amount	\$4,769,123	\$340,690	\$16,177	\$475	\$5,126,465
Loss ratio					0.0326%
Lifetime expected credit losses	-	(255)	(940)	(475)	(1,670)
Net carrying amount	\$4,769,123	\$340,435	\$15,237	\$-	\$5,124,795

As of December 31, 2024

	Not yet due (Note)	Overdue			Total
		Under 60 days	61~180 days	Over 181 days	
Gross carrying amount	\$4,957,553	\$414,478	\$11,782	\$2,753	\$5,386,566
Loss ratio					0.1650%
Lifetime expected credit losses	-	(246)	(5,891)	(2,753)	(8,890)
Net carrying amount	\$4,957,553	\$414,232	\$5,891	\$-	\$5,377,676

As of March 31, 2024

	Not yet due (Note)	Overdue			Total
		Under 60 days	61~180 days	Over 181 days	
Gross carrying amount	\$3,505,282	\$200,309	\$28,174	\$1,507	\$3,735,272
Loss ratio					0.6483%
Lifetime expected credit losses	-	-	(22,709)	(1,507)	(24,216)
Net carrying amount	\$3,505,282	\$200,309	\$5,465	\$-	\$3,711,056

Note: The Group's note receivables are not overdue.

The change of the provision for impairment of notes receivables and accounts receivable during the three-month periods ended March 31, 2025 and 2024 is as follows:

	Notes receivables	Accounts receivable	Total
As of January 1, 2025	\$-	\$8,890	\$8,890
Addition for the current period	-	(7,305)	(7,305)
Exchange differences	-	85	85
As of March 31, 2025	\$-	\$1,670	\$1,670
As of January 1, 2024	\$-	\$23,074	\$23,074
Addition for the current period	-	455	455
Exchange differences	-	687	687
As of March 31, 2024	\$-	\$24,216	\$24,216

(20) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings and other equipment. The lease terms range from 1 to 13 years. The Group is not subject to any special restrictions.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$714,608	\$704,810	\$504,640
Buildings	74,303	62,952	62,877
Total	<u>\$788,911</u>	<u>\$767,762</u>	<u>\$567,517</u>

During the three-month periods ended March 31, 2025 and 2024, the Group's additions to right-of-use assets amounting to \$29,217 thousand and \$18,934 thousand, respectively.

Please refer to Note 8 for more details on right-of-use assets under pledge.

ii. Lease liabilities

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities	<u>\$384,617</u>	<u>\$362,046</u>	<u>\$299,403</u>
Current	\$31,689	\$39,359	\$57,393
Non-current	352,928	322,687	242,010
Total	<u>\$384,617</u>	<u>\$362,046</u>	<u>\$299,403</u>

Please refer to Note 6(22) for the interest on lease liabilities recognized during the three-month periods ended March 31, 2025 and 2024 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities on March 31, 2025, December 31, 2024 and March 31, 2024.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three-month periods ended March 31,	
	2025	2024
Land	\$4,112	\$6,568
Buildings	14,829	11,382
Total	<u>\$18,941</u>	<u>\$17,950</u>

(c) Income and costs relating to leasing activities

	For the three-month periods ended March 31,	
	2025	2024
The expenses relating to leases of low-value assets (Including the expenses relating to short-term leases of low-value assets)	<u>\$2,465</u>	<u>\$3,965</u>

(d) Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflows for leases amounting to \$14,455 thousand and \$21,800 thousand, respectively.

(e) Other information relating to leasing activities

Some of the Group's agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Group as a lessor

The Group's leases of self-own investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the three-month periods ended March 31,	
	2025	2024
Lease income for operating leases		
Income relating to fixed lease payments	\$-	\$3,201

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2025, December 31, 2024 and March 31, 2024 are as follows:

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Not later than one year	\$-	\$-	\$4,268

(21) Summary statement of employee benefits, depreciation, and amortization expenses by function

	For the three-month periods ended March 31,					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$989,028	\$337,331	\$1,326,359	\$846,577	\$305,399	\$1,151,976
Labor and health insurance	14,610	13,211	27,821	12,832	12,447	25,279
Pension	57,856	16,330	74,186	45,564	12,464	58,028
Other employee benefits expense	152,719	34,241	186,960	102,758	31,094	133,852
Depreciation	180,580	38,712	219,292	167,747	36,638	204,385
Amortization	46	15,920	15,966	225	9,527	9,752

According to the Articles of Incorporation, no lower than 2% of profit of the current year is distributable as employees' compensation and no higher than 0.5% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition there to a report of such distribution is submitted to the shareholders' meeting. If the Board of Directors subsequently modifies the estimates significantly, the company will recognize the change as an adjustment in the profit or loss in the subsequent period. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit for the three-month period ended March 31, 2025, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month period ended March 31, 2025 to be 2% and 0.03%, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended March 31, 2025 amounted to \$28,527 thousand and \$375 thousand, respectively and recognized as salaries expense.

Based on profit of the three-month period ended March 31, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month period ended March 31, 2024 to be 2% and 0.03%, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the three-month period ended March 31, 2024 amount to \$22,749 thousand and \$375 thousand, respectively and recognized as salaries expense.

A resolution was resolved at a board meeting held on March 11, 2025, to distribute \$93,604 thousand and \$1,500 thousand in cash as employees' compensation and remuneration to directors of 2024, respectively. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2024.

No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2023.

(22) Non-operating income and expenses

A. Interest income

	For the three-month periods ended March 31,	
	2025	2024
Interest income		
Financial assets measured at amortized cost	\$40,392	\$38,626
Financing provided to others (Note)	400	358
Total	<u>\$40,792</u>	<u>\$38,984</u>

Note: Please refer to attachment 1 for financing provided to others.

B. Other income

	For the three-month periods ended March 31,	
	2025	2024
Rent income	\$2,251	\$4,147
Other income - government grants	3,573	2,912
Other income - others	16,679	12,126
Total	<u>\$22,503</u>	<u>\$19,185</u>

C. Other gains and losses, net

	For the three-month periods ended March 31,	
	2025	2024
Gains/(Losses) on disposal of property, plant and equipment	\$3,063	\$183
Gains/(Losses) on financial assets at fair value through profit or loss (Note)	15,758	316
Foreign exchange gains, net	115,390	159,650
Miscellaneous disbursements	(1,731)	(11,757)
Gains on lease modification	-	120
Others	1,871	-
Total	<u>\$134,351</u>	<u>\$148,512</u>

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss.

D. Finance costs, net

	For the three-month periods ended March 31,	
	2025	2024
Interest on borrowings from bank	\$21,159	\$6,835
Interest on provisions	87	83
Interest on lease liabilities	2,016	1,011
Interest on bonds payable	814	3,950
Total	<u>\$24,076</u>	<u>\$11,879</u>

(23) Components of other comprehensive income

For the three-month period ended March 31, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive	Other comprehensive income, net of tax
Will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	\$208,483	\$-	\$208,483	\$-	\$208,483

For the three-month period ended March 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive	Other comprehensive income, net of tax
Will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	\$156,475	\$-	\$156,475	\$-	\$156,475

(24) Income tax

A. The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the three-month periods ended March 31,	
	2025	2024
Current income tax expense:		
Current income tax charge	\$281,624	\$247,534
Adjustments in respect of current income tax of prior periods	21,691	1,616
Current tax expense (income) related to Pillar Two legislation(note)	-	(not applicable)
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	38,280	14,517
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	(231)	-
Total income tax expense	\$341,364	\$263,667

Note : The consolidated financial statements of the group included entities located in countries where the Pillar Two rules have been in effect (including Hong Kong, Vietnam and Thailand), whose consolidated revenue reached EUR 750 million (reaching EUR 750 million for any two years within four tested years), therefore the “International Tax Reform- Pillar Two Model Rules (Amendment to IAS 12)” affected these entities. As of the end of this quarter, the Group assessed that the income tax expense of these entities affected by Pillar Two is not material to the Group, and the specific numbers of the effect will be disclosed upon completion of calculation.

B. The assessment of income tax returns

As of the reporting date, the assessment of the income tax returns of the Company and its domestic subsidiaries are as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2023
Subsidiary- NFT Technology Co., Ltd	Assessed and approved up to 2021
Subsidiary- Crosspace Co., LTD	Assessed and approved up to 2022
Subsidiary- Minson Integration, Inc.	Assessed and approved up to 2022

(25) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>For the three-month periods ended March 31</u>	
A. Basic earnings per share	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary equity holders of the Company (in thousand)	<u>\$1,219,534</u>	<u>\$930,222</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>138,110</u>	<u>132,689</u>
Basic earnings per share (NT\$)	<u>\$8.83</u>	<u>\$7.01</u>

	For the three-month periods ended March 31	
	2025	2024
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand)	\$1,219,534	\$930,222
Interest expense from convertible bonds (in thousand)	651	12,747
Profit attributable to ordinary equity holders of the Company after dilution	<u>\$1,220,185</u>	<u>\$942,969</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	138,110	132,689
Effect of dilution:		
Employee compensation—stock (in thousands)	309	305
Convertible bonds(in thousands)	<u>1,378</u>	<u>6,597</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>139,797</u>	<u>139,591</u>
Diluted earnings per share (NT\$)	<u>\$8.73</u>	<u>\$6.76</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(26) Business combinations

Acquisition of Alloy Seiko Industry (SZ) Co., LTD. and its subsidiary — Alloy Seiko Technology (Jiangsu) CO., LTD.

In order to improve operating performance, the Company acquire Alloy Seiko Industry (SZ) Co., LTD (hereinafter referred to as "ASIC"). and its subsidiary — Alloy Seiko Technology(Jiangsu) CO., LTD. (collectively referred to as "AS Group") to expand the layout of the automotive components business. Following an agreement between the Group and the shareholders of ASIC, Zhong Shan Worldmark Sporting Goods Ltd.(hereinafter referred to as "Zhongshan Worldmark"), a wholly-owned subsidiary of the Group, participated in the cash capital increase of ASIC and remitted the capital increase funds on August 23, 2024, resulting in the Group holding a 77.51% equity interest in ASIC For details on the related consolidation structure, please refer to Note 4(3).

The Company and its subsidiaries set August 23, 2024, as the acquisition date to acquire Alloy Seiko Industry (SZ) Co., LTD. and its subsidiary, and measured the identifiable assets acquired and liabilities assumed at their fair values as of that date. The consolidated financial statements for the year ended December 31, 2024 issued by the Group on March 11, 2025 were recognized at provisional amounts. The Group complete the independent evaluation and obtained evaluation report from an independent appraiser. The differences between the provisional amounts and the valuation results will be retrospectively adjusted in the consolidated financial statements for the year ended December 31, 2024, as detailed in the explanation below.

The Group elected to measure the non-controlling interest in AS Group at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The fair values of the identifiable assets and liabilities of AS Group as at the date of acquisition were as follows:

	Fair value recognized on acquisition
Assets	
Cash and cash equivalents	\$710,268
Accounts receivable, net	349,508
Other receivable	241,562
Inventories	138,969
Prepayments	69,812
Property, plant, and equipment	398,006
Right-of-use assets	90,552
Intangible assets	217,900
Deferred tax assets	5,059
Other non-current assets	5,721
Liabilities	
Short-term loans	(421,096)
Contract liabilities	(68,338)
Accounts payable	(348,888)
Other payables	(642,634)
Deferred tax liabilities	(40,887)
Other current liabilities	(1,754)
Long-term loans	(24,534)
Other non-current liabilities	(47,035)
Total identifiable net assets at fair value	<u>\$632,191</u>

The goodwill for the AS Group is as follows:

	Amount
Cash consideration	\$693,124
Add: non-controlling interests	201,114
Less: identifiable net assets at fair value	<u>(632,191)</u>
Goodwill	<u>\$262,047</u>

The amount of goodwill in the amount of \$262,047 thousand is expected to result from the synergy of the acquisition.

Cash flows on acquisition:

	Amount
Net cash acquired with the subsidiary	\$710,268
Cash paid	(693,124)
Net cash inflow	\$17,144

As of the date the financial report was approved, the independent valuation expert has completed the fair value assessment of the identifiable net assets of the AS Group. The result differed from the provisional amounts reported in the consolidated financial statements for the year ended December 31, 2024. Therefore, in accordance with the International Financial Reporting Standards, the Group recognized the provisional goodwill in the amount of 248,630 thousand as of December 31, 2024, and also retrospectively adjusted the other intangible assets, goodwill, and deferred tax liabilities as of December 31, 2024. The adjustments to the financial information for the comparative periods are explained as follows:

(1) Provisional amount differences:

The consolidated financial statements as of December 31, 2024

	Provisional amounts	Adjustment	The result of valuation
Cash consideration	\$693,124	\$-	\$693,124
Add: non-controlling interests	201,114	-	201,114
Less: identifiable net assets at fair value	(645,608)	13,417	(632,191)
Goodwill	\$248,630	\$13,417	\$262,047

(2) The Group's consolidated financial statements for the comparative periods based on retrospective adjustments are as follows:

	As of December 31, 2024		
	Before retrospective	The amount of retrospective	After retrospective
Balance Sheet			
Assets			
Total current assets	\$17,918,962	\$-	\$17,918,962
Intangible assets	1,101,913	(2,368)	1,099,545
Other non-current assets, others	7,145,019	-	7,145,019
Total non-current assets	8,246,932	(2,368)	8,244,564
Total assets	\$26,165,894	\$(2,368)	\$26,163,526

Balance Sheet	As of December 31, 2024		
	Before retrospective	The amount of retrospective	After retrospective
Liability			
Total current liabilities	\$8,695,164	\$-	\$8,695,164
Deferred tax liabilities	143,747	(2,368)	141,379
Other non-current liabilities, others	630,581	-	630,581
Total non-current liabilities	774,328	(2,368)	771,960
Total liabilities	9,469,492	(2,368)	9,467,124
Total equity	16,696,402	-	16,696,402
Total liabilities and equity	\$26,165,894	\$(2,368)	\$26,163,526

Note: The difference between the provisional amount and the formal valuation report is not material to the Group's retained earnings. Therefore, the difference in retained earnings will not be adjusted retrospectively but will be adjusted in the current period's profit and loss in 2025.

(27) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests was provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	As of		
		March 31, 2025	December 31, 2024	March 31, 2024
Zhong Shan Aubo Precision Technology Co., Ltd.	China	47.50%	47.50%	47.50%
Minson Integration, Inc.	Taiwan	34.70%	34.70%	18.04%

A. Accumulated balances of material non-controlling interest:

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Zhong Shan Aubo Precision Technology Co., Ltd.	\$983,249	\$924,296	\$797,263
Minson Integration, Inc.	877,572	832,733	459,354
Total	\$1,860,821	\$1,757,029	\$1,256,617

B. Profit(loss) allocated to material non-controlling interest:

	For the three-month periods ended March 31	
	2025	2024
Zhong Shan Aubo Precision Technology Co., Ltd.	\$41,112	\$29,187
Minson Integration, Inc.	36,054	14,127
Total	<u>\$77,166</u>	<u>\$43,314</u>

C. Dividends paid to material non-controlling interests

Zhong Shan Aubo Precision Technology Co., Ltd. and Minson Integration, Inc. did not have such occurrences for the three-month period ended March 31, 2024 and 2023.

D. The aggregated financial information of subsidiaries that have material non-controlling interests was provided below. This information was based on amounts before inter-company eliminations.

(a) Zhong Shan Aubo Precision Technology Co., Ltd.

(i) Summarized information of profit or loss as follows:

	For the three-month periods ended March 31,	
	2025	2024
Operating revenue	\$873,365	\$567,231
Profit from continuing operations	86,553	61,447
Total comprehensive income	71,710	63,005

(ii) Summarized information of financial position as follows:

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$1,709,724	\$1,715,946	\$1,238,192
Non-current assets	869,946	849,921	782,755
Current liabilities	495,474	619,981	342,499
Non-current liabilities	14,196	-	-

(b) Minson Integration, Inc.

(i) Summarized information of profit or loss as follows:

	For the three-month periods ended March 31,	
	2025	2024
Operating revenue	\$818,961	\$502,718
Profit from continuing operations	109,587	84,623
Total comprehensive income	134,903	68,087

(ii) Summarized information of financial position as follows:

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$1,512,036	\$1,418,197	\$1,238,265
Non-current assets	1,515,405	1,468,401	1,335,179
Current liabilities	688,813	685,325	579,833
Non-current liabilities	134,823	132,372	106,039

7. Related party transactions

Information of related parties that had transactions with the Group during the financial reporting periods is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Fu Sheng Industrial Co., Ltd.	Substantive related party
Fusheng Electronics Corporation	Substantive related party
Fu Sheng Industrial (Shanghai) Co., Ltd.	Substantive related party
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	Substantive related party
Zhong Shan Fu Sheng Machinery Co., Ltd.	Substantive related party
Fu Sheng (Vietnam) Industrial Co., Ltd.	Substantive related party
FS-Elliott(Shanghai)Machinery Co., Ltd.	Substantive related party
Min Yang Co., Ltd.	Substantive related party
Minson Enterprises Co., Ltd.	Substantive related party
Worldmark Service Ltd.	Substantive related party
Well Base International Limited	Substantive related party
FS-Elliott Co. LLC	Substantive related party
California Air Compressor Company	Substantive related party

Significant transactions with the related parties

Transactions with related parties that are significant in amount or balance, exceeding 10% or \$50,000 thousand of the total amount or balance of each type of transaction for the group, should be individually listed, and all the remaining amount or balance should be aggregated and presented collectively.

(1) Sales

	For the three-month periods ended March 31,	
	2025	2024
Substantive related party		
Fu Sheng Industrial Co., Ltd.	\$443	\$281
Fu Sheng Industrial (Shanghai) Co., Ltd.	600	116
Other	24	-
Total	<u>\$1,067</u>	<u>\$397</u>

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was month-end 90 days, while the terms for overseas sales were 30~120 days from FOB shipping point. The collection period for third party domestic sales was month-end 30~60 days, while the terms for overseas sales were 30~90 days from FOB shipping point.

(2) Purchases

	For the three-month periods ended March 31,	
	2025	2024
Substantive related party		
Zhong Shan Fu Sheng Machinery Co., Ltd.	<u>\$118</u>	<u>\$520</u>

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are between 30~90 days.

(3) Accounts receivable

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Substantive related party			
Fu Sheng Industrial Co., Ltd.	\$1,482	\$501	\$513
Fu Sheng Industrial (Shanghai) Co., Ltd.	664	-	-
Total	<u>\$2,146</u>	<u>\$501</u>	<u>\$513</u>

The outstanding funds were unsecured, interest-free, and subject to cash settlement. There is no guarantee for the receivables of related parties.

(4) Accounts payables

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Substantive related party			
Zhong Shan Fu Sheng Machinery Co., Ltd.	\$12	\$-	\$306
Fu Sheng (Vietnam) Industrial Co., Ltd.	1,046	84	10
FS-Elliot Co. LLC	-	164	-
Total	<u>\$1,058</u>	<u>\$248</u>	<u>\$316</u>

(5) Refundable deposits

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Substantive related party			
Fu Sheng (Vietnam) Industrial Co., Ltd.	<u>\$70,688</u>	<u>\$70,144</u>	<u>\$70,144</u>

(6) Lease

A. Rent Income

	For the three-month periods ended March 31,	
	2025	2024
Substantive related party		
Worldmark Service Ltd.	<u>\$127</u>	<u>\$121</u>

The rental income is generated from leasing the plant to related parties. The transaction conditions are agreed upon by both parties, and the rent is paid monthly.

B. Rent Expense

	For the three-month periods ended March 31,	
	2025	2024
Substantive related party		
Fu Sheng Industrial Co., Ltd.	<u>\$315</u>	<u>\$345</u>

Rental expenses incurred as a result of leasing from related parties. The transaction conditions are agreed upon by both parties, and the rent is paid monthly.

C. Right-of-use assets

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Substantive related party			
Fu Sheng (Vietnam) Industrial Co., Ltd.	\$311,522	\$373,942	\$248,803
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	174,043	172,334	175,914
Total	<u>\$485,565</u>	<u>\$546,276</u>	<u>\$424,717</u>

D. Lease liabilities

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Substantive related party			
Fu Sheng (Vietnam) Industrial Co., Ltd.	<u>\$304,123</u>	<u>\$292,443</u>	<u>\$214,551</u>

E. Interest Expense

	For the three-month periods ended March 31,	
	2025	2024
Substantive related party		
Fu Sheng (Vietnam) Industrial Co., Ltd.	<u>\$1,578</u>	<u>\$425</u>

F. Depreciation

	For the three-month periods ended March 31,	
	2025	2024
Substantive related party		
Fu Sheng (Vietnam) Industrial Co., Ltd.	\$6,554	\$4,645
Zhong Shan Fu Sheng Machinery Co., Ltd.	1,960	1,897
Total	<u>\$8,514</u>	<u>\$6,542</u>

(7) Key management personnel compensation

	For the three-month periods ended March 31,	
	2025	2024
	2025	2024
Short-term employee benefits	\$19,519	\$13,547

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying amount			Secured liabilities
	March 31, 2025	December 31, 2024	March 31, 2024	
Financial assets at amortized cost - Current	\$15,000	\$15,000	\$15,000	Security deposit for natural gas service
Property, plant, and equipment - Land	52,620	51,495	47,340	Short-term loans (Note)
Property, plant, and equipment - Buildings	287,391	285,666	104,529	Short-term loans (Note)
Right-of-use assets - Land	44,997	44,470	-	Short-term loans
Total	\$400,008	\$396,631	\$166,869	

Note: As of March 31, 2024 and December 31, 2024, there were facilities available but not actually drawn.

9. Commitments and contingencies

- (1) As of March 31, 2025, the Group has unused letters of credit was amounted to RMB890,804 thousand, JPY139,616 thousand and EUR1,161 thousand.
- (2) As of March 31, 2025, the Group provided endorsement and guarantee to subsidiaries were amounted to US\$57,000 thousand, RMB150,000 thousand and NT\$240,000 thousand. Please refer to Note 13 for more details.
- (3) As of March 31, 2025, the financial institutions provided the following guarantees to the Group,

Financial institution	Purpose of guarantee	Amount
Bank Sinopac Co. Ltd.	Customs Duty Guarantee	\$3,000
Bangkok Bank Public Company Limited	Electricity Usage Guarantee	6,390

- (4) As of March 31, 2025, the details of the commitments signed by the Group but not yet paid are as follows,

Contract	Contract amount	Payment amount	Unpaid amount
Machinery and equipment, etc.	\$66,313	\$39,387	\$26,926

Payment amount is recognized as construction in progress and equipment awaiting examination, prepayments for equipment and prepayments.

10. Losses due to major disasters:

None.

11. Significant subsequent events:

- A. For strategic investment purposes, the Company was approved through the board resolution on March 11, 2025 to acquire approximately 51% common stocks of PROXENE TOOLS CO., LTD. (hereinafter referred to as 'PROXENE') through a public tender offer for NT\$1,481,295 thousand. The aforementioned purchase price is NT\$157 per share, and the Company plans to purchase 9,435 thousand shares. The transaction price of NT\$1,481,295 thousand was remitted into the public acquisition account on March 11, 2025. However, as of March 31, 2025, the payment of the consideration and the equity settlement have not been completed. Therefore, as of March 31, 2025, said amount was recorded as prepayments for investments. As of the date of financial report, the equity transfer has been completed and the Company will treat the aforementioned acquisition transaction in accordance with relevant accounting standards.
- B. In order to enrich the working capital, the Company issued its second domestic unsecured convertible bonds with 20,000 bonds and was approved by the board of directors on April 1, 2025. The total value limit for the issuance is NT\$2,000,000 thousand with issue price at par value of \$100 thousand per bond. The actual issuance price will be determined based on the results of a competitive auction. The coupon rate is 0%, and the minimum bid range is set between 102% to 104% of the face value. The issuance period is 3 years.
- C. For the purpose To facilitate operation, the Company was approved at the board meeting held on May 8, 2025 to invest US\$15,000 thousand in Vision International Co., Ltd., the subsidiary in Vietnam.

12. Others

(1) Categories of financial instruments

Financial assets

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through profit or loss:			
Mandatorily measured at Fair value through profit or loss	\$255,445	\$233,687	\$213,875
Subtotal	255,445	233,687	213,875
Financial assets at amortized cost:			
Cash and cash equivalents (excluding cash on hand)	7,394,464	7,395,140	6,383,002
Financial assets at amortized cost	15,618	19,533	73,097
Notes and accounts receivable, net (including related parties)	5,124,795	5,377,676	3,711,056
Other receivables (including related parties)	551,257	651,873	303,401
Guarantee deposits paid	86,618	85,220	144,402
Subtotal	13,172,752	13,529,442	10,614,958
Total	<u>\$13,428,197</u>	<u>\$13,763,129</u>	<u>\$10,828,833</u>

Financial liabilities

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities at amortized cost:			
Current borrowings	\$1,224,974	\$1,188,095	\$670,330
Accounts payables (including related parties)	2,751,422	3,599,730	2,085,213
Other payables (including related parties)	1,765,992	2,473,550	1,269,797
Lease liabilities	384,617	362,046	299,403
Guarantee deposits received	384	376	3,220
Non-current borrowings (including current portion with maturity less 1 year)	30,600	32,640	38,760
Bonds payable	21,881	352,783	1,080,442
Total	<u>\$6,179,870</u>	<u>\$8,009,220</u>	<u>\$5,447,165</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity instrument).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies among risk factors. However, the sensitivity analysis disclosed below does not take into account the interdependencies among risk factors.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments overseas.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. Please refer to Note 12(10) for details on the information of the sensitivity analysis.

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the three-month periods ended March 31, 2025 and 2024 are decrease/increase by \$45,935 thousand and \$62,973 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and floating loans.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk at the end of the reporting period, including investments and borrowings with floating interest rates. At the reporting date, a change of 10% of interest rate in a reporting period could cause the profit for the three-month period ended March 31, 2025 and 2024 to decrease/increase by \$99 thousand and \$90 thousand, respectively.

Equity price risk

The fair value of the Group's listed equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed equity securities is classified under financial assets measured at fair value through profit or loss. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the three-month periods ended March 31, 2025 and 2024 by \$1,754 thousand and \$1,695 thousand, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of March 31, 2025, December 31, 2024, and March 31, 2024, amounts receivables from top ten customers represent 76%, 78% and 81% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with investment grade. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for accounts and notes receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery.

When the Company adopted IFRS 9 to assess the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank borrowings and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than				
	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of March 31, 2025					
Current borrowings (including interest payable)	\$1,256,425	\$-	\$-	\$-	\$1,256,425
Accounts payables (including related parties)	2,751,422	-	-	-	2,751,422
Other payables (including related parties)	1,765,992	-	-	-	1,765,992
Lease liabilities	59,767	55,295	46,957	312,213	474,232
Guarantee deposits	384	-	-	-	384
Non-current borrowings (including interest payable)	8,724	16,906	6,154	-	31,784
Convertible bonds	21,900	-	-	-	21,900
As of December 31, 2024					
Current borrowings (including interest payable)	\$1,235,768	\$-	\$-	\$-	\$1,235,768
Accounts payables (including related parties)	3,599,730	-	-	-	3,599,730
Other payables (including related parties)	2,473,550	-	-	-	2,473,550
Lease liabilities	43,003	66,521	29,394	307,803	446,721
Guarantee deposits	376	-	-	-	376
Non-current borrowings (including interest payable)	8,705	16,925	8,221	-	33,851
Convertible bonds	354,300	-	-	-	354,300
As of March 31, 2024					
Current borrowings (including interest payable)	\$677,914	\$-	\$-	\$-	\$677,914
Accounts payables (including related parties)	2,085,213	-	-	-	2,085,213
Other payables (including related parties)	1,269,797	-	-	-	1,269,797
Lease liabilities	61,070	58,513	26,601	170,984	317,168
Guarantee deposits	3,220	-	-	-	3,220
Non-current borrowings (including interest payable)	13,254	17,102	12,403	-	42,759
Convertible bonds	-	1,096,400	-	-	1,096,400

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the three-month period ended March 31, 2025:

	Current borrowings	Bonds Payable	Non-current borrowings	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2025	\$1,188,095	\$352,783	\$32,640	\$376	\$362,046	\$1,935,940
Cash flows	20,171	-	(2,040)	-	(11,990)	6,141
Non-cash change	-	(330,902)	-	-	31,233	(299,669)
Exchange differences	16,708	-	-	8	3,328	20,044
As of March 31, 2025	<u>\$1,224,974</u>	<u>\$21,881</u>	<u>\$30,600</u>	<u>\$384</u>	<u>\$384,617</u>	<u>\$1,662,456</u>

Reconciliation of liabilities for the three-month period ended March 31, 2024:

	Current borrowings	Bonds Payable	Non-current borrowings	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	\$680,793	\$1,174,183	\$40,800	\$3,159	\$296,986	\$2,195,921
Cash flows	(23,069)	-	(2,040)	(59)	(17,835)	(43,003)
Non-cash change	-	(93,741)	-	-	15,001	(78,740)
Exchange differences	12,606	-	-	120	5,252	17,978
As of March 31, 2024	<u>\$670,330</u>	<u>\$1,080,442</u>	<u>\$38,760</u>	<u>\$3,220</u>	<u>\$299,404</u>	<u>\$2,092,156</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, notes and accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- (e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, trade receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount as of		
	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities:			
Bonds payable	\$21,881	\$352,783	\$1,080,442
	Fair value as of		
	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities:			
Bonds payable	\$21,898	\$353,733	\$1,085,217

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The Group's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of March 31, 2025, December 31, 2024 and March 31, 2024 is as follows:

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6(11) for further information on this transaction.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis was as follows:

As of March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Preferred stocks	\$175,401	\$-	\$-	\$175,401
Unlisted stocks	-	-	1,400	1,400
Private-placement funds	-	-	78,644	78,644

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Preferred stocks	\$170,870	\$-	\$-	\$170,870
Unlisted stocks	-	-	1,400	1,400
Private-placement funds	-	-	61,417	61,417

As of March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Preferred stocks	\$169,454	\$-	\$-	\$169,454
Unlisted stocks	-	-	1,400	1,400
US dollar aggressive funds	-	-	416	416
Convertible bond redemption	-	-	109	109
Private-placement funds	-	-	42,496	42,496

Transfers between Level 1 and Level 2 during the period

During the three-month periods ended March 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for Recurring fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets				
	at fair value through profit or loss				
	Stocks	Convertible bond redemption	US dollar aggressive funds	Private- placement funds	Total
Beginning balances as of January 1, 2025	\$1,400	\$-	\$-	\$61,417	\$62,817
Acquisition for the three- month period ended March 31, 2025	-	-	-	6,000	6,000
Amount recognized in profit (presented in “other profit or loss”)	-	-	-	11,227	11,227
Ending balances as of March 31, 2025	<u>\$1,400</u>	<u>\$-</u>	<u>\$-</u>	<u>\$78,644</u>	<u>\$80,044</u>
Beginning balances as of January 1, 2024	\$1,400	\$-	\$403	\$42,362	\$44,165
Settlements for the three- month period ended March 31, 2024	-	(10)	-	-	(10)
Amount recognized in profit (presented in “other profit or loss”)	-	119	13	134	266
Ending balances as of March 31, 2024	<u>\$1,400</u>	<u>\$109</u>	<u>\$416</u>	<u>\$42,496</u>	<u>\$44,421</u>

Total gains and losses recognized in profit or loss for the three-month periods ended March 31, 2025 and 2024 in the table above contain gains and losses related to assets on hand as of March 31, 2025 and 2024 in the amount of \$11,227 thousand and \$266 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

- (a) No quantitative information of significant unobservable inputs and sensitivity analysis were available as the fair values of structured investment products and financial products were measured by the unadjusted quotes from transaction counterparties.
- (b) The fair value of unlisted securities is estimated using the market approach valuation techniques based on parameters such as the market transaction prices of comparable companies whose business and industry are similar to the investee's and considering the liquidity discount factor.
- (c) As the binomial tree model is used by the embedded derivatives to price the fair value, the volatility of the embedded derivatives is a significant unobservable input. A change of 1 basis points of volatility could cause the profit of the Group to decrease/increase by \$0 thousand.
- (d) The fair value of private-placement funds is estimated using the net asset value and consider the liquidity discount. A change of 1 basis points of the liquidity discount could cause the profit of the Group to decrease/increase by \$787 thousand.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Management Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

- C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed.

As of March 31, 2025,

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables	\$-	\$21,898	\$-	\$21,898

As of December 31, 2024,

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables	\$-	\$353,733	\$-	\$353,733

As of March 31, 2024,

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables	\$-	\$1,085,217	\$-	\$1,085,217

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

As of March 31, 2025					
	Foreign currencies (thousands)	Foreign exchange rate	NTD (thousands)	Sensitivity analysis Fluctuation	Effect on income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$255,132	33.18	\$8,465,280	1%	\$84,653
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	116,689	33.18	3,871,741	1%	38,717

As of December 31, 2024					
	Foreign currencies (thousands)	Foreign exchange rate	NTD (thousands)	Sensitivity analysis	
				Fluctuation	Effect on income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$297,432	32.78	\$9,749,821	1%	\$97,498
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	148,963	32.78	4,883,007	1%	48,830
As of March 31, 2024					
	Foreign currencies (thousands)	Foreign exchange rate	NTD (thousands)	Sensitivity analysis	
				Fluctuation	Effect on income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$213,957	31.99	\$6,844,484	1%	\$68,445
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	17,104	31.99	547,157	1%	5,472

The above information is disclosed based on book value of foreign currency. The exchange rate is determined with reference to the spot selling exchange rate announced by Anue.

Since there were various functional currencies used within the subsidiaries of the Group, the Group was unable to disclose foreign exchange gains and losses towards each foreign currency with significant impact. The realized and unrealized foreign exchange gains was \$115,390 thousand and \$159,650 thousand for the three-month periods ended March 31, 2025 and 2024, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

- A. Financing provided to others: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others: Please refer to Attachment 2.
- C. Material securities held at the end of the period: Please refer to Attachment 3.
- D. Related party transactions for purchases and sales amounts exceeding \$100 million or 20 percent of the capital stock or more: Please refer to Attachment 4.
- E. Receivables from related parties with amounts exceeding \$100 million or 20 percent of capital stock or more: Please refer to Attachment 5.
- F. Others: Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between term: Please refer to Attachment 6.

(2) Information on investees

- A. Of the investee company directly or indirectly has significant influence or control over, their investee companies' information: Please refer to Attachment 7.
- B. For the investees in which the Company directly or indirectly has a control, should the related information from A to G of investees shall be disclosed; refer to attachment for A to E and G, please refer to F are not available.

(3) Information on investments in mainland China (written off as a result of consolidated statements):

- A. The investee company name, main businesses, paid-in capital, type of the investment, capital inflow and outflow, ownership, investment gains and loss, ending balance of investment, repatriation of investment income and the mainland investment limit scenario: Please refer to Attachment 8.
- B. Transactions with the investee companies directly or indirectly through and third country following the occurrence of significant transactions, prices, payment terms and unrealized gains and losses: Please refer to Attachment 9.

14. Segment information

(1) General information

For management purposes, the Group divides operating units based on different products and services, and divides them into the following two reporting operating departments:

- A. Golf Business Segment: This segment is responsible for the manufacturing and sales of golf club head and shafts.
- B. Sports Equipment Business Segment: This segment is responsible for the manufacture and sales of boots, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other related sports.

The aforementioned reportable operating department did not summarize more than one operating department.

(2) Segment Information

The management individually monitors the operating results of its business units to formulate decisions on resource allocation and performance evaluation. The performance of the department is evaluated based on pre-tax profit and loss. The reportable department's accounting policies are the same as the general accounting policies of the Group.

(3) Reconciliation for segment revenue, income(loss), assets, liabilities and others

Information on reportable segments profit or loss

For the three-month period ended March 31, 2025:

	Golf Business Segment	Sports Equipment Business Segment	Subtotal	Other Operating Segments (Note1)	Adjustment and Elimination	Consolidated
External customer	\$7,328,699	\$818,811	\$8,147,510	\$332,003	\$-	\$8,479,513
Inter-segment (Note 2)	156	150	306	8,358	(8,664)	-
Total revenue	<u>\$7,328,855</u>	<u>\$818,961</u>	<u>\$8,147,816</u>	<u>\$340,361</u>	<u>\$(8,664)</u>	<u>\$8,479,513</u>
Segment profit	<u>\$1,023,596</u>	<u>\$104,723</u>	<u>\$1,128,319</u>	<u>\$176,235</u>	<u>\$-</u>	<u>\$1,304,554</u>

For the three-month period ended March 31, 2024:

	Golf Business Segment	Sports Equipment Business Segment	Subtotal	Other Operating Segments (Note1)	Adjustment and Elimination	Consolidated
External customer	\$5,630,701	\$502,618	\$6,133,319	\$236,314	\$-	\$6,369,633
Inter-segment (Note 2)	2,224	100	2,324	8,046	(10,370)	-
Total revenue	<u>\$5,632,925</u>	<u>\$502,718</u>	<u>\$6,135,643</u>	<u>\$244,360</u>	<u>\$(10,370)</u>	<u>\$6,369,633</u>
Segment profit	<u>\$907,253</u>	<u>\$86,283</u>	<u>\$993,536</u>	<u>\$(19,193)</u>	<u>\$-</u>	<u>\$974,343</u>

Information on reportable segments assets

	Golf Business Segment	Sports Equipment Business Segment	Subtotal	Other Operating Segments (Note1)	Adjustment and Elimination	Consolidated
March 31, 2025	<u>\$17,875,663</u>	<u>\$7,015,204</u>	<u>\$24,890,867</u>	<u>\$1,625,083</u>	<u>\$(184,019)</u>	<u>\$26,331,931</u>
December 31, 2024,						
(After retrospective)	<u>\$15,020,612</u>	<u>\$2,886,598</u>	<u>\$17,907,210</u>	<u>\$8,444,612</u>	<u>\$ (188,296)</u>	<u>\$26,163,526</u>
March 31, 2024	<u>\$17,221,127</u>	<u>\$2,573,443</u>	<u>\$19,794,570</u>	<u>\$611,656</u>	<u>\$(5,134)</u>	<u>\$20,401,092</u>

Information on reportable segments liabilities

	Golf Business Segment	Sports Equipment Business Segment	Subtotal	Other Operating Segments (Note1)	Adjustment and Elimination	Consolidated
March 31, 2025	<u>\$5,597,522</u>	<u>\$823,636</u>	<u>\$6,421,158</u>	<u>\$1,553,637</u>	<u>\$(184,019)</u>	<u>\$7,790,776</u>
December 31, 2024,						
(After retrospective)	<u>\$6,920,962</u>	<u>\$817,697</u>	<u>\$7,738,659</u>	<u>\$1,916,761</u>	<u>\$ (188,296)</u>	<u>\$9,467,124</u>
March 31, 2024	<u>\$5,608,593</u>	<u>\$686,651</u>	<u>\$6,295,244</u>	<u>\$448,401</u>	<u>\$(5,134)</u>	<u>\$6,738,511</u>

Note1: Revenue from other operating segments are operating segments that do not meet the quantitative thresholds for reportable segments.

Note2: Inter-segment revenues are eliminated on consolidation and recorded under the “Adjustment and Elimination” column.

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account (Note2)	Related Party	Maximum Balance for the period (Note3)	Ending Balance (Note8)	Actual Amount provided	Interest Rate	Nature of Financing (Note4)	Transaction Amounts (Note5)	Reason for short term financing (Note6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
0	Fusheng Precision Co., Ltd.	Ming Fa Cheng Enterprise Co., Ltd.	Other receivables	No	\$50,000	\$50,000	\$50,000	3.20%	1	\$64,540	-	\$-	Cashier's check provided by third party	\$50,000	\$64,540	\$6,561,656
0	Fusheng Precision Co., Ltd.	Vision International Co.,Ltd	Other receivables- related parties	Yes	929,040	929,040	-	3.12%	2	-	Operating turnover	-	-	-	1,640,414	6,561,656
1	Minson Integration, Inc.	MINONE ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	170,000	170,000	-	3.12%	2	-	Operating turnover	-	-	-	220,380	881,522
1	Minson Integration, Inc.	MINTECH ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	170,000	170,000	116,130	3.12%	2	-	Construction of plant and acquisition of equipment	-	-	-	220,380	881,522
2	MINTECH ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	146,655	146,655	-	-	2	-	Operating turnover	-	-	-	448,511	448,511
2	MINTECH ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	68,439	68,439	-	-	2	-	Operating turnover	-	-	-	448,511	448,511
2	MINTECH ENTERPRISES COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	146,655	146,655	-	-	2	-	Operating turnover	-	-	-	448,511	448,511
3	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	39,108	39,108	-	-	2	-	Operating turnover	-	-	-	238,373	238,373
3	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	146,655	146,655	87,993	2.5%~2.9%	2	-	Operating turnover	-	-	-	238,373	238,373
3	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	48,885	48,885	-	-	2	-	Operating turnover	-	-	-	238,373	238,373
4	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	48,885	48,885	-	-	2	-	Operating turnover	-	-	-	314,233	314,233
4	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	146,655	146,655	80,171	2.5%~2.85%	2	-	Operating turnover	-	-	-	314,233	314,233
4	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	48,885	48,885	-	-	2	-	Operating turnover	-	-	-	314,233	314,233
5	MINONE ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	19,554	19,554	-	-	2	-	Operating turnover	-	-	-	198,267	198,267
5	MINONE ENTERPRISES COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	68,439	68,439	-	-	2	-	Operating turnover	-	-	-	198,267	198,267
5	MINONE ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	39,108	39,108	-	-	2	-	Operating turnover	-	-	-	198,267	198,267
6	Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Technology (Jiangsu) CO.,LTD.	Other receivables- related parties	Yes	539,260	539,260	182,800	2.87%	2	-	Operating turnover and capital expenditure	-	-	-	573,773	2,295,092
7	Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo (Chongqing) Optoelectronics Co., Ltd	Other receivables- related parties	Yes	22,850	22,850	22,850	3.30%	2	-	Operating turnover	-	-	-	207,000	827,999

Note 1 : The Company and its subsidiaries are coded as follows:

(1)The Company is coded "0".

(2)The subsidiaries are coded starting from "1" in the order.

Note 2 : If the economic substance of transactions are financing to others, regardless of which component they recognized as in the financial statements, certain transactions are included herein.

Note 3 : Maximum balance of the Company and its subsidiaries' financing to others for the period.

Note 4 : Nature of financing is coded as follows:

(1)The financing occurred due to business transactions is coded "1".

(2)The financing occurred due to short-term financing is coded "2".

Note 5 : Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall mean the transaction amount between the lending entity and the borrower within the most recent year.

Note 6 : The reasons and counterparties of the financing are addressed herein as the financing associated with short-term capital needs.

Note 7 : (1) Financing to an individual entity is limited to the amount of the business transaction between the two parties. The transaction amount is the higher of purchase or sale amount between the two parties in the most recent year and is limited to 10% of the Company's net value.

The accumulated total financing provided to others is limited to 40% of the Company's net value.

(2) Financing to an individual entity which has short-term funding needs is limited to 10% of the Company's net worth. Those subsidiaries of the Company in which the Company directly or indirectly holds 100% voting rights shall not be subject to the preceding limit in case of short-term funding needs.

(3) Minson Integration, Inc.: Financing to an individual entity is limited to the amount of the business transaction between the two parties. The transaction amount is the higher of purchase or sale amount between the two parties in the most recent year and is limited to 10% of the Company's net value.

The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit.

(4) MINTECH ENTERPRISES COMPANY LIMITED: Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The accumulated total financing provided to others is limited to 40% of the Company's net value.

The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit.

(5) MENXON ENTERPRISES (THAILAND) COMPANY LIMITED: Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The accumulated total financing provided to others is limited to 40% of the Company's net value.

The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit.

(6) MINSON ENTERPRISES (THAILAND) COMPANY LIMITED: Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The accumulated total financing provided to others is limited to 40% of the Company's net value.

The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit.

(7) MINONE ENTERPRISES COMPANY LIMITED: Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The accumulated total financing provided to others is limited to 40% of the Company's net value.

The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit.

(8) Zhong Shan Worldmark Sporting Goods Ltd.: The individual loan of a company or firm with business transactions with the Company is capped at the amount of business transactions between the two parties. The aforementioned business transaction amount refers to the higher of the purchase or sale amount between the two parties

in the most recent fiscal year, and must not exceed 10% of the Company's net worth. The accumulated total financing provided to others is limited to 40% of the Company's net value. For companies or firms that require short-term financing, the individual loan is capped at 10% of the Company's net worth.

(9) Zhong Shan Aubo Precision Technology Co., Ltd.: The accumulated total financing provided to others is limited to 40% of the Company's net value. The individual loan of a company or firm with business transactions with the Company is capped at the amount of business transactions between the two parties.

The aforementioned business transaction amount refers to the higher of the purchase or sale amount between the two parties in the most recent fiscal year, and must not exceed 10% of the Company's net worth. For companies or firms that require short-term financing, the individual loan is capped at 10% of the Company's net worth.

Note 8 : If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the resolution amount of the board in the balance to disclose the risk,

even if the funds are not appropriated yet. With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk. If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to

Paragraph 2, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount approved by the board.

No. (Note 1)	Endorsement guarantee	Receiving Party		Limited of Endorsement/ Guarantee Amount for receiving party (Note3)	Maximum Balance of the period (Note4)	Ending Balance (Note5)(Note8)	Actual Amount provided (Note6)(Note8)	Amount of Endorsement/ Guarantee collateralized	Percentage of Accumulated Endorsement/ Guarantee to Net Equity per latest Financial statements	Limit on the Endorsement/ Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for the Subsidiaries (Note 7)	Subsidiaries Endorsed or Guaranteed for the Parent Company (Note 7)	Endorsement or Guarantee for Entities in China (Note 7)
		Company Name	Relationship (Note2)										
0	Fusheng Precision Co., Ltd.	World Gate Holdings Ltd.	2	\$41,010,355	\$530,880 (USD16,000)	\$530,880 (USD16,000)	\$-	None	3.24%	\$41,010,355	Y	N	N
0	Fusheng Precision Co., Ltd.	FS-Precision Tech Co., LLC.	2	41,010,355	663,600 (USD20,000)	364,980 (USD11,000)	265,440 (USD8,000)	None	2.22%	41,010,355	Y	N	N
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	2	41,010,355	995,400 (USD30,000)	995,400 (USD30,000)	-	None	6.07%	41,010,355	Y	N	N
0	Fusheng Precision Co., Ltd.	Alloy Seiko Industry (SZ) Co., LTD.	2	19,684,970	411,300 (USD60,000)	411,300 (RMB60,000)	-	None	2.51%	41,010,355	Y	N	Y
0	Fusheng Precision Co., Ltd.	Alloy Seiko Technology (Jiangsu) CO.,LTD.	2	19,684,970	274,200 (RMB90,000)	274,200 (RMB90,000)	22,850 (RMB5,000)	None	1.67%	41,010,355	Y	N	Y
0	Fusheng Precision Co., Ltd.	NFT Technology Co., Ltd.	2	19,684,970	240,000	240,000	90,600	None	1.46%	41,010,355	Y	N	N
1	MINTECH ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	4	448,511	146,655 (THB150,000)	146,655 (THB150,000)	14,666 (THB15,000)	146,655	0.89%	448,511	N	N	N
1	MINTECH ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	4	448,511	146,655 (THB150,000)	146,655 (THB150,000)	-	146,655	0.89%	448,511	N	N	N
1	MINTECH ENTERPRISES COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	4	448,511	97,770 (THB100,000)	97,770 (THB100,000)	-	97,770	0.60%	448,511	N	N	N
2	Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Technology (Jiangsu) CO.,LTD.	2	6,885,278	251,350 (RMB55,000)	251,350 (RMB55,000)	223,930 (RMB49,000)	None	1.53%	14,344,330	Y	N	Y
2	Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Industry (SZ) Co., LTD.	2	6,885,278	91,400 (RMB20,000)	91,400 (RMB20,000)	45,700 (RMB10,000)	None	0.56%	14,344,330	Y	N	Y

Note 1 : The Company and its subsidiaries are coded as follows:

(1)The Company is coded "0".

(2)The subsidiaries are coded starting from "1" in numerical order.

Note 2 : The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

(1)An investee that has a business relationship with the Company.

(2)A subsidiary in which the Company holds directly over 50% of equity interest.

(3)An investee in which the Company and its subsidiaries hold over 50% of equity interest.

(4)An investee in which the Company holds directly or indirectly over 90% of equity interest.

(5)A company which needs mutual insurance basing on the construction agreement.

(6)A company in which the Company endorses or guarantees basing on the holding proportion of mutual investments.

(7)The performance guarantee of the preconstruction real estate contact between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3 : The maximum of endorsement guarantee to a single entity is capped at 120% of the Company's net value; 100% directly and indirectly owned subsidiaries are not subject to such limitation, however the maximum amount of guarantee shall not exceed 250% of the Company's net value.

The total guarantee provided externally is limited to 250% of the Company's net value; the total accumulated external guarantee the Company and subsidiaries provided shall not exceed 250% of the Company's net value.

MINTECH ENTERPRISES COMPANY LIMITED : The total amount of guarantees endorsed by the Company shall not exceed 100% of the Company's net worth. The limit for guarantees endorsed to a single enterprise shall not exceed 40% of the Company's net worth.

For subsidiaries in which the Company's parent company directly or indirectly holds 100% of the voting shares, the amount of guarantees endorsed among these subsidiaries shall not be subject to this limit, but still shall not exceed 100% of the Company's net worth.

Zhong Shan Worldmark Sporting Goods Ltd. : The total amount of guarantees endorsed by the Company shall not exceed 100% of the Company's net worth. The limit for guarantees endorsed to a single enterprise shall not exceed 40% of the Company's net worth.

For subsidiaries in which the Company's parent company directly or indirectly holds 100% of the voting shares, the amount of guarantees endorsed among these subsidiaries shall not be subject to this limit, but still shall not exceed 100% of the Company's net worth.

Note 4 : The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others.

Note 5 : It should be filled in the amount which approved by the Board of Directors. However, it should be filled in the amount which utilized by the chairman, whom authorized by the Board of Directors in accordance with Subparagraph 8,Article 12 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies.

Note 6 : Fill in the actual amount drawn from the balance.

Note 7 : Fill in "Y" if it belongs to "Parent Company Endorsed or Guaranteed for the Subsidiaries", "Subsidiaries Endorsed or Guaranteed for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Note 8 : Foreign currency were exchanged by exchange rate as at balance sheet date.

ATTACHMENT 3 : Material securities held as of March 31, 2025 (excluding subsidiary, associates and jointly controlled)

(Unit : thousands of NTD)

Company	Type and Name of the securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of March 31, 2025				Remark
				Shares/Unit	Carrying Value (Note 3)	Percentage of ownership	Fair Value	
Fusheng Precision Co., Ltd.	Preferred Shares B - Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit and losses — current	1,666 thousands shares	\$103,459	-	\$103,459	
Fusheng Precision Co., Ltd.	Preferred Stock B - Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit and losses — current	1,166 thousands shares	71,942	-	71,942	
Fusheng Precision Co., Ltd.	Private-placement funds - Hoshun Hing Intelligent Mobile Limited Partnership	-	Financial assets at fair value through profit and losses — non-current	NTD 61,250	71,977	1.11%	71,977	

Note 1 : The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2 : Securities issued by non-related parties are not required to fill in this column.

Note 3 : For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment. For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

Note 4 : Individual items amount not exceeded \$50,000 thousand were not be presented.

(Unit : thousands of NTD)

Company Name	Related Party	Transaction Details					Details Different from Non-arm's Length Transactions		Notes and Accounts Receivable (Payable)		Remark
		Relationship	Purchases/Sales	Amount (Note2)	Percentage of Total Sales or Purchases(%)	Payment Terms	Unit Price	Payment Terms	Balance (Note 2)	Percentage of Total Receivable (Payable)	
Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent - subsidiary	Purchases	\$2,364,376	42.89%	T/T 60 days	No significant difference	No significant difference	Accounts payable \$(2,579,031)	75.78%	
Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Parent - subsidiary	Purchases	2,608,261	47.32%	T/T 30 days	No significant difference	No significant difference	Accounts payable (163,319)	4.80%	
Extensor World Trading Ltd. (Hong Kong)	Fusheng Precision Co., Ltd.	Parent - subsidiary	Sales	(2,364,376)	70.62%	T/T 60 days	No significant difference	No significant difference	Accounts receivables 2,579,031	53.84%	
Extensor World Trading Ltd. (Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd	Affiliate Company	Purchases	2,638,391	69.62%	T/T 90 days	No significant difference	No significant difference	Accounts payable (6,151,321)	98.12%	
Extensor World Trading Ltd. (Hong Kong)	Vision International Co., Ltd.	Affiliate Company	Sales	(100,421)	3.00%	T/T 120 days	No significant difference	No significant difference	Accounts receivables 102,398	2.14%	
Vision International Co., Ltd.	Fusheng Precision Co., Ltd.	Parent - subsidiary	Sales	(2,608,621)	95.41%	T/T 30 days	No significant difference	No significant difference	Accounts receivables 163,319	70.24%	
Vision International Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Affiliate Company	Purchases	100,421	6.93%	T/T 120 days	No significant difference	No significant difference	Accounts payable (102,398)	9.08%	
Zhong Shan Worldmark Sporting Goods Ltd	Extensor World Trading Ltd. (Hong Kong)	Affiliate Company	Sales	(2,638,391)	100.00%	T/T 90 days	No significant difference	No significant difference	Accounts receivables 6,151,321	100.00%	
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO PRECISION (HONG KONG) CO., LIMITED	Parent - subsidiary	Sales	(502,265)	80.59%	T/T 30 days	No significant difference	No significant difference	Accounts receivables 357,321	68.08%	
AUBO PRECISION (HONG KONG) CO., LIMITED	Zhong Shan Aubo Precision Technology Co., Ltd.	Parent - subsidiary	Purchases	502,265	68.35%	T/T 30 days	No significant difference	No significant difference	Accounts payable (357,321)	95.91%	
Minson Integration, Inc.	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Parent - subsidiary	Purchases	165,925	30.92%	T/T 30 days	No significant difference	No significant difference	Accounts payable (57,285)	(24.11)%	
Minson Integration, Inc.	MINTECH ENTERPRISES COMPANY LIMITED	Parent - subsidiary	Purchases	166,523	31.03%	T/T 30 days	No significant difference	No significant difference	Accounts payable (61,295)	(25.80)%	
MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Minson Integration, Inc.	Parent - subsidiary	Sales	(165,925)	(99.19)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables 57,285	97.82%	
MINTECH ENTERPRISES COMPANY LIMITED	Minson Integration, Inc.	Parent - subsidiary	Sales	(166,523)	(75.91)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables \$61,295	62.53%	

Note 1: The above ratios are calculated based on the Company's individual financial statements.

Note 2: It has been written off as a result of consolidated statements.

ATTACHMENT 5 : Receivables from related parties with amounts exceeding \$100 million or 20 percent of capital stock as of March 31, 2025

(Unit : thousands of NTD)

Company	Counterparty	Relationship	Ending Balance(Note)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debt
					Amount	Collection		
Extensor World Trading Ltd. (Hong Kong)	Fusheng Precision Co., Ltd.	Parent - subsidiary	\$2,579,031	0.96	\$-	-	\$398,160	\$-
Extensor World Trading Ltd.(Hong Kong)	Vision International Co., Ltd.	Affiliate Company	102,398	0.87	-	-	29,973	-
Vision International Co., Ltd.	Fusheng Precision Co., Ltd.	Parent - subsidiary	163,319	4.27	-	-	163,319	-
Zhong Shan Worldmark Sporting Goods Ltd	Extensor World Trading Ltd. (Hong Kong)	Affiliate Company	6,151,321	0.53	-	-	962,220	-
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO PRECISION (HONG KONG) CO., LIMITED	Parent - subsidiary	357,321	0.98	-	-	142,225	-

Note : It has been written off as a result of consolidated statements.

ATTACHMENT 6 : Significant intercompany transactions for the three-month period ended March 31, 2025

(Unit : thousands of NTD)

No. (Note 1)	Related Party	Counter Party	Relationship with the Company	Transaction Details			
				Account	Amount (Note4)	Terms	Percentage of consolidated total operating revenues or total assets(Note2)
0	Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Parent company to subsidiary	Purchases	\$ 2,608,621	T/T 30 days	31%
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent company to subsidiary	Accounts payable	2,579,031	T/T 60 days	10%
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent company to subsidiary	Purchases	2,364,376	T/T 60 days	28%
1	Extensor World Trading Ltd.(Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd.	subsidiary company to subsidiary	Accounts payable	6,151,321	T/T 90 days	23%
1	Extensor World Trading Ltd.(Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd.	subsidiary company to subsidiary	Purchases	2,638,391	T/T 90 days	31%

Note1: The Company and its subsidiaries are coded as follows:

1.The Company is coded "0".

2.Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets;

items on the income statement are calculated by their cumulative balance to the total consolidated income.

Note 3: We included only the intercompany transactions with amount larger than 50 millions in the attachment.

Note 4: The above important transactions have been written off as a result of consolidated statements.

Investor company	Investee company (Note 1,2)	Address	Main business and products	Initial Investment		Investment as of March 31, 2025			Net income (loss) of investee company	Investment income (loss) recognized (Note 3)	Remark
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book Value (Note 3)			
Fusheng Precision Co., Ltd.	World Gate Holdings Ltd.	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, HongKong.	Investment holding	\$349,750 (HKD 93,000)	\$349,750 (HKD 93,000)	93,000,000	100.00%	\$6,961,438	\$288,650	\$166,945	(Note 4)
Fusheng Precision Co., Ltd.	Sharphope Company Ltd.	Tropic Isle Building, P.O. Box 438, Road Town, Tortola, British Virgin Island.	Investment holding	1,538 (USD 50)	1,538 (USD 50)	50,000	100.00%	1,472,541	104,816	107,697	(Note 4)
Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	19 Friendship Avenue, Singapore Industrial Zone, Shun Shun An County, Binh Duong Province, Vietnam	Manufacture and sale of golf club head	538,924 (USD 16,200)	538,924 (USD 16,200)	16,200,000	62.31%	980,903	142,426	88,700	(Note 4)
Fusheng Precision Co., Ltd.	Gainsmart Group Ltd.	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Island.	Investment holding	599,096 (USD 18,000)	599,096 (USD 18,000)	18,000,000	100.00%	(243,719)	(23,594)	(23,594)	(Note 4)
Fusheng Precision Co., Ltd.	NFT Technology Co., Ltd.	No. 88, Weisui W. Rd., Gangshan Dist., Kaohsiung	Manufacture and sale of aerospace precision casting parts	226,000	226,000	13,600,000	69.74%	194,189	2,245	1,566	(Note 4)
Fusheng Precision Co., Ltd.	Crosspace Co., Ltd.	3F, No. 172, Sec. 2 Nanjing E Rd., Zhongshan Dist., Taipei City	Selling pure titanium tableware and kitchenware	1,000	1,000	100,000	100.00%	527	(191)	(191)	(Note 4)
Fusheng Precision Co., Ltd.	Minson Integration, Inc.	6F, No. 168, Ruiguang Rd., Neihu Dist., Taipei City	R&D and sales of shoes, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other sports	1,409,227	1,409,227	19,836,000	65.30%	2,101,621	103,899	67,845	(Note 4)
Sharphope Company Ltd.	Extensor World Trading Ltd. (Hong Kong)	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, HongKong.	International trade	294,166 (USD 10,000)	294,166 (USD 10,000)	10,000,000	100.00%	862,631	50,980	50,980	(Note 4)
Sharphope Company Ltd.	Vision International Co., Ltd.	19 Friendship Avenue, Singapore Industrial Zone, Shun Shun An County, Binh Duong Province, Vietnam	Manufacture and sale of golf club head	298,900 (USD 9,800)	298,900 (USD 9,800)	9,800,000	37.69%	598,191	142,426	53,726	(Note 4)
Gainsmart Group Ltd.	FS-North America, Inc.	Ste. 1B, 9 E. Lockerman Street, Dover, Kent 19901, Delaware, USA.	Investment holding	\$22,548 (USD 15,700)	\$22,548 (USD 15,700)	10,000	100.00%	(243,743)	(23,594)	(23,594)	(Note 4)
FS-North America, Inc.	FS-Precision Tech Co., LLC	3025 East Victoria Street, Rancho Dominguez, CA 90221, USA.	Manufacture and sale automotive parts and aerospace parts	\$22,548 (USD 15,700)	\$22,548 (USD 15,700)	-	100.00%	(244,314)	(18,826)	(18,826)	(Note 4)
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO (VIET NAM) PRECISION TECHNOLOGY COMPANY LIMITED	CN16, No. 12D, N2 Road, Shenlang Third Industrial Zone, Fuxinfang, Tuen Long, Vietnam	Manufacture precision hardware products, plastic products	185,635 (USD 6,500)	185,635 (USD 6,500)	300,000	100.00%	338,408	3,550	3,550	(Note 4)
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO PRECISION (HONG KONG) CO., LIMITED	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, TST, KLN, HongKong.	International trade	363 (HKD 100)	363 (HKD 100)	100,000	100.00%	123,405	14,443	14,443	(Note 4)
Minson Integration, Inc.	MINTECH ENTERPRISES COMPANY LIMITED	No.692,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of plastic injection parts and sports helmets	400,000	400,000	19,999,998	100.00%	539,144	23,344	21,466	(Note 4)
Minson Integration, Inc.	MINONE ENTERPRISES COMPANY LIMITED	No.675,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of sports protective gear	189,594	189,594	1,499,998	100.00%	245,096	12,549	11,861	(Note 4)
Minson Integration, Inc.	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	No.667,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of motocross boots	280,000	280,000	11,999,998	100.00%	428,584	7,666	6,950	(Note 4)
Minson Integration, Inc.	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	No.666,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of ice hockey shoes	230,000	230,000	9,999,998	100.00%	296,988	(20,340)	(23,036)	(Note 4)
MINTECH ENTERPRISES COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	No.675,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of sports protective gear	0	0	2	0.00%	0	12,549	0	(Note 4)
MINTECH ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	No.667,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of motocross boots	0	0	2	0.00%	0	7,666	0	(Note 4)
MINTECH ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	No.666,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of ice hockey shoes	0	0	2	0.00%	0	(20,340)	0	(Note 4)
MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	No.692,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of plastic injection parts and sports helmets	0	0	2	0.00%	0	23,344	0	(Note 4)

Note 1: If a publicly-issued company has a foreign holding company and uses consolidated statements as its main financial statement in accordance with local laws and regulations, the disclosure of information about foreign invested companies may only disclose relevant information to the holding company.

Note 2: Those who are not in the situation described in Note 1 should fill in according to the following regulations:

(1) The columns of "Investee company", "Address", "Main business and products", "Initial Investment", and "Investment as of March 31, 2025" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee, and disclose the relationship of the investees with the Company in the Remark column.

(2) The column of "Net income(loss) of investee company" should fill in the current profit and loss of the investees.

(3) The columns of "Investment income (loss) recognized" only require profit/loss of the direct investees and all investees accounted for under the equity method.

When filling in the above items, make sure the profit/loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Note 3: It includes the unrealized gross profit of the current and downstream sales.

Note 4: It has been written off as a result of consolidated statements.

ATTACHMENT 8 : Investment in Mainland China

(Unit : thousands of NTD/thousands of foreign currency)

Investee company	Main business and products	Total amount of paid-in capital	Method of investment (Note1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated outflow of investment from Taiwan as of March 31, 2025	Net income (loss) of investee company	Percentage of ownership	Investment income recognized (Note 9)	Carrying value as of March 31, 2025 (Note 9)	Accumulated inward remittance of earnings as of outflow March 31, 2025	Remark
					Outflow	Inflow							
Zhong Shan Worldmark Sporting Goods Ltd	Manufacture and sale of golf club head	USD 40,900	(2)	USD54,000 (Note 4)	\$-	\$-	USD54,000 (Note 4)	\$127,686 RMB 28,211	100.00%	\$127,686 RMB 28,211 (Note 2)(2)B	\$5,683,982 RMB 1,255,823 (Note 2)(2)B	\$-	
Zhong Shan LongXing Precision Machinery Co., Ltd.	Manufacture and sale of sports equipment, automotive parts, molds and other products	USD 2,000	(2)	USD2,000	-	-	USD2,000	(1,701) (RMB 376)	100.00%	(1,701) RMB 376 (Note 2)(2)B	118,849 RMB 26,259 (Note 2)(2)B	-	
Zhong Shan DingXing Vacuum Technology Co., Ltd.	Researching and developing and manufacturing of vacuum technology products, vacuum coating processing and sports equipment, metal products import and export business	RMB 15,200	(3) (Note 6)	-	-	-	-	5,839 RMB 1,290	100.00%	5,839 RMB 1,290 (Note 2)(2)B	105,834 RMB 23,383 (Note 2)(2)B	-	
Zhong Shan Aubo Precision Technology Co., Ltd.	Researching and developing and manufacturing hardware, plastics and printing of packaging	RMB 60,000	(2)	USD5,500 (Note 7)	-	-	USD5,500 (Note 7)	86,551 RMB 19,123	52.50%	45,439 RMB 10,040 (Note 2)(2)B	1,076,568 RMB 237,858 (Note 2)(2)B	-	
Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	Anodizing process	RMB 500	(3) (Note 8)	-	-	-	-	1,850 RMB 409	52.50%	971 RMB 215 (Note 2)(2)B	27,936 RMB 6,172 (Note 2)(2)B	-	
Aubo (Chongqing) Optoelectronics Co., Ltd	Optical and electronic related parts, instruments and optical glass	RMB 3,600	(3) (Note 8)	-	-	-	-	(3,945) (RMB 872)	52.50%	(2,071) (RMB 458) (Note 2)(2)B	5,463 RMB 1,207 (Note 2)(2)B	-	
Alloy Seiko Industry (SZ) Co., LTD.	Research and development and production of hardware machinery products, and sales of automotive-related parts	USD 6,667	(3) (Note 6)	-	-	-	-	37,070 RMB 8,190	77.51%	28,733 RMB 6,348 (Note 2)(2)B	452,014 RMB 99,868 (Note 2)(2)B	-	
Alloy Seiko Technology (Jiangsu) CO.,LTD.	Manufacturing and sales of automotive parts and related metal hardware products	RMB 63,994	(3) (Note 9)	-	-	-	-	(8,321) (RMB 1,838)	77.51%	(6,450) (RMB 1,425) (Note 2)(2)B	54,420 RMB 12,024 (Note 2)(2)B	-	

Accumulated Investment in Mainland China as of March 31, 2025 (Note1)(Note3)	Investment Amounts Authorized by Investment Commission, MOEA (Note3)	Limit on Investment Amount to Mainland China (Note5)
\$2,040,570 (USD 61,500)	\$2,040,570 (USD 61,500)	\$11,124,693

Note 1: The methods for engaging in investment in Mainland China include the following:

- (1)Direct investment in Mainland China companies.
- (2)Investment in Mainland China companies through a company invested and established in a third region
- (3)Other methods.

Note 2: In the column of profit or loss on investment:

- (1)The investment still in preparation and not generating profit or loss yet should be noted.
- (2)The gain or loss on investment were determined based on the following:
 - A. The financial report was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
 - B. The financial statements were reviewed by the auditors of the parent company in Taiwan.
 - C. Others.

Note 3: The amount of this attachment are expressed in New Taiwan Dollars. The exchange rate on the financial reporting date used for translating the amount of investment in foreign currency.

Note 4: It is the indirect investment repatriation amount through the reinvestment company World Gate Holdings Ltd.

Note 5: Maximum investment in Mainland China: 60% of net or consolidated net value, whichever is higher.

Note 6: It is directly invested by Zhong Shan Worldmark Sporting Goods Ltd.

Note 7: The actual remittance amount was HK 15,000 thousand and RMB 45,000 thousand, equivalent to approximately US 5,500 thousand.

Note 8: It is directly invested by Zhong Shan Aubo Precision Technology Co., Ltd.

Note 9: It is directly invested by Alloy Seiko Industry (SZ) Co., LTD.

Note 10: It has been written off as a result of consolidated statements.

ATTACHMENT 9 : Transactions with the investee companies directly or indirectly through a third country following the occurrence of significant transactions, prices, payment terms and unrealized gains and losses were as below:

(1) Sale/Purchase:

(Unit: thousands of NTD)

Company Name	Related Party	Transaction Details				Details Different from Non-arm's Length Transactions		Notes and Accounts Receivable (Payable)		Remark
		Purchases/Sales	Amount	Percentage of Total Sales or Purchases	Payment Terms	Unit Price	Payment Terms	Balance	Percentage of Total Receivable (Payable)	
Fusheng Precision Co., Ltd.	Zhong Shan Worldmark Sporting Goods Ltd	Sales	\$(89,726)	(1.34)%	T/T 60 days	Not applicable		\$77,381	2.01%	Note 1, Note 2
Fusheng Precision Co., Ltd.	Zhong Shan Worldmark Sporting Goods Ltd	Purchases	2,364,376	42.89%	T/T 60 days	Not applicable		(2,579,031)	(75.78)%	Note 1, Note 2

Note1 : The above ratios are calculated based on the company's individual financial statements.

Note2 : The above important transactions have been written off as a result of consolidated statements.