

Highlight Tech Corp. and its Subsidiaries  
Consolidated Financial Report and  
CPA's Review Report  
for the Nine Months Ended Sept. 30, 2025 and 2024

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

Highlight Tech Corp. and its Subsidiaries  
Consolidated Financial Report and CPA's Review Report  
for the Nine Months Ended Sept. 30, 2025 and 2024  
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To Highlight Tech Corp.,

## **Foreword**

We have reviewed the accompanying consolidated balance sheets of Highlight Tech Corp. (the “Company”) and its subsidiaries (collectively, the “Group”) as of Sept. 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three and nine months then ended, and consolidated statements of changes in equity and cash flows for the nine months then ended, and notes to the consolidated financial statement including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). It is the management’s responsibility to prepare financial statements that fairly present the Group’s consolidated financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard (IAS) 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission (FSC). Our responsibility is to draw conclusions on the consolidated financial statements as per the review results.

## **Scope of the report**

Except as stated in the “Basis for qualified conclusion” paragraph, we conducted the review in accordance with Standards on Review Engagements 2410 “Review of Financial Information”. The procedures performed when we reviewed the consolidated financial statements included inquiries (mainly from personnel in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of review work is obviously smaller than that of audit work, so we might not be able to detect all the material matters that could have been identified through audit work, hence we were unable to express an audit opinion.

### **Basis for qualified conclusion**

As stated in Notes 4(3)B and Note 6(7) to the consolidated financial statements, the financial statements of some of the non-material subsidiaries and investees using the equity method included in the consolidated financial statements above in the same period have not been reviewed by us. Their total assets as of Sept. 30, 2025 and 2024 were NT\$ 674,630 thousand and NT\$ 350,298 thousand, accounting for 8.70% and 4.63% of the total consolidated assets, respectively; their total liabilities are NT\$ 178,366 and NT\$ 26,842 thousand, accounting for 4.56% and 0.68% of the total liabilities, respectively; for the three and nine months ended Sept. 30, 2025 and 2024, its total comprehensive income (which includes its share of profit or loss and other comprehensive income of associates and joint ventures recognized using the equity method) amount to NT\$ 17,475 thousand, NT\$ 15,467 thousand, NT\$ 78,791 thousand and NT\$ 13,629 thousand, accounting for 23.25%, 19.58%, 51.61% and 4.30% of the total comprehensive income, respectively.

### **Qualified conclusion**

According to our review results and other independent CPAs' review reports, except for the financial statements of the partial non-material subsidiaries and investees using the equity method described in "Basis for qualified conclusion" paragraph if reviewed by us may result in adjustment to the consolidated financial statements, we have not found any circumstances that the foregoing consolidated financial statements have not been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, and as a result, are not a fair presentation of the Company's and its subsidiaries' consolidated financial position as of Sept. 30, 2025 and 2024, consolidated financial performance for the three and nine months ended Sept. 30, 2025 and 2024, and consolidated cash flows for the nine months ended Sept. 30, 2025 and 2024.

## **Other matters - reference to reviews by other CPAs**

As stated in Note 4(3) to the consolidated financial statements, the financial statements of some non-material subsidiaries included in the consolidated financial statements of the Company have not been reviewed by us but by other CPAs. Therefore, in the review report we issued on the consolidated financial statements, the amounts listed in the financial statements of the said subsidiaries were based on the review reports by other CPAs. The total assets of the said subsidiaries as of Sept. 30, 2025 and 2024, were NT\$ 1,237,834 thousand and NT\$ 1,136,875 thousand, accounting for 15.97% and 15.04% of the total consolidated assets, respectively. The operating revenue for the three and nine months ended Sept. 30, 2025 and 2024, was NT\$ 158,712 thousand, NT\$ 185,323 thousand, NT\$ 501,118 thousand and NT\$ 565,845 thousand, accounting for 16.38%, 19.44%, 18.49% and 19.55% of the total consolidated operating revenue, respectively.

PwC Taiwan

Lin, Yung-Chih

Yu, Chih-Fan

Financial Supervisory Commission R.O.C.

Approval Document No.: Jing-Guang-Zheng-Shen-Zi No. 1050029592

Jing-Guang-Zheng-Shen-Zi No. 1110349013

Nov. 4, 2025

Highlight Tech Corp. and its Subsidiaries  
Consolidated Balance Sheet  
Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024

Unit: NTD thousand

Assets			Sept. 30, 2025		Dec. 31, 2024		Sept. 30, 2024	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 941,631	12	\$ 1,232,128	16	\$ 906,715	12
1136	Financial assets at amortized cost - current	6(3) and 8	25,880	-	21,942	-	21,732	-
1140	Contract assets - current	6(20)	414,068	6	403,088	5	378,560	5
1150	Notes receivable, net	6(4)	19,710	-	37,861	-	34,754	1
1170	Accounts receivable, net	6(4) and 7	649,019	9	807,215	10	739,516	10
1200	Other receivables		13,274	-	5,088	-	5,621	-
1220	Current income tax assets		19	-	60	-	11,182	-
130X	Inventories	6(5)	1,590,692	21	1,325,040	17	1,357,651	18
1410	Prepayments		99,579	1	85,031	1	94,184	1
1460	Net non-current assets held for sale	6(6)	240,390	3	-	-	-	-
1470	Other current assets		9,148	-	1,673	-	1,718	-
11XX	Total current assets		4,003,410	52	3,919,126	49	3,551,633	47
Non-current assets								
1517	Financial assets at FVTOCI - non-current	6(2)	6,007	-	6,007	-	6,007	-
1535	Financial assets at amortized cost - non-current	6(3)	17,139	-	18,243	-	18,067	-
1550	Investments accounted for using equity method	6(7)	207,283	3	215,723	3	210,605	3
1600	Property, plant and equipment	6(8) and 8	3,197,543	41	3,476,393	44	3,426,324	45
1755	Right-of-use assets	6(9)	101,006	1	103,009	1	99,675	1
1780	Intangible assets	6(10)	103,902	1	97,735	1	101,273	2
1840	Deferred tax assets		47,668	1	49,430	1	50,216	1
1900	Other non-current assets	6(11) and 8	69,011	1	70,739	1	94,985	1
15XX	Total non-current assets		3,749,559	48	4,037,279	51	4,007,152	53
1XXX	Total assets		\$ 7,752,969	100	\$ 7,956,405	100	\$ 7,558,785	100

(Continued on next page)

Highlight Tech Corp. and its Subsidiaries  
Consolidated Balance Sheet  
Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024

Unit: NTD thousand

Liabilities and equity			Sept. 30, 2025		Dec. 31, 2024		Sept. 30, 2024	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6(12)	\$ 637,340	8	\$ 277,000	4	\$ 143,000	2
2110	Short-term notes payable		100,000	1	40,000	1	50,000	1
2130	Contract liabilities - current	6(20)	100,151	1	189,729	2	134,064	2
2170	Accounts payable	7	411,609	6	425,087	5	446,109	6
2200	Other payables	6(13) and 7	292,127	4	404,612	5	616,624	8
2230	Current income tax liabilities		282	-	40,157	1	37,122	1
2250	Current provisions		14,332	-	18,680	-	19,292	-
2280	Lease liabilities - current		26,673	1	24,166	-	22,419	-
2320	Long-term liabilities due within one year or one operating cycle	6(14) and 8	793,159	10	641,028	8	564,634	7
2399	Other current liabilities - others		12,285	-	10,953	-	17,708	-
21XX	Total current liabilities		2,387,958	31	2,071,412	26	2,050,972	27
Non-current liabilities								
2540	Long-term borrowings	6(14) and 8	1,456,064	19	1,865,258	24	1,840,753	25
2570	Deferred tax liabilities		10,526	-	20,592	-	18,620	-
2580	Lease liabilities - non-current		54,762	-	59,521	1	57,820	1
2600	Other non-current liabilities		4,943	-	5,426	-	6,200	-
25XX	Total non-current liabilities		1,526,295	19	1,950,797	25	1,923,393	26
2XXX	Total liabilities		3,914,253	50	4,022,209	51	3,974,365	53
Equity								
Equity attributable to owners of the parent company								
	Share capital	6(17)						
3110	Common stock		944,623	12	945,613	12	945,613	12
	Capital surplus	6(18)						
3200	Capital surplus		330,699	4	410,684	5	363,558	5
	Retained earnings	6(19)						
3310	Legal reserve		397,457	5	365,125	5	365,125	5
3320	Special reserves		64,768	1	64,768	1	64,768	1
3350	Undistributed earnings		1,328,286	17	1,309,105	16	1,221,828	16
	Other equity							
3400	Other equity		( 52,102)	-	( 7,270)	-	( 15,276)	-
31XX	Total equity attributable to owners of the parent company		3,013,731	39	3,088,025	39	2,945,616	39
36XX	Non-controlling interests	4(3)	824,985	11	846,171	10	638,804	8
3XXX	Total equity		3,838,716	50	3,934,196	49	3,584,420	47
	Significant contingent liabilities and unrecognized commitments	9						
3X2X	Total liabilities and equity		\$ 7,752,969	100	\$ 7,956,405	100	\$ 7,558,785	100

The accompanying notes are part of the consolidated financial statements. Please refer to them together with the statements.

Chairman: Wu, Sheng Hsien

Manager: Kou, Chung-Shan

Accounting Manager: Huang, Hsiang-Chun

Highlight Tech Corp. and its Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the nine months ended Sept. 30, 2025 and 2024

Unit: NTD thousand (Except for earnings per share which is in NTD)

Item	Notes	For the three months ended Sep. 30				For the nine months ended Sep. 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	6(20) and 7	\$ 968,782	100	\$ 953,458	100	\$ 2,710,569	100	\$ 2,894,532	100
5000 Operating costs	6(5)(23) and 7	( 663,520)	( 69)	( 626,002)	( 66)	( 1,808,464)	( 67)	( 1,885,554)	( 65)
5900 Gross profit		<u>305,262</u>	<u>31</u>	<u>327,456</u>	<u>34</u>	<u>902,105</u>	<u>33</u>	<u>1,008,978</u>	<u>35</u>
Operating expenses	6(23)								
6100 Selling and marketing expenses		( 78,113)	( 8)	( 77,232)	( 8)	( 216,779)	( 8)	( 221,211)	( 8)
6200 Administrative expenses		( 95,396)	( 10)	( 92,717)	( 10)	( 274,551)	( 10)	( 285,619)	( 10)
6300 Research and development expenses		( 55,541)	( 6)	( 53,246)	( 5)	( 153,576)	( 6)	( 159,589)	( 5)
6450 Expected credit impairment gain (loss)	12(2)	( 5,013)	-	( 70)	-	( 6,733)	-	2,283	-
6000 Total operating expenses		<u>( 234,063)</u>	<u>( 24)</u>	<u>( 223,265)</u>	<u>( 23)</u>	<u>( 651,639)</u>	<u>( 24)</u>	<u>( 664,136)</u>	<u>( 23)</u>
6900 Net operating income		<u>71,199</u>	<u>7</u>	<u>104,191</u>	<u>11</u>	<u>250,466</u>	<u>9</u>	<u>344,842</u>	<u>12</u>
Non-operating income and expenses									
7100 Interest income		1,483	-	1,620	-	7,614	-	6,067	-
7010 Other income		2,858	-	1,583	-	9,666	1	7,566	-
7020 Other gains or losses	6(21)	15,415	2	( 2,891)	-	( 3,250)	-	8,349	1
7050 Financial costs	6(22)	( 14,267)	( 1)	( 11,229)	( 1)	( 41,076)	( 1)	( 32,141)	( 1)
7060 Share of profit or loss on associates and joint ventures accounted for using equity method	6(7)	( 5,188)	( 1)	2,157	-	9,074	-	319	-
7000 Total non-operating income and expenses		<u>301</u>	<u>-</u>	<u>( 8,760)</u>	<u>( 1)</u>	<u>( 17,972)</u>	<u>-</u>	<u>( 9,840)</u>	<u>-</u>
7900 Net income before tax		<u>71,500</u>	<u>7</u>	<u>95,431</u>	<u>10</u>	<u>232,494</u>	<u>9</u>	<u>335,002</u>	<u>12</u>
7950 Income tax expense	6(25)	( 21,825)	( 2)	( 12,636)	( 1)	( 29,942)	( 1)	( 47,034)	( 2)
8200 Profit		<u>\$ 49,675</u>	<u>5</u>	<u>\$ 82,795</u>	<u>9</u>	<u>\$ 202,552</u>	<u>8</u>	<u>\$ 287,968</u>	<u>10</u>
Other comprehensive income									
Items that will not be reclassified to profit or loss									
8311 Re-measurement of the defined benefit plan		\$ -	-	\$ -	-	\$ 135	-	\$ -	-
Items that may be reclassified subsequently to profit or loss									
8361 Exchange differences on translating the financial statements of foreign operations		29,444	3	( 5,158)	( 1)	( 59,344)	( 2)	35,340	1
8370 Share of other comprehensive income of associates and joint ventures recognized using the equity method - items that may be reclassified subsequently to profit or loss	6(7)	1,465	-	-	-	( 1,885)	-	-	-
8399 Income tax related to items that may be reclassified	6(25)	( 5,422)	-	1,373	-	11,222	-	( 6,170)	-
8360 Sum of items that may be reclassified subsequently to profit or loss		<u>25,487</u>	<u>3</u>	<u>( 3,785)</u>	<u>( 1)</u>	<u>( 50,007)</u>	<u>( 2)</u>	<u>29,170</u>	<u>1</u>
8300 Other comprehensive income (net amount)		<u>\$ 25,487</u>	<u>3</u>	<u>( \$ 3,785)</u>	<u>( 1)</u>	<u>( \$ 49,872)</u>	<u>( 2)</u>	<u>\$ 29,170</u>	<u>1</u>
8500 Total comprehensive income		<u>\$ 75,162</u>	<u>8</u>	<u>\$ 79,010</u>	<u>8</u>	<u>\$ 152,680</u>	<u>6</u>	<u>\$ 317,138</u>	<u>11</u>
Profit attributable to:									
8610 Owners of the parent company		\$ 36,385	4	\$ 69,387	8	\$ 168,105	7	\$ 236,042	8
8620 Non-controlling interests		<u>13,290</u>	<u>1</u>	<u>13,408</u>	<u>1</u>	<u>34,447</u>	<u>1</u>	<u>51,926</u>	<u>2</u>
Profit		<u>\$ 49,675</u>	<u>5</u>	<u>\$ 82,795</u>	<u>9</u>	<u>\$ 202,552</u>	<u>8</u>	<u>\$ 287,968</u>	<u>10</u>
Total comprehensive income attributable to:									
8710 Owners of the parent company		\$ 58,068	6	\$ 65,029	7	\$ 123,273	5	\$ 262,217	9
8720 Non-controlling interests		<u>17,094</u>	<u>2</u>	<u>13,981</u>	<u>1</u>	<u>29,407</u>	<u>1</u>	<u>54,921</u>	<u>2</u>
Total comprehensive income		<u>\$ 75,162</u>	<u>8</u>	<u>\$ 79,010</u>	<u>8</u>	<u>\$ 152,680</u>	<u>6</u>	<u>\$ 317,138</u>	<u>11</u>
Earnings per share - basic									
9750 Earnings per share - basic	6(26)	<u>\$ 0.39</u>		<u>\$ 0.70</u>		<u>\$ 1.78</u>		<u>\$ 2.11</u>	
Earnings per share - diluted									
9850 Earnings per share - diluted	6(26)	<u>\$ 0.39</u>		<u>\$ 0.70</u>		<u>\$ 1.77</u>		<u>\$ 2.10</u>	

The accompanying notes are part of the consolidated financial statements. Please refer to them together with the statements.

Chairman: Wu, Sheng Hsien

Manager: Kou, Chung-Shan

Accounting Manager: Huang, Hsiang-Chun



Highlight Tech Corp. and its Subsidiaries  
Income Consolidated Statements of Changes in Equity  
For the nine months ended Sept. 30, 2025 and 2024

Unit: NTD thousand

Equity attributable to owners of the parent company												

The accompanying notes are part of the consolidated financial statements. Please refer to them together with the statements.

Chairman: Wu, Sheng Hsien

Manager: Kou, Chung-Shan

Accounting Manager: Huang, Hsiang-Chun

Highlight Tech Corp. and its Subsidiaries  
Consolidated Statements of Cash Flows  
For the nine months ended Sept. 30, 2025 and 2024

Unit: NTD thousand

	Notes	For the nine months ended Sep. 30 2025	2024
<u>Cash flows from operating activities</u>			
Profit before tax		\$ 232,494	\$ 335,002
Adjustments			
Income and expenses			
Depreciation expenses	6(23)	184,597	170,295
Amortization expenses	6(23)	12,468	14,142
Expected credit impairment losses (gains)	12(2)	6,733 (	2,283 )
Interest expense	6(22)	41,076	32,141
Share-based payment	6(16)	2,704	6,568
Interest income		( 7,614 ) (	6,067 )
Share of profit or loss on associates and joint ventures accounted for using equity method	6(7)	( 9,074 ) (	319 )
Gain on disposal of investments	6(21)	( 4,291 )	-
Losses (gains) on disposal of property, plant and equipment	6(21)	4 (	1,275 )
Changes in operating assets and liabilities			
Net changes in operating assets			
Contract assets - current		( 10,980 ) (	183,413 )
Notes receivable		18,151	96,440
Accounts receivable (including related parties)		152,288	66,443
Other receivables		( 9,816 ) (	809 )
Inventories		( 313,756 )	7,984
Prepayments		( 7,820 ) (	25,761 )
Other current assets		( 7,475 )	3,274
Other non-current assets		( 91 )	-
Net changes in operating liabilities			
Contract liabilities - current		( 89,578 )	3,549
Accounts payable (including related parties)		( 13,478 ) (	2,226 )
Other payables		( 68,752 ) (	100,824 )
Current provisions		( 4,348 )	8,437
Other current liabilities		1,332	2,623
Net defined benefit liabilities		963 (	71 )
Other non-current liabilities		( 633 ) (	2,163 )
Cash inflow from operations		105,104	421,687
Interest received		9,244	6,501
Interest paid		( 39,755 ) (	29,976 )
Dividend received		6,531	-
Income tax paid		( 66,502 ) (	52,760 )
Income tax refund		5,264	7,958
Net cash inflow from operating activities		19,886	353,410

(Continued on next page)

Highlight Tech Corp. and its Subsidiaries  
Consolidated Statements of Cash Flows  
For the nine months ended Sept. 30, 2025 and 2024

Unit: NTD thousand

	Notes	For the nine months ended Sep. 30 2025	2024
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 28,760 )	(\$ 16,584 )
Disposal of financial assets at amortized cost		24,556	42,597
Acquisition of property, plant and equipment	6(29)	( 108,832 )	( 119,581 )
Proceeds from disposal of property, plant and equipment		4	2,554
Acquisition of intangible assets	6(10)	( 18,805 )	( 11,315 )
Increase in refundable deposits		( 3,070 )	( 1,011 )
Decrease in refundable deposits		4,760	2,496
Increase in prepayment for land and equipment		( 28,487 )	( 53,983 )
Acquisition of subsidiaries (net of cash received)	6(28)	-	( 60,042 )
Disposal of investments accounted for using the equity method		13,389	-
Net cash outflow from investing activities		( 145,245 )	( 214,869 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings		3,468,840	820,000
Decrease in short-term borrowings		( 3,108,500 )	( 1,489,000 )
Increase in short-term notes payable		860,000	50,000
Decrease in short-term notes payable		( 800,000 )	-
New long-term borrowings		667,641	873,790
Repayment of long-term borrowings		( 922,979 )	( 222,453 )
Issue of cash dividends	6(19)	( 113,474 )	-
Cash dividends paid out by subsidiary		( 54,298 )	( 57,159 )
Cash dividends paid out from capital surplus	6(18)	( 75,649 )	-
Repayment of lease liabilities	6(30)	( 23,308 )	( 17,227 )
Increase in guarantee deposits		546	21
Decrease in guarantee deposits		( 290 )	( 80 )
Non-controlling interests acquired		( 69 )	( 1,585 )
Cash capital reduction by subsidiary		-	( 11,572 )
Cash contributions from non-controlling interests for subsidiary establishment and capital increase		7,500	-
Repurchase of treasury shares (including subsidiaries)		( 43,569 )	-
Exercise of employee stock options of subsidiaries		28,728	-
Net cash outflow from financing activities		( 108,881 )	( 55,265 )
Effect of changes in exchange rates on cash and cash equivalents		( 56,257 )	1,449
Increase (decrease) in cash and cash equivalents during the period		( 290,497 )	84,725
Opening balance of cash and cash equivalents		1,232,128	821,990
Ending balance of cash and cash equivalents		\$ 941,631	\$ 906,715

The accompanying notes are part of the consolidated financial statements. Please refer to them together with the statements.

Chairman:  
Wu, Sheng Hsien

Manager:  
Kou, Chung-Shan

Accounting Manager:  
Huang, Hsiang-Chun

Highlight Tech Corp. and its Subsidiaries  
Notes to Consolidated Financial Statements  
Nine Months Ended Sept. 30, 2025 and 2024  
Unit: NTD thousand (unless otherwise specified)

1. Organization and Operations

Highlight Tech Corp. (the “Company”), which was incorporated in the Republic of China in April 1997, and its subsidiaries (collectively, the “Group”) mainly engage in the manufacturing of vacuum components for high-tech processes, the design and production of system modules, and the sales and maintenance of vacuum equipment.

Since December 2002, the Company’s stock has been listed on Taipei Exchange for trading.

2. Date and Procedures for Approval of the Financial Report

The consolidated financial statements were approved by the board of directors and authorized for issue on Nov. 4, 2025.

3. Application of Newly Issued and Amended Standards and Interpretations

(1) The effect of adopting new or amended IFRS Accounting Standards as endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The table below summarizes the new, revised, and amended IFRS Accounting Standards endorsed by the FSC, applicable to 2025:

New/ Revised/ Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	Jan. 1, 2025

As per the Group’s assessment, the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

(2) The effect of not adopting new or amended IFRS Accounting Standards as endorsed by the FSC

The table below summarizes the new, revised, and amended IFRS Accounting Standards endorsed by the FSC, applicable to 2026:

New/ Revised/ Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	Jan. 1, 2026

New/ Revised/ Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments on Contracts Involving Natural Electricity”	Jan. 1, 2026
IFRS 17 “Insurance Contracts”	Jan. 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	Jan. 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	Jan. 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	Jan. 1, 2026

As per the Group’s assessment, the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

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

The table below summarizes the new, revised, and amended IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC:

New/ Revised/ Amended Standards and Interpretations	Effective date announced by IASB
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”	Jan. 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	Jan. 1, 2027

Note: The FSC announced in a press release dated Sept. 25, 2025, that public companies shall apply International Financial Reporting Standard (IFRS) 18 (hereinafter referred to as “IFRS 18”) starting from the fiscal year 2028; furthermore, if an entity has a need for early adoption of IFRS 18, it may elect to apply the IFRS 18 provisions in advance after the FSC endorses the standard.

As per the Group’s assessment, except for those mentioned below, the above standards and interpretations have no material impact on the Group’s financial position and financial performance. The relevant amounts impacted will be disclosed when the assessment is completed:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” has replaced IAS 1, updated the structure of the statement of comprehensive income, added disclosures on management-defined performance measures, and enhanced the principles of aggregation and disaggregation used in the main financial statements and notes.

4. Summary of Significant Accounting Policies

Regarding significant accounting policies, the statement of compliance, basis of preparation, and basis of consolidation are described below. The remaining policies are consistent with Note 4 of the 2024 Consolidated Financial Statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

- A. The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended Dec. 31, 2024.

(2) Basis of preparation

- A. Except for the following major items, the consolidated financial statements have been prepared at historical cost:
  - (A) Financial assets and liabilities (including derivatives) at fair value through profit or loss were measured at fair value.
  - (B) Financial assets at fair value through other comprehensive income were measured at fair value.
  - (C) Defined benefit liabilities recognized at the net amount of pension plan assets, less the present value of defined benefit obligations.
- B. The preparation of the financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Bulletins (hereinafter referred to as IFRSs) as recognized by the Financial Supervisory Commission (FSC), requires the use of some critical accounting estimates. In the process of applying the Group’s accounting policies, management also needed to exercise its judgment. For items requiring meticulous judgment or involving complexity, or involving critical assumptions and estimates in the financial statements, please refer to Note 5 for details.

(3) Basis of consolidation

A. The basis for preparation of consolidated financial statements are consistent with those of the year ended Dec. 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of subsidiary	Nature of business	Shareholding percentage			Notes
			Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	
Highlight Tech Corp.	Finesse Technology Co., Ltd.	Electronic components, mechanical equipment maintenance and sales of related components	30.20	30.32	33.29	Notes 1, 6
Highlight Tech Corp.	Highlight Tech Japan Co., Ltd.	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	100.00	100.00	100.00	-
Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	Maintenance of mechanical equipment and electronic parts	75.00	-	-	Note 2
Highlight Tech Corp.	Highlight Tech US LLC	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	100.00	-	-	Notes 3, 7
Highlight Tech Corp.	Highlight Tech International Corp.	A holding company that invests in businesses in Mainland China	100.00	100.00	100.00	-

Name of Investor	Name of subsidiary	Nature of business	Shareholding percentage			Notes
			Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	
Highlight Tech International Corp.	Highlight Tech (Shanghai) Corp.	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	100.00	100.00	100.00	-
Highlight Tech Corp.	Shanorm Tech Co., Ltd.	Maintenance of mechanical equipment and electronic parts and retail of mechanical appliances and electronic materials	100.00	100.00	100.00	Note 7
Highlight Tech Corp.	Schmidt Scientific Taiwan Ltd.	Sales of medical equipment, electronic components, optical instruments, and automatic solar combined tabbers and stringers	61.12	60.96	60.96	Notes 4, 7
Finesse Technology Co., Ltd.			15.18	15.18	15.18	
Highlight Tech Corp.	Litho Med Trading Co., Ltd.	Wholesale and retail of medical equipment and machinery	100.00	100.00	100.00	Notes 5, 8
Finesse Technology Co., Ltd.	Finesse Technology Co., Ltd.	Semiconductor key subsystem development, material sourcing, manufacturing, assembly, testing, sales, and repair and maintenance services.	100.00	100.00	100.00	Note 6



Name of Investor	Name of subsidiary	Nature of business	Shareholding percentage			Notes
			Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	
Finesse Technology Co., Ltd.	Finesse Technology (Shanghai) Co., Ltd.	Electronic components, mechanical and electrical equipment maintenance and sales.	100.00	100.00	100.00	Note 6
Finesse Technology Co., Ltd.	Highlight Tech System International Limited	A holding company that invests in businesses in Mainland China	100.00	100.00	100.00	Note 6
Highlight Tech System International Limited	Highlight Tech System (Shanghai) Corp.	Mechanical equipment manufacturing, electronic component design, manufacturing wholesale and retail.	100.00	100.00	100.00	Note 6

Note 1: As the Company is the single largest shareholder of Finesse Technology Co., Ltd., and both parties' majority of board directorships and key management are the same, Finesse Technology is listed as a subsidiary. In 2024, Finesse Technology Co., Ltd. Made several capital increases in cash, but the Company did not subscribe according to the shareholding ratio, resulting in a decrease in the Company's shareholding ratio from 33.29% to 30.32%. In 2025, Finesse Technology Co., Ltd. repurchased treasury shares and employees exercised stock options, resulting in a decrease in the Company's shareholding ratio from 30.32% to 30.20%.

Note 2: In the first quarter of 2025, the Company established TetraTrio Tech Co., Ltd. as a subsidiary through a cash investment, acquiring a 75% equity interest.

Note 3: In the third quarter of 2025, the Company established Highlight Tech US LLC as a subsidiary through a cash investment, acquiring a 100% equity interest.

Note 4: In the third quarter of 2024 and during 2025, the Company acquired non-controlling interests in its subsidiary, Schmidt Scientific Taiwan Ltd., in cash, so its shareholding increased from 57.17% to 60.96% and 61.12%, respectively.

Please refer to Note 6(27) for details.

Note 5: The Group acquired 100% of equity and gained control over Litho Med Trading Co., Ltd. in July 2024. Please refer to the details in Note 6(28).

Note 6: The financial statements of Finesse Technology Co., Ltd. and its subsidiaries for the nine months ended Sept. 30, 2025 and 2024, were reviewed by CPAs appointed by the company.

Note 7: The financial statements of non-significant subsidiaries for the nine months ended Sept. 30, 2025, have not been reviewed by CPAs.

Note 8: The financial statements of non-significant subsidiaries for the nine months ended Sept. 30, 2025 and 2024, have not been reviewed by CPAs.

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

D. Adjustment and treatment methods of subsidiaries' different accounting periods: None.

E. Major restrictions: None.

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

The Group's total non-controlling interests as of Sept. 30, 2025, Dec. 31, 2024, and Sept. 30, 2024 were \$824,985, \$846,171, and \$638,804 respectively. The information on the non-controlling interests that are material to the Group and its subsidiaries is as follows:

Name of subsidiary	Principal business premises	Non-controlling interests					
		Sept. 30, 2025		Dec. 31, 2024		Sept. 30, 2024	
		Amount	Shareholding (%)	Amount	Shareholding (%)	Amount	Shareholding (%)
Finesse Technology Co., Ltd.	Taiwan	\$ 788,008	69.80%	\$ 818,121	69.68%	\$ 614,111	66.71%

Aggregate financial information of subsidiaries:

Balance sheet

	Finesse Technology Co., Ltd. and its Subsidiaries	
	Sep. 30, 2025	Sep. 30, 2024
Current assets	\$ 906,073	\$ 828,771
Non-current assets	363,702	345,718
Current liabilities	( 125,923 )	( 237,853 )
Non-current liabilities	( 16,851 )	( 19,361 )
Total net assets	<u>\$ 1,127,001</u>	<u>\$ 917,275</u>

# Statement of comprehensive income

Finesse Technology Co., Ltd. and its Subsidiaries			
For the nine months ended Sep. 30			
	2025		2024
Revenue	\$ 501,852	\$	574,093
Net income before tax	49,341		93,775
Income tax expense	( 4,080 )	(	17,397 )
Profit	45,261		76,378
Current period other comprehensive income (net amount after tax)	( 7,254 )		4,490
Total comprehensive income	\$ 38,007	\$	80,868
Total comprehensive income attributable to non-controlling interests	\$ 26,521	\$	53,947
Payment of dividends to non-controlling interests	\$ 54,298	\$	57,159

# Statement of cash flows

Finesse Technology Co., Ltd. and its Subsidiaries			
For the nine months ended Sep. 30			
	2025		2024
Net cash inflow (outflow) from operating activities	\$ 39,526	\$	81,236
Net cash inflow (outflow) from investing activities	( 133,214 )	(	18,548 )
Net cash inflow (outflow) from financing activities	( 93,428 )	(	91,643 )
Effect of changes in exchange rates on cash and cash equivalents	( 2,566 )		3,638
Net increase (decrease) in cash and cash equivalents	( 189,682 )	(	25,317 )
Opening balance of cash and cash equivalents	548,412		324,021
Ending balance of cash and cash equivalents	\$ 358,730	\$	298,704

## (4) Employee benefits

Pension costs for the interim period are calculated at the pension cost rate actuarially determined at the end of the prior fiscal year, from the beginning of the year to the end of the current period. If there are major market fluctuations, major reductions, settlement, or other major one-off events after the balance sheet date, adjustments will be made and relevant information will be

disclosed in accordance with the aforementioned policy.

(5) Income tax

- A. As for the income tax expense for the interim period, the estimated annual average effective tax rate was adopted to calculate the pre-tax profit or loss for the interim period, and relevant information was disclosed in alignment with the aforementioned policies.
- B. When a tax rate change occurs during an interim period, The Group recognizes the entire impact of the change in the period the change occurs. For income tax related to items recognized outside profit or loss, the impact of the change is recognized in other comprehensive income or equity. For income tax related to items recognized in profit or loss, the impact of the change is recognized in profit or loss.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

No significant changes occurred during this period. Please refer to Note 5 of the 2024 Consolidated Financial Statements.

6. Summary of Significant Accounting Titles

(1) Cash and cash equivalents

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Cash on hand and petty cash	\$ 1,282	\$ 1,064	\$ 768
Check deposits and demand deposits	756,760	1,201,064	885,947
Time deposits	183,589	30,000	20,000
	<u>\$ 941,631</u>	<u>\$ 1,232,128</u>	<u>\$ 906,715</u>

- A. The financial institutions the Group works with have great credit ratings. The Group also works with various financial institutions at the same time to diversify credit risks. Therefore, the probability of default is expected to be low.
- B. The Group did not pledge cash or cash equivalents.

(2) Financial assets at fair value through other comprehensive income

Item	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Non-current items:			
Equity instruments			
Non-TWSE/TPEX listed stocks and stocks not listed on the emerging stock market	<u>\$ 6,007</u>	<u>\$ 6,007</u>	<u>\$ 6,007</u>

(3) Financial assets at amortized cost

Item	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Current items:			
Time deposits with original maturity date of more than 3 months	<u>\$ 25,880</u>	<u>\$ 21,942</u>	<u>\$ 21,732</u>
Non-current items:			
Time deposits with original maturity date of more than 1 year	<u>\$ 17,139</u>	<u>\$ 18,243</u>	<u>\$ 18,067</u>

- A. With the collateral or other credit enhancements held aside, the maximum amounts of the exposures to the credit risk arising from the Group's financial assets at amortized cost as of Sept. 30, 2025, Dec. 31, 2024, and Sept. 30, 2024 were equivalent to their carrying amounts, respectively.
- B. Please refer to Note 8 for information on how the Group pledged financial assets at amortized cost as collateral.
- C. Please refer to Note 12(2) for information on the credit risk of financial assets at amortized cost. The trading counterparties of the Group's certificates of deposit are all financial institutions with great credit quality, and the probability of default is expected to be low.

(4) Notes and accounts receivable

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Notes receivable	<u>\$ 19,710</u>	<u>\$ 37,861</u>	<u>\$ 34,754</u>
Accounts receivable	<u>\$ 680,464</u>	<u>\$ 833,097</u>	<u>\$ 762,574</u>
Less: Allowance for uncollectible amounts	<u>( 31,445 )</u>	<u>( 25,882 )</u>	<u>( 23,058 )</u>
	<u>\$ 649,019</u>	<u>\$ 807,215</u>	<u>\$ 739,516</u>

- A. Please refer to Note 12(2) for information on an aging analysis of accounts and notes receivable.
- B. The balances of accounts and notes receivable as of Sept. 30, 2025, Dec. 31, 2024, and Sept. 30, 2024 were all from contracts with customers. In addition, the balance of receivables from the contracts with customers as of Jan. 1, 2024 was \$952,200.

C. With the collateral or other credit enhancements held aside, the maximum amounts of the exposures to the credit risk arising from the Group's notes and accounts receivable as of Sept. 30, 2025, Dec. 31, 2024, and Sept. 30, 2024 were equivalent to their carrying amounts, respectively.

(5) Inventories

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Raw materials	\$ 459,617	\$ 425,764	\$ 422,717
Work in progress	435,013	271,742	247,424
Finished goods	384,570	456,725	519,651
Merchandise	311,492	170,809	167,859
	<u>\$ 1,590,692</u>	<u>\$ 1,325,040</u>	<u>\$ 1,357,651</u>

The inventory costs recognized by the Group in expenses for this period:

	For the three months ended Sep. 30	
	2025	2024
Cost of inventory sold	\$ 671,525	\$ 625,927
Inventory (gain from inventory price recovery) valuation losses	( 3,470 )	( 23,207 )
Others	( 4,535 )	23,282
	<u>\$ 663,520</u>	<u>\$ 626,002</u>

	For the nine months ended Sep. 30	
	2025	2024
Cost of inventory sold	\$ 1,807,206	\$ 1,858,866
Inventory (gain from inventory price recovery) valuation losses	( 4,365 )	( 8,701 )
Others	5,623	35,389
	<u>\$ 1,808,464</u>	<u>\$ 1,885,554</u>

The Group already provided allowances for inventory valuation losses, thus resulting in gains on inventory value recovery.

(6) Non-current assets held for sale

On May 8, 2025, the board of directors resolved to dispose of a portion of the land it holds under Land Parcel No. 3, Xinjing Section, Xinshi District, Tainan City, and Land Parcel No. 6, Shanjing Section, Shanhua District, Tainan City, in order to activate assets and increase the efficiency of capital utilization. Non-current assets held for sale amounted to \$240,390 as of Sept. 30, 2025.

A. Non-current assets held for sale:

	Sept. 30, 2025
Land	\$ <u>240,390</u>

B. After assessment, the carrying amount of the non-current assets held for sale was lower than their fair value less costs to sell. As a result, no impairment was recognized.

(7) Investments accounted for using equity method

	2025	2024
Jan. 1	\$ 215,723	\$ 210,286
Disposal of investments accounted for using the equity method	( 9,098 )	-
Share of investment income and loss using the equity method	9,074	319
Issue of cash dividends	( 6,531 )	-
Changes in other equity interests	( 1,885 )	-
Sept. 30	\$ <u>207,283</u>	\$ <u>210,605</u>

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Associate:			
Htc & Solar Tech Service Limited	\$ <u>207,283</u>	\$ <u>215,723</u>	\$ <u>210,605</u>

The above associates are not material to the Group.

Investments using the equity method were calculated based on financial statements that have not been reviewed by a CPA as of Sept. 30, 2025 and 2024.

(8) Property, plant and equipment

2025

	Land	Buildings, and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Unfinished construction and equipment acceptance	Total
Jan. 1									
Costs	\$ 1,169,343	\$ 2,270,620	\$ 812,019	\$ 6,732	\$ 49,824	\$ 18,184	\$ 335,633	\$ 83,316	\$ 4,745,671
Accumulated depreciation	-	( 649,973 )	( 438,853 )	( 4,032 )	( 33,469 )	( 10,852 )	( 132,099 )	-	( 1,269,278 )
	<u>\$ 1,169,343</u>	<u>\$ 1,620,647</u>	<u>\$ 373,166</u>	<u>\$ 2,700</u>	<u>\$ 16,355</u>	<u>\$ 7,332</u>	<u>\$ 203,534</u>	<u>\$ 83,316</u>	<u>\$ 3,476,393</u>
Jan. 1	\$ 1,169,343	\$ 1,620,647	\$ 373,166	\$ 2,700	\$ 16,355	\$ 7,332	\$ 203,534	\$ 83,316	\$ 3,476,393
Additions	-	10,454	33,059	1,378	994	531	14,216	4,520	65,152
Disposal	-	-	( 8 )	-	-	-	-	-	( 8 )
Transfer	( 240,390 )	34,131	50,716	-	-	45,827	24,490	( 85,007 )	( 170,233 )
Depreciation expenses	-	( 63,355 )	( 61,973 )	( 774 )	( 2,976 )	( 1,617 )	( 32,659 )	-	( 163,354 )
Net exchange difference	-	( 4,804 )	( 1,103 )	( 174 )	( 317 )	9	( 2,952 )	( 1,066 )	( 10,407 )
Sept. 30	<u>\$ 928,953</u>	<u>\$ 1,597,073</u>	<u>\$ 393,857</u>	<u>\$ 3,130</u>	<u>\$ 14,056</u>	<u>\$ 52,082</u>	<u>\$ 206,629</u>	<u>\$ 1,763</u>	<u>\$ 3,197,543</u>
Sept. 30									
Costs	\$ 928,953	\$ 2,282,910	\$ 838,887	\$ 7,692	\$ 49,608	\$ 64,542	\$ 366,372	\$ 1,763	\$ 4,540,727
Accumulated depreciation	-	( 685,837 )	( 445,030 )	( 4,562 )	( 35,552 )	( 12,460 )	( 159,743 )	-	( 1,343,184 )
	<u>\$ 928,953</u>	<u>\$ 1,597,073</u>	<u>\$ 393,857</u>	<u>\$ 3,130</u>	<u>\$ 14,056</u>	<u>\$ 52,082</u>	<u>\$ 206,629</u>	<u>\$ 1,763</u>	<u>\$ 3,197,543</u>



2024

	Land	Buildings, and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Unfinished construction and equipment acceptance	Total
Jan. 1									
Costs	\$ 1,169,343	\$ 2,226,309	\$ 719,714	\$ 7,396	\$ 45,380	\$ 18,034	\$ 194,033	\$ 8,077	\$ 4,388,286
Accumulated depreciation	-	( 543,616 )	( 393,767 )	( 3,809 )	( 28,925 )	( 9,266 )	( 101,109 )	-	( 1,080,492 )
	<u>\$ 1,169,343</u>	<u>\$ 1,682,693</u>	<u>\$ 325,947</u>	<u>\$ 3,587</u>	<u>\$ 16,455</u>	<u>\$ 8,768</u>	<u>\$ 92,924</u>	<u>\$ 8,077</u>	<u>\$ 3,307,794</u>
Jan. 1	\$ 1,169,343	\$ 1,682,693	\$ 325,947	\$ 3,587	\$ 16,455	\$ 8,768	\$ 92,924	\$ 8,077	\$ 3,307,794
Additions	-	4,067	22,977	691	2,654	-	29,647	68,316	128,352
Acquired through business combinations	-	-	-	-	-	-	70,000	-	70,000
Disposal	-	-	( 521 )	( 756 )	( 2 )	-	-	-	( 1,279 )
Transfer	-	5,807	50,504	149	1,639	-	16,198	( 7,695 )	66,602
Depreciation expenses	-	( 63,704 )	( 59,701 )	( 853 )	( 4,066 )	( 1,189 )	( 23,333 )	-	( 152,846 )
Net exchange difference	-	4,112	815	125	113	-	1,026	1,510	7,701
Sept. 30	<u>\$ 1,169,343</u>	<u>\$ 1,632,975</u>	<u>\$ 340,021</u>	<u>\$ 2,943</u>	<u>\$ 16,793</u>	<u>\$ 7,579</u>	<u>\$ 186,462</u>	<u>\$ 70,208</u>	<u>\$ 3,426,324</u>
Sept. 30									
Costs	\$ 1,169,343	\$ 2,257,291	\$ 762,626	\$ 6,670	\$ 49,025	\$ 18,034	\$ 308,463	\$ 70,208	\$ 4,641,660
Accumulated depreciation	-	( 624,316 )	( 422,605 )	( 3,727 )	( 32,232 )	( 10,455 )	( 122,001 )	-	( 1,215,336 )
	<u>\$ 1,169,343</u>	<u>\$ 1,632,975</u>	<u>\$ 340,021</u>	<u>\$ 2,943</u>	<u>\$ 16,793</u>	<u>\$ 7,579</u>	<u>\$ 186,462</u>	<u>\$ 70,208</u>	<u>\$ 3,426,324</u>

- A. Please refer to Note 8 for information on property, plant and equipment pledged as collateral.
- B. Transfers of the Group's property, plant and equipment during the nine months ended Sept. 30, 2025, arose from inventories, non-current assets held for sale, and prepayments for equipment (listed under other non-current assets); transfers of the Group's property, plant and equipment during the nine months ended Sept. 30, 2024, arose from prepayments for equipment (listed under other non-current assets).

(9) Lease transactions - lessee

- A. The assets leased by the Group included land, buildings, and company cars over lease terms of usually one to ten years. Each lease contract is negotiated individually and contains various terms and conditions, and no other restrictions are imposed except that the assets leased may not be used as collateral for loans.
- B. The information on the carrying amounts of the right-of-use assets and the depreciation expenses recognized is as follows:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 21,122	\$ 23,564	\$ 23,791
Buildings	50,521	50,161	52,532
Transportation equipment (company cars)	28,200	27,941	21,949
Other equipment	1,163	1,343	1,403
	<u>\$ 101,006</u>	<u>\$ 103,009</u>	<u>\$ 99,675</u>

	For the three months ended Sep. 30	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	\$ 409	\$ 316
Buildings	2,745	3,691
Transportation equipment (company cars)	4,303	2,589
Other equipment	60	40
	<u>\$ 7,517</u>	<u>\$ 6,636</u>

	For the nine months ended Sep. 30	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	\$ 1,243	\$ 1,217
Buildings	7,209	6,551
Transportation equipment (company cars)	12,611	9,641
Other equipment	180	40
	<u>\$ 21,243</u>	<u>\$ 17,449</u>

- C. The additions of the Group's right-of-use assets during the nine months ended Sep. 30, 2025 and 2024 were \$21,067 and \$55,039, respectively.

D. The information on the profit or loss items related to lease contracts is as follows:

		For the three months ended Sep. 30	
		2025	2024
<u>Items affecting current profit or loss</u>			
Interest expense on lease liability	\$	492	\$ 441
Expenses related to short-term lease contracts		751	821
Expenses related to leasing of low-value assets		439	836

  

		For the nine months ended Sep. 30	
		2025	2024
<u>Items affecting current profit or loss</u>			
Interest expense on lease liability	\$	1,374	\$ 1,468
Expenses related to short-term lease contracts		2,211	4,114
Expenses related to leasing of low-value assets		1,428	1,986

E. The Group's total cash outflows from leases during the nine months ended Sept. 30, 2025 and 2024 were \$26,947 and \$23,327, respectively.

(10) Intangible assets

		2025				
		Goodwill	Customer relations	Computer software	Professional technologies	Total
Jan. 1		\$ 51,471	\$ 56,047	\$ 82,250	\$ 7,500	\$ 197,268
Costs						
Accumulated						
amortization		-	( 50,877 )	( 41,402 )	( 7,254 )	( 99,533 )
		<u>\$ 51,471</u>	<u>\$ 5,170</u>	<u>\$ 40,848</u>	<u>\$ 246</u>	<u>\$ 97,735</u>
Jan. 1		\$ 51,471	\$ 5,170	\$ 40,848	\$ 246	\$ 97,735
Additions		-	-	18,805	-	18,805
Amortization						
expenses		-	( 775 )	( 11,447 )	( 246 )	( 12,468 )
Net exchange						
difference		-	-	( 170 )	-	( 170 )
Sept. 30		<u>\$ 51,471</u>	<u>\$ 4,395</u>	<u>\$ 48,036</u>	<u>\$ -</u>	<u>\$ 103,902</u>
Sept. 30						
Costs		\$ 51,471	\$ 56,047	\$ 96,428	\$ 7,500	\$ 211,446

		2025					
		Goodwill	Customer relations	Computer software	Professional technologies	Total	
Accumulated amortization		-	( 51,652 )	( 48,392 )	( 7,500 )	( 107,544 )	
		\$ 51,471	\$ 4,395	\$ 48,036	\$ -	\$ 103,902	
		2024					
		Goodwill	Customer relations	Computer software	Professional technologies	Royalties	Total
Jan. 1		\$ 51,471	\$ 56,047	\$ 70,217	\$ 7,500	\$ 500	\$ 185,735
Costs							
Accumulated amortization		-	( 49,844 )	( 24,653 )	( 6,772 )	( 500 )	( 81,769 )
		\$ 51,471	\$ 6,203	\$ 45,564	\$ 728	\$ -	\$ 103,966
Jan. 1		\$ 51,471	\$ 6,203	\$ 45,564	\$ 728	\$ -	\$ 103,966
Additions			-	11,315	-	-	11,315
Amortization expenses		-	( 775 )	( 12,981 )	( 386 )	-	( 14,142 )
Net exchange difference		-	-	134	-	-	134
Sept. 30		\$ 51,471	\$ 5,428	\$ 44,032	\$ 342	\$ -	\$ 101,273
Sept. 30		\$ 51,471	\$ 56,047	\$ 79,820	\$ 7,500	\$ 500	\$ 195,338
Costs							
Accumulated amortization		-	( 50,619 )	( 35,788 )	( 7,158 )	( 500 )	( 94,065 )
		\$ 51,471	\$ 5,428	\$ 44,032	\$ 342	\$ -	\$ 101,273

A. The details of amortization of intangible assets are as follows:

		For the three months ended Sep. 30	
		2025	2024
Operating costs	\$	1,011	\$ 1,500
Selling and marketing expenses		338	451
Administrative expenses		1,633	1,046
Research and development expenses		797	317
	\$	3,779	\$ 3,314
		For the nine months ended Sep. 30	
		2025	2024
Operating costs	\$	3,499	\$ 5,114
Selling and marketing expenses		1,102	1,484
Administrative expenses		3,574	3,336
Research and development expenses		4,293	4,208
	\$	12,468	\$ 14,142

- B. The goodwill generated by the Group's acquisition of Finesse Technology Co., Ltd. came from the benefits brought by the expected benefits of the business integration and growth of mechanical equipment maintenance.
- C. The goodwill generated by the Group's acquisition of Shanorm Tech Co., Ltd. came from the expected benefits of the business integration and growth of vacuum pump maintenance as well as sales of used machines and spare parts.
- D. The Group did not recognize any impairment loss of goodwill for the nine months ended Sept. 30, 2025 and 2024.
- E. Goodwill allocated to the Group's cash-generating units identified by operating segments:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Finesse Technology Co., Ltd.	\$ 36,738	\$ 36,738	\$ 36,738
Shanorm Tech Co., Ltd.	14,733	14,733	14,733
	<u>\$ 51,471</u>	<u>\$ 51,471</u>	<u>\$ 51,471</u>

(11) Other non-current assets

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Prepayment for land and equipment	\$ 54,124	\$ 54,202	\$ 78,393
Refundable deposits	14,564	16,305	16,364
Others	323	232	228
	<u>\$ 69,011</u>	<u>\$ 70,739</u>	<u>\$ 94,985</u>

(12) Short-term borrowings

Category of borrowings	Sept. 30, 2025	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 300,000	1.90%	Land and buildings
Credit borrowings	337,340	1.90%~2.27%	-
	<u>\$ 637,340</u>		
Category of borrowings	Dec. 31, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	<u>\$ 277,000</u>	1.91%~2.231%	-
Category of borrowings	Sept. 30, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	<u>\$ 143,000</u>	1.86%~3.33%	-

(13) Other payables

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Salaries and bonuses payable	\$ 114,975	\$ 138,534	\$ 142,184
Remuneration payable to directors, supervisors and employees	39,315	74,377	72,700
Equipment payable	9,372	53,052	47,600
Travel allowances payable to employees	7,304	13,960	13,334
Unused annual leave payable	14,885	20,173	19,337
Labor and health insurance expenses payable	9,190	5,904	5,868
Utility bill payable	7,604	2,462	4,576
Pension payable	6,305	4,505	4,413
Payable for capital reduction	-	-	236,404
Others	83,177	91,645	70,208
	<u>\$ 292,127</u>	<u>\$ 404,612</u>	<u>\$ 616,624</u>

(14) Long-term borrowings

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	Sept. 30, 2025
Long-term bank borrowings				
Secured borrowings	From Feb. 26, 2020 through Feb. 26, 2040, and interest will be paid monthly.	1.375% - 2.075%	Land and buildings	\$ 1,448,652
Credit borrowings	From Nov. 1, 2023 through Jul. 19, 2029, and interest will be paid monthly.	1.72% - 2.22%	-	<u>800,571</u>
				2,249,223
Less: Long-term borrowings due within one year or one operating cycle				<u>( 793,159 )</u>
				<u>\$ 1,456,064</u>

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	Dec. 31, 2024
Long-term bank borrowings				
Secured borrowings	From Feb. 26, 2020 through Feb. 26, 2040, and interest will be paid monthly.	1.375% - 2.075%	Land and buildings	\$ 1,806,673

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	Dec. 31, 2024
Credit borrowings	From Nov. 1, 2023 through Jul. 19, 2029, and interest will be paid monthly.	1.72% - 2.036%	-	699,613
				2,506,286
Less: Long-term borrowings due within one year or one operating cycle				( 641,028 )
				<u>\$ 1,865,258</u>

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	Sept. 30, 2024
Long-term bank borrowings				
Secured borrowings	From Feb. 26, 2020 through Feb. 26, 2040, and interest will be paid monthly.	1.375% - 2.075%	Land and buildings	\$ 1,892,944
Credit borrowings	From Nov. 1, 2023 through Oct. 31, 2028, and interest will be paid monthly.	1.71% - 3.36%	-	512,443
				2,405,387
Less: Long-term borrowings due within one year or one operating cycle				( 564,634 )
				<u>\$ 1,840,753</u>

Please refer to Note 8 for information on collateral for long-term borrowings.

(15) Pension

A. Defined benefit plans

- (A) The Company and domestic subsidiaries established the defined benefit pension regulations in accordance with the Labor Standards Act, which were applicable to all formal employees who were employed prior to the enforcement of the Labor Pension Act on Jul. 1, 2005 and to the formal employees who still chose the old pension scheme under the Labor Standards Act after the Labor Pension Act took effect. Pension is paid to employees who have met the retirement criteria based on the number of years of service and the average monthly salary of the last six months prior to retirement. Two units are granted for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. The Company makes a contribution, equal to 2% of the total salaries per month, to a pension fund and deposits it in the account in the name of the Labor Pension Funds Supervisory Committee with the Bank of Taiwan. In addition, the Company assesses

the balance of the aforementioned labor pension reserve account at the end of each year. If the account balance is insufficient to pay the pension calculated in the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make a contribution to make up for the difference by the end of March of the following year.

- (B) The Group's pension costs under the above pension plan for the three and nine months ended Sept. 30, 2025 and 2024 were \$0, \$4, \$1, and \$11, respectively.
- (C) The Group's estimated contributions to the pension plan for the year ended Dec. 31, 2026 amount to \$114.

B. Defined contribution plans

- (A) Effective on Jul. 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan under the Labor Pension Act, covering all employees of R.O.C. nationality. Under the Labor Pension Act, the Company and its domestic subsidiaries make a monthly contribution, equal to 6% of the employees' monthly salaries to their individual pension accounts with the Bureau of Labor Insurance. Employee pensions are paid monthly or in lump sum based on the amounts in their individual pension accounts and the benefits accumulated.
- (B) The Group's pension costs under the above pension plan for the three and nine months ended Sept. 30, 2025 and 2024 were \$10,311, \$10,746, \$31,046, and \$30,906, respectively.

(16) Share-based payment

Subsidiary - Finesse Technology Co., Ltd.

- A. The share-based payment agreement for the nine months ended Sept. 30, 2025 and 2024 is as follows:

Type of agreement	Grant date	Quantity granted	Vesting conditions
Employee stock option plan	Apr. 3, 2023	2,000	2-3 years of service

- B. An employee stock option plan with 2,000 units was issued on Apr. 3, 2023:

	For the nine months ended Sep. 30			
	2025		2024	
	Number of stock options	Weighted average strike price (NTD)	Number of stock options	Weighted average strike price (NTD)
Stock options outstanding at the beginning of the period	2,000	\$ 45.00	2,000	\$ 45.00



For the nine months ended Sep. 30				
2025			2024	
	Number of stock options	Weighted average strike price (NTD)	Number of stock options	Weighted average strike price (NTD)
Stock options exercised in this period	( 792 )	36.25	-	-
Stock options outstanding at the end of the period	<u>1,208</u>	36.25	<u>2,000</u>	45.00
Exercisable stock options at the end of the period	<u>-</u>	-	<u>-</u>	-

- C. As for the above share-based payment - employee stock options, the Black-Scholes model was adopted to estimate the fair value of the stock options. The relevant information is as follows:

Type of agreement	Grant date	Stock price (Note)	Strike price	Expected volatility	Expected duration	Expected dividends	Risk-free rate	Fair value per unit
Employee stock option plan	Apr. 3, 2023	-	45.00	40.92%~ 41.94%	3 - 3.5 years	-	1.0626%~ 1.0839%	42.60

Note: Finesse Technology Co., Ltd. undertook a public offering on Sept. 22, 2023.

- D. On Nov. 6, 2024, the Board of Directors of Finesse Technology Co., Ltd. decided to conduct a cash capital increase before the initial TWSE/TPEX listing, retaining 390 thousand shares for employees to subscribe to. The grant date is on Nov. 28, 2024. Finesse Technology Co., Ltd. recognized a compensation cost of \$4,884 thousand in 2024 for the aforementioned employee stock options reserved from the cash capital increase.
- E. The expenses incurred for share-based payment are as follows:

For the nine months ended Sep. 30		
	2025	2024
Employee stock options	<u>\$ 2,704</u>	<u>\$ 6,568</u>

#### (17) Share capital

- A. As of Sept. 30, 2025, the Group's authorized capital was \$2,500 thousand and paid-in capital was \$944,623, totaling 94,462,343 shares, at a par value of \$10 per share. The Company has received all the capital payments for the shares issued.

The number of outstanding shares of the Company's common stock at the beginning and end of the period is adjusted as follows:

	2025	2024
Jan. 1	94,561,343	118,201,679
Reduced capital	( 99,000 )	( 23,640,336 )
Sept. 30	94,462,343	94,561,343

B. To increase the return on shareholders' equity and adjust the capital structure, the shareholders' meeting approved a cash capital reduction on Jun. 7, 2024 to return shareholders' shares. The amount of capital reduction was \$236,404 and with 23,640 thousand shares canceled and a capital reduction ratio of 20%. The above-mentioned capital reduction proposal has been approved by the competent authority and taken effect on Jul. 18, 2024, with the record date of capital reduction on Jul. 19, 2024.

C. Treasury shares

- (A) In order to protect the Company's credit and shareholders' equity, the Company repurchased 99,000 treasury shares for a total of \$4,341 during 2025 and completed the registration change to cancel the shares in the third quarter of 2025.
- (B) According to the Securities and Exchange Act, the number of shares repurchased by a company may not exceed ten percent of the total number of issued shares of the company. The total amount of the shares repurchased may not exceed the amount of the retained earnings plus premium on capital stock plus realized capital surplus.
- (C) The treasury shares held by the Company may not be pledged and no shareholders' rights may be exercised before the transfer is completed. in accordance with the Securities and Exchange Act.
- (D) According to the Securities and Exchange Act, shares repurchased to protect the company's credit and shareholders' equity shall be registered for cancellation within six months from the date of their repurchase.

(18) Capital surplus

According to the Company Act, the capital surplus, including the income derived from issuing shares in excess of par and endowments, in addition to being used to offset a deficit, where the Company has no cumulative deficit, may be used to issue new shares or pay out cash in proportion to the shareholders' shareholdings. In addition, as per the Securities and Exchange Act, where the capital surplus above is used for capitalization, the total amount should not exceed 10% of the paid-in capital each year. The Company should not use the capital surplus to offset capital losses, unless the surplus reserve is insufficient to offset such losses.

	Additional paid-in capital	Employee stock options	Changes in ownership interests in subsidiaries and associates recognized	Exercise of disgorgement by the Company	Expired stock options	Total
January 1, 2025	\$ 297,538	\$ 2,765	\$ 94,931	\$ 215	\$ 15,235	\$ 410,684
Changes in ownership interests of subsidiaries	-	-	( 4,103 )	-	-	( 4,103 )
Cash dividends paid out from capital surplus	( 75,649 )	-	-	-	-	( 75,649 )
Cancellation of treasury shares	( 233 )	-	-	-	-	( 233 )
Sept. 30, 2025	<u>\$ 221,656</u>	<u>\$ 2,765</u>	<u>\$ 90,828</u>	<u>\$ 215</u>	<u>\$ 15,235</u>	<u>\$ 330,699</u>

	Additional paid-in capital	Employee stock options	Changes in ownership interests in subsidiaries and associates recognized	Exercise of disgorgement by the Company	Expired stock options	Total
Jan. 1, 2024	\$ 297,538	\$ 2,765	\$ 45,537	\$ 215	\$ 15,235	\$ 361,290
Changes in ownership interests in subsidiaries and associates recognized in proportion to shareholdings	-	-	2,268	-	-	2,268
Sept. 30, 2024	<u>\$ 297,538</u>	<u>\$ 2,765</u>	<u>\$ 47,805</u>	<u>\$ 215</u>	<u>\$ 15,235</u>	<u>\$ 363,558</u>

(19) Retained earnings

- A. The Company's profit distribution is made after the end of each half of the fiscal year. If there is a surplus in the final accounts of each half of the fiscal year, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, the Company will estimate the retained employee compensation and director remuneration before setting aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. In addition, the special reserve shall be set aside or reversed in accordance with laws and regulations, and the balance shall be added to the accumulated undistributed surplus of previous years as dividends and bonuses available for distribution of shareholders. The amount of distribution shall be prepared by the board of directors with a surplus distribution plan and when the distribution is made in cash, it shall be resolved by the board of directors; when the distribution is made by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution. If there is a surplus in the final accounts of a fiscal year, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, the Company will set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this

shall not apply. In addition, after the special reserve shall be set aside or reversed in accordance with laws and regulations, the remaining balance is included in the cumulative undistributed earnings for the first half of the fiscal year, the amount of distribution shall be prepared by the board of directors with a surplus distribution plan and when the distribution is made in cash, it shall be resolved by the board of directors; when the distribution is made by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution.

Pursuant to Paragraph 5, Article 240 of the Company Act, the Company authorizes the board of directors to resolve to distribute the dividends and bonuses or all or part of the legal reserve and capital surplus as stipulated in Paragraph 1, Article 241 of the Company Act in the form of cash with a majority vote of attending directors at a board meeting attended by two-thirds of all directors, which shall be reported to the shareholders' meeting.

- B. For the employee compensation and directors' remuneration distribution policy stipulated in the Company's Articles of Incorporation, please refer to Note 6(24).
- C. The legal reserve shall not be appropriated when its balance reaches the amount of the Company's total paid-in capital. The legal reserve may be used to make up for losses. When the Company does not suffer losses, the part of the legal reserve in excess of 25% of the total paid-in capital can be distributed in cash in addition to being used to replenish the capital.
- D. The Company set aside and reversed a special reserve in accordance with the FSC Letters Jin-Guan-Zheng-Fa-Zi No. 1010012865, Jin-Guan-Zheng-Fa-Zi No. 1010047490, Jin-Guan-Zheng-Fa-Zi No. 1030006415, and the directive, entitled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs."
- E. Special reserves
  - (A) In accordance with the FSC Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated Mar. 31, 2021, when IFRSs are adopted for the first time, for the cumulative translation adjustments (gains) under shareholders' equity, a special reserve shall be set aside in the same amount of the portion reclassified to retained earnings for application of the exemption as in IFRS 1. As the increase in retained earnings generated due to the first-time application of IFRSs was insufficient to be recognized, the increase in retained earnings generated due to the conversion to IFRSs by \$50,031 was recognized in special reserves.
  - (B) The appraised cost of the Company's acquisition of property from a related party in 2017 was lower than the actual transaction price. Therefore, the Company set aside a special reserve of \$14,737 for the difference in accordance with the provisions of

the Securities and Exchange Act.

F. The Company's 2024 and 2023 earnings distribution plans are as follows:

	2024		2023	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Legal reserve provided	\$ 32,332		\$ 35,684	
Cash paid out from capital surplus	75,649	\$ 0.80	-	\$ -
Cash dividends distributed from earnings	113,474	1.20	-	-
	<u>\$ 221,455</u>	<u>\$ 2.00</u>	<u>\$ 35,684</u>	<u>\$ -</u>

The surplus distribution plans for the fiscal year 2024 has been resolved by the Board of Directors on Mar. 4, 2025 and the Shareholders' Meeting on May 27, 2025.

The surplus distribution plans for the fiscal year 2023 has been resolved by the Board of Directors on Mar. 8, 2024 and the Shareholders' Meeting on Jun. 7, 2024.

(20) Operating revenue

	For the three months ended Sep. 30	
	2025	2024
Merchandise sales revenue	\$ 508,350	\$ 595,820
Service income	459,216	356,261
Others	1,216	1,377
	<u>\$ 968,782</u>	<u>\$ 953,458</u>
	For the nine months ended Sep. 30	
	2025	2024
Merchandise sales revenue	\$ 1,689,145	\$ 1,842,277
Service income	1,017,224	1,048,033
Others	4,200	4,222
	<u>\$ 2,710,569</u>	<u>\$ 2,894,532</u>

A. Breakdown of revenue from customer contracts

The Group's revenue is segmented into the following main operating segments:

For the three months ended Sept. 30, 2025	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Total
Segment revenue	\$ 566,091	\$ 236,224	\$ 159,101	\$ 57,382	\$ 1,018,798
Income from inter-segment transactions	( 42,616 )	( 3,900 )	( 350 )	( 3,150 )	( 50,016 )
Revenue from contracts with external customers	<u>\$ 523,475</u>	<u>\$ 232,324</u>	<u>\$ 158,751</u>	<u>\$ 54,232</u>	<u>\$ 968,782</u>

For the three months ended Sept. 30, 2024	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Total
Segment revenue	\$ 535,969	\$ 176,252	\$ 251,769	\$ 98,802	\$ 1,062,792
Income from inter-segment transactions	( 37,909 )	( 1,928 )	( 66,446 )	( 3,051 )	( 109,334 )
Revenue from contracts with external customers	<u>\$ 498,060</u>	<u>\$ 174,324</u>	<u>\$ 185,323</u>	<u>\$ 95,751</u>	<u>\$ 953,458</u>

For the nine months ended Sept. 30, 2025	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Total
Segment revenue	\$ 1,615,419	\$ 552,334	\$ 501,852	\$ 267,841	\$ 2,937,446
Income from inter-segment transactions	( 209,632 )	( 8,396 )	( 734 )	( 8,115 )	( 226,877 )
Revenue from contracts with external customers	<u>\$ 1,405,787</u>	<u>\$ 543,938</u>	<u>\$ 501,118</u>	<u>\$ 259,726</u>	<u>\$ 2,710,569</u>

For the nine months ended Sept. 30, 2024	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Total
Segment revenue	\$ 1,722,641	\$ 603,811	\$ 639,817	\$ 173,643	\$ 3,139,912
Income from inter-segment transactions	( 153,961 )	( 5,220 )	( 73,972 )	( 12,227 )	( 245,380 )
Revenue from contracts with external customers	<u>\$ 1,568,680</u>	<u>\$ 598,591</u>	<u>\$ 565,845</u>	<u>\$ 161,416</u>	<u>\$ 2,894,532</u>

#### B. Contract assets and contract liabilities

The contract assets and contract liabilities related to the revenue from contracts with customers recognized by the Group are as follows:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	Jan. 1, 2024
Contract assets	<u>\$ 414,068</u>	<u>\$ 403,088</u>	<u>\$ 378,560</u>	<u>\$ 195,147</u>
Contract liabilities	<u>\$ 100,151</u>	<u>\$ 189,729</u>	<u>\$ 134,064</u>	<u>\$ 130,515</u>

(A) The opening balances of contract liabilities on Jan. 1, 2025 and 2024 were recognized in revenue of \$173,710 and \$123,610 for the nine months ended Sept. 30, 2025 and 2024, respectively.

(B) Please refer to Note 12(2) for information on the credit risk of contract assets.

#### (21) Other gains or losses

	For the three months ended Sep. 30	
	2025	2024
Gains on disposal of property, plant and equipment	\$ -	\$ 1,125
Foreign currency exchange gains (losses)	16,001	( 2,346 )

		For the three months ended Sep. 30	
		2025	2024
Losses on financial assets (liabilities) at fair value through profit or loss		-	( 134 )
Others	(	586 )	( 1,536 )
	\$	15,415	\$ 2,891 )

		For the nine months ended Sep. 30	
		2025	2024
Gains (losses) on disposal of property, plant and equipment	( \$	4 )	\$ 1,275
Foreign currency exchange (losses) gains	(	6,756 )	15,203
Gains (losses) on financial assets (liabilities) at fair value through profit or loss		296	( 430 )
Gain on disposal of investments		4,291	-
Others	(	1,077 )	( 7,699 )
	\$	3,250 )	\$ 8,349

(22) Financial costs

		For the three months ended Sep. 30	
		2025	2024
Interest on bank borrowings	\$	13,775	\$ 10,788
Interest on lease liabilities		492	441
	\$	14,267	\$ 11,229

		For the nine months ended Sep. 30	
		2025	2024
Interest on bank borrowings	\$	39,702	\$ 30,673
Interest on lease liabilities		1,374	1,468
	\$	41,076	\$ 32,141

(23) Depreciation and amortization

		For the three months ended Sep. 30	
		2025	2024
An analysis of depreciation expenses by function			
Operating costs	\$	38,516	\$ 36,162
Operating expenses		23,361	23,590
	\$	61,877	\$ 59,752

		For the three months ended Sep. 30	
		2025	2024
An analysis of amortization expenses by function			
Operating costs	\$	1,011	\$ 2,317
Operating expenses		2,768	997
	\$	<u>3,779</u>	<u>\$ 3,314</u>

		For the nine months ended Sep. 30	
		2025	2024
An analysis of depreciation expenses by function			
Operating costs	\$	118,405	\$ 109,810
Operating expenses		66,192	60,485
	\$	<u>184,597</u>	<u>\$ 170,295</u>

An analysis of amortization expenses by function			
Operating costs	\$	3,499	\$ 5,114
Operating expenses		8,969	9,028
	\$	<u>12,468</u>	<u>\$ 14,142</u>

(24) Employee benefits expenses

		For the three months ended Sep. 30	
		2025	2024
Salaries and wages expenses	\$	179,452	\$ 188,823
Labor and health insurance expenses		16,838	16,425
Pension expense		10,311	10,750
Other personnel expenses		18,356	11,880
	\$	<u>224,957</u>	<u>\$ 227,878</u>

		For the nine months ended Sep. 30	
		2025	2024
Salaries and wages expenses	\$	546,425	\$ 575,038
Labor and health insurance expenses		49,695	46,277
Pension expense		31,047	30,917
Other personnel expenses		39,889	34,275
	\$	<u>667,056</u>	<u>\$ 686,507</u>

- A. If the Company generates a profit for the year (i.e., pre-tax profit before employee compensation and director remuneration is deducted), it shall allocate not less than 8% as employee compensation (of which the compensation for entry-level employees shall be not



less than 30% of the total employee compensation) and not more than 2% as director remuneration. However, if the Company has accumulated losses, the amount required to cover the loss shall be reserved first.

The above employee compensation may be distributed in the form of stock or cash. Eligible recipients may include employees of controlled or subordinate companies that meet specific conditions, with the conditions and distribution methods to be determined by the Board of Directors.

The two preceding items shall be resolved by the Board of Directors and reported to the Shareholders' Meeting.

- B. For the three and nine months ended Sept. 30, 2025 and 2024, the Company's estimated employee compensation amounted to \$1,597, \$5,756, \$16,082, and \$29,802, respectively; estimated director remuneration amounted to \$1,124, \$1,608, \$4,021, and \$5,947, respectively, and the aforementioned amounts were recognized in salaries and wages.

The employee compensation and director remuneration distributed for 2024 as approved by the board of directors by resolution were \$40,985 and \$8,197, respectively, and the amounts recognized in the 2024 financial statements were the same.

Please visit the Market Observation Post System (MOPS) for information on employee compensation and director remuneration approved by the Company's board of directors.

(25) Income tax

A. Income tax expenses (benefits)

(A) Components of income tax expenses:

	For the three months ended Sep. 30	
	2025	2024
Current income tax:		
Income tax from current income	\$ 12,912	\$ 13,134
A surtax on unappropriated retained earnings	5,439	437
Income tax overestimates for prior years	980	-
Total current income tax	19,331	13,571
Deferred tax:		
Initial arising and reversal of temporary differences	2,494	( 935 )
Income tax expense	\$ 21,825	\$ 12,636

		For the nine months ended Sep. 30	
		2025	2024
Current income tax:			
Income tax from current income	\$	34,295	\$ 63,097
A surtax on unappropriated retained earnings		5,961	12,651
Income tax overestimates for prior years	(	13,232 )	( 18,786 )
Total current income tax		<u>27,024</u>	<u>56,962</u>
Deferred tax:			
Initial arising and reversal of temporary differences		2,918	( 9,928 )
Income tax expense	\$	<u>29,942</u>	<u>\$ 47,034</u>

(B) The amount of income tax related to other comprehensive income:

		For the three months ended Sep. 30	
		2025	2024
Exchange differences on translating foreign operations	\$	<u>5,422</u>	<u>( \$ 1,373 )</u>

		For the nine months ended Sep. 30	
		2025	2024
Exchange differences on translating foreign operations	(\$	<u>11,222 )</u>	<u>\$ 6,170</u>

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

C. The profit-seeking enterprise income tax returns filed by the Company's subsidiaries: Finesse Technology Co., Ltd., Shanorm Tech Co., Ltd., and Schmidt Scientific Taiwan Ltd. up to 2023 have been approved by the tax authority.

(26) Earnings per share

		For the three months ended Sep. 30, 2025		
		Weighted average number of issued shares (in thousands)	Amount after tax	Earnings per share (NTD)
<u>Earnings per share - basic</u>				
Current net income attributable to ordinary shareholders of the parent company			\$ 36,385	\$ 0.39

For the three months ended Sep. 30, 2025			
	Amount after tax	Weighted average number of issued shares (in thousands)	Earnings per share (NTD)
<u>Earnings per share - diluted</u>			
Effect of potentially dilutive ordinary shares			
Employee compensation	-	33	
Current net income attributable to ordinary shareholders of the parent company, plus effect of potential ordinary shares	\$ 36,385	94,497	\$ 0.39

For the three months ended Sep. 30, 2024			
	Amount after tax	Weighted average number of issued shares (in thousands)	Earnings per share (NTD)
<u>Earnings per share - basic</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 69,387	99,187	\$ 0.70
<u>Earnings per share - diluted</u>			
Effect of potentially dilutive ordinary shares			
Employee compensation	-	446	
Current net income attributable to ordinary shareholders of the parent company, plus effect of potential ordinary shares	\$ 69,387	99,633	\$ 0.70

For the nine months ended Sep. 30, 2025			
	Amount after tax	Weighted average number of issued shares (in thousands)	Earnings per share (NTD)
<u>Earnings per share - basic</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 168,105	94,528	\$ 1.78
<u>Earnings per share - diluted</u>			
Effect of potentially dilutive ordinary shares			
Employee compensation	-	520	
Current net income attributable to ordinary shareholders of the parent company, plus effect of potential ordinary shares	\$ 168,105	95,048	\$ 1.77

For the nine months ended Sep. 30, 2024			
	Amount after tax	Weighted average number of issued shares (in thousands)	Earnings per share (NTD)
<u>Earnings per share - basic</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 236,042	111,817	\$ 2.11
<u>Earnings per share - diluted</u>			
Effect of potentially dilutive ordinary shares			
Employee compensation	-	668	
Current net income attributable to ordinary shareholders of the parent company, plus effect of potential ordinary shares	\$ 236,042	112,485	\$ 2.10

(27) Transactions with non-controlling interests

Acquisition of additional equity in subsidiary

- A. During the third quarter of 2024, the Company acquired non-controlling interests in its subsidiary, Schmidt Scientific Taiwan Ltd., in cash, so its shareholding increased from 57.17% to 60.96%. With this transaction, the non-controlling interests decreased by \$2,268 and the equity attributable to the parent company increased by \$2,268.
- B. During the second and third quarter of 2025, the Company acquired non-controlling interests in its subsidiary, Schmidt Scientific Taiwan Ltd., in cash, so its shareholding increased from 60.96% to 61.12%. With this transaction, the non-controlling interests decreased by \$191 and the equity attributable to the parent company increased by \$191.

(28) Business combination

- A. The Group acquired 100% of the equity of Litho Med Trading Co., Ltd. on Jul. 1, 2024, at an acquisition price \$100 thousand, in cash and gained control over Litho Med Trading Co., Ltd.
- B. The information on the consideration paid for the acquisition of Litho Med Trading Co., Ltd. and the assets acquired and the liabilities assumed at the fair value on the acquisition date is as follows:

	Jun. 30, 2024
Acquisition consideration	
Cash	\$ 100,000
Fair value of identifiable assets acquired and liabilities assumed	
Cash	39,958

	Jun. 30, 2024
Accounts receivable	8,011
Current income tax assets	6
Inventories	10,880
Prepayments	532
Other current assets	44
Property, plant and equipment	70,000
Other non-current assets	6,300
Short-term borrowings	( 5,000 )
Notes payable	( 1,621 )
Accounts payable	( 4,578 )
Other payables	( 16,275 )
Long-term liabilities due within one year or one operating cycle	( 5,888 )
Other current liabilities	( 17 )
Long-term borrowings	( 2,352 )
Total identifiable net assets	100,000
	<u>\$ -</u>

- C. Since the Group merged Litho Med Trading Co., Ltd. on Jul. 1, 2024, the operating revenue and the net income before tax contributed by the company were \$68,225 and \$18,988, respectively, as of Dec. 31, 2024. If it is assumed that Litho Med Trading Co., Ltd. has been merged into the Group since Jan. 1, 2024, the Group's operating revenue and net income before tax would have been \$2,942,196 and \$205,740, respectively for the nine months ended Sept. 30, 2024.

(29) Supplementary information on cash flows

Investing activities with partial cash payment:

	For the nine months ended Sep. 30	
	2025	2024
Purchase of property, plant and equipment	\$ 65,152	\$ 128,352
Add: Equipment payable at the beginning of the period	53,052	38,829
Less: Equipment payable at the end of the period	( 9,372 )	( 47,600 )
Cash paid in this period	<u>\$ 108,832</u>	<u>\$ 119,581</u>

(30) Changes in liabilities from financing activities

For the nine months ended Sep. 30, 2025						
	Short-term borrowings	Short-term notes payable	Long-term borrowings	Lease liabilities	Guarantee deposits	Total
Jan. 1	\$ 277,000	\$ 40,000	\$ 2,506,286	\$ 83,687	\$ 1,361	\$ 2,908,334
Changes in cash flows of financing activities	360,340	60,000	( 255,338 )	( 23,308 )	256	141,950
Acquisition of right-of-use assets	-	-	-	21,067	-	21,067
Impact from change in exchange rate	-	-	( 1,725 )	( 996 )	( 52 )	( 2,773 )
Other non-cash changes	-	-	-	985	-	985
Sept. 30	<u>\$ 637,340</u>	<u>\$ 100,000</u>	<u>\$ 2,249,223</u>	<u>\$ 81,435</u>	<u>\$ 1,565</u>	<u>\$ 3,069,563</u>

For the nine months ended Sep. 30, 2024						
	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits	Total	
Jan. 1	\$ 807,000	\$ 1,745,810	\$ 46,002	\$ 1,134	\$ 2,599,946	
Changes in cash flows of financing activities	( 669,000 )	651,337	( 17,227 )	( 59 )	( 34,949 )	
Acquired through business combinations	5,000	8,240	-	-	13,240	
Other non-cash changes	-	-	( 3,896 )	-	( 3,896 )	
Acquisition of right-of-use assets	-	-	55,039	-	55,039	
Impact from change in exchange rate	-	-	321	35	356	
Sept. 30	<u>\$ 143,000</u>	<u>\$ 2,405,387</u>	<u>\$ 80,239</u>	<u>\$ 1,110</u>	<u>\$ 2,629,736</u>	

7. Related Party Transactions

(1) Name of related parties and relationship

Name of related party	Relationship with the Group
Htc & Solar Tech Service Limited	Associate

(2) Significant transactions with related parties

A. Operating revenue

	For the three months ended Sep. 30	
	2025	2024
Sales revenue:		
Associate	\$ 171	\$ 68
	For the nine months ended Sep. 30	
	2025	2024
Sales revenue:		
Associate	\$ 351	\$ 664

- (A) The Group's revenue is from the sales of various types of components and customized products, as well as cleaning. There is no major difference in the unit price of the various components sold from that offered to regular customers; the customized products and the parts of each customer's customized products for maintenance and replacement are different, so the prices cannot be compared.
- (B) The Group's collection of the sales revenue from the above-mentioned related parties is open account (O/A) with net 90 days. O/A with net 30 days to 120 days for general customers

B. Purchases

	For the three months ended Sep. 30	
	2025	2024
Merchandise purchase:		
Associate	\$ 350	\$ 431
	For the nine months ended Sep. 30	
	2025	2024
Merchandise purchase:		
Associate	\$ 761	\$ 1,027

- (A) The Group's purchases from related parties mainly include parts. Since the Company does not purchase the same products from other non-related parties, the prices cannot be compared.
- (B) The Group's purchases from the above-mentioned related parties are based on O/A with net 90 days after acceptance, and there is no major difference from general suppliers.

C. Receivables from related parties

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Accounts receivable:			
Associate	\$ 282	\$ 28	\$ 72

Amounts receivable from related parties mainly arise from sales, and each amount from the sales is due at the end of two full months after each sale date. The receivables are not interest-bearing and unsecured. No allowance for losses was provided for receivables from related parties.

D. Payables to related parties

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Accounts payable:			
Associate	\$ 5,829	\$ 5,962	\$ 6,198
Other payables:			
Associate	\$ 3,174	\$ -	\$ 1,422

Amounts payable to related parties mainly arise from purchases, and each amount from the purchases is due at the end of two full months after each purchase date. The payables are not interest-bearing.

(3) Transactions with other related parties

The processing and maintenance fees paid by the Group to its associates during the three and nine months ended Sept. 30, 2025 and 2024, were \$5,013, \$3,947, \$14,124, and \$11,861, respectively, which were recognized in production and R&D overheads.

(4) Information on remuneration of key management personnel

	For the three months ended Sep. 30	
	2025	2024
Short-term employee benefits	\$ 17,341	\$ 14,276
Post-employment benefits	474	261
	<u>\$ 17,815</u>	<u>\$ 14,537</u>
	For the nine months ended Sep. 30	
	2025	2024
Short-term employee benefits	\$ 51,550	\$ 44,378
Post-employment benefits	984	620
	<u>\$ 52,534</u>	<u>\$ 44,998</u>



## 8. Pledged Assets

The details of the assets pledged by the Group as collateral are as follows:

Asset	Book value			Purpose
	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	
Non-current assets				Long-term borrowings
held for sale - Land	\$ 240,390	\$ -	\$ -	
Land	720,190	960,580	960,580	Long-term borrowings
Buildings, and structures	1,449,170	1,450,209	1,464,302	Long-term borrowings
Financial assets at amortized cost - current	3,000	7,041	7,035	Short-term borrowings and customs guarantee
Refundable deposits				Leases and golf club membership certificates
	14,564	16,305	16,364	
	<u>\$ 2,427,314</u>	<u>\$ 2,434,135</u>	<u>\$ 2,448,281</u>	

## 9. Significant Contingent Liabilities and Unrecognized Commitments

As of Sept. 30, 2025, the amount of the performance guarantees provided by the banks entrusted by the Group for the purchase of goods from suppliers was \$10 thousand.

## 10. Major Disaster Loss

None.

## 11. Material Events After the Balance Sheet Date

None.

## 12. Others

### (1) Capital management

The Group's capital management is to optimize the balances of debts and equity to make effective use of capital and ensure the smooth operation of each company. The Group's capital structure is composed of liabilities and equity without the need for compliance with other external capital requirements. The Group's main management reviews the capital structure quarterly, including considering the costs of various types of capital and relevant risks while investing in financial products to increase the Company's income and manage the capital structure.

(2) Financial instruments

A. Categories of financial instruments

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designated equity instrument investments selected	\$ 6,007	\$ 6,007	\$ 6,007
Financial assets at amortized cost			
Cash and cash equivalents	\$ 941,631	\$ 1,232,128	\$ 906,715
Financial assets at amortized cost	43,019	40,185	39,799
Notes receivable	19,710	37,861	34,754
Accounts receivable (including related parties)	649,019	807,215	739,516
Other receivables	13,274	5,088	5,621
Refundable deposits	14,564	16,305	16,364
	<u>\$ 1,681,217</u>	<u>\$ 2,138,782</u>	<u>\$ 1,742,769</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 637,340	\$ 277,000	\$ 143,000
Short-term notes payable	100,000	40,000	50,000
Accounts payable (including related parties)	411,609	425,087	446,109
Other payables	292,127	404,612	616,624
Long-term borrowings (due within one year or one operating cycle)	2,249,223	2,506,286	2,405,387
Guarantee deposits	1,565	1,361	1,110
	<u>\$ 3,691,864</u>	<u>\$ 3,654,346</u>	<u>\$ 3,662,230</u>
Lease liabilities	<u>\$ 81,435</u>	<u>\$ 83,687</u>	<u>\$ 80,239</u>

B. Risk management policy

The Group's financial management department provides services to various business units, coordinates the operations in the domestic and international financial markets, and

supervises and manages the financial risks related to the Group's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

C. Nature and level of material financial risks

(A) Market risk

Exchange rate risk

- a. The Group operates business across borders and is therefore subject to exchange rate risks arising from transactions in currencies that are different from the functional currencies (USD and CNY) used by the Company and its subsidiaries. The relevant exchange rate risks arise from future business transactions and assets and liabilities recognized.
- b. The Group's management has formulated policies to require each company of the Group to manage the exchange rate risks arising from their functional currencies. Each company should hedge its overall exchange rate risks through the Group's finance department. Exchange rate risks are measured through a forecast of highly probable USD and CNY expenditures and forward exchange agreements are used to reduce the impact of exchange rate fluctuations on expected inventory purchase costs.
- c. The Group's business involves certain non-functional currencies (the functional currency used by the Company and some of its subsidiaries is NTD, and the functional currencies used by some of its subsidiaries are CNY and USD). Therefore, the Group is subject to exchange rate fluctuations. The information on foreign-currency assets and liabilities affected by significant exchange rate fluctuations is as follows:

		Sept. 30, 2025	
		Foreign currency (thousand)	Carrying amount (NTD)
		Exchange rate	
<b>(Foreign currency: Functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary item</u>			
USD: NTD	\$	6,819	30.4450
USD: CNY		664	7.1055
CNY: NTD		8,100	4.2847
JPY: NTD		203,132	0.2058
<u>Financial liabilities</u>			
<u>Monetary item</u>			
USD: NTD	\$	301	30.4450
CNY: NTD		1,255	4.2847

Sept. 30, 2025			
	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)
JPY: NTD	154,202	0.2058	31,735
EUR: CNY	200	8.3483	7,136
Dec. 31, 2024			
	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)
<b>(Foreign currency: Functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary item</u>			
USD: NTD	\$ 6,615	32.7850	\$ 216,873
USD: CNY	538	7.1884	17,649
CNY: NTD	7,480	4.4780	33,495
JPY: NTD	98,969	0.2099	20,774
<u>Financial liabilities</u>			
<u>Monetary item</u>			
USD: NTD	\$ 327	32.7850	\$ 10,721
JPY: NTD	72,089	0.2099	15,131
Sept. 30, 2024			
	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)
<b>(Foreign currency: Functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary item</u>			
USD: NTD	\$ 5,317	31.6500	\$ 168,283
USD: CNY	497	7.0074	15,730
CNY: NTD	6,744	4.5167	30,461
JPY: NTD	108,967	0.2223	24,223
<u>Financial liabilities</u>			
<u>Monetary item</u>			
USD: NTD	\$ 797	31.6500	\$ 25,225
JPY: NTD	103,384	0.2223	22,982

- d. The aggregate amounts of (realized and unrealized) exchange gains or losses of the Group's monetary items recognized for the nine months ended Sept. 30, 2025 and 2024 due to the significant impact of exchange rate fluctuations were (\$6,756) and \$15,203, respectively.

- e. The analysis of the Group's foreign currency market risk due to significant exchange rate fluctuations is as follows:

Sept. 30, 2025					
Sensitivity analysis					
	Movement (%)	Impact on profit or loss		Impact on other comprehensive income	
<b>(Foreign currency: Functional currency)</b>					
<u>Financial assets</u>					
<u>Monetary item</u>					
USD: NTD	±1%	\$	2,076	\$	-
USD: CNY	±1%		202		-
CNY: NTD	±1%		347		-
JPY: NTD	±1%		418		-
<u>Financial liabilities</u>					
<u>Monetary item</u>					
USD: NTD	±1%	\$	92	\$	-
CNY: NTD	±1%		54		-
JPY: NTD	±1%		317		-
EUR: CNY	±1%		71		-

Dec. 31, 2024					
Sensitivity analysis					
	Movement (%)	Impact on profit or loss		Impact on other comprehensive income	
<b>(Foreign currency: Functional currency)</b>					
<u>Financial assets</u>					
<u>Monetary item</u>					
USD: NTD	±1%	\$	2,169	\$	-
USD: CNY	±1%		176		-
CNY: NTD	±1%		335		-
JPY: NTD	±1%		208		-
<u>Financial liabilities</u>					
<u>Monetary item</u>					
USD: NTD	±1%	\$	107	\$	-
JPY: NTD	±1%		151		-

		Sept. 30, 2024		
		Sensitivity analysis		
		Movement (%)	Impact on profit or loss	Impact on other comprehensive income
<b>(Foreign currency: Functional currency)</b>				
<u>Financial assets</u>				
<u>Monetary item</u>				
	USD: NTD	±1%	\$ 1,683	\$ -
	USD: CNY	±1%	157	-
	CNY: NTD	±1%	305	-
	JPY: NTD	±1%	242	-
<u>Financial liabilities</u>				
<u>Monetary item</u>				
	USD: NTD	±1%	\$ 252	\$ -
	JPY: NTD	±1%	230	-

#### Price risks

The Group's equity instruments exposed to the price risk are its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk of equity instrument investment, the Group has diversified its investment portfolio, and the method of the diversification is based on the limits it set.

#### Interest rate risks from cash flows and fair values

The Group's interest rate risk mainly arises from long-term borrowings at floating interest rates, which exposes the Group to cash flow interest rate risk. The risk is partially offset by the Group's cash and cash equivalents at floating interest rates. The Group's borrowings at floating interest rates taken out during the nine months ended Sept. 30, 2025 and 2024 were mainly denominated in NTD.

#### (B) Credit risk

- a. The Group's credit risk is the risk of financial loss suffered arising from the failure of customers or counterparties of financial instruments to fulfill contractual obligations. It mainly comes from counterparties' inability to settle accounts receivable in accordance with the payment terms.
- b. The Group has established a credit risk management mechanism from a group-wide perspective. Only banks and financial institutions with their credit ratings independently determined at "A" or higher can be accepted as transaction counterparties. In accordance with the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis of each new customer before deciding payment and delivery terms and conditions.

The internal risk control system evaluates the credit quality of customers by considering their financial positions, past experience, and other factors. Individual risk limits are set by the board of directors based on internal or external ratings, and the drawdown of credit limits is regularly monitored.

- c. The Group adopts IFRS 9 to set the premise and assumption that when a contract payment is past due by more than 90 days in accordance with the agreed payment terms, it is deemed to have been in default.
- d. The Group adopts IFRS 9 to set the premise and assumption that when a contract payment is past due by more than 30 days in accordance with the agreed payment terms, it is deemed that the credit risk of a financial asset has increased significantly since the initial recognition.
- e. The Group adopts a simplified approach to estimate expected credit losses using a loss ratio method.
- f. The Group incorporates the forward-looking considerations in the Taiwan Institute of Economic Research' Business Indicator Report and adjusts the loss ratio set based on historical and present information for a specific period, to estimate an allowance for losses on contract assets, notes receivable, and accounts receivable; the loss ratio methods used as of Sept. 30, 2025, Dec. 31, 2024, and Sept. 30, 2024 are as follows:

	Not past due	Past due for less than 90 days	Past due for less than 180 days	Past due for 181 days or more	Total
<u>Sept. 30, 2025</u>					
Expected loss ratio	0%~0.72%	0%~10.14%	5.56%~100%	2.78%~100%	
Total book value	\$ 952,930	\$ 96,174	\$ 18,319	\$ 46,819	\$ 1,114,242
Allowance for losses	\$ 1,351	\$ 2,479	\$ 3,786	\$ 23,829	\$ 31,445

	Not past due	Past due for less than 90 days	Past due for less than 180 days	Past due for 181 days or more	Total
<u>Dec. 31, 2024</u>					
Expected loss ratio	0%~0.27%	0%~11.59%	0.68%~100%	38.74%~100%	
Total book value	\$1,162,111	\$ 81,454	\$ 9,707	\$ 20,774	\$ 1,274,046
Allowance for losses	\$ 1,382	\$ 2,143	\$ 2,260	\$ 20,097	\$ 25,882

	Not past due	Past due for less than 90 days	Past due for less than 180 days	Past due for 181 days or more	Total
<u>Sept. 30, 2024</u>					
Expected loss ratio	0%~0.27%	0%~11.59%	0.68%~100%	38.74%~100%	
Total book value	\$1,092,775	\$ 51,373	\$ 13,706	\$ 18,034	\$ 1,175,888
Allowance for losses	\$ 941	\$ 1,335	\$ 3,010	\$ 17,772	\$ 23,058

- g. The table of the changes in the Group's allowance for losses on account receivable with a simplified approach is as follows:

	For the nine months ended Sep. 30	
	2025	2024
	Accounts receivable	Accounts receivable
Jan. 1	\$ 25,882	\$ 24,924
Provision for impairment loss	6,733 (	2,283 )
Amounts written off due to irrecoverability	( 345 )	-
Effect of exchange rate changes	( 825 )	417
Sept. 30	<u>\$ 31,445</u>	<u>\$ 23,058</u>

(C) Liquidity risk

- a. Cash flow forecasts are made by each operating entity of the Group and aggregated by the Group's finance department. The Group's finance department monitors the forecasts on the group-wide liquidity needs to ensure that the Group has sufficient funds to meet operational needs and maintain sufficient undrawn borrowing commitment at all times so that it will not violate relevant borrowing limit requirements or terms. The forecasts take into account the Group's debt financing plans, compliance with debt terms, and alignment with financial ratio targets in the internal balance sheet.
- b. Borrowings from banks are an important source of liquidity for the Group. As of Sept. 30, 2025, Dec. 31, 2024, and Sept. 30, 2024, the Group's undrawn bank financing commitment amounted to \$2,168,248, \$1,553,243, and \$1,829,856, respectively.
- c. The table below details the Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or gross basis, which are grouped by maturity dates. Non-derivative financial liabilities were analyzed based on the remaining period from the balance sheet date to the contract maturity date; derivative financial liabilities were analyzed based on the remaining period from the balance sheet date to the expected maturity date. The contractual cash flows disclosed in the table below are undiscounted amounts.

Sept. 30, 2025	Less than 1 year	More than 1 year
Non-derivative financial liabilities:		
Non-interest-bearing liabilities	\$ 703,736	\$ -
Lease liabilities	28,219	56,324
Floating interest rate instruments	1,466,036	1,495,673
Instruments at fixed rates	100,098	-



Dec. 31, 2024	Less than 1 year	More than 1 year
<u>Non-derivative financial liabilities:</u>		
Non-interest-bearing liabilities	\$ 829,699	\$ 1,361
Lease liabilities	25,910	60,254
Floating interest rate instruments	957,147	1,911,880
Instruments at fixed rates	40,783	-
Sept. 30, 2024	Less than 1 year	More than 1 year
<u>Non-derivative financial liabilities:</u>		
Non-interest-bearing liabilities	\$ 1,062,733	\$ 1,110
Lease liabilities	24,183	60,270
Floating interest rate instruments	796,847	2,335,595
Instruments at fixed rates	50,148	-

(3) Fair value information

A. The fair value levels of the financial instruments and non-financial instruments measured using the valuation technique are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date. An active market refers to a market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs, other than quoted market prices within level 1 that are observable, either directly or indirectly for assets or liabilities.

Level 3: Unobservable inputs for assets or liabilities.

B. Financial and non-financial instruments at fair value are classified by the Group based on the nature, characteristics, risks, and levels of fair values of assets and liabilities. The relevant information is as follows:

(A) The Group classified assets and liabilities by nature. The relevant information is as follows:

Sept. 30, 2025	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 6,007	\$ 6,007

Dec. 31, 2024	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 6,007	\$ 6,007
Sept. 30, 2024	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 6,007	\$ 6,007

(B) The methods and assumptions used by the Group to measure fair values are as follows:

Where the Group uses market quoted prices as fair value inputs (i.e. Level 1), the tools are classified by characteristics as follows:

	Open-end funds
Market quoted prices	Net value

C. The table below shows the changes in Level 3 fair values during the nine months ended Sept. 30, 2025 and 2024:

	For the nine months ended Sep. 30	
	2025	2024
	Equity securities	Equity securities
Equity instrument investments at fair value through other comprehensive income		
Opening and closing balances	\$ 6,007	\$ 6,007

D. There was no transfer in/out to/from Level 3 fair values during the nine months ended Sept. 30, 2025 and 2024.

E. In the Group's valuation process for fair values classified as at Level 3, the finance department is responsible for independent fair value verification for financial instruments, uses data from independent sources to make the valuation results close to the market level, and confirms that the source of the data is independent, reliable, consistent with other resources, and representative of the executable price, while regularly calibrating the valuation model, conducting back-testing, updating the inputs and data required by the

valuation model, and making any other necessary fair value adjustments to ensure that the valuation results are reasonable.

- F. The quantitative information on the significant unobservable inputs of the valuation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input changes are stated as follows:

	Fair value on Sept. 30, 2025	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 6,007	Net asset value method	Not applicable	-	Not applicable
	Fair value on Dec. 31, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 6,007	Net asset value method	Not applicable	-	Not applicable
	Fair value on Sept. 30, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEX listed stocks	\$ 6,007	Net asset value method	Not applicable	-	Not applicable

- G. The Group has selected a valuation model and valuation parameters after prudent evaluation, but different valuation results may occur due to the use of different valuation models or valuation parameters. For financial assets and financial liabilities classified as at Level 3, if the valuation parameters change, the effect on the current profit or loss or other comprehensive income is as follows:

		Sept. 30, 2025			
		Recognized in profit or loss		Recognized in other comprehensive income	
Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets					
Equity instruments	Market-to-book ratio; discount for lack of marketability	±1%			
		\$ -	\$ -	\$ 60	(\$ 60)

			Dec. 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Market-to-book ratio; discount for lack of marketability	±1%				
			\$ -	\$ -	\$ 60	(\$ 60)

			Sept. 30, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Market-to-book ratio; discount for lack of marketability	±1%				
			\$ -	\$ -	\$ 60	(\$ 60)

### 13. Additional Disclosures

#### (1) Information on significant transactions

- A. Loaning funds to others: None.
- B. Endorsements/Guarantees provided: Please refer to Table 1.
- C. Holding of significant securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture): Please refer to Table 2.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 3.
- E. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital or more: Please refer to Table 4.
- F. Business relationship and significant transactions between the parent company and its subsidiaries: Please refer to Table 5.

(2) Information on investees

Information on names and locations of investees (excluding investees in Mainland China): Please refer to Table 6.

(3) Information on investments in mainland China

A. Basic information: Please refer to Table 7.

B. Significant transactions with investees in Mainland China, either directly or indirectly, through a business in a third region: Please refer to Note 13(1).

14. Segments Information

(1) General information

The Group's management has identified reportable segments based on the reporting information used by the board of directors in making decisions.

The Group as a whole belongs to an operating segment for manufacturing, maintaining, and trading electronic components. The information provided to chief operating decision makers to allocate resources and evaluate segment performance is focused on the operating results of the Group. The information on the Group's segment assets and liabilities is not provided to the main management for decision-making purposes, so there is no need to disclose segment assets and liabilities.

(2) Evaluation of segment information

The Group's board of directors evaluates the performance of each operating segment based on its profit and loss. Interest income and expenses were not apportioned to the operating segments as this task is managed by the finance department, which is responsible for the Company's cash position.

(3) Information on segment profit or loss, assets, and liabilities

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

For the three months ended Sept. 30, 2025	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Reconciliation and write-off	Consolidated
External revenue	\$ 523,475	\$ 232,324	\$ 158,751	\$ 54,232	\$ -	\$ 968,782
Inter-segment revenue	42,616	3,900	350	3,150	( 50,016 )	-
Segment revenue	\$ 566,091	\$ 236,224	\$ 159,101	\$ 57,382	(\$ 50,016 )	\$ 968,782
Segment profit or loss	\$ 43,146	\$ 9,370	\$ 20,520	(\$ 4,161 )	\$ 2,324	\$ 71,199

For the three months ended Sept. 30, 2024	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Reconciliation and write-off	Consolidated
External revenue	\$ 498,060	\$ 174,324	\$ 185,323	\$ 95,751	\$ -	\$ 953,458
Inter-segment revenue	37,909	1,928	66,446	3,051	( 109,334 )	-
Segment revenue	<u>\$ 535,969</u>	<u>\$ 176,252</u>	<u>\$ 251,769</u>	<u>\$ 98,802</u>	<u>(\$ 109,334 )</u>	<u>\$ 953,458</u>
<b>Segment profit or loss</b>	<u>\$ 56,702</u>	<u>\$ 5,090</u>	<u>\$ 24,726</u>	<u>\$ 28,557</u>	<u>(\$ 10,884 )</u>	<u>\$ 104,191</u>
For the nine months ended Sept. 30, 2025	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Reconciliation and write-off	Consolidated
External revenue	\$ 1,405,787	\$ 543,938	\$ 501,118	\$ 259,726	\$ -	\$ 2,710,569
Inter-segment revenue	209,632	8,396	734	8,115	( 226,877 )	-
Segment revenue	<u>\$ 1,615,419</u>	<u>\$ 552,334</u>	<u>\$ 501,852</u>	<u>\$ 267,841</u>	<u>(\$ 226,877 )</u>	<u>\$ 2,710,569</u>
<b>Segment profit or loss</b>	<u>\$ 139,044</u>	<u>\$ 33,526</u>	<u>\$ 51,162</u>	<u>\$ 13,940</u>	<u>\$ 12,794</u>	<u>\$ 250,466</u>
For the nine months ended Sept. 30, 2024	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	Finesse Technology Co., Ltd. and its Subsidiaries	Others	Reconciliation and write-off	Consolidated
External revenue	\$ 1,568,680	\$ 598,591	\$ 565,845	\$ 161,416	\$ -	\$ 2,894,532
Inter-segment revenue	153,961	5,220	73,972	12,227	( 245,380 )	-
Segment revenue	<u>\$ 1,722,641</u>	<u>\$ 603,811</u>	<u>\$ 639,817</u>	<u>\$ 173,643</u>	<u>(\$ 245,380 )</u>	<u>\$ 2,894,532</u>
<b>Segment profit or loss</b>	<u>\$ 189,166</u>	<u>\$ 49,919</u>	<u>\$ 87,197</u>	<u>\$ 26,445</u>	<u>(\$ 7,885 )</u>	<u>\$ 344,842</u>

Segment profit (loss) refers to the profit earned by each segment, excluding non-operating income and expenditures and income tax expenses. The amounts measured are provided to the chief operating decision maker to allocate resources to the segment and measure its performance.

(4) Information on the reconciliation of segment profit or loss

Inter-segment sales are conducted on an arm's length basis. The external revenue that the Company presented to the chief operating decision-maker is measured in the same manner as used for the revenue in the income statement.

The reconciliation of segment profit or loss and pre-tax profit or loss of continuing operations for the nine months ended Sept. 30, 2025 and 2024 is as follows:

	For the nine months ended Sep. 30	
	2025	2024
Segment income	\$ 250,466	\$ 344,842
Interest income	7,614	6,067
Other income	9,666	7,566
Other gains or losses	( 3,250 )	8,349
Financial costs	( 41,076 )	( 32,141 )
Share of profit or loss on associates accounted for using equity method	9,074	319
Net income before tax	<u>\$ 232,494</u>	<u>\$ 335,002</u>

Highlight Tech Corp. and its Subsidiaries  
Endorsement/Guarantee Provided  
Sept. 30, 2025

Table 1

Unit: NTD thousand (unless otherwise specified)

No. (Note 1)	Endorsement/ Guarantee Provider	Party Endorsed/Guaranteed		Limit of Endorsement/ Guarantee for Single Enterprise (Note 3)	Maximum Endorsement/ Guarantee Balance in this Period	Ending Balance of Endorsements/ Guarantees Provided	Amount Actually Drawn	Amount of Property- Backed Endorsements/ Guarantees	Ratio of Accumulated Endorsement/ Guarantee Amount to the Net Worth as Shown Through Financial Statement of the Most Recent Term	Upper Limit on Endorsements/ Guarantees (Notes 4 & 5)	Parent Company to Subsidiary	Subsidiary to Parent Company	To Entity in Mainland China	Remarks
		Company Name	Relationship (Note 2)											
0	Highlight Tech Corp.	HIGHLIGHT TECH JAPAN Co., Ltd	3	\$ 904,119	\$ 134,520	\$ 123,480	\$ 79,233	\$ -	4.10%	\$ 1,506,866	Y	N	N	-
0	Highlight Tech Corp.	Litho Med Trading Co., Ltd.	3	602,746	60,000	60,000	-	-	1.99%	1,506,866	Y	N	N	-
0	Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	3	602,746	450,000	450,000	78,340	-	14.93%	1,506,866	Y	N	N	-

Note 1: How the fields should be entered is stated below:

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

Note 2: (1) A company with which it does business.

- (2) A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares.
- (3) A company that directly or indirectly holds more than fifty percent (50%) of the voting shares in the Company.
- (4) A company in which the Company directly or indirectly holds more than ninety percent (90%) of the voting shares.

Note 3: The limit of endorsement/guarantee for a single enterprise is 20% of the net worth of the Company or any of its subsidiaries at the end of the period, but for a single overseas associate, it shall not exceed 30% of the net worth of the Company or any of its subsidiaries at the end of the period.

Note 4: The upper limit of endorsements/guarantees provided to external entities is 50% of the Company's net worth at the end of the period.

Note 5: The upper limit of endorsements/guarantees provided to external entities by a subsidiary is 50% of the subsidiary's net worth at the end of the period.

Note 6: The total external endorsements/guarantees provided by the Company and its subsidiaries are limited to no more than 50% of the net consolidated worth at the end of the period, and the total endorsements/guarantees provided to a single enterprise is limited to no more than 20% of the net consolidated worth at the end of the period, except for a single overseas associate, which shall not exceed 30% of the net consolidated worth at the end of the period.



Highlight Tech Corp. and its Subsidiaries

Holding of significant securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture)

Sept. 30, 2025

Table 2

Unit: NTD thousand (unless otherwise specified)

Type and Name of Marketable Securities (Note 1) (Note 1)			End of Period						
Holding Company	Type	Name	Marketable Securities Relationship with Securities Issuer (Note 2)	Classification	Number of Shares (par Value)/Number of Units (Share)	Carrying Amount (Note 3)	Shareholding Ratio	Fair Value	Remarks
Shanorm Tech Co., Ltd.	Stocks	ProMOS Technologies Inc.	-	Financial assets at FVTOCI - non-current	2,210	\$ 22	-	\$ 22	-
Schmidt Scientific Taiwan Ltd.	Stocks	Syntec Scientific Corporation	-	Financial assets at FVTOCI - non-current	598,500	5,985	4.52%	5,985	-

Highlight Tech Corp. and its Subsidiaries  
Purchases or Sales of Goods from or to Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More  
For the nine months ended Sept. 30, 2025

Table 3

Unit: NTD thousand (unless otherwise specified)											
			Transaction Details				Circumstances and Reasons that Transaction Conditions are Different from General Ones		Notes or Accounts Receivable (Payable)		
Buyer/Seller	Related Party	Relationship	Purchases/ Sales	Amount	As a Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Ending Balance	As a Percentage of Total Notes or Accounts Receivable (Payable)	Remarks
Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	Subsidiary of the Company	(Sales)	\$ 108,422	4.00%	Open account (O/A) with net 90 days	There is no major difference in the unit price of various components sold from that offered to regular customers; the customized products and the parts of each customer’s customized products for maintenance and replacement are different, so the prices cannot be compared.	No major difference	\$ 101,342	15.15%	-
TetraTrio Tech Co., Ltd.	Highlight Tech Corp.	The Company	Purchases	( 108,422 )	(7.27%)	Open account (O/A) with net 90 days	There is no major difference in the unit price of various components sold from that offered to regular customers; the customized products and the parts of each customer’s customized products for maintenance and replacement are different, so the prices cannot be compared.	No major difference	( 101,342 )	(24.62%)	-

Note 1: If the transaction conditions for related parties are different from the general ones, the differences and reasons should be stated in the unit price and the credit period fields.

Note 2: If there is an advance receipt (prepayment), the reason, contract terms, amount, and differences from general transactions should be stated in the remarks field.

Note 3: “Paid-in capital” refers to the paid-in capital of the parent company. If the issuer’s stock is no-par-value stock, or the par value per share is not NT\$10, regarding the requirement that the transaction amount shall not exceed 20% of the paid-in capital, 10% of the equity attributable to the owner of the parent company on the balance sheet shall prevail.

Highlight Tech Corp. and its Subsidiaries

Receivables from Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital or More

Sept. 30, 2025

Table 4

Unit: NTD thousand (unless otherwise specified)

Company Under the Account of Receivables	Related Party	Relationship	Balance of Receivables from Related Parties	Turnover Rate (Times)	Overdue Receivables from Related Parties		Amount of Receivables from Related Parties Recovered After the Balance Sheet Date	Amount Appropriated for Allowance for Doubtful Accounts
					Amount	Handling Method		
Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	Subsidiary of the Company	\$ 101,342	2.14	\$ 60,805	Enhanced collection of overdue receivables	\$ 60,805	\$ -

Highlight Tech Corp. and its Subsidiaries

Business Relationship and Significant Transactions Between the Parent Company and its Subsidiaries

For the nine months ended Sept. 30, 2025

Table 5

Unit: NTD thousand (unless otherwise specified)

No. (Note 1)	Name of Company	Transaction Counterparty	Relations with Company (Note 2)	Transaction Details			As a Percentage of the Total Consolidated Revenue or Total Assets (Note 3)
				Classification	Amount	Transaction Conditions	
0	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	1	Sales revenue	\$ 47,124	Agreed upon by both parties	1.74%
0	Highlight Tech Corp.	Highlight Tech (Shanghai) Corp.	1	Accounts receivable	9,150	Agreed upon by both parties	0.12%
0	Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	1	Sales revenue	108,422	Agreed upon by both parties	4.00%
0	Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	1	Accounts receivable	101,342	Agreed upon by both parties	1.31%
0	Highlight Tech Corp.	Shanorm Tech Co., Ltd.	1	Sales revenue	46,545	Agreed upon by both parties	1.72%
0	Highlight Tech Corp.	Shanorm Tech Co., Ltd.	1	Accounts receivable	8,377	Agreed upon by both parties	0.11%
0	Highlight Tech Corp.	Shanorm Tech Co., Ltd.	1	Contract assets	13,375	Agreed upon by both parties	0.17%
1	Finesse Technology Co., Ltd.	Finesse Technology (Shanghai) Co., Ltd.	3	Sales revenue	13,020	Agreed upon by both parties	0.48%
1	Finesse Technology Co., Ltd.	Finesse Technology (Shanghai) Co., Ltd.	3	Accounts receivable	5,250	Agreed upon by both parties	0.07%
1	Finesse Technology Co., Ltd.	Highlight Tech System (Shanghai) Corp.	3	Sales revenue	33,469	Agreed upon by both parties	1.23%
1	Finesse Technology Co., Ltd.	Highlight Tech System (Shanghai) Corp.	3	Accounts receivable	12,549	Agreed upon by both parties	0.16%
2	Highlight Tech System (Shanghai) Corp.	Finesse Technology (Shanghai) Co., Ltd.	3	Sales revenue	9,451	Agreed upon by both parties	0.35%
2	Highlight Tech System (Shanghai) Corp.	Finesse Technology (Shanghai) Co., Ltd.	3	Accounts receivable	353	Agreed upon by both parties	0.00%

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the number field. The number should be entered as follows:

(1) Enter 0 for the parent company.

(2) Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

Note 2: There are the three types of “Relations with company”, just indicate the type (if it is the same transaction between a parent company and a subsidiary of its or between its subsidiaries, there is no need to disclose it repeatedly. For example, as for a transaction between the parent company and a subsidiary of its, if the parent company has disclosed it, the subsidiary does not need to disclose it again; as for a transaction between its subsidiaries, if one subsidiary has disclosed it, the other one does not need to disclose it again):

(1) Parent company to subsidiary

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: The calculation of a transaction as a percentage of the total consolidated revenue or total assets. If it is an asset and a liability, the ending balance should be divided by the consolidated total assets; if it is a profit or a loss, the interim cumulative amount should be divided by the total consolidated revenue.

Note 4: The Company may decide whether the important transactions in this table need to be listed based on the principle of materiality.

Highlight Tech Corp. and its Subsidiaries

Information on Investees

For the nine months ended Sept. 30, 2025

Table 6

Unit: NTD thousand (unless otherwise specified)

Name of Investor	Name of Investee (Notes 1 & 2)	Location	Main Business Activities	Initial Investment Amount		Held at the End of Period			Current Profit or Loss of Investee (Note 2(2))	Investment Income or Loss Recognized in this Period (Note 2(3))	Remarks
				End of Current Period	End of Last Year	Number of Shares	Percentage (%)	Carrying Amount			
Highlight Tech Corp.	Highlight Tech International Corp.	British Virgin Islands	Holding company of indirect investment in Mainland China	\$ 695,668 (USD 22,850 thousand)	\$ 969,673 (USD 31,850 thousand)	18,414,695	100.00	524,581	\$ 33,898	\$ 34,079	Subsidiary
Highlight Tech Corp.	Finesse Technology Co., Ltd.	Hsinchu County	Electronic components, mechanical equipment maintenance and sales of related components	217,061	217,061	10,189,353	30.20	375,730	45,261	13,701	Subsidiary
Highlight Tech Corp.	Shanorm Tech Co., Ltd.	Hsinchu County	Maintenance of mechanical equipment and electronic parts and retail of mechanical appliances and electronic materials	114,831	114,831	8,600,000	100.00	113,331	4,163	3,388	Subsidiary
Highlight Tech Corp.	Schmidt Scientific Taiwan Ltd.	Taipei City	Sales and maintenance of medical equipment, electronic parts, optical instruments, semiconductor and optoelectronic process facilities, testing equipment, and automatic solar cell stringer machines	1,655	1,586	2,558,046	61.12	77,366	14,333	8,751	Subsidiary
Highlight Tech Corp.	Highlight Tech Japan Co., Ltd.	Japan	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	40,954 (JPY 199,000 thousand)	20,580 (JPY 100,000 thousand)	19,900	100.00	13,894	( 14,375 )	( 14,375 )	Subsidiary
Highlight Tech Corp.	Highlight Tech US LLC	USA	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	15,223 (USD 500 thousand)	-	-	100.00	13,103	( 2,173 )	( 2,173 )	Subsidiary
Highlight Tech Corp.	Litho Med Trading Co., Ltd.	Tainan City	Wholesale and retail of medical equipment and machinery	50,000	50,000	5,000,000	100.00	70,482	9,628	13,293	Subsidiary
Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	Tainan City	Maintenance of mechanical equipment and electronic parts	22,500	-	2,250,000	75.00	20,941	( 2,078 )	( 1,559 )	Subsidiary
Highlight Tech Corp.	Htc & Solar Tech Service Limited	Hsinchu County	Equipment maintenance and cleaning business	112,119	117,024	11,805,552	34.31	207,283	25,522	9,074	Investees accounted for using the equity method
Finesse Technology Co., Ltd.	Schmidt Scientific Taiwan Ltd.	Taipei City	Sales and maintenance of medical equipment, electronic parts, optical instruments, semiconductor and optoelectronic process facilities, testing equipment, and automatic solar cell stringer machines	\$ -	\$ -	635,270	15.18	\$ 19,214	\$ 14,333	\$ 2,176	Subsidiary
Finesse Technology Co., Ltd.	Highlight Tech System International Limited	Samoa	Holding company of indirect investment in Mainland China	28,923 (USD 950 thousand)	28,923 (USD 950 thousand)	950,000	100.00	85,705	9,782	9,782	Subsidiary

Name of Investor	Name of Investee (Notes 1 & 2)	Location	Main Business Activities	Initial Investment Amount		Held at the End of Period			Current Profit or Loss of Investee (Note 2(2))	Investment Income or Loss Recognized in this Period (Note 2(3))	Remarks
				End of Current Period	End of Last Year	Number of Shares	Percentage (%)	Carrying Amount			
Finesse Technology Co., Ltd.	Finesse Technology Co., Ltd.	Japan	Key subsystem development, material sourcing, manufacturing, assembly, testing, sales and maintenance services for semiconductor equipment.	18,522 (JPY 90,000 thousand)	18,522 (JPY 90,000 thousand)	9,000	100.00	15,919	( 215 )	( 215 )	Subsidiary

Note 1: If a public issuer has a foreign holding company and takes the consolidated financial statements as the main financial report in accordance with local laws and regulations, it may disclose relevant information only on the holding company as for the requirement for the disclosure of information on the foreign investees.

Note 2: If the situation is not as stated in Note 1, please enter the fields according to the rules below:

- (1) The fields “Name of investee”, “Location”, “Main business activities”, “Initial investment amount”, and “Shareholding at the end of the period” should be entered in order according to the investments by the company (public issuer) and investments by each directly or indirectly controlled investee; and the relationship between each investee and the company (public issuer) (such as a subsidiary or sub-subsidiary) should be indicated in the Remarks field.
- (2) As for the field “Current profit or loss of investee”, current profit or loss of each investee should be entered.
- (3) As for the field “Investment income or loss recognized in this period”, it is only necessary to enter the amount of profit and loss of each subsidiary recognized by the company (public issuer) as a direct investment and each investees accounted for using the equity method. As for the field “Current profit or loss of each subsidiary recognized as a direct investment”, it is necessary to confirm that the amount of current profit and loss of each subsidiary has included the investment income and loss from such subsidiaries’ investments that should be recognized in accordance with regulations.

Note 3: Please refer to Table 7 for relevant information on investees in mainland China.

Note 4: It is only necessary to list the amount of profit and loss of each subsidiary recognized by the Company as a direct reinvestment and each subsidiaries accounted for using the equity method.

Highlight Tech Corp. and its Subsidiaries  
Information on investments in Mainland China - Basic Information  
For the nine months ended Sept. 30, 2025

Table 7

Unit: NTD thousand (unless otherwise specified)

Name of Investee	Main Business Activities	Paid-in Capital (Note 3)	Method of Investments (Note 1)	Cumulative Amount of Remittance from Taiwan to Mainland China, Beginning of Current Period	Amount Remitted from Taiwan to Mainland China/Amount Remitted Back to Taiwan for Current Period		Cumulative Amount of Remittance from Taiwan to Mainland China, End of Current Period	Current Profit or Loss on Investees	Shareholding of the Company (Direct or Indirect)	Investment Income or Loss Recognized in the Current Period (Note 2)	Carrying Amount of Investments at the End of the Period	Cumulative Amount of Investment Income Repatriated to Taiwan as of the Current Period	Remarks
					Outflow	Inflow							
Highlight Tech (Shanghai) Corp.	Sales of electronic equipment, manufacturing of vacuum components, and sales and maintenance of vacuum equipment	\$ 616,511 (USD 20,250 thousand)	Highlight Tech International Corp.	\$ 890,516 (USD 29,250 thousand)	-	\$ 274,005 (USD 9,000 thousand)	\$ 616,511 (USD 20,250 thousand)	\$ 33,935	100%	\$ 33,935	\$ 534,064	\$ -	Note 1(2) Note 2(2)
Highlight Tech System (Shanghai) Corp.	Surface treatment, automatic control equipment engineering, mechanical equipment manufacturing, electronic component design, manufacturing wholesale and retail.	27,401 (USD 900 thousand)	Highlight Tech System International Limited	27,401 (USD 900 thousand)	-	-	27,401 (USD 900 thousand)	9,874	100%	9,874	84,905	-	Note 1(2) Note 2(1)
Finesse Technology (Shanghai) Co., Ltd.	Electronic components, mechanical and electrical equipment maintenance and sales.	9,134 (USD 300 thousand)	Finesse Technology Co., Ltd.	9,134 (USD 300 thousand)	-	-	9,134 (USD 300 thousand)	2,055	100%	2,055	33,509	-	Note 1(1) Note 2(1)

Company Name	Cumulative Amount of Remittance from Taiwan to Mainland China, End of Current Period	Investment Amount Approved by the Investment Commission of MOEA	Limit on Investments in Mainland China imposed by the Investment Commission
The Company	\$ 616,511 (USD 20,250 thousand)	\$ 1,024,474 (USD 33,650 thousand)	\$ 1,808,239
Finesse Technology Co., Ltd.	36,534 (USD 1,200 thousand)	36,534 (USD 1,200 thousand)	676,200

Note 1: Investment methods are divided into the following three types, just enter the code:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in mainland China through third-region companies (please indicate the investment companies in the third regions).
- (3) Other methods.

Note 2: The basis of recognizing investment income or loss is divided into the three types below, which should be indicated.

- (1) Financial statements reviewed by an international accounting firm with a partnership with an accounting firm in the Republic of China.
- (2) Financial statements reviewed by CPAs appointed by the parent company in Taiwan.
- (3) Others.

Note 3: Relevant figures in this table should be presented in NTD, and USD were translated into NTD at an exchange rate of US\$1 to NT\$30.445.