

ThinTech Materials
Technology Co., Ltd. and Its
Subsidiaries

Consolidated Financial
Statements and Independent
Auditor's Review Report
For the Nine Months Ended September 30,
2025 and 2024

Address of the Headquarters: 8F-4 Floor, No. 140, Zhongshan
North Road, Gangshan District,
Kaohsiung City

Address of the Branch: No. 1, Luke 8th Road, Luzhu
District, Kaohsiung City (mailing
address)

Tel.: (07)695-5125

Independent Auditor's Report

To ThinTech Materials Technology Co., Ltd.,

Introduction

We have reviewed the accompanying consolidated balance sheets of ThinTech Materials Technology Co., Ltd. (the "Company") and its subsidiaries (collectively to as the "Group") as of September 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024, and nine months ended September 30, 2025 and 2024, and the consolidated statements of changes in equity and of cash flows for the nine months ended September 30, 2025 and 2024, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance for the three months ended September 30, 2025 and 2024, and nine months ended September 30, 2025 and 2024, and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, in May 2024, the Company acquired 70% of Changzhou China Steel Precision Materials Co., Ltd. for cash and issue ordinary shares. The aforementioned transaction was an reorganization of the organization under common control which should be regarded as a default consolidation and a retrospective restatement of the consolidated financial statements for the comparative period. We have not modified our review conclusion as a result of the foregoing.

The engagement partners on the reviews resulting in this independent auditors' review report are Wang, Chao-Chun and Kuo, Li-Yua.

Deloitte &
Touche Taipei,
Taiwan
Republic of
China

October 28, 2025

Notice to Readers

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

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

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Consolidated Balance sheets

Unit: NT\$ thousand

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents (Note 6)	\$ 435,630	10	\$ 527,111	12	\$ 486,708	11
1110	Financial assets at fair value through profit or loss - current (Note 7)	7,261	-	6,165	-	6,436	-
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	84,070	2	-	-	-	-
1139	Financial assets for hedging - current (Note 32)	9,053	-	-	-	5,227	-
1150	Notes payable (Notes 9、32 and 34)	523,663	12	554,070	13	691,953	16
1170	Accounts receivable, net (Notes 9 and 34)	480,114	11	496,922	12	465,002	10
1200	Other receivables (Notes 9 and 33)	26,459	1	17,480	-	8,612	-
1220	Current income tax assets	4,032	-	-	-	-	-
130X	Inventory (Note 10)	1,681,308	40	1,516,066	36	1,487,235	34
1410	Prepayments (Notes 12 and 33)	90,290	2	144,587	3	73,299	2
1460	Non-current assets held for sale (Notes 4 and 11)	-	-	-	-	163,648	4
1476	Other financial assets - current (Note 15)	39,497	1	44,780	1	46,483	1
1479	Other current assets	4,351	-	202	-	244	-
11XX	Total current assets	<u>3,385,728</u>	<u>79</u>	<u>3,307,383</u>	<u>77</u>	<u>3,434,847</u>	<u>78</u>
Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	16,985	1	12,415	-	12,449	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,569	-	31,258	1	30,625	1
1550	Investments using the equity method (Note 14)	33,545	1	36,059	1	35,233	1
1600	Property, plant and equipment (Notes 16 and 34)	517,743	12	563,948	13	573,315	13
1755	Right-of-use assets (Note 17)	186,254	4	197,288	5	200,528	5
1760	Investment properties (Note 18)	16,308	-	18,202	-	18,756	-
1801	Computer software	3,038	-	4,316	-	4,798	-
1840	Deferred tax assets	42,865	1	44,676	1	45,084	1
1915	Prepayments for equipment	28,706	1	24,298	1	22,259	1
1920	Guarantee deposits paid (Note 33)	3,877	-	4,381	-	5,157	-
1975	Net defined benefit assets (Note 4)	18,538	1	18,331	1	16,186	-
1980	Other financial assets - noncurrent (Note 15)	9,834	-	10,303	-	-	-
1990	Other non-current assets (Note 9)	2,539	-	3,027	-	3,195	-
15XX	Total non-current assets	<u>881,801</u>	<u>21</u>	<u>968,502</u>	<u>23</u>	<u>967,585</u>	<u>22</u>
1XXX	Total assets	<u>\$ 4,267,529</u>	<u>100</u>	<u>\$ 4,275,885</u>	<u>100</u>	<u>\$ 4,402,432</u>	<u>100</u>
Liabilities and equity							
Current liabilities							
2100	Short-term borrowings (Notes 19 and 34)	\$ 220,837	5	\$ 209,934	5	\$ 245,590	6
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	5	-	30	-	-	-
2126	Financial liabilities for hedging - current (Note 32)	314,252	7	169,085	4	88,244	2
2130	Contract liabilities - current (Note 25)	191,324	4	125,656	3	125,308	3
2150	Notes payable	458,797	11	538,827	13	604,709	14
2170	Accounts payable	22,805	1	49,285	1	47,807	1
2219	Other payables (Notes 21 and 33)	80,683	2	107,046	3	95,977	2
2230	Current tax liabilities	9,689	-	10,536	-	9,133	-
2260	Liabilities directly associated with non-current assets held for sale (Notes 4 and 11)	-	-	-	-	134,180	3
2280	Lease liabilities - current (Note 17)	5,932	-	5,862	-	5,863	-
2310	Unearned receipts (Notes 18 and 33)	3,581	-	3,754	-	3,792	-
2321	Current portion of bonds payable (Note 20)	-	-	-	-	17,581	-
2322	Current portion of long-term liabilities (Note 19)	75,000	2	41,667	1	41,667	1
2399	Other current liabilities	1,380	-	1,381	-	1,323	-
21XX	Total current liabilities	<u>1,384,285</u>	<u>32</u>	<u>1,263,063</u>	<u>30</u>	<u>1,421,174</u>	<u>32</u>
Non-current liabilities							
2541	Long-term bank borrowings (Note 19)	437,500	10	458,333	11	458,333	11
2550	Provisions - noncurrent (Note 22)	67,833	2	72,108	2	67,410	2
2570	Deferred tax liabilities	4,627	-	10,002	-	5,013	-
2580	Lease liabilities - non-current (Note 17)	98,222	3	102,680	2	104,154	2
2645	Guarantee deposits received	726	-	985	-	995	-
2670	Other non-current liabilities (Notes 18 and 33)	9,786	-	10,956	-	12,015	-
25XX	Total non-current liabilities	<u>618,694</u>	<u>15</u>	<u>655,064</u>	<u>15</u>	<u>647,920</u>	<u>15</u>
2XXX	Total liabilities	<u>2,002,979</u>	<u>47</u>	<u>1,918,127</u>	<u>45</u>	<u>2,069,094</u>	<u>47</u>
Equity attributable to owners of the Company (Note 24)							
Share capital							
3110	Ordinary share capital	1,084,940	25	1,077,831	25	1,009,723	23
3140	Capital collected in advance	-	-	7,109	-	68,108	1
3100	Total share capital	<u>1,084,940</u>	<u>25</u>	<u>1,084,940</u>	<u>25</u>	<u>1,077,831</u>	<u>24</u>
3200	Capital surplus	<u>752,214</u>	<u>18</u>	<u>795,626</u>	<u>19</u>	<u>785,133</u>	<u>18</u>
Retained earnings							
3310	Legal reserve	52,894	1	47,494	1	47,494	1
3320	Special reserve	60,974	2	-	-	-	-
3350	Unappropriated earnings (accumulated deficit)	(6,030)	-	66,374	2	42,084	1
3300	Total retained earnings	<u>107,838</u>	<u>3</u>	<u>113,868</u>	<u>3</u>	<u>89,578</u>	<u>2</u>
Other equity							
3410	Exchange differences arising from the translation of the financial statements of foreign operations	(211,495)	(5)	(158,825)	(4)	(146,984)	(3)
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income	54,194	1	1,583	-	6,165	-
3400	Total other equity	<u>(157,301)</u>	<u>(4)</u>	<u>(157,242)</u>	<u>(4)</u>	<u>(140,819)</u>	<u>(3)</u>
31XX	Total equity attributable to owners of the Company	<u>1,787,691</u>	<u>42</u>	<u>1,837,192</u>	<u>43</u>	<u>1,811,723</u>	<u>41</u>
36XX	Non-controlling interests	<u>476,859</u>	<u>11</u>	<u>520,566</u>	<u>12</u>	<u>521,615</u>	<u>12</u>
3XXX	Total equity	<u>2,264,550</u>	<u>53</u>	<u>2,357,758</u>	<u>55</u>	<u>2,333,338</u>	<u>53</u>
Total liabilities and equity		<u>\$ 4,267,529</u>	<u>100</u>	<u>\$ 4,275,885</u>	<u>100</u>	<u>\$ 4,402,432</u>	<u>100</u>

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

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Consolidated Statements of Comprehensive Income

Unit: In NT\$ thousand, except for earnings (Loss) per share in NT\$

Code		For the Three Months Ended September 30				For the Nine Months Ended September 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue, net (Notes 25 and 33)	\$1,335,076	100	\$1,432,784	100	\$4,088,286	100	\$3,995,771	100
5000	Operating costs (Notes 10 and 26)	<u>1,300,171</u>	<u>98</u>	<u>1,343,821</u>	<u>94</u>	<u>3,912,240</u>	<u>96</u>	<u>3,707,881</u>	<u>93</u>
5900	Gross profit	<u>34,905</u>	<u>2</u>	<u>88,963</u>	<u>6</u>	<u>176,046</u>	<u>4</u>	<u>287,890</u>	<u>7</u>
	Operating expenses (Notes 9, 26 and 33)								
6100	Selling expenses	12,556	1	15,077	1	40,861	1	50,592	1
6200	Administrative expenses	30,259	2	45,628	3	90,153	2	112,745	3
6300	R&D expenses	14,009	1	15,649	1	39,316	1	52,870	1
6450	Expected credit impairment losses (gain on reversal)	(<u>4</u>)	<u>-</u>	(<u>434</u>)	<u>-</u>	<u>3</u>	<u>-</u>	<u>208</u>	<u>-</u>
6000	Total operating expenses	<u>56,820</u>	<u>4</u>	<u>75,920</u>	<u>5</u>	<u>170,333</u>	<u>4</u>	<u>216,415</u>	<u>5</u>
6900	Net operating income (loss)	(<u>21,915</u>)	(<u>2</u>)	<u>13,043</u>	<u>1</u>	<u>5,713</u>	<u>-</u>	<u>71,475</u>	<u>2</u>
	Non-operating income and expenses (Notes 26, 29 and 33)								
7100	Interest income	634	-	900	-	3,777	-	9,513	-
7010	Other income	13,016	1	14,708	1	41,612	1	17,339	-
7020	Other gains and losses	13,410	1	(6,118)	(1)	(9,240)	-	9,998	-
7050	Financial costs	(4,908)	-	(5,626)	-	(15,045)	-	(17,713)	-
7060	Share of profit or loss on affiliates using the equity method	<u>197</u>	<u>-</u>	<u>329</u>	<u>-</u>	<u>478</u>	<u>-</u>	<u>477</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>22,349</u>	<u>2</u>	<u>4,193</u>	<u>-</u>	<u>21,582</u>	<u>1</u>	<u>19,614</u>	<u>-</u>
7900	Net income before tax	434	-	17,236	1	27,295	1	91,089	2
7950	Income tax expense (Notes 4 and 27)	<u>5,325</u>	<u>1</u>	<u>9,869</u>	<u>-</u>	<u>26,435</u>	<u>1</u>	<u>25,840</u>	<u>1</u>
8200	Net income (loss) for the period	(<u>4,891</u>)	(<u>1</u>)	<u>7,367</u>	<u>1</u>	<u>860</u>	<u>-</u>	<u>65,249</u>	<u>1</u>
	Other comprehensive income (Note 24)								
8310	Items not reclassified to profit or loss								

(Continued on next page)

(Continued from previous page)

Code		For the Three Months Ended September 30				For the Nine Months Ended September 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	\$ 47,757	4	(\$ 630)	-	\$ 54,381	2	(\$ 2,797)	-
8321	Remeasurements of defined benefit plans of affiliates	-	-	-	-	5	-	-	-
8326	Unrealized gains or losses on affiliates' investment in equity instruments at fair value through other comprehensive income	1,617	-	(139)	-	(24)	-	2,933	-
8360	Items that may subsequently be reclassified to profit or loss								
8361	Exchange differences arising from the translation of the financial statements of foreign operations	<u>67,098</u>	<u>5</u>	<u>19,752</u>	<u>1</u>	(<u>74,836</u>)	(<u>2</u>)	<u>66,073</u>	<u>2</u>
8300	Other comprehensive income for this year (net of tax)	<u>116,472</u>	<u>9</u>	<u>18,983</u>	<u>1</u>	(<u>20,474</u>)	<u>-</u>	<u>66,209</u>	<u>2</u>
8500	Total comprehensive income for the period	<u>\$ 111,581</u>	<u>8</u>	<u>\$ 26,350</u>	<u>2</u>	(<u>\$ 19,614</u>)	<u>=</u>	<u>\$ 131,458</u>	<u>3</u>
	Net profit (loss) attributable to:								
8610	Owners of the Company	(\$ 5,409)		\$ 3,283		(\$ 7,781)		\$ 27,074	
8615	Former owner of business combination under common control	-		-		-		19,474	
8620	Non-controlling interests	<u>518</u>		<u>4,084</u>		<u>8,641</u>		<u>18,701</u>	
8600		(<u>\$ 4,891</u>)		<u>\$ 7,367</u>		<u>\$ 860</u>		<u>\$ 65,249</u>	

(Continued on next page)

(Continued from previous page)

Code		For the Three Months Ended September 30				For the Nine Months Ended September 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
	Total comprehensive income attributable to:								
8710	Owners of the Company	\$ 90,872		\$ 24,041		(\$ 6,089)		\$ 38,627	
8715	Former owner of business combination under common control	-		-		-		62,397	
8720	Non-controlling interests	20,709		2,309		(13,525)		30,434	
8700		<u>\$ 111,581</u>		<u>\$ 26,350</u>		<u>(\$ 19,614)</u>		<u>\$ 131,458</u>	
	Earnings (loss) per share (Note 28)								
9750	Basic	(\$ 0.05)		\$ 0.03		(\$ 0.07)		\$ 0.45	
9850	Diluted	(0.05)		0.03		(0.07)		0.44	

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

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Consolidated Statements of Changes in Equity

Unit: NT\$ thousand

		Equity attributable to owners of the Company											
		Share capital		Retained earnings			Other equity items						
Code		Ordinary share capital	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total	Equity Attributable to Former Owner of Business Combination Under Common Control	Non-controlling Interests	Total equity
A1	Balance as of January 1, 2025	\$ 1,077,831	\$ 7,109	\$ 795,626	\$ 47,494	\$ -	\$ 66,374	(\$ 158,825)	\$ 1,583	\$ 1,837,192	\$ -	\$ 520,566	\$ 2,357,758
	Earnings appropriation and distribution for 2024 (Note 24)												
B1	Legal reserve	-	-	-	5,400	-	(5,400)	-	-	-	-	-	-
B3	Special reserve provided	-	-	-	-	60,974	(60,974)	-	-	-	-	-	-
		-	-	-	5,400	60,974	(66,374)	-	-	-	-	-	-
C7	Changes in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	-	(14)	-	-	-	-	-	(14)	-	-	(14)
C15	Appropriation of capital surplus in cash (Note 24)	-	-	(43,398)	-	-	-	-	-	(43,398)	-	-	(43,398)
D1	Net income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	(7,781)	-	-	(7,781)	-	8,641	860
D3	Other comprehensive income after tax for the nine months ended September 30, 2025	-	-	-	-	-	5	(52,670)	54,357	1,692	-	(22,166)	(20,474)
D5	Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	(7,776)	(52,670)	54,357	(6,089)	-	(13,525)	(19,614)
I1	Convertible bonds converted to ordinary shares	7,109	(7,109)	-	-	-	-	-	-	-	-	-	-
O1	Adjustment of non-controlling interests(Note 24)	-	-	-	-	-	-	-	-	-	-	(30,182)	(30,182)
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income (Note 24)	-	-	-	-	-	1,746	-	(1,746)	-	-	-	-
Z1	Balance as of September 30, 2025	\$ 1,084,940	\$ -	\$ 752,214	\$ 52,894	\$ 60,974	(\$ 6,030)	(\$ 211,495)	\$ 54,194	\$ 1,787,691	\$ -	\$ 476,859	\$ 2,264,550
A1	Balance as of January 1, 2024	\$ 735,012	\$ -	\$ 352,020	\$ 43,142	\$ -	\$ 60,830	(\$ 4,012)	\$ 8,662	\$ 1,195,654	\$ 1,146,091	\$ 491,181	\$ 2,832,926
	Earnings appropriation and distribution for 2023 (Note 24)												
B1	Legal reserve	-	-	-	4,352	-	(4,352)	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(44,101)	-	-	(44,101)	-	-	(44,101)
		-	-	-	4,352	-	(48,453)	-	-	(44,101)	-	-	(44,101)
D1	Net income for the nine months ended September 30, 2024	-	-	-	-	-	27,074	-	-	27,074	19,474	18,701	65,249
D3	Other comprehensive income after tax for the nine months ended September 30, 2024	-	-	-	-	-	-	11,417	136	11,553	42,923	11,733	66,209
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	27,074	11,417	136	38,627	62,397	30,434	131,458
H3	Restructuring (Notes 24 and 37)	274,711	-	327,538	-	-	-	(154,389)	-	447,860	(1,208,488)	-	(760,628)
I1	Convertible bonds converted to ordinary shares	-	68,108	105,575	-	-	-	-	-	173,683	-	-	173,683
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income (Note 24)	-	-	-	-	-	2,633	-	(2,633)	-	-	-	-
Z1	Balance as of September 30, 2024	\$ 1,009,723	\$ 68,108	\$ 785,133	\$ 47,494	\$ -	\$ 42,084	(\$ 146,984)	\$ 6,165	\$ 1,811,723	\$ -	\$ 521,615	\$ 2,333,338

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

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Consolidated Statements of Cash Flows

Unit: NT\$ thousand

Code		For the Nine Months Ended September 30	
		2025	2024
	Cash flows from operating activities		
A10000	Net income before tax for this year	\$ 27,295	\$ 91,089
A20010	Income and expense items		
A20100	Depreciation expenses	62,524	69,430
A20200	Amortization expenses	1,847	2,081
A20300	Expected credit impairment losses	3	208
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	(9,880)	(4,998)
A20900	Financial costs	15,045	17,713
A21200	Interest income	(3,777)	(9,513)
A21300	Share of the profit of associates	(213)	(73)
A22300	Loss (Gain) on disposal of property, plant and equipment	(478)	(477)
A22500	Gain on inventory value recovery	(707)	4,566
A23800	Recognition of provisions	(13,849)	(14,340)
A29900	Others	1,036	17,690
A29900	Net movements in operating assets and liabilities	-	(53)
A30000	Financial costs		
A31115	Financial assets mandatorily at fair value through profit or loss	927	(334)
A31130	Notes receivable	30,407	253,993
A31150	Accounts receivable	16,805	(8,579)
A31180	Other receivables	(9,048)	(40)
A31200	Inventory	(150,762)	4,535
A31230	Prepayments	54,297	151,922
A31240	Other current assets	(4,149)	4,220
A31990	Net defined benefit assets	(207)	(165)
A32120	Financial liabilities for hedging	145,167	7,212
A32125	Contract liabilities	65,668	39,473
A32130	Notes payable	(80,030)	(441,099)
A32150	Accounts payable	(26,480)	31,910
A32180	Other payables	(30,879)	6,929

(Continued on next page)

(Continued from previous page)

Code		For the Nine Months Ended September 30	
		2025	2024
A32210	Unearned receipts	(\$ 173)	\$ 165
A32200	Provisions	(1,989)	(3,497)
A32230	Other current liabilities	(1)	(78)
A32990	Other non-current liabilities	(<u>671</u>)	(<u>176</u>)
A33000	Cash inflow from operations	87,728	219,714
A33500	Income tax paid	(<u>34,534</u>)	(<u>34,514</u>)
AAAA	Net cash inflow from operating activities	<u>53,194</u>	<u>185,200</u>
Cash flows from investing activities			
B00100	Acquisition of financial assets at fair value through profit or loss	(4,500)	(12,840)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	10,918	-
B01500	Acquisition of financial assets for hedging	(12,209)	-
B01600	Disposal of financial assets for hedging	-	14,862
B02200	Net cash outflow on disposal of subsidiaries	-	(760,628)
B02700	Acquisition of property, plant and equipment	(20,282)	(27,967)
B02800	Proceeds from disposal of property, plant and equipment	1,233	1,187
B03700	Increase in guarantee deposits	-	(978)
B03800	Decrease in refundable deposits	504	-
B04500	Acquisition of computer software	(180)	(3,644)
B06600	Decrease in other financial assets	5,752	74,843
B06700	Increase in other non-current assets	(57)	(239)
B07100	Increase in prepayments for equipment	(4,408)	(13,020)
B07500	Interest received	3,846	10,313
B07600	Dividends received from affiliates	2,803	1,854
B07600	Dividends received from others	<u>213</u>	<u>73</u>
BBBB	Net cash outflow from investing activities	(<u>16,367</u>)	(<u>716,184</u>)
Cash flows from financing activities			
C00100	Increase in short-term borrowings	1,126,130	1,194,815
C00200	Decrease in short-term borrowings	(1,106,384)	(1,393,062)
C00500	Increase in short-term bills payable	80,000	161,000
C00600	Decrease in short-term bills payable	(80,000)	(161,000)
C01600	Proceeds from long-term borrowings	100,000	500,000
C01700	Repayments of long-term borrowings	(87,500)	-
C03000	Proceeds from guarantee deposits received	-	303
C03100	Refund of guarantee deposits received	(259)	-

(Continued on next page)

(Continued from previous page)

		<u>For the Nine Months Ended September 30</u>	
<u>Code</u>		<u>2025</u>	<u>2024</u>
C04020	Repayment of lease principal	(\$ 4,388)	(\$ 4,473)
C04500	Cash dividend paid out	(43,398)	(44,101)
C05600	Interest paid	(15,001)	(14,422)
C05800	Decrease in non-controlling interests	(<u>30,182</u>)	<u>-</u>
CCCC	Net cash inflow (outflow) from financing activities	(<u>60,982</u>)	<u>239,060</u>
DDDD	Effect of movements in exchange rates on cash and cash equivalents	(<u>67,326</u>)	<u>55,460</u>
EEEE	Net decrease in cash and cash equivalents	(91,481)	(236,464)
E00100	Opening balance of cash and cash equivalents	<u>527,111</u>	<u>741,919</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 435,630</u>	<u>\$ 505,455</u>
<u>Code</u>		<u>September 30, 2025</u>	<u>September 30, 2024</u>
E00210	Cash and cash equivalents in the consolidated balance sheets	\$ 435,630	\$ 486,708
E00212	Cash and cash equivalents classified to non-current assets held for sale	<u>-</u>	<u>18,747</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 435,630</u>	<u>\$ 505,455</u>

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

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Notes to Consolidated Financial Statements
For the nine months ended September 30, 2025 and 2024
(In NT\$ thousand, unless otherwise specified)

1. Company history

ThinTech Materials Technology Co., Ltd. (hereinafter referred to as "the Company") was incorporated in March 2000 and mainly engages in the processing and sales of a variety of thin film sputtering targets and precious metals, as well as trading of commodity metals.

In May 2024, the Company acquired 70% of Changzhou China Steel Precision Materials Co., Ltd. (CSPM) for US\$23,168 thousand and issued 27,471 thousand ordinary shares. The aforementioned transaction was a restructuring of the organization under common control, which should be regarded as a default consolidation and a retrospective restatement of the consolidated financial statements for the comparative period. Please refer to Note 4 (3) 、(4) and Note 37 to the consolidated financial statement.

The Company's parent company is Gains Investment Corporation (with substantive control power), which held 46.9% 、46.9% and 47.21% of the Company's ordinary shares as of September 30, 2025 and December 31 and September 30, 2024, respectively. The Company's ultimate parent company is China Steel Corporation.

The Company's stock has been listed on the Taipei Exchange for trading since November 20, 2012.

The consolidated financial statements are presented in the Company's functional currency, i.e., New Taiwan dollar (NTD).

2. Date and Procedures for Approval of Financial Statements

The consolidated financial statements were published after being approved by the Board of Directors on October 28, 2025.

3. Application of New and Revised Standards and Interpretation

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the IFRSs endorsed and issued into effect by the FSC will not cause a material change in the Group's accounting policies.

- (2) Application of IFRSs endorsed by FSC in 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Corporation and its subsidiaries are continuously assessing the possible impact of the application of the amendments on the Corporation and its subsidiaries' financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- (3) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosures in Financial Statements"

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

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

In addition to the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of IFRSs annual financial statements.

(2) Basis of preparation

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

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

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

(3) Basis of consolidation

See Note 13 and Tables 6 and 7 for more information on subsidiaries' statements shareholding ratios, and main business).

(4) Business combinations

Business combinations involving entities under common control are not accounted for using the acquisition method but are accounted for at the carrying amounts of the entities. Comparative information of the prior period in the consolidated financial statements is restated as if a business combination involving entities under common control had already occurred in that period. (Refer to Note 37).

(5) Other significant accounting policies

Except for the following, refer to the summary of significant accounting policies and basis of preparation in the consolidated financial statements for the year ended December 31, 2024.

I. Non-current assets held for sale

The carrying amount of a noncurrent asset or disposal group is classified as held for sale when it is expected to be recovered principally through a sale transaction rather than through continuous use. Non-current assets or disposal groups that qualify for this classification must be available for immediate sale in their present condition and their sale must be highly enforceable. A sale is highly enforceable when management at the appropriate level is committed to a plan to sell the asset and the sale transaction is expected to be completed within one year from the date of classification.

If control over a subsidiary is to be lost upon sale, all assets and liabilities of the subsidiary are classified as held for sale and all investments in the subsidiary are classified as held for sale, regardless of whether or not a noncontrolling interest in the former subsidiary is retained after the sale.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell, and depreciation of such assets is discontinued.

II. Retirement benefits

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

III. Taxation

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

5. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When the Group adopts accounting policies, the management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from the estimates.

The management will continue to review the estimates and basic assumptions. If a revision of an estimate affects only the current year, it is recognized in the period in which it is revised. If a revision of an accounting estimate affects both the current year and future periods, it is recognized in the year in which it is revised and in the future periods.

The remaining significant accounting judgments, estimates and key sources of assumption uncertainty used in this Consolidated Financial Statements are the same as those used in the FY2024 Consolidated Financial Statements.

6. Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and working capital	\$ 344	\$ 407	\$ 417
Demand deposits in banks	257,943	326,992	312,044
Cash equivalents			
Bank demand deposits with initial duration of more than 3 months	<u>177,343</u>	<u>199,712</u>	<u>\$174,247</u>
	<u>\$435,630</u>	<u>\$527,111</u>	<u>\$486,708</u>

7. Financial instruments at fair value through profit or loss

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets - current</u>			
<u>Mandatorily at fair value through profit or loss</u>			
Derivatives (not designated for hedging)			
Forward exchange agreements	\$ -	\$ -	\$ 59
Convertible bonds call options and put options, net (Note 20)	<u>-</u>	<u>-</u>	<u>16</u>
	-	-	75
Listed shares	7,261	-	-
Domestic emerging market shares	<u>-</u>	<u>6,165</u>	<u>6,361</u>
	<u>\$ 7,261</u>	<u>\$ 6,165</u>	<u>\$ 6,436</u>
<u>Financial assets - non-current</u>			
<u>Mandatorily at fair value through profit or loss</u>			
Mutual funds	<u>\$16,985</u>	<u>\$12,415</u>	<u>\$12,449</u>
<u>Financial liabilities -current</u>			
<u>Financial liabilities held for trading</u>			
Derivatives			
Forward exchange agreements	<u>\$ 5</u>	<u>\$ 30</u>	<u>\$ -</u>

The Company's forward exchange agreements are primarily used to hedge risks arising from foreign-currency assets and liabilities due to exchange rate fluctuations. As the failure to adopt hedge accounting for the three months and nine months ended September 30, 2025 and 2024 results in a loss of NT\$18 thousand, a gain of NT\$ 54 thousand, a gain of NT\$952 thousand and a loss of NT\$490 thousand, respectively, recognized in the financial assets at fair value through profit or loss and liabilities.

At the consolidated balance sheet date, the outstanding forward exchange agreements are as follows:

	Currency	Due period	Contract amount (in thousands of dollars)
<u>September 30, 2025</u>			
Forward exchange agreements	From USD to NTD	2025.10	USD100/NTD3,041
<u>December 31, 2024</u>			
Forward exchange agreements	From USD to NTD	2025.01	USD200/NTD6,504
<u>September 30, 2024</u>			
Forward exchange agreements	From USD to NTD	2024.10	USD150/NTD4,803

8. Financial assets at fair value through other comprehensive income

	September 30, 2025	December 31, 2024	September 30, 2024
current			
<hr/>			
Domestic investment			
Listed shares	<u>\$ 84,070</u>	<u>\$ -</u>	<u>\$ -</u>
Non-current			
<hr/>			
Domestic investment			
Emerging market shares	\$ -	\$ 29,679	\$ 30,625
Unlisted stocks	<u>1,569</u>	<u>1,579</u>	<u>-</u>
	<u>\$ 1,569</u>	<u>\$ 31,258</u>	<u>\$ 30,625</u>

The Group invests in domestic stocks in alignment with the medium- and long-term strategic purposes and anticipates making profits through long-term investment. The Group's management believes that if the short-term fair value fluctuations of such investments are recognized in profit or loss, it is inconsistent with the afore-mentioned long-term investment strategy, so it has chosen to designate such investments as at fair value through other comprehensive income.

9. Notes and accounts receivable and other receivables

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable (from operations)			
At amortized cost	<u>\$ 523,663</u>	<u>\$ 554,070</u>	<u>\$ 691,953</u>
Accounts receivable			
At amortized cost			
Total carrying amount	\$ 480,117	\$ 496,922	\$ 465,036
Less: Allowance for losses	<u>3</u>	<u>-</u>	<u>34</u>
	<u>\$ 480,114</u>	<u>\$ 496,922</u>	<u>\$ 465,002</u>
Other receivables			
Amount of transfer of debt of TCMC, a disposed subsidiary	\$ 15,332	\$ -	\$ -
Business tax refund	25,877	13,856	8,296
Others	<u>582</u>	<u>3,624</u>	<u>316</u>
	41,791	17,480	8,612
Less: Allowance for losses	<u>15,332</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,459</u>	<u>\$ 17,480</u>	<u>\$ 8,612</u>

(Continued on next page)

(Continued from previous page)

	September 30, 2025	December 31, 2024	September 30, 2024
Overdue receivables collected (recognized in other non-current assets)			
At amortized cost			
Total carrying amount	\$ 71	\$ 15,326	\$ 70
Less: Allowance for losses	<u>71</u>	<u>15,326</u>	<u>70</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

I. Notes and accounts receivable

The Group's average credit periods for the sales and the production of silver materials are net 7-10 days from the invoice date and 30-120 days from the end of each month, respectively.

The Group prudently assesses its clients, which are companies or institutions with good credit ratings and without significant credit risk expected. However, the Group has an issue of significant client concentration, so the credit concentration risk is high.

To mitigate credit risk, the Group's management assigns a team dedicated to determining and approving clients' credit lines and carrying out other monitoring procedures to ensure that appropriate actions have been taken to recover overdue account receivables. In addition, the Group will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been recognized for the uncollectible receivables. As such, the Group's management believes that its credit risk has been significantly reduced.

The Group recognizes an allowance for losses on accounts receivable on the basis of lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix based on each client's past default record, current financial position, and industry outlook. Based on the Group's history of credit losses, as there was no significant difference in the loss patterns among different groups of clients, the groups of clients were not further differentiated in the provision matrix, and only expected credit loss ratio was set based on the number of days for which accounts receivable was past due.

When there was evidence indicating that the counterparty was in severe financial difficulty and the Group could not reasonably expect the amount to be recovered, the Group would write off relevant accounts receivable and continued to collect the overdue receivables. The receivable recovered was recognized in profit or loss.

The table below shows the allowance for losses on notes and accounts receivable based on the Group's provision matrix:

September 30, 2025

	Not past due	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-180 days	Overdue 181-365 days	Identified individually	Total
Total carrying amount	\$ 977,567	\$ 23,952	\$ 2,261	\$ -	\$ -	\$ -	\$1,003,780
Allowance for losses (lifetime expected credit losses)	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
Amortized cost	<u>\$ 977,567</u>	<u>\$ 23,952</u>	<u>\$ 2,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,003,777</u>

December 31, 2024

	<u>Not past due</u>	<u>Overdue 1-30 days</u>	<u>Overdue 31-60 days</u>	<u>Overdue 61-180 days</u>	<u>Overdue 181-365 days</u>	<u>Identified individually</u>	<u>Total</u>
Total carrying amount	\$1,035,275	\$ 15,708	\$ -	\$ 9	\$ -	\$ -	\$1,050,992
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	<u>\$1,035,275</u>	<u>\$ 15,708</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,050,992</u>

September 30, 2024

	<u>Not past due</u>	<u>Overdue 1-30 days</u>	<u>Overdue 31-60 days</u>	<u>Overdue 61-180 days</u>	<u>Overdue 181-365 days</u>	<u>Identified individually</u>	<u>Total</u>
Total carrying amount	\$1,154,501	\$ 2,056	\$ 108	\$ 324	\$ -	\$ -	\$1,156,989
Allowance for losses (lifetime expected credit losses)	-	-	(2)	(32)	-	-	(34)
Amortized cost	<u>\$1,154,501</u>	<u>\$ 2,056</u>	<u>\$ 106</u>	<u>\$ 292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,156,955</u>

Movements in the allowance for losses on accounts receivable and overdue receivables are as follows

	<u>For the Nine Ended September 30</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Accounts receivable</u>	<u>Overdue receivables</u>	<u>Accounts receivable</u>	<u>Overdue receivables</u>
Opening balance	\$ -	\$ 15,326	\$ 193	\$ 14,855
Provision (reversal)	3	-	252	(44)
Amounts written off	-	-	(261)	-
Transferred to non-current assets held for sale	-	-	(155)	(15,408)
Reclassification	-	(15,377)	-	-
Foreign currency translation difference	-	122	5	667
Ending balance	<u>\$ 3</u>	<u>\$ 71</u>	<u>\$ 34</u>	<u>\$ 70</u>

II. Other receivables

The Group recognizes an allowance for losses based on estimates of uncollectible amounts, taking into consideration historical experience, clients' past default records, and their current financial position. As of September 30, 2025, an appropriate allowance for losses of NT\$15,332 thousand had been provided.

10. Inventory

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials and supplies	\$ 885,644	\$ 653,883	\$ 588,548
Work in progress	409,518	425,260	465,023
Semi-finished goods	262,606	274,293	304,299
Finished goods	72,774	60,964	43,908
Merchandise	50,766	98,488	80,398
Inventory in transit	-	3,178	5,059
	<u>\$ 1,681,308</u>	<u>\$ 1,516,066</u>	<u>\$ 1,487,235</u>

The costs of inventories recognized as operating costs for the three months and nine months ended September 30, 2025 and 2024 were NT\$1,300,171 thousand, NT\$1,343,821 thousand, NT\$3,912,240 thousand and NT\$3,707,881 thousand, respectively, including loss on inventory NT\$540 thousand, loss on inventory NT\$8,321 thousand, reversal of loss on inventory NT\$13,849 thousand and reversal of loss on inventory NT\$14,340 thousand, respectively. The reversals of inventory valuation losses were primarily due to increased net realizable values, driven by higher selling prices in specific markets and the recovery of previously written-down inventory values.

11. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

The Board of Directors of the Company resolved in June 2024 to dispose of 100% of the equity interest in Taicang TCMC, and in July 2024 to complete the signing of contract with the buyer. The disposal procedure had not been completed as of September 30, 2024; therefore, the relevant assets and liabilities attributed to the subsidiary were reclassified as disposal groups held for sale and presented separately in the consolidated balance sheets. The major classes of assets and liabilities of the disposal groups held for sale were as follows:

	September 30, 2024
Cash and cash equivalents	\$ 18,747
Accounts receivable	59,661
Inventory	30,053
Other current assets	407
Property, plant and equipment	41,632
Right-of-use assets	\$ 12,991
Other non-current assets	157
Non-current assets held for sale	\$163,648

(Continued on next page)

(Continued from previous page)

	September 30, 2024
Short-term borrowings	\$110,814
Accounts payable	6,973
Other payables	13,650
Other current liabilities	<u>2,743</u>
Liabilities directly associated with non current assets held for sale	<u>\$134,180</u>

Since the disposal price of this transaction was higher than the carrying amount of the relevant net assets, no impairment loss should be recognized.

12. Prepayments

	September 30, 2025	December 31, 2024	September 30, 2024
Prepayments to suppliers	\$ 65,720	\$ 112,683	\$ 36,075
Prepaid expenses	<u>24,570</u>	<u>31,904</u>	<u>37,224</u>
	<u>\$ 90,290</u>	<u>\$ 144,587</u>	<u>\$ 73,299</u>

13. Subsidiary

(1) Subsidiaries included in the consolidated financial statements:

The following is the main body of this consolidated financial report:

Name of investor	Name of subsidiary	Nature of business	Shareholding (%)			Remarks
			September 30, 2025	December 31, 2024	September 30, 2025	
The Company	Thintech Global Limited (TTGL)	An investment holding company	100	100	100	Note 5
The Company	OmniGains Investment Corporation (OmniGains)	An investment holding company	100	100	100	Notes 1 and 6
The Company	Changzhou CSPM, Ltd.(CSPM)	Production and sale of titanium and titanium alloys, nickel and nickel alloys	35	35	35	Note 2
TTGL	Taicang TCMC, Ltd. (Taicang TCMC)	Manufacturing and sales of metal targets	-	-	100	Note 4
OmniGains	Changzhou CSPM, Ltd.(CSPM)	Production and sale of titanium and titanium alloys, nickel and nickel alloys	35	35	35	Notes 1 and 3

- Note1 : The company issued 27,471 thousand new shares of common stock and conduct a share exchange with OmniGains, the share exchange ratio is 1.18571427 common shares of the company for every 1 share of OmniGains common stock. The company will indirectly acquire 35% equity of CSPM (refer to Note 3). The aforementioned transaction was a restructuring of the organization under common control which should be regarded as an ab initio consolidation and a retrospective restatement of the consolidated financial statements for the comparative period.
- Note2 : The company acquired 35% equity interest in CSPM from China Steel Asia Pacific Holdings Pte. Ltd., a subsidiary of CSC, for US\$23,168 thousand. The aforementioned transaction was a restructuring of the organization under common control which should be regarded as a default consolidation and a retrospective restatement of the consolidated financial statements for the comparative period.
- Note3 : OmniGains purchased 35% equity interest in CSPM from China Steel Asia Pacific Holdings Pte. Ltd., a subsidiary of CSC, for a total price of \$749,480 thousand in October 2023.
- Note4 : TTGL disposed of the entire shareholding of Taicang TCMC on November 2024, see Note 30.
- Note 5: To align with the Group's consideration of future development strategies, the Company's board of directors resolved in July 2025 to liquidate its subsidiary TTGL. The relevant procedures are expected to be completed by the end of 2025. The transaction is not expected to result in significant disposal gains or losses.
- Note 6: To align with align with the Group's future development strategy, the Company's Board of Directors resolved in July 2025 to directly acquire the 35% equity interest in CSPM held by its subsidiary, OmniGains. Upon completion of the equity transfer, the Company intends to liquidate OmniGains by the end of 2025. This transaction is also not expected to result in significant disposal gains or losses.

(2) Information on Subsidiaries with Significant Non-Controlling Interests

Name of subsidiary	Percentage of shareholding and voting rights held by non-controlling interests		
	September 30, 2025	December 31, 2024	September 30, 2024
CSPM	30%	30%	30%

The information on the country that the principal place of business and company registered is shown in Table 7.

Name of subsidiary	Net income for the period allocated to non-controlling interests						
	For the Three Months Ended September 30		For the Nine Months Ended September 30		Non-controlling interests		
	2025	2024	2025	2024	September 30, 2025	September 30, 2024	
CSPM	\$ 518	\$ 4,084	\$ 8,641	\$ 18,701	\$476,859	\$520,566	\$521,615

The summary financial information of Changzhou CSPM is prepared on the basis of intercompany transactions before elimination:

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 1,993,355	\$ 2,210,403	\$ 2,330,190
Non-current assets	457,938	495,691	490,006
Current liabilities	(783,417)	(884,443)	(1,001,062)
Non-current liabilities	(78,345)	(86,432)	(80,419)
Equity	<u>\$ 1,589,531</u>	<u>\$ 1,735,219</u>	<u>\$ 1,738,715</u>
Equity attributable to :			
Owners of the Company	\$ 1,112,672	\$ 1,214,653	\$ 1,217,100
Non-controlling interests	<u>476,859</u>	<u>520,566</u>	<u>521,615</u>
	<u>\$ 1,589,531</u>	<u>\$ 1,735,219</u>	<u>\$ 1,738,715</u>

	For the Nine Months Ended September 30	
	2025	2024
Operating revenue, net	<u>\$ 1,407,810</u>	<u>\$ 1,896,418</u>
Net income for the period	\$ 28,804	\$ 62,337
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 28,804</u>	<u>\$ 62,337</u>
Net profit and comprehensive income attributable to:		
Owners of the Company	\$ 20,163	\$ 24,162
Former owner of business combination under common control	-	19,474
Non-controlling interests	<u>8,641</u>	<u>18,701</u>
	<u>\$ 28,804</u>	<u>\$ 62,337</u>

14. Investments Using the Equity Method

	September 30, 2025	December 31, 2024	September 30, 2024
Individually immaterial affiliates	<u>\$ 33,545</u>	<u>\$ 36,059</u>	<u>\$ 35,233</u>

The Group's total shareholdings in the investees valued using the equity method and the parent company, China Steel Corporation, and its sister companies reach 20% or more, so they are valued using the equity method.

The share of profit or loss and other comprehensive income of associates for the nine months ended September 30, 2025 and 2024, were calculated based on the reviewed financial statements. The Corporation's management considered the use of unreviewed financial statements as acceptable and will not have material impact on both the investments and income accounted for using the equity method.

15. Other Financial Assets - Current

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Time deposits with the initial duration of more than 3 months	\$ 33,497	\$ 44,780	\$ 45,230
Deposits for projects	<u>6,000</u>	<u>-</u>	<u>1,253</u>
	<u>\$ 39,497</u>	<u>\$ 44,780</u>	<u>\$ 46,483</u>
<u>Non-current</u>			
Restricted Bank Deposits	<u>\$ 9,834</u>	<u>\$ 10,303</u>	<u>\$ -</u>

The restricted bank deposits as of September 30, 2025 were due to the disposal of Taicang TCMC's stock in 2024 and the opening of a condominium account pursuant to the stock transfer agreement.

16. Property, plant and equipment

For the nine months ended September 30 2025

Cost	Buildings	Machinery equipment	Transportatio n equipment	Office equipment	Other equipment	Unfinished construction and equipment to be accepted	Total
Balance as of January 1, 2025	\$ 751,411	\$1,041,577	\$ 20,916	\$ 24,711	\$ 111,788	\$ 566	\$1,950,969
Additions	1,559	19,172	-	1,850	1,806	368	24,755
Disposal	-	(75,779)	-	(1,339)	(631)	-	(77,749)
Net exchange difference	(20,415)	(26,690)	(137)	-	(2,894)	-	(50,136)
Balance as of September 30, 2025	<u>732,555</u>	<u>958,280</u>	<u>20,779</u>	<u>25,222</u>	<u>110,069</u>	<u>934</u>	<u>1,847,839</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2025	469,671	784,584	17,079	21,934	93,753	-	1,387,021
Depreciation	20,503	28,901	747	1,469	3,095	-	54,715
Disposal	-	(75,316)	-	(1,339)	(568)	-	(77,223)
Net exchange difference	(13,369)	(18,719)	(104)	-	(2,225)	-	(34,417)
Balance as of September 30, 2025	<u>476,805</u>	<u>719,450</u>	<u>17,722</u>	<u>22,064</u>	<u>94,055</u>	<u>-</u>	<u>1,330,096</u>
Net amount as of December 31, 2024	<u>\$ 281,740</u>	<u>\$ 256,993</u>	<u>\$ 3,837</u>	<u>\$ 2,777</u>	<u>\$ 18,035</u>	<u>\$ 566</u>	<u>\$ 563,948</u>
Net amount as of September 30, 2025	<u>\$ 255,750</u>	<u>\$ 238,830</u>	<u>\$ 3,057</u>	<u>\$ 3,158</u>	<u>\$ 16,014</u>	<u>\$ 934</u>	<u>\$ 517,743</u>

For the nine months ended September 30 2024

Cost	Buildings	Machinery equipment	Transportatio n equipment	Office equipment	Other equipment	Unfinished construction and equipment to be accepted	Total
Balance as of January 1, 2024 (Before Restatement)	\$ 380,602	\$ 446,677	\$ 20,214	\$ 26,461	\$ 68,068	\$ 47,806	\$ 989,828
Acquired through a business combination	<u>431,349</u>	<u>572,429</u>	<u>2,848</u>	<u>-</u>	<u>60,696</u>	<u>87</u>	<u>1,067,409</u>
Balance as of January 1, 2024 (After Restatement)	811,951	1,019,106	23,062	26,461	128,764	47,893	2,057,237
Additions	789	65,085	2,590	686	1,607	(47,297)	23,460
Disposal	(5,118)	(23,663)	(2,577)	(79)	(2,350)	-	(33,787)
Transferred to non-current assets held for sale	(74,451)	(53,094)	(2,375)	(2,401)	(19,693)	-	(152,014)

(Continued on next page)

(Continued from previous page)

	Buildings	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment to be accepted	Total
<u>Cost</u>							
Net exchange difference	<u>22,677</u>	<u>28,072</u>	<u>244</u>	<u>102</u>	<u>3,586</u>	<u>4</u>	<u>54,685</u>
Balance as of September 30, 2024	<u>755,848</u>	<u>1,035,506</u>	<u>20,944</u>	<u>24,769</u>	<u>111,914</u>	<u>600</u>	<u>1,949,581</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2024 (Before Restatement)	\$ 216,156	\$ 405,310	\$ 17,867	\$ 21,932	\$ 61,807	\$ -	\$ 723,072
Acquired through a business combination	<u>259,945</u>	<u>386,863</u>	<u>1,975</u>	<u>-</u>	<u>45,156</u>	<u>-</u>	<u>693,939</u>
Balance as of January 1, 2024 (After Restatement)	476,101	792,173	19,842	21,932	106,963	-	1,417,011
Depreciation	24,580	30,048	1,003	1,739	3,760	-	61,130
Disposal	(2,315)	(20,989)	(2,532)	(78)	(2,120)	-	(28,034)
Transferred to non-current assets held for sale	(46,874)	(41,421)	(1,643)	(2,203)	(18,241)	-	(110,382)
Net exchange difference	<u>13,938</u>	<u>19,508</u>	<u>165</u>	<u>97</u>	<u>2,833</u>	<u>-</u>	<u>36,541</u>
Balance as of September 30, 2024	<u>465,430</u>	<u>779,319</u>	<u>16,835</u>	<u>21,487</u>	<u>93,195</u>	<u>-</u>	<u>1,376,266</u>
Net amount as of September 30, 2024	<u>\$ 290,418</u>	<u>\$ 256,187</u>	<u>\$ 4,109</u>	<u>\$ 3,282</u>	<u>\$ 18,719</u>	<u>\$ 600</u>	<u>\$ 573,315</u>

Based on the business strategy plan, as the recoverable amount of the Company's equipment for producing silver powder and conductive adhesive was lower than its book value, it was recognized in impairment losses. As of September 30, 2025, the cumulative impairment of the equipment was NT\$1,615 thousand.

The Group's property, plant and equipment are depreciated on a straight-line basis over the useful lives below:

Buildings	2 to 35 years
Machinery equipment	2 to 20 years
Transportation equipment	3 to 15 years
Office equipment	2 to 5 years
Other equipment	2 to 11 years

Please refer to Note 17 for the information on the locations of the Group's plants leased from the government.

Please refer to Note 34 for the amount of property, plant and equipment provided by the Company as collateral for borrowing.

17. Lease agreements

(1) Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of right-of-use assets			
Land	\$ 186,254	\$ 197,288	\$ 200,504
Transportation equipment	-	-	14
Office equipment	-	-	10
	<u>\$ 186,254</u>	<u>\$ 197,288</u>	<u>\$ 200,528</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Additions to right-of-use assets			<u>\$ -</u>	<u>\$ 5,500</u>
Right-of-use asset depreciation expenses				
Land	\$ 2,227	\$ 2,362	\$ 6,745	\$ 7,054
Transportation equipment	-	40	-	121
Office equipment	-	10	-	30
	<u>\$ 2,227</u>	<u>\$ 2,412</u>	<u>\$ 6,745</u>	<u>\$ 7,205</u>

In addition to the additions and those recognized in depreciation expenses above, the Group's right-of-use assets were not significantly subleased or impaired for the nine months ended September 30, 2025 and 2024.

(2) Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 5,932</u>	<u>\$ 5,862</u>	<u>\$ 5,863</u>
Non-current	<u>\$ 98,222</u>	<u>\$ 102,680</u>	<u>\$ 104,154</u>

The range of discount rates for lease liabilities is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Land	1.6007	1.6007	1.6007
Transportation equipment	-	-	0.6487~0.7616
Office equipment	-	-	5.774~6.071

(3) Major lease activities and terms

The Company has leased land from the government in the Kaohsiung Industrial Park in the Southern Taiwan Science Park. The lease term will expire in May 2027. According to the lease agreement, the Company may sign a new agreement with the government when the lease term ends, but the government may adjust the rent when the assessed present value increases and may terminate the lease under certain conditions.

The land use right acquired by the Company's subsidiary, CSPM, in December 2008 and October 2009 in mainland China, with a useful life of 50 years will expire in October 2059.

(4) Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term lease and low-value asset lease expenses	<u>\$ 702</u>	<u>\$ 760</u>	<u>\$ 2,114</u>	<u>\$ 2,463</u>
Total cash outflows from leases			<u>\$ 7,782</u>	<u>\$ 8,287</u>

The Group has elected to apply the recognition exemptions to the leases of buildings, transportation equipment and other equipment that qualify as short-term and low-value asset leases and does not recognize such leases in relevant right-of-use assets and lease liabilities.

18. Investment properties

For the Nine Months Ended September 30, 2025

	<u>Buildings</u>
<u>Cost</u>	
Balance as of January 1, 2025	\$ 32,689
Net exchange difference	(<u>1,511</u>)
Balance as of September 30, 2025	<u>31,178</u>
<u>Accumulated depreciation and impairment</u>	
Balance as of January 1, 2025	14,487
Depreciation	1,064
Net exchange difference	(<u>681</u>)
Balance as of September 30, 2025	<u>14,870</u>
Net amount as of December 31, 2024	<u>\$ 18,202</u>
Net amount as of September 30, 2025	<u>\$ 16,308</u>

For the Nine Months Ended September 30, 2024

	<u>Buildings</u>
<u>Cost</u>	
Balance as of January 1, 2024 (After Restatement)	\$ 31,587
Net exchange difference	<u>1,431</u>
Balance as of September 30, 2024	<u>33,018</u>
<u>Accumulated depreciation and impairment</u>	
Balance as of January 1, 2024 (After Restatement)	12,578
Depreciation	1,095

(Continued on next page)

(Continued from previous page)

	<u>Buildings</u>
Net exchange difference	\$ 589
Balance as of September 30, 2024	<u>14,262</u>
Net amount as of September 30, 2024	<u>\$18,756</u>

The investment properties are depreciated on a straight-line basis over 20 years.

The above investment properties were leased to Changzhou CSPM. for a term of 20 years at a lump-sum factory rent of RMB730 thousand and an annual land rent of RMB473 thousand, respectively. As of September 30, 2025 and December 31 and September 30, 2024, the balance of rentals received in advance amounted to NT\$13,367 thousand, NT\$14,710 thousand and NT\$15,807 thousand, which are classified under current and noncurrent liabilities, respectively, as described in Note 33.

The fair value of this investment property has not been assessed by an independent appraiser and has been measured solely by the management of the subsidiary using Level 3 inputs with reference to recently traded prices in neighboring areas.

As of September 30, 2025 and December 31 and September 30, 2024, the fair value of these properties amounted to NT\$67,268 thousand, NT\$56,423 thousand and NT\$56,989 thousand, respectively.

19. Borrowings

(1) Short-term Borrowings

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Secured bank borrowings (Note 34)	\$ 170,837	\$ 194,934	\$ 245,590
Unsecured bank borrowings	<u>50,000</u>	<u>15,000</u>	<u>-</u>
	<u>\$ 220,837</u>	<u>\$ 209,934</u>	<u>\$ 245,590</u>
Annual rate of interest (%)			
Unsecured borrowings	1.8	1.96	-

(2) Long-term borrowings

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unsecured bank borrowings			
Maturing in July 2029 and March 2031, respectively	\$ 512,500	\$ 500,000	\$ 500,000
Less: Current portion	<u>75,000</u>	<u>41,667</u>	<u>41,667</u>
	<u>\$ 437,500</u>	<u>\$ 458,333</u>	<u>\$ 458,333</u>

(Continued on next page)

(Continued from previous page)

	September 30, 2025	December 31, 2024	September 30, 2024
Annual rate of interest (%)	1.858~1.875	1.875	1.875
20. <u>Bonds Payable</u>	September 30, 2025	December 31, 2024	September 30, 2024
(1) Liability component			
I. Proceeds from issuance	\$ -	\$ -	\$ 18,200
Deduction: Discount of corporate bonds payable	-	-	815
Issuance cost of bonds payable	-	-	422
Original amortized cost	-	-	16,963
Addition: Discount amortization	-	-	618
Amortized cost	-	-	17,581
Less: Execution of sell-back rights within one year	-	-	(17,581)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
II. Financial assets (liability) at FVTPL : call and put options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>
(2) Components of equity			
Common stock options	\$ -	\$ 27,956	\$ 27,956
Deduction: Issuance cost - stock option	-	679	679
Original capital surplus-stock options	-	27,277	27,277
Deduction: Converted into ordinary shares	-	27,277	24,794
Capital surplus-stock options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,483</u>

In March 2023, the Corporation issued secured domestic convertible bonds at par and conducted public underwriting through bidding auction. The issuance price was NT109.8, total amount issued was NT\$219,595 thousand with a face value of NT\$100 thousand each, zero coupon rate and issuance period of 3 years from March 2023 to March 2026. Bank SinoPac acted as guaranteeing bank. The creditors may request the bonds to be converted into the Corporation's ordinary shares in accordance with the terms of conversion after three months from the issue date. (except during the prescribed relevant transfer period). After two years from the issue date, the bondholders may request the Company to redeem the bond in cash at 100.5006% of the par value (yield to put of 0.25% per annum) within 5 business days after the benchmark date. From the day following the 3-month issuance period to 40 days before the expiration date, if the closing price of the Company's ordinary shares exceeds the conversion price by 30% for 30 consecutive business days or when the outstanding balance of bonds is less than 10% of the total face value of the original issue, the Company may redeem the outstanding

convertible bonds in cash at face value within 5 business days after the benchmark date. The corporate bonds have been fully converted as of December 31, 2024. As of December 31 and September 30, 2024, all bonds had been fully converted, and the conversion status of the company's third convertible corporate bonds was as follows:

	<u>December 31, 2024</u>	<u>September 30, 2024</u>
The conversion and redemption situation		
Number of ordinary shares converted from bonds (in thousands)	7,525	6,814
Amount of ordinary shares converted from bonds	\$ 75,250	\$ 68,140
Face amount of corporate bonds that have been converted	200,000	181,800
Write-off capital surplus - redemption	27,277	24,794
Capital reserve generated - conversion premium from bonds	143,393	130,431

The derivatives embedded in the bonds, including put options and redemption options were recognized separately from the host contract - corporate bonds as financial instruments at fair value through profit or loss (Note 7) and measured at fair value in accordance with IAS 32 and IFRS 9.

21. Other payables

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Salary and wages and bonuses payable	\$ 20,856	\$ 37,545	\$ 26,671
Taxes payable	17,198	5,263	11,486
Processing fees payable	15,160	37,449	27,733
Payables for purchases of equipment	6,266	1,794	573
Consumable costs payable	5,492	3,574	3,306
Pension payable	2,808	2,470	2,392
Others	<u>12,903</u>	<u>18,951</u>	<u>23,816</u>
	<u>\$ 80,683</u>	<u>\$107,046</u>	<u>\$ 95,977</u>

22. Provisions

	For the Nine Months Ended September 30	
	2025	2024
Opening balance	\$ 72,108	\$ 50,665
Provision during this year	1,036	17,690
Payments during the year	(1,989)	(3,497)
Foreign currency translation difference	(<u>3,322</u>)	<u>2,552</u>
Ending balance	<u>\$ 67,833</u>	<u>\$ 67,410</u>

CSPM has set up a specialized Reserve Fund in accordance with the laws and regulations of China. The fund is used to finance production safety expenses and is withdrawn as a percentage of operating revenues on an over-accumulation basis.

23. Post-employment benefit plans

(1) Defined contribution pension plan

The Company adopted a pension scheme under the Labor Pension Act, which is a government-managed defined contribution plan. Under the act, the Company makes monthly contributions, equal to 6% of their monthly salary and wages, to employees' individual pension accounts under the Bureau of Labor Insurance.

Subsidiary, Taicang TCMC, contributes to the pension insurance funds managed by relevant government departments in accordance with the laws and regulations of mainland China.

(2) Defined benefit plan

Employee benefit expenses in respect of the Company defined benefit retirement plans were calculated using the actuarially determined pension cost rate as of December 31, 2024 and 2023.

24. Equity

(1) Ordinary share capital

	September 30, 2025	December 31, 2024	September 30, 2024
Authorized number of shares (in thousands)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Authorized share capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>108,494</u>	<u>107,783</u>	<u>100,972</u>
Share capital publicly offered	<u>\$ 939,529</u>	<u>\$ 932,420</u>	<u>\$ 864,312</u>

(Continued on next page)

(Continued from previous page)

	September 30, 2025	December 31, 2024	September 30, 2024
Share capital through private placement			
Initial share capital publicly offered	140,000	140,000	140,000
Share capital received due to capitalization of earnings	<u>5,411</u>	<u>5,411</u>	<u>5,411</u>
	<u>145,411</u>	<u>145,411</u>	<u>145,411</u>
Share capital already publicly offered	<u>\$ 1,084,940</u>	<u>\$ 1,077,831</u>	<u>\$ 1,009,723</u>
Capital collected in advance	<u>\$ -</u>	<u>\$ 7,109</u>	<u>\$ 68,108</u>

In May 2023, the Board of Directors resolved to increase the capital by issuing new shares of 27,471 thousand shares in order to carry out a share swap with OmniGains, and the Board of Directors resolved to set May 16, 2024 as the base date for the capital increase.

The capital collected in advance of the Company on September 30, 2024 was due to the execution of the conversion and issuance of new shares by the holders of the convertible bonds. The Board of Directors resolved to propose October 30, 2024 as the base date for capital increase.

The capital collected in advance of the Company on December 31, 2024 was due to the execution of the conversion and issuance of new shares by the holders of the convertible bonds. The Board of Directors resolved to propose February 26, 2025 as the base date for capital increase.

To enrich the working capital, repay debts, and attract strategic investors, the Company conducted a private placement of 7,000,000 ordinary shares in 2010 and 2011, respectively, at the issue prices of NT\$16 and NT\$35.7, respectively. The difference between the par value and the issue price was recognized in "capital surplus - additional paid-in capital".

In principle, the rights and obligations of the ordinary shares in the private placements are the same as those of the ordinary shares issued by the Company.

(2) Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
For loss make-up, payment in cash or capitalization as equity (Note)			
Additional paid-in capital - issuance of shares	\$ 567,476	\$ 610,874	\$ 610,874
Additional paid-in capital - conversion of corporate bonds	183,200	183,200	170,238
Stock options invalidated	1,469	1,469	1,469
Treasury shares traded	69	69	69
May only be used to offset a deficit			
Share of changes in capital surplus of associates	-	14	-
May not be used for any purpose			
Convertible corporate debt options	-	-	2,483
	<u>\$ 752,214</u>	<u>\$ 795,626</u>	<u>\$ 785,133</u>

Note: Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

(3) Retained earnings and dividend policy

As per the earnings distribution policy, where the Company makes a profit for a fiscal year, the profit shall be first used for paying the tax in accordance with the laws and regulations, offsetting the cumulative deficit, setting aside 10% of the remaining profit as a legal reserve, unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations; and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution.

The industry, in which Company is in, is still growing. We must take into account the current and future operating conditions and focus on the stability of dividends when drawing up a dividend policy. When the Company has cumulative distributable earnings, the amount to be distributed shall not be lower than 50%, of which the cash dividends to be distributed shall not be lower than 50% of the total amount to be distributed.

The legal reserve may be used to offset losses. If there is no loss, the amount of legal reserve in excess of the paid-in capital by 25% could be allocated as capital stock and paid out in cash.

The 2024 and 2023 earnings distribution proposals approved by the resolution of the Company's general shareholders' meetings in June 2025 and April 2024 are as follows:

	Earnings distribution proposals		Dividend per share (NTD)	
	2024	2023	2024	2023
Legal reserve	\$ 5,400	\$ 4,352		
Provision of special reserve	60,974	-		
Cash dividend	-	44,101	\$ -	\$ 0.6

In June 2025, the Company's general shareholders' meeting resolved to distribute cash dividends of NT\$0.4 per share, totaling NT\$43,398 thousand, from capital surplus.

(4) Special reserves

	For the Nine Months Ended September 30, 2025
Opening balance	\$ -
Provision of special reserve	
Provision for impairment of other equity items	<u>60,974</u>
Ending balance	<u>\$ 60,974</u>

(5) Other equity items

I. Exchange differences arising from the translation of the financial statements of foreign operations

	For the Nine Months Ended September 30	
	2025	2024
Opening balance	(\$158,825)	(\$ 4,012)
Recognized for the period		
Exchange differences arising from the translation of the financial statements of foreign operations	(52,670)	11,417
Former owner of business combinations under common control and non-controlling interests transferred to owners of the Company	<u>-</u>	<u>(154,389)</u>
Ending balance	<u>(\$211,495)</u>	<u>(\$146,984)</u>

II. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	For the Nine Months Ended September 30	
	2025	2024
Opening balance	\$ 1,583	\$ 8,662
Incurred during the year		
Equity instruments - unrealized gains and losses	54,381	(2,797)
Shares of affiliates using the equity method	(24)	2,933
Cumulative gains and losses from the disposal of equity instruments by affiliates transferred to retained earnings	(<u>1,746</u>)	(<u>2,633</u>)
Ending balance	<u>\$54,194</u>	<u>\$ 6,165</u>

(6) Former owner of business combination under common control

	For the Nine Months Ended September 30, 2024
Opening balance	\$1,146,091
Attributed to former owner of business combination under common control	
Net income for the period	19,474
Exchange differences on translation of the financial statements of foreign operations	42,923
Former owner of business combinations under common control transferred to owners of the Company	(<u>1,208,488</u>)
Ending balance	<u>\$ -</u>

(7) Non-controlling interests

	For the Nine Months Ended September 30	
	2025	2024
Opening balance	\$520,566	\$491,181
Net income for the period	8,641	18,701
Exchange differences on translation of the financial statements of foreign operations	(22,166)	11,733
Cash dividends from subsidiaries	(<u>30,182</u>)	<u>-</u>
Ending balance	<u>\$476,859</u>	<u>\$521,615</u>

25. Revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Revenue from customer contracts				
Merchandise sales revenue	<u>\$ 1,335,076</u>	<u>\$ 1,432,784</u>	<u>\$ 4,088,286</u>	<u>\$ 3,995,771</u>

(1) Balance of contracts

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes receivable	<u>\$523,663</u>	<u>\$554,070</u>	<u>\$691,953</u>	<u>\$949,137</u>
Accounts receivable	<u>\$480,114</u>	<u>\$496,922</u>	<u>\$465,002</u>	<u>\$513,102</u>
Contract liabilities - current				
Merchandise sales	\$ 98,751	\$ 37,816	\$ 50,050	\$ 62,286
Collection of clients' scrapped targets in advance	<u>92,573</u>	<u>87,840</u>	<u>75,258</u>	<u>23,549</u>
	<u>\$191,324</u>	<u>\$125,656</u>	<u>\$125,308</u>	<u>\$ 85,835</u>

The movements in contract liabilities mainly arise from the difference between the point at which performance obligations are satisfied and the point at which clients pay.

The amounts of contract liabilities from the beginning of this period recognized in revenue for this year are as follows:

	For the Nine Months Ended September 30	
	2025	2024
Merchandise sales revenue	<u>\$ 42,156</u>	<u>\$ 58,832</u>

(2) Details of revenue from customer contracts

For the nine months ended September 30, 2025

	The Company	CSPM	Total
<u>Major regional markets</u>			
Taiwan	\$ 2,664,776	\$ 22,225	\$ 2,687,001
Asia	22,256	1,352,545	1,374,801
The Americas	<u>26,484</u>	<u>-</u>	<u>26,484</u>
	<u>\$ 2,713,516</u>	<u>\$ 1,374,770</u>	<u>\$ 4,088,286</u>
<u>Major products</u>			
Sputtering targets	\$ 328,909	\$ 20,986	\$ 349,895
Precious metals	2,320,385	-	2,320,385
Titanium/nickel Products	-	978,202	978,202
Rutile products, etc.	-	370,106	370,106
Others	<u>64,222</u>	<u>5,476</u>	<u>69,698</u>
	<u>\$ 2,713,516</u>	<u>\$ 1,374,770</u>	<u>\$ 4,088,286</u>

For the nine months ended September 30, 2024

	The Company	Taicang TCMC	CSPM	Total
<u>Major regional markets</u>				
Taiwan	\$ 1,917,682	\$ 12,249	\$ 7,616	\$ 1,937,547
Asia	70,842	96,819	1,853,798	2,021,459
The Americas	26,360	-	-	26,360
Europe	-	10,405	-	10,405
	<u>\$ 2,014,884</u>	<u>\$ 119,473</u>	<u>\$ 1,861,414</u>	<u>\$ 3,995,771</u>
<u>Major products</u>				
Sputtering targets	\$ 349,534	\$ 105,119	\$ -	\$ 454,653
Precious metals	1,499,762	3,173	-	1,502,935
Titanium/nickel Products	-	-	1,407,542	1,407,542
Rutile products, etc.	-	-	445,278	445,278
Others	165,588	11,181	8,594	185,363
	<u>\$ 2,014,884</u>	<u>\$ 119,473</u>	<u>\$ 1,861,414</u>	<u>\$ 3,995,771</u>

26. Net income before tax

Net income before tax includes the following components:

(1) Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	Technical service income	\$ 4,000	\$ 10,000	\$ 15,707
Grant income	6,664	1,271	6,671	1,361
Rental income	899	968	2,785	2,889
Recovery of accounts of TCMC, a disposed subsidiary.	-	-	14,595	-
Others	1,453	2,469	1,854	3,089
	<u>\$ 13,016</u>	<u>\$ 14,708</u>	<u>\$ 41,612</u>	<u>\$ 17,339</u>

(2) Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	Net foreign exchange gain or loss	\$ 6,371	(\$ 2,394)	(\$ 13,359)
Net loss on financial assets and liabilities at fair value through profit or loss	10,845	(345)	13,036	(1,084)

(Continued on next page)

(Continued from previous page)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	Hedging ineffectiveness gains and losses			
The ineffective part of fair value hedging	\$ 1,236	(\$ 536)	(\$ 3,156)	\$ 6,082
Gain (loss) disposal of property, plant and equipment	542	(2,654)	707	(4,566)
Taxes paid pursuant to the equity swap agreement	(5,217)	-	(5,217)	-
Others	(367)	(189)	(1,251)	(4,438)
	<u>\$ 13,410</u>	<u>(\$ 6,118)</u>	<u>(\$ 9,240)</u>	<u>\$ 9,998</u>

The above net foreign exchange gains and losses are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	Total foreign exchange gains	\$ 3,277	\$ 195	\$ 8,260
Total foreign exchange losses	<u>3,094</u>	<u>(2,589)</u>	<u>(21,619)</u>	<u>(6,893)</u>
Net gains or losses	<u>\$ 6,371</u>	<u>(\$ 2,394)</u>	<u>(\$ 13,359)</u>	<u>\$ 14,004</u>

(3) Financial costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	Interest on bank borrowings	\$ 3,296	\$ 4,524	\$ 10,719
Interest on silver materials borrowed	1,191	428	2,961	1,669
Interest on the lease liabilities	421	444	1,280	1,351
Convertible corporate bond interest	-	169	-	1,978
Others	-	61	85	143
	<u>\$ 4,908</u>	<u>\$ 5,626</u>	<u>\$ 15,045</u>	<u>\$ 17,713</u>

(4) Depreciation and amortization

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Depreciation				
Property, plant and equipment	\$ 17,351	\$ 20,791	\$ 54,715	\$ 61,130
Investment properties	\$ 343	\$ 371	\$ 1,064	\$ 1,095
Right-of-use assets	<u>2,227</u>	<u>2,412</u>	<u>6,745</u>	<u>7,205</u>
	<u>\$ 19,921</u>	<u>\$ 23,574</u>	<u>\$ 62,524</u>	<u>\$ 69,430</u>
Amortization				
Computer software	\$ 474	\$ 473	\$ 1,418	\$ 1,286
Others	<u>144</u>	<u>202</u>	<u>429</u>	<u>795</u>
	<u>\$ 618</u>	<u>\$ 675</u>	<u>\$ 1,847</u>	<u>\$ 2,081</u>
Depreciation aggregated by function				
Operating cost	\$ 16,813	\$ 19,614	\$ 52,852	\$ 57,623
Operating expense	<u>3,108</u>	<u>3,960</u>	<u>9,672</u>	<u>11,807</u>
	<u>\$ 19,921</u>	<u>\$ 23,574</u>	<u>\$ 62,524</u>	<u>\$ 69,430</u>
Amortization aggregated by function				
Operating cost	\$ 451	\$ 447	\$ 1,357	\$ 1,307
Operating expense	<u>167</u>	<u>228</u>	<u>490</u>	<u>774</u>
	<u>\$ 618</u>	<u>\$ 675</u>	<u>\$ 1,847</u>	<u>\$ 2,081</u>

(5) Employee benefit expenses

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Short-term employee benefits				
Salary and wages	\$ 59,496	\$ 61,088	\$ 186,680	\$ 202,855
Labor and health insurance	6,482	6,907	19,842	20,849
Others	<u>8,513</u>	<u>8,055</u>	<u>23,711</u>	<u>25,886</u>
	<u>74,491</u>	<u>76,050</u>	<u>230,233</u>	<u>249,590</u>
Post-employment benefits				
Defined contribution pension plan	5,853	7,044	17,824	21,045
Defined benefit plan	<u>(69)</u>	<u>(55)</u>	<u>(206)</u>	<u>(165)</u>
	<u>5,784</u>	<u>6,989</u>	<u>17,618</u>	<u>20,880</u>

(Continued on next page)

(Continued from previous page)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Termination benefits				
Other employee benefits	<u>-</u>	<u>9,552</u>	<u>-</u>	<u>10,324</u>
	<u>\$ 80,275</u>	<u>\$ 92,591</u>	<u>\$247,851</u>	<u>\$280,794</u>
Aggregated by function				
Operating cost	\$ 52,069	\$ 55,821	\$163,422	\$179,374
Operating expense	<u>28,206</u>	<u>36,770</u>	<u>84,429</u>	<u>101,420</u>
	<u>\$ 80,275</u>	<u>\$ 92,591</u>	<u>\$247,851</u>	<u>\$280,794</u>

The Company's Articles of Incorporation provide for the appropriation of not less than 0.1% of the current year's earnings for employees and not more than 1% of the current year's earnings for directors. Pursuant to the amendment of the Securities and Exchange Act in August 2024, the Company expects to amend its Articles of Incorporation by a resolution of the shareholders' meeting in 2025 to specify that no less than 30% of employee compensation should be allocated to junior employees. As of September 30, 2025, the Company is not able to distribute earnings until a special reserve has been provided for the negative balance under other equity in accordance with the law, and therefore, employees' and directors' compensation has not been estimated. Employees' compensation (including grassroots employees' compensation) and directors' compensation estimated for the three months and nine months ended September 30, 2025 and 2024 are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Employee remuneration	\$ -	\$ -	\$ -	\$ -
Directors' remuneration	-	-	-	-

In 2024, the Company made a special reserve and had no earnings available for distribution, which was resolved by the Board of Directors in February 2025.

If there is a change in the amount after the release date of the annual consolidated financial statements are approved, the change will be accounted for as a change in accounting estimate and the adjustment accounted for in the following year.

The actual amount of allotment resolved by the Board of Directors in February 2024 and the amount recognized in the annual consolidated financial statements are shown in the table below, with the difference adjusting the profit or loss from January 1 to September 30, 2024

	2023	
	<u>Employee remuneration</u>	<u>Directors' remuneration</u>
Amount to be distributed by the resolution of the Board of Directors	<u>\$ 2,993</u>	<u>\$ 352</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 2,994</u>	<u>\$ 352</u>

For information on the remuneration to employees and directors resolved by the Board of Directors, please visit the Market Observation Post System (MOPS) of Taiwan Stock Exchange.

27. Income tax

(1) Income tax recognized in profit or loss

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Current income tax expenses				
Incurred during this year	\$ 2,225	\$ 16,435	\$ 27,161	\$ 28,440
Adjustment to the prior years	(58)	312	2,798	(2,002)
	<u>2,167</u>	<u>16,747</u>	<u>29,959</u>	<u>26,438</u>
Deferred tax				
Incurred during this year	3,072	(6,878)	1,866	(598)
Adjustment to the prior years	86	-	(5,390)	-
	<u>3,158</u>	<u>(6,878)</u>	<u>(3,524)</u>	<u>(598)</u>
	<u>\$ 5,325</u>	<u>\$ 9,869</u>	<u>\$ 26,435</u>	<u>\$ 25,840</u>

(2) Income tax return approval

The Company's profit-seeking enterprise income tax returns filed up to 2023 have been approved by the tax authority.

28. Earnings (loss) Per Share

The net income (loss) (attributable to the owners of the Company) and weighted average number of ordinary shares used to calculate earnings (loss) per share are as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Profit (loss) for the period attributable to owners of the Company	(\$ 5,409)	\$ 3,283	(\$ 7,781)	\$ 27,074
Profit for the period attributable to former owner of business combination under common control	-	-	-	19,474
Earnings (loss) used in the computation of basic earnings per share	(5,409)	3,283	(7,781)	46,548
Effect of potentially dilutive ordinary shares				
Interest and valuation on convertible bonds (after tax)	-	-	-	1,280
Earnings (loss) used in the computation of diluted earnings per share	<u>(\$ 5,409)</u>	<u>\$ 3,283</u>	<u>(\$ 7,781)</u>	<u>\$ 47,828</u>

Number of shares

Unit: In thousands of shares

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used to calculate the basic earnings (loss) per share	108,494	109,998	108,494	104,003
Influence of potential common stock with dilutive effect:				
Employee remuneration	-	-	-	13
convertible bonds	-	-	-	<u>4,102</u>
Weighted average number of ordinary shares used to calculate the diluted earnings (loss) per share	<u>108,494</u>	<u>109,998</u>	<u>108,494</u>	<u>108,118</u>

From January 1 to September 30, 2025, the net loss incurred resulted in an anti-dilution effect in the calculation of diluted loss per share; therefore, no diluted loss per share was calculated.

From July 1 to September 30, 2024, any conversion of the Company's outstanding convertible bonds will not be included in the calculation of diluted earnings per share due to their anti-dilutive effect.

The share swap with OmniGains under the share swap agreement was treated as a restructuring of the organization under common control. In calculating the earnings per share for the comparative period, the Company retroactively adjusted the weighted-average number of shares outstanding based on the share swap ratio agreed upon in the share swap agreement.

If the Company may elect to pay employee remuneration in stock or cash, when diluted earnings per share are calculated, it is assumed that employee remuneration will be paid out in stock, and when the ordinary shares are potentially dilutive, they will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilution effect of these potential ordinary shares will also continue to be considered when the diluted earnings per share is calculated before the following year's shareholders' meeting resolves a decision on the number of shares distributed for employee remuneration.

29. Government grants

Since subsidiaries, Taicang TCMC and TUMC have been officially put into production. As per the investment agreements, government grants of NT\$3,802 thousand and NT\$5,420 thousand (787 thousand RMB and 1,122 thousand RMB), respectively, totaling NT\$9,222 thousand, related to the costs of plant construction in July 2013, was obtained. The amounts were reclassified to profit or loss during the useful lives of the relevant assets. However, the Company sold the entire equity in its subsidiary, Taicang TCMC and TUMC, on March 2019 and November 2024, respectively, so the long-term unearned revenue of NT\$4,554 thousand and \$2,709 thousand were recognized, respectively. As of September 30, 2024, the balance of un-reversed gains and losses amounted to \$2,743 thousand, included the liabilities directly associated with non current assets held for sale. The revenue generated for the three months and nine months ended September 30, 2024 was NT\$18 thousand and NT\$53 thousand, respectively, which were recognized in other income.

30. Disposal of subsidiaries

TTGL, a subsidiary of the Group, disposed of the entire shareholding of Taicang TCMC to unrelated parties in November 2024, a transaction that resulted in TTGL losing control over the company.

(1)	Consideration transferred	
	Cash	Taicang TCMC <u>\$ 26,916</u>
(2)	Analysis of assets and liabilities on the date control was lost	
	Current assets	Taicang TCMC <hr/>
	Cash and cash equivalents	\$ 19,729
	Accounts receivable	51,567
	Inventory	4,847
	Prepayments	45
	Other current assets	9
	Non-current assets	
	Property, plant and equipment	35,748
	Right-of-use assets	12,828
	Current liabilities	
	Short-term borrowings	(26,916)
	Accounts payable	(86,071)
	Non-current liabilities	
	Long-term unearned revenue	(<u>2,709</u>)
		<u>\$ 9,077</u>
(3)	Gain on disposal of subsidiaries	
	Consideration received	Taicang TCMC <hr/> \$ 26,916
	Net assets disposal of subsidiaries	<u>9,077</u>
	Gain on disposal	<u>\$ 17,839</u>
(4)	Net cash inflow on disposal of subsidiary	
	Consideration received in cash and cash equivalents	Taicang TCMC <hr/> \$ 26,916
	Less: Cash and cash equivalent balance disposal of subsidiaries	<u>19,729</u>
		<u>\$ 7,187</u>

31. Capital risk management

The Group engages in capital management to ensure that it can maximize shareholder returns by optimizing debt and equity balances while continuing to operate. The Group's capital structure consists of liability and equity and is not subject to other external capital requirements.

32. Financial instruments

(1) Fair value of financial instruments that are not measured at fair value

The Management Team of Group believe that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximated their fair values.

(2) Fair value information - financial instruments measured at fair value on a recurring basis

I. Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>September 30, 2025</u>				
Financial assets at fair value through profit or loss				
Listed shares	\$ 7,261	\$ -	\$ -	\$ 7,261
Mutual funds	<u>-</u>	<u>-</u>	<u>16,985</u>	<u>16,985</u>
	<u>\$ 7,261</u>	<u>\$ -</u>	<u>\$ 16,985</u>	<u>\$ 24,246</u>
Financial assets for hedging				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 9,053</u>	<u>\$ -</u>	<u>\$ 9,053</u>
Financial assets at fair value through other comprehensive income				
Listed shares	\$ 84,070	\$ -	\$ -	\$ 84,070
Domestic unlisted stocks	<u>-</u>	<u>-</u>	<u>1,569</u>	<u>1,569</u>
	<u>\$ 84,070</u>	<u>\$ -</u>	<u>\$ 1,569</u>	<u>\$ 85,639</u>
Financial liabilities at fair value through profit or loss				
Forward exchange agreements	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 5</u>
<u>December 31, 2024</u>				
Financial assets at fair value through profit or loss				
Domestic emerging market shares	\$ -	\$ -	\$ 6,165	\$ 6,165
Mutual funds	<u>-</u>	<u>-</u>	<u>12,415</u>	<u>12,415</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,580</u>	<u>\$ 18,580</u>

(Continued on next page)

(Continued from previous page)

	Level 1	Level 2	Level 3	Total
<u>December 31, 2024</u>				
Financial assets at fair value through other comprehensive income				
Domestic emerging market shares	\$ -	\$ -	\$ 29,679	\$ 29,679
Domestic unlisted stocks	<u>-</u>	<u>-</u>	<u>1,579</u>	<u>1,579</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,258</u>	<u>\$ 31,258</u>
Financial liabilities at fair value through profit or loss				
Forward exchange agreements	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 30</u>
<u>September 30, 2024</u>				
Financial assets at fair value through profit or loss				
Forward exchange agreements	\$ -	\$ 59	\$ -	\$ 59
Domestic emerging market shares	-	-	6,361	6,361
Convertible bonds call options and put options, net	-	-	16	16
Mutual funds	<u>-</u>	<u>-</u>	<u>12,449</u>	<u>12,449</u>
	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 18,826</u>	<u>\$ 18,885</u>
Financial assets for hedging				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 5,227</u>	<u>\$ -</u>	<u>\$ 5,227</u>
Financial assets at fair value through other comprehensive income				
Domestic emerging market shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,625</u>	<u>\$ 30,625</u>

There were no transfers between Level 1 and Level 2 fair values for the three months ended September 30, 2025 and 2024.

II. Reconciliation of financial instruments measured at fair value in Level 3

Financial assets	Financial assets at fair value through profit or loss	
	For the Nine Months Ended September 30	
	2025	2024
Opening balance	\$ 18,580	\$ 6,942
Additions	4,500	12,840
Recognized in profit or loss	8,981	(972)
Disposals	(10,918)	-
Transfer out of Level 3 (Note)	(<u>4,158</u>)	<u>-</u>
Ending balance	<u>\$16,985</u>	<u>\$18,810</u>

Financial assets	Financial assets at fair value through other comprehensive income	
	Equity instruments	
	For the Nine Months Ended September 30	
	2025	2024
Opening balance	\$ 31,258	\$ 33,422
Recognized in other comprehensive income	(3,609)	(2,797)
Transfer out of Level 3 (Note)	(<u>26,080</u>)	<u>-</u>
Ending balance	<u>\$ 1,569</u>	<u>\$ 30,625</u>

Financial Asset (liability)	Financial Asset (liability) at fair value through profit or loss	
	Convertible bonds call options and put options, net	
	For the Nine Months Ended September 30	
	2025	2024
Opening balance	\$ -	\$ 80
Conversion	-	(442)
Recognized in profit or loss	<u>-</u>	<u>378</u>
Ending balance	<u>\$ -</u>	<u>\$ 16</u>

Note: From January 1, 2025, to September 30, 2025, the fair value measurement level of this equity instrument was reclassified from Level 3 to Level 1 due to the availability of publicly quoted prices in an active market (unadjusted).

III. Valuation techniques and inputs for Level 2 fair value measurement

Types of financial instruments	Valuation techniques and inputs
Derivatives - precious metals futures contracts	There is no market price available as a reference for the precious metals' futures contracts traded by the Company, and such contracts were estimated through valuation. The estimates and assumptions adopted in the valuation are consistent with the information adopted by market participants for estimation and assumption when they priced financial instruments.
Derivatives - forward exchange agreements	The Company estimated the future cash flow based on the observable forward exchange rates and the exchange rates specified in the agreements at the end of the period and discounted each of them at a discount rate that could reflect each counterparty's credit risk. The estimates and assumptions adopted in the valuation are consistent with the information adopted by market participants for estimation and assumption when they priced financial instruments.

IV. Valuation techniques and inputs for Level 3 fair value measurement

Derivative financial instruments - convertible bonds were determined using the binomial option pricing model, where the unobservable input is stock market volatility, risk-free interest rate, discount rate and liquidity risk.

For market shares of emerging stock board company, fair values were estimated on the basis of the closing price and the liquidity discount on the balance sheet date.

The fair values of unlisted stocks were estimated by reference to the net worth of the Company.

The fair value of the beneficiary certificates was estimated by reference to the net worth of the Company.

(3) Types of financial instruments

Financial assets	September 30, 2025	December 31, 2024	September 30, 2024
At fair value through profit or loss - mandatorily at fair value through profit or loss	\$ 24,246	\$ 18,580	\$ 18,885
Financial assets for hedging	9,053	-	5,227
Financial assets at amortized cost (Note 1)	1,519,074	1,655,047	1,782,332
Financial assets at fair value through other comprehensive income - investment in equity instruments	85,639	31,258	30,625

(Continued on next page)

(Continued from previous page)

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial liabilities</u>			
At fair value through profit or loss			
- held for trading	\$ 5	\$ 30	\$ -
Financial liabilities for hedging	314,252	169,085	88,244
At amortized cost (Note 2)	1,296,348	1,406,077	1,644,096

Note 1: The balance includes cash and cash equivalents, notes receivable, accounts receivable, net, other receivables, other financial assets (current and non-current), and guarantee deposits paid. This balance includes the balance of related assets transferred to the disposal group held for sale.

Note 2: The balance represents financial liabilities at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, Current portion of bonds payable, current portion of long-term liabilities, long-term bank borrowings and guarantee deposits received. This balance includes the balance of the related liabilities transferred to the disposal group held for sale.

(4) Purpose and policy of financial risk management

The Group's main financial instruments include notes receivable, accounts receivable, net, short-term and long-term borrowings, accounts payable, bonds payable, and lease liabilities. The Group's Management Department provides services to each business unit, coordinates the operations of investments in the domestic and international financial markets, and supervises and manages the financial risks related to the Group's operations by analyzing the internal risk reports on the exposure as per the breadth and depth of risks. Such risks include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group uses derivatives to avoid exposure to risk, thereby reducing the impact of these risks. The trading of derivatives is regulated by the policies approved by the Group's Board of Directors; such policies are the written principles to regulate exchange rate risk, interest rate risk, credit risk, trading of derivatives and non-derivatives, and investment with surplus liquidity. Internal auditors continue to review compliance with the policies and the amounts exposed to such risks. The Group does not trade financial instruments (including derivatives) for speculative purposes.

Market risk

I. Exchange rate risk

The Group's silver material transactions are all denominated in non-functional currency (USD). In addition, part of the income from processing services is traded in a non-functional currency, which has resulted in exchange rate fluctuation risk. The Group has adopted derivatives, such as forward foreign exchange agreements and purchase of foreign currency deposits to reduce the exchange rate risk.

Please refer to Note 36 for the carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date.

The Group is mainly affected by the exchange rate fluctuations of the USD, RMB, and JPY. The table below details the Company's sensitivity analysis when the exchange rate of the Group's functional currency against the USD, RMB,

and JPY increased and decreased by 1%. One percent is the sensitivity rate used in reporting the exchange rate risk to the key management team within the Group and represents the management's assessment of the reasonable range of potential changes in foreign-currency exchange rates. The sensitivity analysis only included monetary items in foreign currencies in circulation. The table below shows the influence on profit and loss before tax when the Group's functional currency depreciated by 1% against the USD, RMB, and JPY:

	For the Nine Months Ended September 30	
	2025	2024
USD	<u>\$ 891</u>	<u>\$ 1,489</u>
RMB	<u>\$ 303</u>	<u>\$ 250</u>
JPY	<u>\$ 468</u>	<u>\$ 85</u>

Note: It is mainly due to the USD, RMB, and JPY including cash and cash equivalents, accounts receivable, other receivables, guarantee deposits paid, other financial assets-current and accounts payable still in circulation on the balance sheet date, the cash flows of which have not been hedged.

The management believes that sensitivity analysis cannot represent the inherent exchange rate risk as foreign currency exposures on the balance sheet date cannot reflect the interim exposures. Sales denominated in USD will vary with clients' orders and spot prices.

II. Exchange rate risk

Interest rate exposures arise when the Group borrows funds at both fixed and floating interest rates. The Group diversifies the risk of interest rate changes by maintaining an appropriate combination of fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities exposed to the interest rate risk on the balance sheet date are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
Financial liabilities	\$104,154	\$108,542	\$127,598
Cash flow interest rate risk			
Financial assets	257,943	326,992	328,524
Financial liabilities	733,337	709,934	745,590

The following sensitivity analyses are based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. For liabilities at floating rates, the analysis is based on the assumption that the amounts of the liabilities outstanding at the balance sheet date were all outstanding throughout the reporting period. An increase or decrease in interest rates by 1% is the sensitivity rate adopted in reporting the interest rate risk to the key management team within the Group and represents the management's assessment of the reasonable range of potential changes in interest rates.

If the interest rate decreased/increased by 1%, with all other variables remaining unchanged, the Group's net income before tax for the nine months ended September 30, 2025 and 2024 would have decreased/increased by NT\$5,500 thousands and NT\$5,592 thousands, respectively.

(5) Other price risks

The Group engage in precious metal futures trading to hedge the risks arising from price fluctuations of inventories. The Group hold spot positions in underlying derivatives, so the market price risk is not significant.

The Group signed precious metal borrowing contracts with suppliers with the prices being the quotes in the international precious metal market, plus a certain percentage of profit margin. To manage the inventory exposed to the risk of precious metals prices, the Group adopts the international precious metal borrowing contracts in the same category and quantity as the fair value risk hedging instrument for the precious metal price risk component contained in the inventory. As per the historical experience, the movements in the fair values of the designated precious metal price risk components cover the movements in prices of the overall contracts on average, so the market price risk is not significant.

Hedge accounting

The Group entered into fair value hedges by engaging in precious metal borrowing contracts to mitigate the risk of changes in fair value of financial liabilities due to fluctuations in international precious metal prices, and by engaging in precious metal futures contracts to hedge the risk of changes in price of inventories. The fair value of precious metal borrowing transactions at the balance sheet date is estimated based on the market price of precious metals. The fair value of precious metal futures transactions at the balance sheet date is estimated by holding the spot position of the underlying derivatives.

The above precious metal borrowing transactions and precious metals futures contracts matched the terms of financial liabilities. As per the Group's qualitative assessment, precious metal borrowing transactions and precious metals futures contracts and the values of hedged financial items will change in reverse in a systematic manner due to the movements in the hedged international precious metal prices. The hedge ineffectiveness mainly comes from the influence of the credit risk between the Group and the counterparties on the fair values of the precious metal borrowing transactions. The credit risk will not affect the hedged items due to the movements in the fair values of the international precious metal prices. No other sources of hedge ineffectiveness appeared during the hedge period.

The information on the hedging of the risk from the movements in the international precious metal prices exposed to the Group is aggregated as follows:

September 30, 2025

<u>Hedging instruments</u>	<u>Contract amount</u>	<u>Due period</u>	<u>Balance sheet line items</u>	<u>Carrying amount Asset/Liability</u>	<u>Movements in the fair values of hedging instruments used to evaluate the hedge ineffectiveness for the year</u>
Fair value hedge					
Precious metal borrowing contracts	\$ 314,252	-	Financial liabilities for hedging	\$ 314,252	\$ -
Sell futures contracts-Silver	29,954	2025.12	Financial Assets for hedging	9,053	(5,913)
Sell futures contracts-Silver	211,620	2025.02~2025.08	Financial Assets for hedging	-	(6,200)

Hedged items	Carrying amount Assets	Cumulative fair value adjustments Assets	Movements in the fair values of hedged items used to evaluate the hedge ineffectiveness for the year
Fair value hedge			
Inventory - Borrowing materials for hedging	\$ 314,252	\$ -	\$ -
Inventory - futures contracts	<u>27,031</u>	<u>8,957</u>	<u>8,957</u>
	<u>\$ 341,283</u>	<u>\$ 8,957</u>	<u>\$ 8,957</u>

December 31, 2024

Hedging instruments	Contract amount	Due period	Balance sheet line items	Carrying amount Asset/Liability	Movements in the fair values of hedging instruments used to evaluate the hedge ineffectiveness for the year
Fair value hedge					
Precious metal borrowing contracts	\$ 186,774	-	Financial liabilities for hedging	\$ 169,085	\$ 17,659
Sell futures contracts-Silver	342,394	2024.03~ 2024.12	Financial Assets for hedging	-	(199)

Hedged items	Carrying amount Assets	Cumulative fair value adjustments Assets	Movements in the fair values of hedged items used to evaluate the hedge ineffectiveness for the year
Fair value hedge			
Inventory - Borrowing materials for hedging	<u>\$169,085</u>	<u>(\$ 17,659)</u>	<u>(\$ 17,659)</u>

September 30, 2024

Hedging instruments	Contract amount	Due period	Balance sheet line items	Carrying amount Asset/Liability	Movements in the fair values of hedging instruments used to evaluate the hedge ineffectiveness for the year
Fair value hedge					
Precious metal borrowing contracts	\$ 88,244	-	Financial liabilities for hedging	\$ 88,244	\$ -
Sell futures contracts-Silver	31,776	2024.12	Financial Assets for hedging	5,227	(1,497)
Sell futures contracts-Silver	299,183	2024.03~ 2024.09	Financial Assets for hedging	-	(1,104)

Hedged items	Carrying amount Assets	Cumulative fair value adjustments Assets	Movements in the fair values of hedged items used to evaluate the hedge ineffectiveness for the year
Fair value hedge			
Inventory - Borrowing materials for hedging	\$ 88,244	\$ -	\$ -
Inventory - futures contracts	<u>24,758</u>	<u>8,631</u>	<u>8,631</u>
	<u>\$113,002</u>	<u>\$ 8,631</u>	<u>\$ 8,631</u>

(6) Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk of financial loss due to non-performance by counterparties is from the carrying amounts of financial assets recognized in consolidated balance sheets.

Except for a small number of clients whose accounts receivable and overdue receivable were estimated to be irrecoverable with significant credit risks and an allowance for such losses already provide, the Group's clients are all companies with

good credit ratings. The business unit grants each of such clients a credit line based on the credit investigation results and regularly tracks their payment status; thus, no significant credit risk is expected.

The Group's receivables are significantly concentrated in certain clients, most of whom engage in similar business activities with similar economic characteristics, and their ability to perform contracts is also similarly influenced by their financial positions or other conditions, so significant credit risk concentration exists. The balance of accounts receivable from clients, on which the credit risk is significantly concentrated, (accounting for 10% or more of the balance of notes receivable, accounts receivable, and other receivables) is as follows:

Name of client	September 30, 2025	December 31, 2024	September 30, 2024
Company A	<u>\$123,409</u>	<u>\$118,326</u>	<u>\$122,391</u>

(7) Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support the operations and signs loan contracts with financial institutions to maintain an appropriate amount required for business operations. As the Group's equity in the capital structure is much greater than its liabilities, and remaining amount of bank loans is sufficient. As of September 30, 2025 and December 31 and September 30, 2024, the Group's unused bank financing facilities were NT\$3,548,886 thousand, NT\$4,001,717 thousand and NT\$4,010,523 thousand, respectively. Thus, no liquidity risk was posed to the Company.

The table below lists the analysis of the Group's financial liabilities during the agreed repayment period based on the maturity dates and the undiscounted principal amounts:

	Less than 1 year	1 to 5 years	5 years or above	Total
<u>September 30, 2025</u>				
Short-term Borrowings	\$ 220,919	\$ -	\$ -	\$ 220,919
Financial liabilities for hedging - current	314,252	-	-	314,252
Payable	481,602	-	-	481,602
Lease liabilities	7,556	30,226	79,972	117,754
Other payables	79,858	-	-	79,858
long-term bank borrowings	<u>84,124</u>	<u>454,264</u>	<u>-</u>	<u>538,388</u>
	<u>\$1,188,311</u>	<u>\$ 484,490</u>	<u>\$ 79,972</u>	<u>\$1,752,773</u>
<u>December 31, 2024</u>				
Short-term Borrowings	\$ 209,952	\$ -	\$ -	\$ 209,952
Financial liabilities for hedging - current	169,085	-	-	169,085
Payable	588,112	-	-	588,112
Lease liabilities	7,556	30,226	85,639	123,421
Other payables	106,265	-	-	106,265
long-term bank borrowings	<u>50,781</u>	<u>439,453</u>	<u>41,797</u>	<u>532,031</u>
	<u>\$1,131,751</u>	<u>\$ 469,679</u>	<u>\$ 127,436</u>	<u>\$1,728,866</u>

(Continued on next page)

(Continued from previous page)

	Less than 1 year	1 to 5 years	5 years or above	Total
September 30, 2024				
Short-term Borrowings	\$ 247,884	\$ -	\$ -	\$ 247,884
Financial liabilities for hedging - current	88,244	-	-	88,244
Payable	652,516	-	-	652,516
Lease liabilities	7,581	30,226	87,528	125,335
Bonds payable	18,200	-	-	18,200
Liabilities directly associated with non-current assets held for sale	142,224	-	-	142,224
Other payables	95,196	-	-	95,196
long-term bank borrowings	<u>50,977</u>	<u>441,406</u>	<u>41,992</u>	<u>534,375</u>
	<u>\$1,302,822</u>	<u>\$ 471,632</u>	<u>\$ 129,520</u>	<u>\$1,903,974</u>

Further information on maturity analysis of lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years
September 30, 2025					
Lease liabilities	<u>\$ 7,556</u>	<u>\$30,226</u>	<u>\$30,226</u>	<u>\$30,226</u>	<u>\$19,520</u>
December 31, 2024					
Lease liabilities	<u>\$ 7,556</u>	<u>\$30,226</u>	<u>\$30,226</u>	<u>\$30,226</u>	<u>\$25,187</u>
September 30, 2024					
Lease liabilities	<u>\$ 7,581</u>	<u>\$30,226</u>	<u>\$30,226</u>	<u>\$30,226</u>	<u>\$27,076</u>

(8) Financial Asset Transfer Information

The subsidiary, CSPM, entered into a contract for discounting notes receivable with a bank. According to the contract, if the bank acceptance receivable is uncollectible upon maturity, the transferee has the right to demand the subsidiary, CSPM, to pay the outstanding balance. Therefore, CSPM did not transfer the material risks and rewards of the bankers' acceptance receivables and continued to recognize all bankers' acceptance receivables and used the transferred bankers' acceptance receivables as collaterals for its borrowings, as described in Note 34.

As of September 30, 2025 and December 31 and September 30, 2024, the carrying amounts of the un-derecognized transferred bank acceptance receivables were \$170,837 thousand, \$194,934 thousand and \$245,590 thousand, respectively, and the carrying amounts of the related liabilities were \$170,837 thousand, \$194,934 thousand and \$245,590 thousand, respectively.

33.

Related Party Transactions

Except for those disclosed in other notes, transactions between the Group and related parties are as follows.

(1) Name of related party and relations therewith

Name of related party	Relations with the Group
China Steel Corporation (CSC)	Ultimate parent company
Gains Investment Corporation	Parent company
CSC Solar Corporation	Sister company
CSGT Japan Co., Ltd. (CSGT Japan)	Sister company
C.S. Aluminium Corporation (CSAC)	Sister company
China Steel Chemical Corporation	Sister company
Infochamp Systems Corporation	Sister company
Ever Wealthy International	Sister company
Chung Hung Steel Corporation	Sister company
CHC Resources Corporation	Sister company
China Steel Security Corporation	Sister company
Dragon Steel Corporation	Sister company
Steel Castle Technology Corporation	Sister company
Mentor Consulting Corporation	Sister company
Changzhou China Steel New Materials Technology Co., Ltd.(CSNM)	Sister company
Changshu Walsin Specialty Steel Co., Ltd.	Enterprises with significant influence over subsidiaries
Yantai Walsin Stainless Steel Co., Ltd.	Enterprises with significant influence over subsidiaries
Jiangyin Walsin Specialty Alloy Materials Co.,Ltd	Enterprises with significant influence over subsidiaries
Walsin Singapore Pte. Ltd	Enterprises with significant influence over subsidiaries
United Renewable Energy Co., Ltd.	A director of the Company

(2) Operating revenue

Account	Category of related party	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Sales revenue	Ultimate parent company	\$ -	\$ 1	\$191,392	\$ 254
	Sister company	6,958	6,123	22,373	13,305
	Enterprises with significant influence over subsidiaries	<u>4,590</u>	<u>192</u>	<u>16,428</u>	<u>27,023</u>
		<u>\$ 11,548</u>	<u>\$ 6,316</u>	<u>\$230,193</u>	<u>\$ 40,582</u>

There is no similar transaction available to be used to compare with the sales revenue from part of the sales to the ultimate parent company, and there is no significant difference in the selling prices and payment terms between the transactions with the ultimate parent company and non-related parties.

(3) Purchases

Category of related party	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Ultimate parent company	\$ -	\$ -	\$ 4,738	\$ 2,204
Sister company	94	-	156	147
Enterprises with significant influence over subsidiaries	<u>588</u>	<u>-</u>	<u>1,218</u>	<u>-</u>
	<u>\$ 682</u>	<u>\$ -</u>	<u>\$ 6,112</u>	<u>\$ 2,351</u>

Regarding purchases from related parties, the transaction prices cannot be compared because the same products were not purchased from a non-related party, and the payment terms are not significantly different from those for general suppliers. Payments are made in 30 to 60 days at the end of each month.

(4) Other related party transactions

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>Processing fees</u>				
Sister company				
CSAC	<u>\$ 10,471</u>	<u>\$ 6,155</u>	<u>\$ 27,373</u>	<u>\$ 26,227</u>

The Company pays processing fees to the above related parties. As no non-related party was not entrusted to provide similar product processing services, the transaction prices could not be compared. The payment terms are 30 to 60 days at the end of each month for the above related parties and 60 to 90 days at the end of each month for the non-related parties.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>Research and professional services fees</u>				
Ultimate parent company	<u>\$ 383</u>	<u>\$ 378</u>	<u>\$ 1,658</u>	<u>\$ 1,641</u>
<u>Security fees</u>				
Sister company	<u>\$ 599</u>	<u>\$ 569</u>	<u>\$ 1,767</u>	<u>\$ 1,699</u>

(Continued on next page)

(Continued from previous page)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	<u>Corporate Consultancy Fee</u>			
Ultimate parent company	\$ 1,164	\$ 3,971	\$ 3,493	\$ 3,971
Sister company	<u>-</u>	<u>100</u>	<u>19</u>	<u>100</u>
	<u>\$ 1,164</u>	<u>\$ 4,071</u>	<u>\$ 3,512</u>	<u>\$ 4,071</u>
<u>Technical service income</u>				
Ultimate parent company	<u>\$ 4,000</u>	<u>\$10,000</u>	<u>\$ 4,000</u>	<u>\$10,000</u>
<u>Rental income</u>				
Sister company	<u>\$ 899</u>	<u>\$ 967</u>	<u>\$ 2,785</u>	<u>\$ 2,863</u>

(5) Ending balance

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable			
Ultimate parent company	\$ -	\$ 2,245	\$ -
Sister company	4,077	5,597	6,375
Enterprises with significant influence over subsidiaries	<u>1,533</u>	<u>1,130</u>	<u>-</u>
	<u>\$ 5,610</u>	<u>\$ 8,972</u>	<u>\$ 6,375</u>
Rent received in advance (Recorded as unearned receipts)			
Sister company			
CSNM	<u>\$ 3,581</u>	<u>\$ 3,754</u>	<u>\$ 3,792</u>
Guarantee deposits paid			
Sister company			
CSGT Japan	<u>\$ 2,984</u>	<u>\$ 3,086</u>	<u>\$ 3,268</u>
Other payables			
Ultimate parent company	\$ 1,906	\$ 3,350	\$ 2,952
Sister company	<u>2,542</u>	<u>6,630</u>	<u>703</u>
	<u>\$ 4,448</u>	<u>\$ 9,980</u>	<u>\$ 3,655</u>
Rent received in advance (Recorded as other non-current liabilities)			
Sister company			
CSNM	<u>\$ 9,786</u>	<u>\$10,956</u>	<u>\$12,015</u>

(6) Remuneration to key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	Short-term employee benefits	\$ 2,446	\$ 2,535	\$ 8,589
Post-employment benefits	41	72	146	216
	<u>\$ 2,487</u>	<u>\$ 2,607</u>	<u>\$ 8,735</u>	<u>\$ 9,290</u>

34. Pledged Assets

The Group has provided the assets below as collateral for the bank borrowing facilities, borrowings drawn, dormitory leased from the Southern Taiwan Science Park Bureau, customs import and discounted notes receivable:

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 170,837	\$ 194,934	\$ 245,590
Buildings	106,628	111,466	113,078
	<u>\$ 277,465</u>	<u>\$ 306,400</u>	<u>\$ 358,668</u>

35. Material Contingencies and Unrecognized Contractual Commitments

- (1) As of September 30, 2025, to purchase raw materials, the Company guaranteed the amount of NT\$682,548 thousand from financial institutions.
- (2) As of September 30, 2025, the company signed contracts to purchase real estate, plant and equipment, and the outstanding amount was NT\$90,536 thousand.

36. Information on Foreign Currency Assets and Liabilities with Significant Effect

The information below is aggregated and presented in foreign currencies other than the Group's functional currency. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. The information on foreign currency assets and liabilities with significant effect is as follows:

Unit: In thousands in each foreign currency / exchange rate

September 30, 2025	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets under monetary items			
USD	\$ 2,589	30.445 (USD: NTD)	\$ 78,816
USD	352	7.1276 (USD: RMB)	10,731
RMB	9,877	4.271 (RMB: NTD)	42,185
JPY	227,258	0.2058 (JPY: NTD)	46,770

(Continued on next page)

(Continued from previous page)

	Foreign currency	Exchange rate		Carrying amount
Foreign currency liabilities under monetary items				
USD	\$ 11	30.445	(USD: NTD)	\$ 350
USD	5	7.1276	(USD: RMB)	134
RMB	2,780	4.271	(RMB: NTD)	11,873
<u>December 31, 2024</u>				
Foreign currency assets under monetary items				
USD	3,271	32.785	(USD: NTD)	107,254
USD	871	7.3206	(USD: RMB)	28,536
RMB	3,047	4.478	(RMB: NTD)	13,645
JPY	49,319	0.2099	(JPY: NTD)	10,352
Foreign currency liabilities under monetary items				
USD	7	32.785	(USD: NTD)	228
USD	4	7.3206	(USD: RMB)	144
<u>September 30, 2025</u>				
Foreign currency assets under monetary items				
USD	3,953	31.65	(USD: NTD)	125,108
USD	767	6.9976	(USD: RMB)	24,269
RMB	5,517	4.523	(RMB: NTD)	24,952
JPY	38,134	0.2223	(JPY: NTD)	8,477
Foreign currency liabilities under monetary items				
USD	7	31.65	(USD: NTD)	220
USD	9	6.9976	(USD: RMB)	281

The Group's net foreign exchange gain or loss for the three months and nine months ended September 30, 2025 and 2024 was a gain of NT\$6,371 thousand, a loss of NT\$2,394 thousand, a loss of NT\$13,359 thousand and a gain of NT\$14,004 thousand, respectively. Due to the wide variety of foreign currencies used in transactions, it is impossible to disclose the exchange gains and losses by foreign currencies with significant influence.

37. Business combinations under common control

In order to strengthen the Group's operational integration and resource consolidation, the Company's shareholders' meeting in June 2023 resolved to acquire 70% of the shares of China Steel Precision Materials Limited, a subsidiary of China Steel, through a share swap and for cash consideration. The Company issued 27,471 thousand shares of common stock to OmniGains in exchange for 1.18571427 shares of the Company's common stock for every 1 share of OmniGains' common stock, and indirectly acquired 35% of the shares of CSC Precision Materials. In addition, the Company acquired a 35% stake in CSPM from China Steel Asia Pacific Holdings Pte. Ltd., a subsidiary of CSC, for US\$23,168 thousand. Since the above transaction was a restructuring of the organization under common control, it should be regarded as a merger from the beginning and the comparative financial statements should be restated retroactively.

(1) Subsidiaries acquired

	<u>Nature of business</u>	<u>Date of Acquisition</u>	<u>Proportion of Voting Equity Interests Acquired (%)</u>	<u>Consideration Transferred</u>
CSPM	Production and sale of titanium and titanium alloys, nickel and nickel alloys	May 16, 2024	70	<u>\$1,035,339</u>

(2) Consideration transferred

	<u>CSPM</u>
Cash	\$ 760,628
Equity instruments issued	<u>274,711</u>
	<u>\$1,035,339</u>

(3) Net assets at acquisition date

	<u>CSPM</u>
Current assets	
Cash and cash equivalents	\$ 526,946
Notes receivable, accounts receivables and other receivables	963,091
Inventory	1,030,187
Other current assets	34,939
Non-current assets	
Property, plant and equipment	369,490
Right-of-use assets	95,237
Investment properties	19,223
Intangible assets	985
Other non-current assets	14,321
Current liabilities	
Short-term borrowings	(298,621)
Notes payable, accounts payable and other payables	(881,976)
Current tax liabilities	(1,447)
Other current liabilities	(73,026)
Non-current liabilities	
Lease liabilities - non-current	(58,510)
Other non-current liabilities	(<u>14,428</u>)
	<u>\$1,726,411</u>

(4) Effect of business combination of companies under common control

	CSPM
Consideration transferred	\$1,035,339
Plus: restructuring of the organization under common control - capital surplus	327,538
Plus: Non-controlling Interests	517,923
Less: Exchange differences arising from the translation of the financial statements of foreign operations	(154,389)
Less: Book value of identifiable net assets acquired	(1,726,411)
	<u>\$ -</u>

The Company pays the difference between the consideration transferred and the carrying amount, adjusting the capital surplus generated from the issue premium.

38. Additional Disclosures

- (1) Information on material transactions for the period ended September 30, 2025
 - I. Loans to others. (Table 1)
 - II. Endorsements/Guarantees to others. (Table 2)
 - III. Marketable securities held (investments in subsidiaries and affiliates are not included). (Table 3)
 - IV. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
 - V. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
 - VI. Other: Business relations and important transactions between parent company and subsidiaries and among subsidiaries and amounts (Table5)
- (2) Information on investees (Table 6)
- (3) Information on investment in Mainland China
 - I. Information on investees in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, profit or loss and investment income or loss recognized for the period, book value of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
 - II. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third region, and the price:
 - (I) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period: (None)
 - (II) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the year: (Table 5)
 - (III) The amount of property transactions and the amount of the resulting gains or losses. (None)
 - (IV) The balance of negotiable instrument endorsements or guarantees or collateral pledged at the end of the period and the purposes. (Table 2)
 - (V) The highest balance, the closing balance, the interest rate range, and total current-period interest with respect to financing of funds. (Table 1)
 - (VI) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of labor services. (None)

39.

Segment Information

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

- ThinTech Materials Technology Co., Ltd.

Mainly engaging in the processing and sales of various thin film sputtering targets and precious metals, as well as trading of general metals.

- Changzhou CSPM, Ltd.

Production and sale of titanium and titanium alloys, nickel and nickel alloys

- Others - The subsidiaries of the consolidated entity are the operating segments. Please refer to Note 13. All the operating segments have not reached the quantitative threshold.

(1) Segment revenue and operating performance

The Group's segment revenue and operating performance are as follows:

	The Company	CSPM	Other	Adjustments and write-offs	Consolidation
For the Nine Months Ended September 30, 2025					
Revenue from clients other than the parent company and subsidiaries	\$2,713,516	\$1,374,770	\$ -	\$ -	\$4,088,286
Revenue from the parent company and subsidiaries	-	33,040	-	(33,040)	-
Total revenue	<u>\$2,713,516</u>	<u>\$1,407,810</u>	<u>\$ -</u>	<u>(\$ 33,040)</u>	<u>\$4,088,286</u>
Profit (loss) of segments	(\$ 29,806)	\$ 30,417	\$ -	\$ 5,102	\$ 5,713
Interest income	321	2,720	736	-	3,777
Financial costs	(13,932)	(1,113)	-	-	(15,045)
Share of profit on subsidiaries and affiliates using the equity method	29,000	-	10,081	(38,603)	478
Other non-operating income and expenses	<u>22,423</u>	<u>3,950</u>	<u>9,818</u>	<u>(3,819)</u>	<u>32,372</u>
Net income before tax	8,006	35,974	20,635	(37,320)	27,295
Income tax expense	<u>15,787</u>	<u>7,170</u>	<u>3,478</u>	<u>-</u>	<u>26,435</u>
Net income (loss) for the period	<u>(\$ 7,781)</u>	<u>\$ 28,804</u>	<u>\$ 17,157</u>	<u>(\$ 37,320)</u>	<u>\$ 860</u>

	The Company	Taicang TCMC	Changzhou CSPM	Other	Adjustments and write-offs	Consolidation
For the Nine Months Ended September 30, 2024						
Revenue from clients other than the parent company and subsidiaries	\$2,014,884	\$ 119,473	\$1,861,414	\$ -	\$ -	\$3,995,771
Revenue from the parent company and subsidiaries	5,474	15,091	35,004	-	(55,569)	-
Total revenue	<u>\$2,020,358</u>	<u>\$ 134,564</u>	<u>\$1,896,418</u>	<u>\$ -</u>	<u>(\$ 55,569)</u>	<u>\$3,995,771</u>
Profit (Loss) of segments	\$ 25,811	(\$ 34,083)	\$ 79,330	\$ -	\$ 417	\$ 71,475
Interest income	2,608	159	6,738	21	(13)	9,513
Financial costs	(9,329)	(4,102)	(4,295)	-	13	(17,713)
Share of profit on subsidiaries and affiliates using the equity method	5,772	-	-	21,818	(27,113)	477
Other non-operating income and expenses	<u>28,828</u>	<u>850</u>	<u>(1,995)</u>	<u>71</u>	<u>(417)</u>	<u>27,337</u>
Net income (loss) before tax	53,690	(37,176)	79,778	21,910	(27,113)	91,089
Income tax expense	<u>7,140</u>	<u>-</u>	<u>17,441</u>	<u>1,259</u>	<u>-</u>	<u>25,840</u>
Net income (loss) for the period	<u>\$ 46,550</u>	<u>(\$ 37,176)</u>	<u>\$ 62,337</u>	<u>\$ 20,651</u>	<u>(\$ 27,113)</u>	<u>\$ 65,249</u>

Profit (loss) of segments refers to the profit earned by each segment, excluding the apportioned headquarters management costs and directors' remuneration, interest income, gains or losses on disposal of real estate, plant and equipment, foreign currency exchange gains or losses, financial instrument valuation gains or losses, financial costs, and income tax expenses. This amount measured is provided to the operating decision-maker for allocation of resources to segments and measurement of their performance.

(2) Total segment assets and liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Segment assets</u>			
Continuing operations			
The Company	\$ 2,950,024	\$ 2,798,149	\$ 2,669,945
Taicang TCMC	-	-	168,663
CSPM	2,451,293	2,706,094	2,820,196
Other	636,707	645,833	619,971
Adjustments and write-offs	(1,770,495)	(1,874,191)	(1,876,343)
Total consolidated assets	<u>\$ 4,267,529</u>	<u>\$ 4,275,885</u>	<u>\$ 4,402,432</u>
<u>Segment liabilities</u>			
Continuing operations			
The Company	\$ 1,162,333	\$ 960,957	\$ 858,222
Taicang TCMC	-	-	149,585
CSPM	861,762	970,874	1,081,481
Adjustments and write-offs	(21,116)	(13,704)	(20,194)
Total consolidated liabilities	<u>\$ 2,002,979</u>	<u>\$ 1,918,127</u>	<u>\$ 2,069,094</u>

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Loans to Others
For the period ended September 30, 2025

Table 1

Unit: NT\$ thousand
(unless specified otherwise)

No.	Lender	Borrower	Account title	Related party status	Highest balance for the period	Ending balance (Note 1)	Amount drawn (Note 4)	Interest rate range (%)	Nature of loan	Business transaction amount	Reasons for short-term financing	Allowance for bad debts	Collateral		Limit on loan to each borrower	Total limit on loans to others	Remarks
													Name	Value			
0	The Company	Changzhou CSPM, Ltd.	Other receivables	Yes	\$ 27,438	\$ -	\$ -	-	Note 2	\$ -	To meet the need for working capital	\$ -	-	\$ -	\$ 536,307	\$ 715,076	Note 3

Note 1: RMB is converted at the spot exchange rate of 1 RMB = 4.271 NTD.

Note 2: There is a need for short-term financing

Note 3: The limit of loans to an individual entity is 30% of the Company's net worth, and the total limit of loans to others is 40% of the net worth.

Note 4: It has been written off when the consolidated financial statements were prepared.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Endorsements/Guarantees to Others
For the period ended September 30, 2025

Table 2

Unit: NT\$ thousand
(unless specified otherwise)

No.	Name of endorser/guarantor	Party endorsed/guaranteed		Limit of endorsements/guarantees to a single enterprise	Highest balance of endorsement/guarantee of this year	Ending balance of endorsements/guarantees (Note 2)	Amount drawn	Amount of endorsement/guarantee with property as collateral	Cumulative endorsements/guarantees provided as a % of the net worth as per the latest financial statements	Maximum limit of endorsements/guarantees	Endorsement/guarantee by the parent company to a subsidiary	Endorsement/guarantee by a subsidiary to the parent company	Endorsement/guarantee to an entity in China	Remarks
		Name of company	Relations											
0	The Company	Changzhou CSPM, Ltd.	An investee whose with 50% or more of its voting shares held by the parent company and subsidiaries	\$715,076	\$ 59,449	\$ -	\$ -	\$ -	-	\$715,076	Y	N	Y	Note 1

Note 1: The limit of the Company's guarantee for a single enterprise is 40% of the net worth, and the maximum limit of endorsements/guarantees is 40% of the net worth.

Note 2: RMB is converted at the spot exchange rate of 1 RMB = 4.271 NTD.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
 Marketable securities held
 September 30, 2025

Table 3

Unit: NT\$ thousand
 (unless specified otherwise)

Company	Type and name of securities held	Relations with securities issuer	Account title	September 30, 2025				Remarks
				Number of shares/units	Carrying amount	Shareholding (%)	Fair value	
The Company	Common stock							
	Lianyou Metals Co., Ltd.	-	Financial assets at fair value through profit or loss - current	71,894	\$ 7,261	0.17	\$ 7,261	
	Lianyou Metals Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	832,373	84,070	1.94	84,070	
	LINCO Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	55,000	1,569	0.07	1,569	Note
	Funds							
	CDIB-Innolux II Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	-	16,985	-	16,985	Note

Note : The calculation is based on the net worth on September 30, 2025.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
 Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
 For the period ended September 30, 2025

Table 4

Unit: NT\$ thousand
 (unless specified otherwise)

Buyer/Seller	Counterparty	Relations	Transaction situation				Notes and accounts receivable (payable)		Remarks		
			Purchase (sale)	Amount	As a % of total (sales) purchases	Credit period	Situation and reason for transaction conditions different from general ones			Balance	As a % of total notes and accounts receivable (payable)
							Unit price	Credit period			
The Company	CSC	Ultimate parent company	Sale	(\$ 191,392)	(5)	Payment collected 30 days after acceptance	-	-	\$ -	-	

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries
For the period ended September 30, 2025

Table 5

Unit: NT\$ thousand
(unless specified otherwise)

No.	Name of trader	Transaction counterparty	Relations with trader	Transaction			As a % of total consolidated revenue or total assets
				Item	Amount	Transaction conditions	
0	The Company	Changzhou CSPM, Ltd.	Parent company to subsidiary	Prepayments to suppliers	\$ 8,218	As per the contract	-
0	The Company	Changzhou CSPM, Ltd.	Parent company to subsidiary	Other income	3,817	As per the contract	-
0	The Company	Changzhou CSPM, Ltd.	Parent company to subsidiary	Other receivables	1,025	As per the contract	-
1	Changzhou CSPM, Ltd.	The Company	Subsidiary to parent company	Sales revenue	33,040	As per the contract	1
1	Changzhou CSPM, Ltd.	The Company	Subsidiary to parent company	Accounts receivable	2,349	As per the contract	-
1	Changzhou CSPM, Ltd.	The Company	Subsidiary to parent company	Other receivables	9,524	As per the contract	-
1	Changzhou CSPM, Ltd.	The Company	Subsidiary to parent company	Other income	2	As per the contract	-

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Information on Investees
For the period ended September 30, 2025

Table 6

Unit: NT\$ thousand
(unless specified otherwise)

Name of investor	Name of investee	Location	Principal business activities	Initial investment amount		As of September 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remarks
				September 30, 2025	December 31, 2024	Number of shares	(%)	Carrying amount			
The Company	Thintech Global Limited	Samoa	An investment holding company	\$ 205,435	\$ 205,435	6,800,000	100	\$ 39,698	\$ 12,543	\$ 12,543	註 2
The Company	Pro-Ascentek Investment Corporation	Taiwan	General investment	30,000	30,000	3,000,000	2.5	33,545	19,127	478	
The Company	OmniGains Investment Corporation	Samoa	An investment holding company	274,711	274,711	23,168,349	100	597,009	4,614	4,614	註 1 及 2

Note 1: The Company invests in Changzhou CSPM, Ltd. through OmniGains.

Note 2: It has been written off when the consolidated financial statements were prepared.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Information on investment in Mainland China
For the period ended September 30, 2025

Table 7

Unit: NT\$ thousand
(unless specified otherwise)

Name of investee	Principal business activities	Paid-in capital (Note 1)	Investment method (Note 3)	Cumulative investment amount remitted From Taiwan at the beginning of this year (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30,2025 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30,2025	Accumulated Repatriation of Investment Income as of September 30,2025	Remarks
					Outward remittance	Inward remittance							
Changzhou CSPM, Ltd.	Production and sale of titanium and titanium alloys, nickel and nickel alloys	\$ 1,549,042	3	\$1,410,721	\$ -	\$ -	\$ 1,410,721	\$ 28,804	70	\$ 20,163	\$ 1,110,020	\$ 34,843	Notes 4 and 5

Name of investor	Accumulated Outward Remittance for Investment in Mainland China as of September 30,2025 (Note 1)	Amount of investment approved by the Investment Commission, MOEA (Note 1)	Limit of investment by the Company in China (Note 2)
ThinTech Materials Technology Co., Ltd.	\$1,410,721	\$1,410,721	\$ -

Note 1: The amounts were calculated based on the foreign exchange rate as of September 30,2025.

Note 2: The Company is not subject to the limitations on the amount of investment in Mainland China as certified by the Industrial Development Bureau (IDB) of the Ministry of Economic Affairs (MOEA) that the Company is in compliance with the scope of operation of the head office.

Note 3: Investment methods are divided into the three types below.

1. Direct investment in China.
2. Indirect investment in China through a third-region company (see Table 6 for third-region investment companies).
3. Other methods.

Note 4: It is recognized and disclosed based on the financial statements for the same periods audited by the Company's CPAs and it has been written off when the consolidated financial statements were prepared.

Note 5: The foreign currency amounts in the above table are converted into NTD at the exchange rate prevailing on the balance sheet date.