

**NISHOKU TECHNOLOGY INC.
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For The Nine Months Ended September 30, 2025 and 2024**

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The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Nishoku Technology Inc.:

Introduction

We have reviewed the consolidated financial statements of Nishoku Technology Inc. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of September 30, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the nine months ended September 30, 2025 and 2024. Management are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission of the Republic of China. Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with Statement on Auditing Standard 2410, "Engagements to Review Financial Statements". A review consists principally of inquiries of the Group's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

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

The engagement partners on the review resulting in this independent auditor's report are Yung-Hua Huang and Sheng-Ho Yu.

KPMG

Taipei, Taiwan (Republic of China)

Oct 31, 2025

Notes to Readers

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

The auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES

Consolidated Balance Sheets
September 30, 2025, December 31, 2024 and September 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets	September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity	September 30, 2025		December 31, 2024		September 30, 2024						
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%					
Current assets:																		
1100 Cash and cash equivalents (note 6(a))	\$ 3,834,631	44	3,351,920	38	3,141,791	37	2100 Short-term borrowings (note 6(h))	\$ 1,400,000	16	1,248,925	14	1,224,900	15					
1110 Financial assets at fair value through profit or loss (note 6(b))	70,638	1	45,385	1	44,239	-	2170 Notes and Accounts payable	495,119	6	572,770	6	545,466	6					
1170 Notes and accounts receivable, net (note 6(c))	1,377,271	16	1,406,130	16	1,247,850	15	2280 Current lease liabilities (note 6(j))	3,401	-	3,355	-	2,102	-					
1137 Current financial assets at amortized cost (note 6(e))	543,443	6	454,794	5	437,814	5	2300 Other current liabilities (note 6(p))	491,920	5	538,642	6	364,682	4					
130X Inventories (note 6(d))	386,327	4	401,968	4	409,861	5	Non-Current liabilities:											
1470 Other current assets	22,178	-	16,014	-	42,463	1	2540 Long-term borrowings (note 6(i))	1,000,000	11	800,000	9	900,000	11					
1476 Other current financial assets (note 8)	13,014	-	11,479	-	21,292	-	2570 Deferred tax liabilities	740,138	9	778,803	9	739,022	9					
	6,247,502	71	5,687,690	64	5,345,310	63	2580 Non-current lease liabilities (note 6(j))	3,242	-	5,799	-	4,020	-					
Non-current assets:																		
1511 Non-current financial assets at fair value through profit or loss (note 6(b))	179,875	2	182,599	2	178,514	2	Total liabilities											
1535 Non-current financial assets at amortized cost (note 6(e))	681,753	8	1,322,906	15	1,258,475	15	Equity attributable to owners of parent (note 6(m) and (n)):											
1600 Property, plant and equipment (note 6(f))	1,459,208	17	1,574,471	17	1,492,462	18	3110 Ordinary share	630,222	7	630,222	7	630,402	7					
1755 Right-of-use assets (note 6(g))	6,581	-	9,129	1	6,114	-	3200 Capital surplus	940,899	11	940,899	11	942,029	11					
1840 Deferred tax assets	18,612	-	15,443	-	18,330	-	Retained earnings:											
1985 Long-term prepaid rents	59,008	1	64,522	1	63,892	1	3310 Legal reserve	741,898	9	741,898	9	741,898	9					
1990 Other non-current assets	45,479	1	75,201	1	111,225	1	3320 Special reserve	198,317	2	327,343	4	327,343	4					
	2,450,516	29	3,244,271	36	3,129,012	37	3350 Unappropriated retained earnings	2,430,050	28	2,544,790	28	2,224,629	26					
Total assets																		
	\$ 8,698,018	100	8,931,961	100	8,474,322	100	3400 Other equity interest	(377,188)	(4)	(201,485)	(2)	(172,171)	(2)					
Total liabilities and equity																		
	\$ 8,698,018	100	8,931,961	100	8,474,322	100	3400 Other equity interest	(377,188)	(4)	(201,485)	(2)	(172,171)	(2)					

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income

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For the nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	Three months ended September 30,				Nine months ended September 30,			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4110 Operation Revenues(notes 6(p))	\$ 1,133,996	102	1,142,141	102	3,503,881	102	3,073,721	102
4170 Less:Sales returns and allowance	20,839	2	23,080	2	61,455	2	55,998	2
Net Operating revenues	1,113,157	100	1,119,061	100	3,442,426	100	3,017,723	100
5000 Operating costs (notes 6(d), (f),(g),(k),12)	755,134	68	764,916	68	2,304,328	67	2,095,596	69
Gross profit from operations	358,023	32	354,145	32	1,138,098	33	922,127	31
6000 Operating expenses(notes 6(c), (f), (g) , (k) , (n),(q) and 12)								
6100 Selling expenses	17,131	2	16,663	1	52,289	2	47,259	2
6200 Administrative expenses	70,744	6	75,593	7	225,316	7	239,991	8
6300 Research and development expenses	25,910	2	24,259	2	75,882	2	70,974	2
6450 Impairment loss (reversal) determined in accordance with IFRS 9	(242)	-	435	-	(186)	-	(606)	-
	113,543	10	116,950	10	353,301	11	357,618	12
Net operating income	244,480	22	237,195	22	784,797	22	564,509	19
Non-operating income and expenses:								
7010 Other income (notes 6(r))	34,651	3	48,837	4	115,511	3	156,920	5
7020 Other gains and losses, net (notes 6(s))	79,395	7	(139,455)	(12)	(253,135)	(7)	57,872	2
7050 Finance costs, net(notes 6(j))	(10,673)	(1)	(12,616)	(1)	(31,766)	-	(39,802)	(1)
Total non-operating income and expenses	103,373	9	(103,234)	(9)	(169,390)	(4)	174,990	6
7900 Profit from continuing operations before tax	347,853	31	133,961	13	615,407	18	739,499	25
7950 Less: Tax expense (note 6(l))	94,701	9	34,560	3	228,951	7	190,541	6
Profit	253,152	22	99,401	10	386,456	11	548,958	19
8300 Other comprehensive income:								
8360 Components of other comprehensive income that will be reclassified to profit or loss								
8361 Exchange differences on translation	213,434	19	52,283	5	(221,375)	(6)	202,070	7

See accompanying notes to consolidated financial statements.

	Three months ended September 30,				Nine months ended September 30,				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(l))	(42,687)	(4)	(10,457)	(1)	44,275	1	(40,414)	(1)
8300	Other comprehensive income, net	170,747	15	41,826	4	(177,100)	(5)	161,656	6
8500	Total comprehensive income	\$ 423,899	37	141,227	14	209,356	6	710,614	25
	Profit, attributable to:								
8610	Profit, attributable to owners of parent	\$ 253,152	22	99,401	10	386,456	11	548,958	19
	Comprehensive income attributable to:								
8710	Comprehensive income, attributable to owners of parent	\$ 423,899	37	141,227	14	209,356	6	710,614	25
9750	Basic earnings per share (NT dollars) (note 6(o))	\$ 4.02		1.59		6.15		8.76	
9850	Diluted earnings per share (NT dollars) (note 6(o))	\$ 4.01		1.57		6.12		8.69	

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								Other equity interest		
	Share capital				Retained earnings				Exchange differences on translation of	Unearned Stock-Based Employee Compensation	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	foreign financial statements					
Balance at January 1, 2024	\$ 630,402	973,549	741,898	264,595	2,179,701	(327,343)	(12,502)	4,450,300	4,450,300		
Profit for the nine months ended September 30, 2024	-	-	-	-	548,958	-	-	548,958	548,958		
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	161,656	-	161,656	161,656		
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	548,958	161,656	-	710,614	710,614		
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-			62,748	(62,748)	-	-	-		
Cash dividends of ordinary share	-	-	-	-	-	(441,282)	-	-	(441,282)	(441,282)	
Cash dividends distributed by capital surplus	-	(31,520)	-	-	-	-	-	-	(31,520)	(31,520)	
Restricted employee stock	-	-	-	-	-	-	-	6,018	6,018	6,018	
Balance at September 30, 2024	\$ 630,402	942,029	741,898	327,343	2,224,629	(165,687)	(6,484)	4,694,130	4,694,130		
Balance at January 1, 2025	\$ 630,222	940,899	741,898	327,343	2,544,790	(198,317)	(3,168)	4,983,667	4,983,667		
Profit for the nine months ended September 30, 2025	-	-	-	-	386,456	-	-	386,456	386,456		
Other comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	(177,100)	-	(177,100)	(177,100)		
Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	386,456	(177,100)	-	(209,356)	(209,356)		
Appropriation and distribution of retained earnings:											
Special reserve appropriated	-	-	-	(129,026)	129,026	-	-	-	-		
Cash dividends of ordinary share	-	-	-	-	(630,222)	-	-	(630,222)	(630,222)		
Restricted employee stock	-	-	-	-	-	-	-	1,397	1,397	1,397	
Balance at September 30, 2025	\$ 630,222	940,899	741,898	198,317	2,430,050	(375,417)	(1,771)	4,564,198	4,564,198		

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows

For the nine months ended September 30, 2025 and 2024

	For the nine months ended September 30,	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 615,407	739,499
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	176,336	162,290
Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(187)	(606)
Recognition losses on (reversal of) inventory valuation and obsolescence	3,327	(28,636)
Interest expense	31,766	39,802
Interest income	2,930	(20,858)
Remuneration cost of restricted employee stock	(107,647)	(149,117)
Gain on financial assets at fair value through profit or loss	1,397	6,018
Gain on disposal of property, plant and equipment	(475)	(10,326)
Other	11,597	2,697
Total adjustments to reconcile profit :	119,044	1,264
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	29,045	(57,609)
Inventories	12,313	(29,972)
Other current assets and other financial assets	1,912	(6,690)
Total changes in operating assets	43,270	(94,271)
Changes in operating liabilities:		
Notes and accounts payable	(77,651)	75,467
Other current liabilities	(9,739)	(34,850)
Total changes in operating liabilities	(87,390)	40,617
Total adjustments	74,924	(52,390)
Cash inflow generated from operations	690,331	687,109
Interest received	105,493	157,277
Interest paid	(32,353)	(41,583)
Income taxes paid	(265,136)	(223,383)
Net cash flows from operating activities	498,335	579,420
Cash flows from (used in) investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(30,695)	-
Acquisition of financial assets at amortized cost	-	(148,395)
Proceeds from disposal of financial assets at amortized cost	552,062	-
Proceeds from disposal of financial assets at fair value through profit or loss	5,237	41,640
Acquisition of property, plant and equipment	(121,455)	(258,146)
Proceeds from disposal of property, plant and equipment	12,451	22,423
Increase in refundable deposits	(1,624)	(1,875)
Increase in other Non-current assets	(19,054)	(10,238)
Net cash flows from (used in) investing activities	396,922	(354,591)
Cash flows from (used in) financing activities:		
Decrease (Increase) in short-term loans	151,075	(143,560)
Proceeds from (Repayments of) long-term borrowings	200,000	(150,000)
Decrease in guarantee deposits	-	(3,028)
Payment of lease liabilities	(2,622)	(8,452)
Cash dividends paid	(630,222)	(472,802)
Net cash flows used in financing activities	(281,769)	(777,842)
Effect of exchange rate changes on cash and cash equivalents	(130,777)	159,728
Net decrease in cash and cash equivalents	482,711	(393,285)
Cash and cash equivalents at beginning of period	3,351,920	3,535,076
Cash and cash equivalents at end of period	<u>\$ 3,834,631</u>	<u>3,141,791</u>

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

NISHOKU TECHNOLOGY INC. (the “Company”) was incorporated in year 1980, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company conducted an IPO on the Taiwan Stock Exchange (TWSE) on October 5, 2011. The Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) primarily are involved in the manufacture and sale of plastic injection mold, tooling manufacturing and general import and export trade.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated interim financial statements were authorized for issuance by the board of directors on Oct 31, 2025

(3) New standards, amendments and interpretations adopted:

a. The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

b. The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature dependent Electricity”

c. The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Company does not expect the following other new and amended standards, which have not yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of significant accounting policies:

a. Statement of compliance

The consolidated interim financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language consolidated interim financial statements, the Chinese version shall prevail.

These consolidated interim financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 ‘Interim Financial Reporting’ which are endorsed by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated interim financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

b. Basis of consolidation

Principles of preparation of the consolidated interim financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2024.

c. Income Tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated interim financial statements in conformity with the Regulations and

(Continued)

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

In addition to the following, there is no significant difference between the notes on the significant accounting items of the consolidated interim financial statements and the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash Equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash, and demand deposits	\$ 1,221,603	755,083	742,534
Time deposits	2,308,578	2,465,697	2,399,257
Bond acquired under repurchase agreement	304,450	131,140	-
Cash and cash equivalents in the consolidated statement of cash flows	\$ 3,834,631	3,351,920	3,141,791

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

	September 30, 2025	December 31, 2024	September 30, 2024
Fund investments-current	\$ 70,638	45,385	44,239
Fund investments-non current	\$ 179,875	182,599	178,514

- (i) Please refer to note 6(e) for fund investments-non-current.
- (ii) Please refer to note 6(t) for credit risk and market risk.
- (iii) As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group did not provide any financial assets as collateral for its loans.

(c) Notes and accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	1,377,546	1,406,592	1,248,568
Less : allowance for impairment	(275)	(462)	(718)
	\$ 1,377,271	1,406,130	1,247,850

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group measures the loss allowance for notes and accounts receivable using the simplified approach with the lifetime expected credit losses. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporate forward-looking information.

Analysis of expected credit losses were as follows:

	September 30, 2025		
	Carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 1,323,644	-%	-
0 to 120 days past due	53,346	0%~1%	61
121 to 270 days past due	129	0%~30%	-
271 to 365 days past due	427	0%~100%	214
Total	<u>\$ 1,377,546</u>		<u>275</u>

	December 31, 2024		
	Carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 1,387,962	-%	-
0 to 120 days past due	17,072	0%~1%	-
121 to 270 days past due	1,371	0%~30%	275
271 to 365 days past due	187	0%~100%	187
Total	<u>\$ 1,406,592</u>		<u>462</u>

	September 30, 2024		
	Carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 1,237,928	-%	-
0 to 120 days past due	9,556	0%~1%	182
121 to 270 days past due	1,084	0%~30%	536
Total	<u>\$ 1,248,568</u>		<u>718</u>

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The movement in the allowance for notes and accounts receivables were as follows:

	Nine months ended September 30,	
	2025	2024
Beginning balance	\$ 462	1,324
Reversal of impairment loss	(187)	(606)
Ending balance	<u>\$ 275</u>	<u>718</u>

(d) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
	\$	\$	\$
Raw materials	118,322	139,464	101,965
Work in process	188,600	165,653	224,370
Finished goods	79,405	96,851	83,526
	<u>\$ 386,327</u>	<u>401,968</u>	<u>409,861</u>

For the three months ended September 30, 2025 and September 30, 2024, and for the nine months ended September 30, 2025 and September 30, 2024, raw material, consumables, and changes in the finished goods and work in progress recognized as cost of sale amounted to \$755,134 thousand and \$764,916 thousand, and \$2,304,328 thousand, and \$2,095,596 thousand, respectively. For the three months ended September 30, 2025 and September 30, 2024, and for the nine months ended September 30, 2025 and September 30, 2024, the Group recognized the losses (reversal gain) on inventory valuation and obsolescence as cost of goods sold amounting to \$(4,163) thousand and \$6,503 thousand, and \$3,327 thousand and (28,636) thousand, respectively.

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group did not provide any inventories as collateral.

(e) Non current financial assets at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
	\$	\$	\$
Restricted bank deposit- Current	<u>\$ 543,443</u>	<u>454,794</u>	<u>437,814</u>
Restricted bank deposit-non current	651,858	1,257,962	1,195,780
Bonds	29,895	64,944	62,695
	<u>\$ 681,753</u>	<u>1,322,906</u>	<u>1,258,475</u>

In June 2021, May and July 2020, the Group applied to the IRS for the application of “ The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” (hereinafter referred to as the “Act”), which was approved; and thereafter, its overseas funds had been remitted to Taiwan within one month based on the Act. According to the Act, the funds need to be deposited in a special

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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purpose account for five years, in which 5% of the funds can be used without restriction, 25% can be used on financial investment, and a minimum of 70% can be used for substantive investment. In the 6th year, the funds can only be redeemed within 3 consecutive years. For funds used on financial investment, please refer to note 6(b) "Fund investments noncurrent"

The Group assessed that these corporate bonds held until maturity to collect contractual cash flows, which are solely for the payment of the principal and interest of the outstanding principal, shall be presented as financial assets at amortized cost.

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group did not provide any financial assets measured at amortized costs as collateral for its loans.

(f) **Property, plant and equipment**

The cost, depreciation and impairment loss of the property, plant and equipment of the Group for the nine months ended September 30, 2025 and 2024, were as follows.

	Land	Building	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2025	\$ 179,672	1,304,127	1,918,716	428,867	41,635	3,873,017
Additions	-	6,021	104,916	24,466	20,717	156,120
Reclassifications	-	16,709	4,262	355	(32,672)	(11,346)
Disposals	-	-	(41,595)	(20,817)	-	(62,412)
Effect of movements in exchange rates	-	(60,362)	(87,865)	(22,184)	(2,120)	(172,531)
Balance on September 30, 2025	\$ 179,672	1,266,495	1,898,434	410,687	27,560	3,782,848
Balance on January 1, 2024	\$ 179,672	1,131,478	1,847,425	411,428	128,789	3,698,792
Additions	-	10,740	103,409	8,884	67,893	190,926
Reclassifications	-	114,106	20,453	4,002	(138,561)	-
Disposals	-	-	(210,008)	(50,059)	-	(260,067)
Effect of movements in exchange rates	-	36,495	66,197	16,613	5,879	125,184
Balance on September 30, 2024	\$ 179,672	1,292,819	1,827,476	390,868	64,000	3,754,835
Depreciation and impairments loss:						
Balance on January 1, 2025	\$ -	645,436	1,315,982	337,128	-	2,298,546
Depreciation for the period	-	36,392	105,807	20,802	-	163,001
Disposals	-	-	(32,138)	(18,298)	-	(50,436)
Effect of movements in exchange rates	-	(28,140)	(42,416)	(16,915)	-	(87,471)
Balance on September 30, 2025	\$ -	653,688	1,347,235	322,717	-	2,323,640
Balance on January 1, 2024	\$ -	579,655	1,347,535	350,849	-	2,278,039
Depreciation for the period	-	33,556	96,756	16,484	-	146,796
Disposals	-	-	(200,181)	(47,789)	-	(247,970)
Effect of movements in exchange rates	-	20,049	51,049	14,410	-	85,508
Balance on September 30, 2024	\$ -	633,260	1,295,159	333,954	-	2,262,373
Carrying amounts:						
Balance on September 30, 2025	\$ 179,672	612,807	551,199	87,970	27,560	1,459,208

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

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	Land	Building	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2025	\$ 179,672	658,691	602,734	91,739	41,635	1,574,471
Balance on September 30, 2024	\$ 179,672	659,559	532,317	56,914	64,000	1,492,462

As of September 30, 2025, December 31, 2024 and September 30, 2024, the property, plant and equipment of the Group had not been pledged as collateral.

(g) Right-of-use assets

The Group leases buildings and vehicles. Information about leases for which the Group as a lessee were presented below

	Buildings and		Transportation		Total
	structures	equipment			
Cost:					
Balance at September 30, 2025 (equal to balance at January 1)	\$ -	10,193	10,193	10,193	10,193
Balance at January 1, 2024	\$ 63,129	11,958	75,087	75,087	75,087
Additions	- -	6,406	6,406	6,406	6,406
Reduce	(65,994)	(8,143)	(74,137)	(74,137)	(74,137)
Effect of changes in foreign exchange rates	2,865	- -	2,865	2,865	2,865
Balance at September 30, 2024	\$ -	10,221	10,221	10,221	10,221
Accumulated depreciation and impairment losses:					
Balance at January 1, 2025	\$ -	1,064	1,064	1,064	1,064
Effect of changes in foreign exchange rates	- -	2,548	2,548	2,548	2,548
Balance at September 30, 2025	\$ -	3,612	3,612	3,612	3,612
Balance at January 1, 2024	\$ 21,044	9,271	30,315	30,315	30,315
Depreciation for the period	5,403	2,979	8,382	8,382	8,382
Reduce	(27,498)	(8,143)	(35,641)	(35,641)	(35,641)
Effect of changes in foreign exchange rates	1,051	- -	1,051	1,051	1,051
Balance at September 30, 2024	\$ -	4,107	4,107	4,107	4,107
Carrying amount:					
Balance on September 30, 2025	\$ -	6,581	6,581	6,581	6,581
Balance on January 1, 2025	\$ -	9,129	9,129	9,129	9,129
Balance on September 30, 2024	\$ -	6,114	6,114	6,114	6,114

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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(h) Short-term borrowings

The details were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Credit loans, no pledge	1,400,000	1,248,925	1,224,900
Interest rate range	1.78%~1.8%	0.5%~4.95%	0.5%~5.0%

(i) Long-term borrowings

The details were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured loans	\$ 1,000,000	800,000	900,000
Interest rate range	1.8~1.9%	1.96%~2.036405%	1.96%~2.05%

Please refer to note 6(t) for the exchange rate risk, the interest rate risk, and the sensitivity analysis of the financial assets and liabilities of the Group.

(j) Lease liabilities

The details were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 3,401	3,355	2,102
Non-current	\$ 3,242	5,799	4,020

For the maturity analysis, please refer to note 6(t).

The amounts recognized in profit or loss were as follows:

	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interests of lease liabilities	\$ 34	18	111	184
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ -	-	-	397

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in the statement of cash flows were as follows:

	Nine months end September 30,	
	2025	2024
	<u>\$</u>	<u>8,849</u>
Total cash out flow of lease		

(k) Employee benefits

The pension costs incurred from the contributions to the Labor Insurance were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Operating Costs	\$ 7,818	8,020	25,196	23,131
Operating Expenses	2,019	1,970	6,220	5,967
Total	<u>\$ 9,837</u>	<u>9,990</u>	<u>31,416</u>	<u>29,098</u>

(l) Income tax

- (i) The amounts of income tax expense for the three months and nine months ended September 30, 2025 and 2024 were \$94,701 thousand, \$34,560 thousand, \$228,951 thousand and \$190,541 thousand respectively.
- (ii) The amounts of income tax expense (profit) under other comprehensive income or loss for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Foreign currency translation differences for foreign operations	<u>\$ 42,687</u>	<u>10,457</u>	<u>(44,275)</u>	<u>40,414</u>

- (iii) The Company and NISHOKU BOUEKI income tax returns have been examined by the tax authority through the years up to 2023, respectively.

(m) Capital and other equity

In addition to the following, there is no material change in capital and other equity of the Group for the nine months ended September 30, 2025 and 2024. For the related information, please refer to Note 6(m) of the consolidated financial statements for the year ended December 31, 2024.

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Capital surplus

The balances of capital surplus as of September 30, 2025 and December 31, 2024, and September 30, 2024 were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Additional paid-capital	\$ 924,338	918,669	907,993
Employee share options	10,892	10,892	10,892
Restricted employee stock	5,669	11,338	23,144
Total	<u>\$ 940,899</u>	<u>940,899</u>	<u>942,029</u>

The Company distributed capital surplus allocated to common stock owners according to the distribution plan via the special resolution meeting of shareholders held on April 26, 2024.

	2023	
	Per share	Amount
	(dollars)	Amount
Capital surplus allocated to common stock owners	\$ 0.5	<u>31,520</u>

(iii) Retained earnings

The Group's article of incorporation stipulate that, when allocating the profit for each fiscal year, the Company shall first offset its losses in previous years. Of the remaining profit, 10% is to be appropriated as legal reserve, until the accumulated legal reserve equals the Company's paid in capital. Aside from the aforesaid legal reserve, the Company shall appropriate or reverse another sum as special earnings reserve in accordance with relevant laws or regulations or requested by the authorities in charge. The remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the amendment of the of Article 240 and Article 241 of the ROC Company Act, the Company authorized the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. The dividend to be distributed shall be no less than 10% of the current year retained earnings available for distribution only if the current year retained earnings available for distribution does not reach \$0.5 per share, the Company may decide not to distribute dividend. The dividend to be distributed may be in the form of cash and stock, and cash dividend in the distribution should not be less than 30%.

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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Dividend distribution for 2024 and 2023 were decided via the special resolution of the board of directors held on February 27, 2025, and April 26, 2024. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Payout per share	Amount	Payout per share	Amount
Dividend to shareholders:				
Cash	\$ 10.0	<u>630,222</u>	7.0	<u>441,282</u>

(n) Share-based payment

For the nine months ended September 30, 2025 and 2024, there were no significant changes in share-based payment except for the following: (Please refer to note 6(n) of the consolidated financial statements for the year ended December 31, 2024 for other related information).

(i) Restricted stock

As of September 30, 2025, the restricted stock plans of the Company were as follows:

	Restricted stock for Employees	Restricted stock for Employees
	2022-1	2022-2
Grant date	August 3, 2022	July 5, 202
Fair value (per share)(in dollars)	72.8	84.7
Exercise price (in dollars)	0	0
Granted units (thousand shares)	372	24
Vesting period	2-4 years	2-4 years

The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or by any other means, disposed of the third parties during the custodian period. The voting rights of these shares are executed by the custodian, and the custodian will act based on law and regulations. If the shares remain unvested after the vesting period, the Group will cancel the unvested shares thereafter.

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The related information on restricted stock of the Group was as follows:

	For the nine months ended September 30	
	2025	2024
(in thousands of shares)		
Outstanding at beginning of period	176	364
Granted during the period	-	-
Vested during the period	(88)	(170)
Forfeited during the period	-	-
Outstanding at end of period	88	194

(ii) Expenses attributable to share based payment were as follows:

	Three months ended September 30, Nine months ended September 30,		2025	2024
	2025	2024		
Restricted stock for employees	\$ 752	2,006	1,397	6,018

(o) Earnings per share

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company				
	\$ 253,152	99,401	386,456	548,958
Weighted-average number of ordinary shares (thousand shares)	62,905	62,676	62,866	62,676
Basic earnings per share (NTD)	4.02	1.59	6.15	8.76

Diluted earnings per share:

Profit attributable to ordinary shareholders of the Company	\$ 253,152	99,401	278,604	56
	253,152	99,401	278,604	56

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	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Weighted average number of ordinary shares (basic, thousand shares)	62,905	62,676	62,866	62,676
Effect of employee stock bonuses	176	126	215	170
Restricted stock for employees	73	315	73	315
Weighted-average number of ordinary shares (diluted, thousand shares)	<u>63,154</u>	<u>63,117</u>	<u>63,154</u>	<u>63,161</u>
Diluted earnings per share (NTD)	<u>\$ 4.01</u>	<u>1.57</u>	<u>6.12</u>	<u>8.69</u>

(p) Revenue from contracts with customers

(i) Details of revenue

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<u>Primary geographical markets</u>				
United States	\$ 630,794	578,312	2,104,291	1,474,000
Asia	37,907	56,968	141,373	232,935
Europe	<u>444,456</u>	<u>483,781</u>	<u>1,196,762</u>	<u>1,310,788</u>
	<u>\$ 1,113,157</u>	<u>1,119,061</u>	<u>3,442,426</u>	<u>3,017,723</u>
<u>Primary productions</u>				
Plastic injection mold	\$ 1,055,963	1,078,726	3,238,259	2,866,034
Tooling mold	57,194	39,307	182,792	148,326
Others	-	1,028	21,375	3,363
	<u>\$ 1,113,157</u>	<u>1,119,061</u>	<u>3,442,426</u>	<u>3,017,723</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Contract balances

For details on accounts receivable, please refer to note 6 (c).

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Contract liabilities	\$ <u>45,451</u>	<u>46,314</u>	<u>28,352</u>

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the nine months ended September 30, 2025 and 2024, which was included in the contract liability balance at the beginning of the period, was \$ 43,104 thousand and \$25,237 thousand, respectively.

(q) Employee, board of directors', and supervisors' compensation

On May 29, 2025, The Company's shareholders' meeting resolved to amend the company's articles of association. In accordance with the amended Articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and not exceed 5% as directors' remuneration when there is profit for the year. In the amount of employees' compensation as mentioned above, no less than 20% of the amount shall be distributed as compensation to non-executive employees. Employees' compensation may be paid in the form of stock or cash, The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions. In accordance with Articles of incorporation before amended, the Company should contribute no less than 1% of the profit as employee compensation and not exceed 5% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the three months and nine months ended September 30, 2025 and 2024, the Company estimated its employee remuneration amounting to \$6,750 thousand, \$5,526 thousand, \$20,250 thousand and \$16,578 thousand, directors' and supervisors' remuneration amounting to \$2,550 thousand, \$1,982 thousand, \$7,650 thousand and \$5,944 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating. If the actual amount of the annual distribution and the estimated amount of differences, according to the changes in accounting estimates, and the difference recognized as the next year annual profit (loss). Such as the resolution of the board of directors to take the stock of employee compensation, the numbers of shares to be distributed would be calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors, please refer to Market Observation Post System for further information.

If there is a discrepancy between the above mentioned employee and director remuneration provision amounts and the actual allotment amount determined by the board of directors, it will be treated as a change in accounting estimates and listed as profit or loss for the following year.

There were no significant difference between the estimated and actual amounts in 2024 and

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2023.

(r) Other revenue

The other revenue for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Interest income	\$ 33,167	47,903	107,647	149,117
Others	1,484	934	7,864	7,803
	\$ 34,651	48,837	115,511	156,920

(s) Other gains and losses

The other gains and losses for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Foreign exchange gains, net	\$ 65,154	(141,006)	(245,181)	32,394
Gains (Losses) on financial assets at fair value through profit or loss	13,646	2,704	(2,930)	20,858
Gains (Losses) on disposal of property, plant and equipment	514	1,830	475	10,326
Others	81	(2,983)	(5,499)	(5,706)
	\$ 79,395	(139,455)	(253,135)	57,872

(t) Financial Instruments

In addition to the following, there is no material change in financial instruments of the Group. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

1) Credit risk exposure

As of September 30, 2025 and 2024, the Group's maximum exposure to credit risk was mainly from the carrying amount of financial assets recognized in the consolidated statements of financial position and amounted to \$6,700,625 thousand and \$6,329,975 thousand, respectively. The Group had deposited these bank deposits in different financial institutions, and the Group believes that there is no significant credit risk from the above mentioned financial institutions.

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2) Concentration of credit risk

The credit risk exposure of the Group comes from the credit of individual customers, and the industry of the customer also have effect on credit risk. For the nine months ended September 30, 2025 and 2024, sales to the individual customers whose revenue constituting over 10% of net revenue are 72% and 61% of total revenues respectively. As of September 30, 2025 and 2024, 72% and 65%, respectively, of accounts receivable were for those customers.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying	Contractual	within 1		
	amount	cash flows	year	1-2 years	2-5 years
September 30, 2025					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,400,000	1,402,875	1,402,875	-	-
Long-term borrowings	1,000,000	1,038,989	18,800	665,405	354,784
Non-interest bearing liabilities					
Notes and accounts payable	495,119	495,119	495,119	-	-
Lease liabilities	6,643	6,643	3,401	3,242	-
Other financial liabilities	68,357	68,357	68,357	-	-
	\$ 2,970,119	3,011,983	1,988,552	668,647	354,784
December 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,248,925	1,252,715	1,252,715	-	-
Long-term borrowings	800,000	820,843	15,864	804,979	-
Non-interest bearing liabilities					
Notes and accounts payable	572,770	572,770	572,770	-	-
Lease liabilities	9,154	9,154	3,355	5,799	-
Other financial liabilities	82,406	82,406	82,406	-	-
	\$ 2,713,255	2,737,888	1,927,110	810,778	-
September 30, 2024					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,224,900	1,231,146	1,231,146	-	-
Long term borrowings	900,000	928,204	17,857	910,347	-
Non-interest bearing liabilities					
Notes and accounts payable	545,466	545,466	545,466	-	-
Lease liability	6,122	6,122	2,102	4,020	-
Other financial liabilities	63,288	63,288	63,288	-	-
	\$ 2,739,776	2,774,226	1,859,859	914,367	-

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The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exchange rate risk

a) Exposure to foreign currency risk

The Group significant exposure to foreign currency risk on financial assets and liabilities was as follows:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary Items									
USD	\$	143,628	30.445	4,372,765	142,845	32.785	4,683,172	133,041	31.650
JPY		415,746	0.206	85,560	408,567	0.210	85,758		-
EUR		579	35.770	20,715	573	34.140	19,578	517	35.380
VND		28,740,775	0.001135	32,621	7,468,103	0.001265	9,447	9,223,916	0.001265
Financial liabilities									
Monetary Items									
USD		3,665	30.445	111,570	4,240	32.785	138,994	4,106	31.650
VND		49,625,166	0.001135	56,325	56,141,084	0.001265	71,018	38,760,200	0.001265
JPY		-	-	-	4,030	0.209900	846		-

b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables, financial assets carried at amortized cost, accounts payable and other payables that are denominated in foreign currency.

A weakening (strengthening) of 1% of the NTD against the USD and JPY and EUR and VND at September 30, 2025 and 2024, would have increased or decreased the net profit before tax by \$43,438 thousand and \$40,617 thousand, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for both periods.

c) Exchange gains and losses on monetary items

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed in a summarized manner, please refer to note 6(s).

2) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

derivative and non-derivative financial instruments on the reporting date. If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decreased or increased by \$786 thousand and \$1,221 thousand for the nine months ended September 30, 2025 and 2024, respectively, assuming all other variable factors were constant. This mainly resulted from borrowings and bank deposits at variable interest rates.

(iv) Fair value of financial instruments

1) Fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	September 30, 2025				
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non derivative financial assets at fair value through profit or loss-current	\$ 70,638	70,638	-	-	<u>70,638</u>
Non derivative financial assets at fair value through profit or loss-non-current	\$ 179,875	179,875	-	-	<u>179,875</u>
Financial assets carried at amortized cost					
Cash and cash equivalents	\$ 3,834,631				
Notes and accounts receivable, net	1,377,271				
Financial assets measured at amortized cost - current	543,443				
Other financial assets-current	13,014				
Refundable deposits	8,956				
Non-current financial assets measured at amortized cost	681,753				
	<u>\$ 6,459,068</u>				
Financial liabilities carried at amortized cost					
Long and short term borrowings	\$ 2,400,000				
Notes and accounts payable	495,119				
Lease liability	6,643				
Other payable	68,357				
	<u>\$ 2,970,119</u>				

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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<u>December 31, 2024</u>					
	<u>Carrying amounts</u>	<u>Fair Value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss					
Non derivative financial assets at fair value-current through profit or loss-current	\$ 45,385	45,385	-	-	45,385
Non derivative financial assets at fair value through profit or loss-non-current	<u>\$ 182,599</u>	<u>182,599</u>	-	-	<u>182,599</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 3,351,920				
Notes and accounts receivable, net	1,460,130				
current financial assets measured at amortized cost- current	454,794				
Other financial assets-current	11,479				
Refundable deposits	7,332				
Non-current financial assets measured at amortized cost	<u>1,322,906</u>				
	<u><u>\$ 6,554,561</u></u>				
Financial liabilities carried at amortized cost					
Long and short term borrowings	\$ 2,048,925				
Notes and accounts payable	572,770				
Lease liability	9,154				
Other payable	<u>82,406</u>				
	<u><u>\$ 2,713,255</u></u>				
<u>September 30, 2024</u>					
	<u>Carrying amounts</u>	<u>Fair Value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss-current	\$ 44,239	44,239	-	-	44,239
Non-derivative financial assets at fair value through profit or loss-non-current	<u>\$ 178,514</u>	<u>178,514</u>	-	-	<u>178,514</u>
Financial liabilities carried at amortized cost					
Cash and cash equivalents	\$ 3,141,791				
Notes and accounts receivable, net	1,247,850				
current financial assets measured at amortized cost	437,814				
Other financial assets-current	21,292				
Refundable deposits	7,361				
Non-current financial assets measured at amortized cost	<u>1,258,475</u>				
	<u><u>\$ 6,114,583</u></u>				

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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Financial liabilities carried at amortized cost	
Long and short term borrowings	\$ 2,124,900
Notes and accounts payable	545,466
Lease liability	6,122
Other payable	63,288
	<u>\$ 2,739,776</u>

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

(u) Financial risk management

The Group's risk management policies are no material change in financial instruments of the Group for the nine months ended September 30, 2025 and 2024. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2024.

(v) Capital management

As of September 30, 2025, there were no changes in the Group's approach to capital management. For the related information, please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2024.

(w) Reconciliation of liabilities arising from financing activities

The Group's reconciliation of liabilities arising from financing activities for the nine months ended September 30, 2025 and 2024, were as follows:

(i) For acquisition of right-of-use assets, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Changes in lease payment	Foreign exchange movement and others	September 30, 2025
Short term borrowings	\$ 1,248,923	151,075	-	-	1,400,000
Long term borrowings	800,000	200,000	-	-	1,000,000
Lease liability	9,154	(2,622)	-	111	6,643
Total liabilities from financing activities	\$ 2,058,079	348,453	-	111	2,406,643

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Changes in lease payment</u>	<u>Foreign exchange movement and others</u>	<u>September 30, 2024</u>
Short term borrowings	\$ 1,368,460	(143,560)	-	-	1,224,900
Long term borrowings	1,050,000	(150,000)	-	-	900,000
Lease liability	45,515	(8,452)	(32,976)	2,035	6,122
Total liabilities from financing activities	<u>\$ 2,463,975</u>	<u>(302,012)</u>	<u>(32,976)</u>	<u>2,035</u>	<u>2,131,022</u>

(7) Related-party transactions:

(a) Key management personnel compensation

Key management personnel compensation comprised:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 11,573	10,452	34,933	31,476
Post-employment benefits	81	81	243	243
	<u>\$ 11,654</u>	<u>10,533</u>	<u>35,176</u>	<u>31,719</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	September 30, 2025		December 31, 2024		September 30, 2024	
		2025	2024	2025	2024	2025	2024
Demand deposits (classified under other current financial assets)	Performance bond	<u>\$ 1,589</u>	<u>1,771</u>	<u>1,771</u>	<u>1,771</u>	<u>1,771</u>	<u>1,771</u>

(9) Significant Commitments and contingencies:

(a) The aggregate unpaid amounts of contracts pertaining to the purchase of plant and equipment were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
	2025	2024	2024
Acquisition of property, plant and equipment	<u>\$ 37,168</u>	<u>74,525</u>	<u>94,894</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) For the necessary to bank loan, the Company provide guarantee and endorsement for its subsidiaries were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Outstanding guarantee notes	<u>\$ 1,059,486</u>	<u>1,550,731</u>	<u>1,497,045</u>
Actual usage amount	<u>\$ -</u>	<u>163,925</u>	<u>189,900</u>

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	For the three-month periods ended September 30					
	2025			2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	220,875	50,792	271,667	233,975	50,056	284,031
Labor and health insurance	9,098	2,577	11,675	9,409	2,814	12,223
Pension	7,818	2,019	9,837	8,020	1,970	9,990
Others	9,973	7,386	17,359	10,411	11,565	21,976
Depreciation	45,993	7,653	53,646	42,234	8,954	51,188
Amortization	2,551	1,454	4,005	1,856	667	2,523

By item	For the nine-month periods ended September 30					
	2025			2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	669,593	155,104	824,697	629,571	148,399	777,970
Labor and health insurance	28,013	8,420	36,433	25,695	7,974	33,669
Pension	25,196	6,220	31,416	23,131	5,967	29,098
Others	30,672	26,164	56,836	35,304	36,572	71,876
Depreciation	140,997	24,551	165,548	125,531	29,647	155,178
Amortization	7,497	3,291	10,788	4,908	2,204	7,112

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 2)	Actual usage amount during the period	Interest rate	Nature of financing	Transaction amounts	Reason for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Maximum financing limit for the lender
													Item	Value		
0	The Company	NISHOKU VIETNAM	Other accounts receivable	Yes	232,435	213,115	121,780	4.65%	Necessary to loan other parties	-	Operating capital	-	-	-	456,420 (Note 1)	1,825,679 (Note 1)

Note 1: The individual amount and the total amount for lending to a company shall not exceed 10% and 40% of the lending company's net worth in the latest financial statement, respectively. The Company for lending to the Company directly or indirectly holds 100% of their shares, with the loan amount not limited and the total amounts not exceeding the lending company's net worth in the last financial statement.

Note 2: Amount actually drawn in foreign currencies were translated based on the exchange rate at the reporting date.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date (Note 3)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company	Subsidiary endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)											
0	The Company	NISHOKU VIETNAM	2	4,564,198	1,546,001	1,059,486	-	-	23.21%	4,564,198	Y	N	N	

Note 1: The amount and the total amount of the guarantee to a company shall not exceed 30% and 100%, respectively, of the Company net worth in the latest financial statements. The total amount of the guarantee that the Company and its subsidiaries to a company shall not exceed 100%, of the Company's net worth in the latest financial statement. The Company directly or indirectly holds 100% of their shares, the guarantee amounts not limited by the Company's net worth in the latest financial statement.

Note 2: The relationship of guarantor and endorsements to related parties were as follows:

- 1) Business relationship between the Company
- 2) The Company directly or indirectly holds over 50% of subsidiaries' shares;
- 3) The parent company and its subsidiaries hold over 50% of investees' shares;
- 4) A subsidiary jointed owned over 50% by the Company and the Company's directly-owned subsidiary.

Note 3: Amount actually drawn in foreign currencies were translated based on the exchange rate at the reporting date.

(iii) Securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Nature and name of securities	Relationship with the securities issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Nomura Global Financial Bond Fund Accumulate	None	Financial assets at fair value through profit or loss-current		9,035	- %	9,035	
"	JPMorgan Investment Funds-Global High Yield Bond Fund	"	"		10,615	-%	10,615	
"	ABITL Income Multi-asset Income Fund of Funds A2	"	"		7,034	-%	7,034	

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Notes to the Consolidated Financial Statements

Name of holder	Nature and name of securities	Relationship with the securities issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
”	BGF ESG Multi-Asset Fund	”	”		13,396	-%	13,396	
”	Amundi Funds Pioneer US Short Term Bond	”	”		30,558	-%	30,558	
”	PineBridge Global ESG Quantitative Bond Fund	”	Financial assets at fair value through profit or loss-noncurrent		48,823	-%	48,823	
”	PineBridge Global Multi-Strategy High Yield Bond Fund	”	”		44,133	-%	44,133	
”	Nomura Global Financial Bond Fund	”	”		24,164	-%	24,164	
”	FSITC GLOBAL HIGH YIELD BOND FUND	”	”		13,889	-%	13,889	
”	ABITL Income Fund -Multi Asset Income Fund of Funds N	”	”		18,117	-%	18,117	
”	Allianz Global Investors Income and Growth Fund	”	”	-	30,749	-%	30,749	
”	FOXCONN(FAR EAST)16/26MTN	”	Financial assets at amortized cost-non current	-	14,960	-%	14,973	
”	APPLE 16/26	”	”	-	14,935	-%	15,043	

(iii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
SAME START (Anguilla)	KUNSHAN NISHOKU PLASTIC	Associate	Purchase	113,045	100%	90 days	Note 1	Note 1	(40,133)	100%	Note 2
KUNSHAN NISHOKU PLASTIC	SAME START (Anguilla)	”	Sale	(113,045)	(4)%	”	”	”	40,133	4%	”
The Company	KUNSHAN NISHOKU PLASTIC	Subsidiary of the company indirectly investment	Sale	(289,215)	(37)%	”	”	”	103,139	38%	”
KUNSHAN NISHOKU PLASTIC	The Company	”	Purchase	289,215	33%	”	”	”	(103,139)	23%	”
The Company	NISHOKU VIETNAM	Associate	Sale	(273,436)	(35)%	”	”	”	86,648	32%	”
NISHOKU VIETNAM	The Company	”	Purchase	273,436	62%	”	”	”	(86,648)	(52)%	”
SAME START (Anguilla)	The Company	Associate	Sale	(113,151)	(100)%	”	”	”	40,129	100%	”

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SAME START (Anguilla)	"	Purchase	113,151	21%	"	"	"	(40,129)	26%	"
KUNSHAN NISHOKU PLASTIC	KUNSHAN NISHOKU VIETNAM	Associate	Sale	(147,804)	(6) %	"	"	"	40,878	4%	"
NISHOKU VIETNAM	KUNSHAN NISHOKU PLASTIC	"	Purchase	147,804	35 %	"	"	"	(40,878)	25%	"

Note 1: The subsidiaries did not purchase or sale same product from third parties, so the purchase (sale) price can not be compared. In addition, the receipt terms of related parties were not significantly different to third parties.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	KUNSHAN NISHOKU PLASTIC	Subsidiary of the company indirectly investment	103,139	3.03	-		40,075	-

(v) Trading in derivative instruments: None.

(vi) Business relationships and significant intercompany transactions:

The following is the information for the nine months ended September 30, 2025, business relationships and significant intercompany transactions with the amounts exceeding NT\$10 million:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions				Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms		
0	The Company	SAME START (Anguilla)	1	Purchase	113,151	Note 3		3.2%
"	"	"	1	Account Payable	40,129	"		0.5%
"	"	KUNSHAN NISHOKU	1	Sales	289,215	"		8.3%
"	"	"	1	Account receivable	103,139	"		1.2%
"	"	"	1	Purchase	12,744	"		0.4%
"	"	NISHOKU VIETNAM	1	Sales	273,436	"		7.8%
"	"	"	1	Account receivable	86,648	"		1.0%

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No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions				Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms		
"	"	"	1	Other receivables	122,566	Loans to related party		1.4%
1	SAME START (Anguilla)	KUNSHAN NISHOKU	3	Purchase	113,045	Note 3		3.2%
"	"	"	3	Account Payable	40,133	"		0.5%
2	KUNSHAN NISHOKU	NISHOKU VIETNAM	3	Sales	147,804	"		4.2%
"	"	"	3	Account receivable	40,878	"		0.5%

Note 1: "0" represents the parent company, and the others represent the subsidiaries.

Note 2: "1" represents the transactions from parent company to subsidiary.

"2" represents the transactions from subsidiary to parent company.

"3" represents the transactions between subsidiaries.

Note 3: The trading price and product that purchase or sale from related parties that did not purchase or sale from third parties, so can not be compared. The payments terms were 90 days for related parties.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	SUN NICE (SAMOA)	SAMOA	Holding	384,762	427,214	11,181	100%	4,048,297	527,467	527,467	
"	NISHOKU BOUEKI	Taiwan	Purchase and sales of plastic raws and parts	1,000	1,000	300	100%	10,056	(36)	(36)	
"	NISHOKU VIETNAM	Vietnam	Manufacture and sale of tooling and plastic products	1,119,034 (USD 36,500 thousand)	822,634 (USD 26,500 thousand)	-	100%	889,903	31,870	31,870	
SUN NICE (SAMOA)	SAME START (Anguilla)	Anguilla	Purchase and sale of mold and plastic products	-	-	-	100%	(2,793)	(131)	4,592	
"	NISHOKU HK	HK	Holding	1,088,929 (USD 34,627 thousand)	1,131,381 (USD 35,915 thousand)	39,010	100%	2,945,680	374,746	374,746	
"	SUNNICE (BVI)	BVI	"	585,292 (USD 17,948 thousand)	585,292 (USD 17,948 thousand)	15,697	100%	1,129,309	148,234	148,234	

Note : Transactions within the Group were eliminated in the consolidated financial statements.

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(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 1)	Book value (Note 1)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
NISHOKU SHENZHEN	Manufacture and sale of mold and plastic products		Indirect investment through third area	28,813 (USD939 thousand)	-	28,813 (USD939 thousand)	-	-	-	-	-	875,406
KUNSHAN NISHOKU PLASTIC	Manufacture and sale of mold and plastic products	USD 53,310 thousand	"	1,674,270 (USD52,524 thousand)	-	-	1,674,270 (USD52,524 thousand)	525,868	100%	520,267	3,953,149	1,990,557

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,674,270	2,378,140	(Note)

Note 1: The above investment income (loss) in Mainland China were based on financial statements audited by the Company's auditors. Among them, NISHOKU SHENZHEN completed the deregistration process on December 10, 2024.

Note 2: The Company has received the certificate issue by the Industrial Development Bureau, Ministry of Economic Affairs, allowing it to start operating of its headquarters.

Note 3: Above investment amount within the Group were eliminated in the consolidated financial statements.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant intercompany transactions".

(14) Segment information:

The Group's identifies its operating segments based on decision of the chief operating decision marker (CODM). The Group's operating segments are in United States, Asia and Europe, etc. Those operating segments are reportable segments. The Revenue from manufacture and supply electronic parts to clients. Since the strategy of each segment is different, it is necessary to separate them for management.

The operating segment's profit or loss is measured by net operating income, and as the basis of performance evaluation. The operating segment accounting policies are similar to those described in note 4 "significant accounting policies". The Group regards sales and transfers between operating segments as transactions with third parties.

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The Group's product revenues from geographical clients were as follows:

	Three months ended September 30, 2025				
	United States	Asia	Europe	Elimination	Total
Revenue from external customers	\$ 630,794	37,907	444,456	-	1,113,157
Reportable segment profit or loss	\$ 269,192	(52)	(24,660)	-	244,480
Three months ended September 30, 2024					
	United States	Asia	Europe	Elimination	Total
Revenue from external customers	\$ 578,312	56,968	483,781	-	1,119,061
Reportable segment profit or loss	\$ 224,662	4,426	8,107	-	237,195
Nine months ended September 30, 2025					
	United States	Asia	Europe	Elimination	Total
Revenue from external customers	\$ 2,104,291	141,373	1,196,762	-	3,442,426
Reportable segment profit or loss	\$ 863,587	(5,702)	(73,088)	-	784,797
Nine months ended September 30, 2024					
	United States	Asia	Europe	Elimination	Total
Revenue from external customers	\$ 1,474,000	232,935	1,310,788	-	3,017,723
Reportable segment profit or loss	\$ 512,876	5,205	46,428	-	564,509

(Continued)