

**NISHOKU TECHNOLOGY INC.
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For The Three Months Ended March 31, 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 March 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 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 March 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" 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)

April 25, 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

March 31, 2025, December 31, 2024 and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024				March 31, 2025		December 31, 2024		March 31, 2024				
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%			
Assets																		
Current assets:																		
1100	Cash and cash equivalents (note 6(a))	\$	3,445,117	38	3,351,920	38	3,642,511	42	2100	Short-term borrowings (note 6(h))	\$	1,134,230	12	1,248,925	14	\$	1,206,000	14
1110	Financial assets at fair value through profit or loss (note 6(b))		40,296	-	45,385	1	42,686	-	2170	Notes and Accounts payable		586,950	6	572,770	6	425,277	5	
1170	Noes and accounts receivable, net (note 6(c))		1,469,326	16	1,406,130	16	1,145,260	14	2216	Dividend payable (note 6(m))		630,222	7	-	-	-	-	
1137	Current financial assets at amortised cost (note 6(e))		483,664	5	454,794	5	-	-	2280	Current lease liabilities (note 6(j))		3,370	-	3,355	-	1,709	-	
130X	Inventories (note 6(d))		427,061	5	401,968	4	346,971	4	2300	Other current liabilities (note 6(p))		544,023	6	538,642	6	376,357	5	
1470	Other current assets		14,228	-	16,014	-	64,508	1				2,898,795	31	2,363,692	26	2,009,343	24	
1476	Other current financial assets (note 8)		11,402	-	11,479	-	35,829	-										
			5,891,094	64	5,687,690	64	5,277,765	61										
Non-current assets:																		
1511	Non-current financial assets at fair value through profit or loss (note 6(b))		185,034	2	182,599	2	215,175	2	2540	Long-term borrowings (note 6(i))		800,000	9	800,000	9	1,050,000	12	
1535	Non-current financial assets at amortized cost (note 6(e))		1,327,775	15	1,322,906	15	1,633,630	19	2570	Deferred tax liabilities		789,731	9	778,803	9	785,065	9	
1600	Property, plant and equipment (note 6(f))		1,588,045	17	1,574,471	17	1,420,604	17	2580	Non-current lease liabilities (note 6(j))		4,951	-	5,799	-	-	-	
1755	Right-of-use assets (note 6(g))		8,280	-	9,129	-	1,690	-	2670	Other non-current liabilities		-	-	-	-	3,087	-	
1840	Deferred tax assets		16,802	-	15,443	-	16,907	-				1,594,682	18	1,584,602	18	1,840,152	21	
1985	Long-term prepaid rents		64,998	1	64,522	1	64,766	1				4,493,477	49	3,948,294	44	3,849,495	45	
1990	Other non-current assets		93,942	1	75,201	1	27,084	-										
			3,284,876	36	3,244,271	36	3,379,856	39										

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

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Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2025 and 2024

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

		For the three months end March31			
		2025	%	2024	%
4110	Operating revenues (note 6(p))	\$ 1,226,729	101	932,977	101
4170	Less: Sales returns and allowances	13,533	1	12,982	1
	Net Operating revenues	1,213,196	100	919,995	100
5000	Operating costs (notes 6(d), (f), (g), (k) and 12)	779,868	64	627,667	68
	Gross profit from operations	433,328	36	292,328	32
6000	Operating expenses: (notes 6(c), (f), (g), (k), (n), (q) and 12)				
6100	Selling expenses	18,714	2	14,883	2
6200	Administrative expenses	80,235	7	82,935	9
6300	Research and development expenses	25,695	2	22,464	2
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(120)	-	(1,203)	-
		124,524	11	119,079	13
	Net operating income	308,804	25	173,249	19
	Non-operating income and expenses:				
7010	Other income (note 6(r))	40,507	3	52,310	6
7020	Other gains and losses, net (note 6(s))	12,386	1	150,609	16
7050	Finance costs, net (note 6(j))	(10,492)	(1)	(15,056)	(2)
	Total non-operating income and expenses	42,401	3	187,863	20
7900	Profit before tax	351,205	28	361,112	39
7950	Less: Income tax expenses (note 6(l))	102,735	8	89,816	9
	Profit	248,470	20	271,296	30
8300	Other comprehensive income (loss):				
8360	Item that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	100,857	8	105,655	11
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(l))	(20,171)	(2)	(21,131)	(2)
8300	Other comprehensive income (after tax)	80,686	6	84,524	9
8500	Total comprehensive income	\$ 329,156	26	355,820	39
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	\$ 248,470	20	271,296	30
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 329,156	26	355,820	39
9750	Basic earnings per share (NT dollars) (note 6(o))	\$ 3.95		4.33	
9850	Diluted earnings per share (NT dollars) (note 6(o))	\$ 3.93		4.30	

See accompanying notes to consolidated financial statements.

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 three months ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
						<u>Total other equity</u>			
	<u>Share capital</u>		<u>Retained earnings</u>			Exchange differences on translation of		Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	foreign financial statements	Unearned Stock-Based Employee Compensation	attributable to owners of parent	Total equity
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 period	-	-	-	-	271,296	-	-	271,296	271,296
Other comprehensive income	-	-	-	-	-	84,524	-	84,524	84,524
Total comprehensive income	-	-	-	-	271,296	84,524	-	355,820	355,820
Restricted employee stock							2,006	2,006	2,006
Balance at March 31, 2024	\$ 630,402	973,549	741,898	264,595	2,450,997	(242,819)	(10,496)	4,808,126	4,808,126
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 period	-	-	-	-	248,470	-	-	248,470	248,470
Other comprehensive income	-	-	-	-	-	80,686	-	80,686	80,686
Total comprehensive income	-	-	-	-	248,470	80,686	-	329,156	329,156
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share		-	-	-	(630,222)	-	-	(630,222)	(630,222)
Restricted employee stock		-	-	-	-	-	(108)	(108)	(108)
Balance at March 31, 2025	\$ 630,222	940,899	741,898	327,343	2,163,038	(117,631)	(3,276)	4,682,493	4,682,493

See accompanying notes to consolidated financial statements.

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

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 351,205	361,112
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	59,920	57,899
Impairment gain determined in accordance with IFRS 9	(120)	(1,203)
Recognition losses (gain) on inventory valuation and obsolescence	5,486	(16,666)
Interest expense	10,492	15,056
Gain on financial assets at fair value through profit or loss	(2,582)	(14,326)
Interest income	(38,071)	(49,261)
Compensation cost of restricted stock awards for employees	(108)	2,006
Gain on disposal of property, plant and equipment	(251)	(8,623)
Other	11,691	2,720
	<u>46,385</u>	<u>(12,398)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(63,076)	45,578
Inventories	(30,579)	20,948
Other current assets and other financial assets	4,427	(39,745)
Total changes in operating assets	<u>(89,228)</u>	<u>26,781</u>
Changes in operating liabilities:		
Notes and accounts payable	14,180	(44,722)
Other current liabilities	(9,834)	(55,282)
Total changes in operating liabilities	<u>4,346</u>	<u>(100,004)</u>
Total adjustments	<u>(38,497)</u>	<u>(85,621)</u>
Cash inflow generated from operations	312,708	275,491
Interest received	38,121	48,262
Interest paid	(9,314)	(14,112)
Income taxes paid	(101,260)	(11,190)
Net cash flows from operating activities	<u>240,255</u>	<u>298,451</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	5,236	-
Acquisition of financial assets at amortized cost	(33,697)	(85,736)
Acquisition of property, plant and equipment	(77,688)	(18,807)
Proceeds from disposal of property, plant and equipment	2,325	15,586
Decrease Refundable deposits	(2,084)	(394)
Increase in other non-current assets	(5,868)	(2,113)
Net cash flows used in investing activities	<u>(111,776)</u>	<u>(91,464)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(114,695)	(162,460)
Increase in guarantee deposits received	-	59
Payment of lease liabilities	(874)	(6,342)
Net cash flows used in financing activities	<u>(115,569)</u>	<u>(168,743)</u>
Effect of exchange rate changes on cash and cash equivalents	80,287	69,191
Net increase in cash and cash equivalents	93,197	107,435
Cash and cash equivalents at beginning of period	3,351,920	3,535,076
Cash and cash equivalents at end of period	<u><u>\$ 3,445,117</u></u>	<u><u>3,642,511</u></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

March 31, 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 April 25, 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’s anticipated adoption of the new amendments beginning on January 1, 2026, are expected to have the following impacts:

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

For financial assets with contingent features that are not related directly to a change in basic lending risks or costs (e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract), the amendments introduce an additional test to assess the “solely payments of principal and interest on the principal amount outstanding” criterion. In accordance with the Q&A published by the FSC on February 26, 2025, the Group did not elect to early adopt the application guidance in Section 4.1 of the amendments on January 1, 2025.

The Group invested in ESG-linked bonds and may need to change the classification due to the above amendments. The Group is continually evaluating the impact of its initial adoption of the amendments on its consolidated financial statements.

Continued)

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.

Continued)

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 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 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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

(Continued)

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 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

	March 31, 2025	December 31, 2024	March 31, 2024
Cash, and demand deposits	\$ 897,517	755,083	966,156
Time deposits	2,261,575	2,465,697	2,460,355
Bond acquired under repurchase agreement	286,025	131,140	216,000
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 3,445,117</u>	<u>3,351,920</u>	<u>3,642,511</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Fund investments	<u>\$ 40,296</u>	<u>45,385</u>	<u>42,686</u>
Fund investments non current	<u>\$ 185,034</u>	<u>182,599</u>	<u>215,175</u>

- (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 March 31, 2025, December 31, 2024 and March 31, 2024, the Group did not provide any financial assets as collateral for its loans.

(Continued)

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ -	-	\$ 23,287
Accounts receivable	1,469,668	1,406,592	1,122,094
Less : allowance for impairment	(342)	(462)	(121)
	\$ 1,469,326	1,406,130	1,145,260

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:

	March 31, 2025		
	Carrying amount of accounts receivable	Weighted-avera ge loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 1,451,927	-%	-
0 to 120 days past due	16,481	0%~1%	-
121 to 270 days past due	960	0%~30%	192
271 to 365 days past due	300	0%~100%	150
Total	\$ 1,469,668		342
	December 31, 2024		
	Carrying amount of accounts receivable	Weighted-avera ge 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	\$ 1,406,592		462
	March 31, 2024		
	Carrying amount of accounts receivable	Weighted-avera ge loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 1,080,706	-%	-
Past due less than 120 days	41,231	0%~1%	92
121 to 270 days past due	157	0%~30%	29
Total	\$ 1,122,094		121

(Continued)

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

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

	Three months ended March 31,	
	2025	2024
Beginning balance	\$ 462	1,324
Impairment loss (reversal)	(120)	(1,203)
Ending balance	\$ 342	121

(d) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 141,205	139,464	83,655
Work in process	191,371	165,653	191,763
Finished goods	94,485	96,851	71,553
	\$ 427,061	401,968	346,971

For the three months ended March 31, 2025 and 2024, raw material, consumables, and changes in the finished goods and work in progress recognized as cost of sale amounted to \$779,868 thousand and \$627,667 thousand, respectively. For the three months ended March 31, 2025 and 2024, the Group recognized the losses on inventory valuation and obsolescence as cost of goods sold amounting to \$5,486 thousand and \$(16,666) thousand, respectively.

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

(e) Non current financial assets at amortized cost

	March 31, 2025	December 31, 2024	March 31, 2024
Restricted bank deposit-current	\$ 483,664	454,794	-

	March 31, 2025	December 31, 2024	March 31, 2024
Restricted bank deposit-non current	\$ 1,270,307	1,257,962	1,570,242
Bonds	57,468	64,944	63,388
	\$ 1,327,775	1,322,906	1,633,630

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 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

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 March 31, 2025, December 31, 2024, and March 31, 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 three months ended March 31, 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	-	5,070	18,498	5,925	34,363	63,856
Reclassifications	-	17,604	3,722	371	(33,360)	(11,663)
Disposals	-	-	(7,146)	(4,845)	-	(11,991)
Effect of movements in exchange rates	-	19,835	66,262	8,135	769	95,001
Balance on March 31, 2025	<u>\$ 179,672</u>	<u>1,346,636</u>	<u>2,000,052</u>	<u>438,453</u>	<u>43,407</u>	<u>4,008,220</u>
Balance on January 1, 2024	\$ 179,672	1,131,478	1,847,425	411,428	128,789	3,698,792
Additions	-	3,421	14,930	2,298	1,764	22,413
Reclassifications	-	13,684	2,264	1,172	(17,120)	-
Disposals	-	-	(133,719)	(42,563)	-	(176,282)
Effect of movements in exchange rates	-	23,253	46,767	9,130	5,097	84,247
Balance on March 31, 2024	<u>\$ 179,672</u>	<u>1,171,836</u>	<u>1,777,667</u>	<u>381,465</u>	<u>118,530</u>	<u>3,629,170</u>
Depreciation and impairments loss:						
Balance on January 1, 2025	\$ -	645,436	1,315,982	337,128	-	2,298,546
Depreciation for the period	-	12,377	36,486	6,939	-	55,802
Disposals	-	-	(7,186)	(2,731)	-	(9,917)
Effect of movements in exchange rates	-	10,288	58,867	6,589	-	75,744
Balance on March 31, 2025	<u>\$ -</u>	<u>668,101</u>	<u>1,404,149</u>	<u>347,925</u>	<u>-</u>	<u>2,420,175</u>
Balance on January 1, 2024	\$ -	579,655	1,347,535	350,849	-	2,278,039
Depreciation for the period	-	10,738	33,162	5,553	-	40,453
Disposals	-	-	(128,986)	(40,333)	-	(169,319)
Effect of movements in exchange rates	-	11,332	31,718	7,343	-	50,393
Balance on March 31, 2024	<u>\$ -</u>	<u>601,725</u>	<u>1,283,429</u>	<u>323,412</u>	<u>-</u>	<u>2,208,566</u>
Carrying amounts:						
Balance on March 31, 2025	<u>\$ 179,672</u>	<u>678,535</u>	<u>595,903</u>	<u>90,528</u>	<u>43,407</u>	<u>1,588,045</u>
Balance on January 1, 2025	<u>\$ 179,672</u>	<u>658,691</u>	<u>602,734</u>	<u>91,739</u>	<u>41,635</u>	<u>1,574,471</u>
Balance on March 31, 2024	<u>\$ 179,672</u>	<u>570,111</u>	<u>494,238</u>	<u>58,053</u>	<u>118,530</u>	<u>1,420,604</u>

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As of March 31, 2025, December 31, 2024 and March 31, 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 structures	Transportation equipment	Total
Cost:			
Balance at march 31, 2025 (equal to balance at January 1)	\$ -	10,193	10,193
Balance at January 1, 2024	\$ 63,129	11,958	75,087
Reduce	(64,343)	-	(64,343)
Effect of changes in foreign exchange rates	1,214	-	1,214
Balance at March 31, 2024	\$ -	11,958	11,958
Accumulated depreciation and impairment losses:			
Balance at January 1, 2025	\$ -	1,064	1,064
Depreciation for the year	-	849	849
Balance at March 31, 2025	\$ -	1,913	1,913
Balance at January 1, 2024	\$ 21,044	9,271	30,315
Depreciation for the year	5,308	997	6,305
Reduce	(26,809)	-	(26,809)
Effect of changes in foreign exchange rates	457	-	457
Balance at March 31, 2024	\$ -	10,268	10,268
Carrying amount:			
Balance on March 31, 2025	\$ -	8,280	8,280
Balance on January 1, 2025	\$ -	9,129	9,129
Balance on March 31, 2024	\$ -	1,690	1,690

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

(h) Short-term borrowings

The details were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Credit loans, no pledge	\$ 1,134,230	1,248,925	1,206,000
Interest rate range	0.58%~4.75%	0.5%~4.95%	1.68%~5.77%

(i) Long-term borrowings

The details were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured loans	<u>\$ 800,000</u>	<u>800,000</u>	<u>1,050,000</u>
Interest rate range	<u>1.85%~1.925%</u>	<u>1.96~2.036405%</u>	<u>1.95%~2.082452%</u>

Please refer to note 6(t) for the exchange rate risk, the interest rate risk, and the liquidity risk exposure information of the Group.

(j) Lease liabilities

The details were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	<u>\$ 3,370</u>	<u>3,355</u>	<u>1,709</u>
Non-current	<u>\$ 4,951</u>	<u>5,799</u>	<u>-</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months end March 31,	
	2025	2024
Interests of lease liabilities	<u>\$ 41</u>	<u>161</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ -</u>	<u>98</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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The amounts recognized in the statement of cash flows were as follows:

	For the three months end	
	March 31,	
	2025	2024
Total cash out flow of lease	\$ 874	6,440

(k) Employee benefits

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

	For the three months	
	ended March 31,	
	2025	2024
Operating Costs	\$ 9,012	7,599
Operating Expenses	2,126	2,081
Total	\$ 11,138	9,680

(l) Income tax

- (i) The amounts of tax expense for the three months ended March 31, 2025 and 2024 were \$102,735 thousand and \$89,816 thousand, respectively.
- (ii) The amount of income tax expense under other comprehensive income for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months	
	ended March 31,	
	2025	2024
Exchange differences on translation of foreign financial statements	\$ 20,171	21,131

- (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 three months ended March 31, 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.

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Capital surplus

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

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-capital	\$ 918,669	918,669	939,513
Employee share options	10,892	10,892	10,892
Restricted employee stock	11,338	11,338	23,144
Total	<u>\$ 940,899</u>	<u>940,899</u>	<u>\$ 973,549</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
	Dividend
	per share Amount
Capital surplus allocated to common stock owners	\$ 0.5 <u>31,520</u>

(ii) 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

Notes to the Consolidated Financial Statements

Dividend distribution for 2024 and 2023 were decided via the special resolution of the board of directors held on Feb 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	<u>630,222</u>	\$ 7.0	<u>441,282</u>

(n) Share-based payment

For the three months ended March 31, 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 March 31, 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, 2024
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.

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

	For the three months ended March 31	
	2025	2024
(in thousands of shares)		
Outstanding at beginning of period	176	364
Granted during the period	-	-

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	For the three months ended March 31	
(in thousands of shares)	2025	2024
Vested during the period	-	-
Forfeited during the period	-	-
Outstanding at end of period	<u>176</u>	<u>364</u>

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

	For the three months ended March 31	
	2025	2024
Restricted stock for employees	<u>\$ (108)</u>	<u>2,006</u>

(o) Earnings per share

	For the three months ended March 31,	
	2025	2024
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	<u>\$ 248,470</u>	<u>\$ 271,296</u>
Weighted-average number of ordinary shares (thousand shares)	<u>62,846</u>	<u>62,676</u>
Basic earnings per share (NTD)	<u>\$ 3.95</u>	<u>\$ 4.33</u>
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 248,470</u>	<u>271,296</u>
Weighted-average number of ordinary shares (thousand shares)	62,846	62,676
Effect of employee stock bonus	166	179
Effect of restricted stock	153	274
Weighted average number of ordinary shares (diluted) (thousand shares)	<u>63,165</u>	<u>63,129</u>
Diluted earnings per share (NTD)	<u>\$ 3.93</u>	<u>\$ 4.30</u>

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Notes to the Consolidated Financial Statements

(p) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended March 31,	
	2025	2024
<u>Primary geographical markets</u>		
North America	\$ 843,767	443,462
Asia	55,038	103,216
Europe	314,391	373,317
	<u>\$ 1,213,196</u>	<u>919,995</u>
<u>Primary productions</u>		
Plastic injection	\$ 1,108,643	859,270
Mold	84,117	59,660
Others	20,436	1,065
	<u>\$ 1,213,196</u>	<u>919,995</u>

(ii) Contract balances

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

	2025.3.31	2024.12.31	2024.3.31
Contract liabilities	<u>\$ 51,159</u>	<u>46,314</u>	<u>20,124</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 three months ended March 31, 2025 and 2024, which was included in the contract liability balance at the beginning of the period, was \$ 14,756 thousand and \$13,523 thousand, respectively.

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

In accordance with the 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. 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 ended March 31, 2025 and 2024, the Company estimated its employee remuneration amounting to \$6,750 thousand and \$5,526 thousand, and directors' remuneration amounting to \$2,550 thousand and \$1,981 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

specified in the Company's articles. These remunerations were recognized as operating costs or operating expense. If the actual amount of the annual distribution and the estimated amount were different, according to the changes in accounting estimates, 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 2023.

(r) Other revenue

The other revenue for the three months ended March 31, 2025 and 2024 were as follows:

	For the three-months ended March 31,	
	2025	2024
Interest income	\$ 38,071	49,261
Others	2,436	3,049
Total other income	\$ 40,507	52,310

(s) Other gains and losses

The other gains and losses for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
Foreign currency exchange gains (losses) , net	\$ 9,933	130,351
Gains on financial assets at fair value through profit or loss	2,582	14,326
Gains on disposals of property, plant and equipment	251	8,623
Others	(380)	(2,691)
Net gains and losses	\$ 12,386	\$ 150,609

(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.

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

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(i) Credit risk

1) Credit risk exposure

As of March 31, 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 \$6,962,614 thousand and \$6,715,091 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.

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 three months ended March 31, 2025 and 2024, sales to the individual customers whose revenue constituting over 10% of net revenue are 72% and 59% of total revenues respectively. As of March 31, 2025 and 2024, 72% and 58%, 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 amount	Contractual cash flows	within 1 year	1-2 years
March 31, 2025				
Non-derivative financial liabilities				
Short-term borrowings	\$ 1,134,230	1,139,650	1,139,650	-
Long-term borrowings	800,000	825,622	15,305	810,317
Non-interest bearing liabilities				
Notes and accounts payable	586,950	586,950	586,950	-
Lease liabilities	8,321	8,321	3,370	4,951
Other financial liabilities	710,380	710,380	710,380	-
	<u>\$ 3,239,881</u>	<u>3,270,923</u>	<u>2,455,655</u>	<u>815,268</u>
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	-
	<u>\$ 2,713,255</u>	<u>2,737,888</u>	<u>1,927,110</u>	<u>810,778</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flows	within 1 year	1-2 years
March 31, 2024				
Non-derivative financial liabilities				
Short-term borrowings	\$ 1,206,000	1,213,461	1,213,461	-
Long term borrowings	1,050,000	1,084,309	20,795	1,063,514
Non-interest bearing liabilities				
Notes and accounts payable	425,277	425,277	425,277	-
Lease liability	1,709	1,709	1,709	-
Other financial liabilities	53,986	53,986	53,986	-
	<u>\$ 2,736,972</u>	<u>2,778,742</u>	<u>1,715,228</u>	<u>1,063,514</u>

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:

		March 31, 2025			December 31, 2024			March 31, 2024		
		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>										
<u>Monetary Items</u>										
USD	\$	135,819	33.205	4,509,874	142,845	32.785	4,683,172	120,170	32.000	3,845,440
JPY		451,737	0.223	100,602	408,567	0.210	85,758		-	
EUR		432	35.970	15,523	573	34.140	19,578	480	34.460	16,552
VND		21,439,478	0.001275	27,335	7,468,103	0.001265	9,447	10,708,834	0.001265	13,547
<u>Financial liabilities</u>										
<u>Monetary Items</u>										
USD		3,370	33.205	111,897	4,240	32.785	138,994	3,264	32.000	104,462
VND		51,731,904	0.001275	65,958	56,141,084	0.001265	71,018	37,460,529	0.001265	47,388
JPY		-	-	-	4,030	0.209900	846	-	-	-

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 March 31, 2025 and 2024, would have increased or decreased the net profit before tax by \$44,755 thousand and \$37,237 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).

d) 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 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 \$213thousand and \$257 thousand for the three months ended March 31, 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:

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

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		March 31, 2025				
		Carrying amounts	Fair Value			
			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						
	\$	40,296	40,296	-	-	40,296
Non derivative financial assets at fair value through profit or loss-non-current						
	\$	185,034	185,034	-	-	185,034
Financial assets carried at amortized cost						
Cash and cash equivalents	\$	3,445,117				
Notes and accounts receivable, net		1,469,326				
current financial assets measured at amortized cost		483,664				
Other financial assets-current		11,402				
Refundable deposits		9,416				
Non-current financial assets measured at amortized cost		1,327,775				
	\$	6,746,700				
Financial liabilities carried at amortized cost						
Long and short term borrowings	\$	1,934,230				
Notes and accounts payable		586,950				
Lease liability		8,321				
Other payable		710,380				
	\$	3,239,881				
		December 31, 2024				
		Carrying amounts	Fair Value			Total
			Level 1	Level 2	Level 3	
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						
	\$	182,599	182,599	-	-	182,599
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	3,351,920				
Notes and accounts receivable, net		1,406,130				
current financial assets measured at amortized cost		454,794				
Other financial assets-current		11,479				
Refundable deposits		7,332				
Non-current financial assets measured at amortized cost		1,322,906				
	\$	6,554,561				

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		December 31, 2024				
		Carrying amounts	Fair Value			
			Level 1	Level 2	Level 3	Total
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		82,406				
	\$	<u>2,713,255</u>				
			March 31, 2024			
		Carrying amounts	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss						
Non-derivative financial assets at fair value through profit or loss-current		\$	42,686	42,686	-	42,686
Non-derivative financial assets at fair value through profit or loss-non-current		\$	215,175	215,175	-	215,175
Financial liabilities carried at amortized cost						
Cash and cash equivalents	\$	3,642,511				
Notes and accounts receivable, net		1,145,260				
Other financial assets-current		35,829				
Refundable deposits		5,880				
Non-current financial assets measured at amortized cost		1,633,630				
	\$	<u>6,463,110</u>				
Financial liabilities carried at amortized cost						
Long and short term borrowings	\$	2,256,000				
Notes and accounts payable		425,277				
Lease liability		1,709				
Other payable		53,986				
	\$	<u>2,736,972</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.

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(u) Financial risk management

The Group's risk management policies are no material change in financial instruments of the Group for the three months ended March 31, 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 March 31, 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) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 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:

	January1, 2025	Cash flows	Foreign exchange movement and others	March31, 2025
Short term borrowings	\$ 1,248,925	(114,695)	-	1,134,230
Long term borrowings (including current portion)	800,000	-	-	800,000
Lease liability	9,154	(874)	41	8,321
Total liabilities from financing activities	\$2,058,079	(115,569)	41	1,942,551

	January 1, 2024	Cash flows	Foreign exchange movement and others	March31, 2024
Short term borrowings	\$ 1,368,460	(162,460)	-	1,206,000
Long term borrowings (including current portion)	1,050,000	-	-	1,050,000
Lease liability	45,515	(6,342)	(37,464)	1,709
Total liabilities from financing activities	\$ 2,463,975	(168,802)	(37,464)	2,257,709

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

(7) Related-party transactions:

(a) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 11,603	10,480
Post-employment benefits	81	81
	<u>\$ 11,684</u>	<u>10,561</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Demand deposits (classified under other current financial assets)	Performance bond	1,785	1,771	1,771
"	Guarantee for carbon emission	-	-	26
		<u>\$ 1,785</u>	<u>1,771</u>	<u>1,797</u>

(9) Significant Commitments and contingencies:

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

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	<u>\$ 40,476</u>	<u>74,525</u>	<u>42,372</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Outstanding guarantee notes	<u>\$ 1,155,534</u>	<u>1,550,731</u>	<u>1,513,600</u>
Actual usage amount	<u>\$ 199,230</u>	<u>163,925</u>	<u>256,000</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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	By function	Three months ended March 31,					
		2025			2024		
		Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses							
Salaries		230,912	52,758	283,670	188,609	49,538	238,147
Labor and health insurance		9,746	3,170	12,916	7,630	2,785	10,415
Pension		9,012	2,126	11,138	7,599	2,081	9,680
Others		10,346	7,397	17,743	14,447	12,834	27,281
Depreciation		47,764	8,887	56,651	44,079	11,679	55,758
Amortization		2,447	822	3,269	1,427	714	2,141

(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 (Note 3)	Ending balance (Note 3)	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	232,435	199,230	4.75%	Necessary to loan other parties	-	Operating capital	-	-	-	468,249 (Note 1)	1,872,997 (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 draw in foreign currencies were translated based on the exchange rate at the reporting date.

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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 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	4,682,493	1,546,001	1,155,534	199,230	-	24.68%	4,682,493	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 draw in foreign currencies were translated based on the exchange rate at the reporting date.

(iii) Securities held as of March 31, 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		9,393	- %	9,393	
"	JPMorgan Investment Funds-Global High Yield Bond Fund	"	through profit or loss-current		10,900	-%	10,900	
"	ABITL Income Multi-asset Income Fund of Funds A2	"	"		6,866	-%	6,866	
"	BGF ESG Multi-Asset Fund	"	"		13,137	-%	13,137	
"	PineBridge Global ESG Quantitative Bond Fund	"	Financial assets at amortized cost-non current		51,209	-%	51,209	
"	PineBridge Global Multi-Strategy High Yield Bond Fund	"	"		45,560	-%	45,560	
"	Nomura Global Financial Bond Fund	"	"		25,121	-%	25,121	
"	FSITC GLOBAL HIGH YIELD BOND FUND	"	"		14,366	-%	14,366	
"	ABITL Income Fund -Multi Asset Income Fund of Funds N	"	"		18,524	-%	18,524	
"	Allianz Global Investors Income and Growth Fund	"	"	-	30,254	-%	30,254	
"	FORMOSA GROUP 15/25	"	Financial assets at amortized cost	-	16,611	-%	16,774	

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

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	
			non current					
"	FOXCONN(FAR EAST)16/26MTN	"	"	-	16,317	-%	16,151	
"	STAND. CHART. 15/25 REGS	"	"	-	8,251	-%	8,384	
"	APPLE 16/26	"	"	-	16,289	-%	16,234	

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (vi) Business relationships and significant intercompany transactions:

The following is the information for the three months ended March 31, 2025, business relationships and significant intercompany transactions with the amounts exceeding NT\$10 million:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of	Intercompany transactions			
			relationship (Note 2)	Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	SAME START (Anguilla)	1	Purchase	45,042	Note 3	3.7%
"	"	"	1	Account Payable	45,467	"	0.5%
"	"	KUNSHAN NISHOKU	1	Sales	83,033	"	6.8%
"	"	"	1	Account receivable	83,874	"	0.9%
"	"	"	1	Purchase	11,563	"	0.9%
"	"	"	1	Account Payable	11,563	"	0.1%
"	"	NISHOKU VIETNAM	1	Sales	82,913	"	6.8%
"	"	"	1	Account receivable	83,703	"	0.9%
"	"	"	1	Other receivables	200,623	Loans to related party	2.2%
1	SAME START (Anguilla)	KUNSHAN NISHOKU	3	Purchase	44,933	Note 3	3.7%
"	"	"	3	Account Payable	45,460	"	0.5%
2	KUNSHAN NISHOKU	NISHOKU VIETNAM	3	Sales	47,323	"	3.9%
"	"	"	3	Account receivable	47,792	"	0.5%

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

No. (Note 1)	Name of company	Name of counter-party	Nature of	Intercompany transactions			
			relationship (Note 2)	Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
"	"	The Company	2	Other receivables	11,563	Sale of machine	0.1%

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 three months ended March 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 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%	4,239,991	221,809	221,809	
"	NISHOKU BOUEKI	Taiwan	Purchase and sales of plastic raws and parts	1,000	1,000	300	100%	10,036	(56)	(56)	
"	NISHOKU VIETNAM	Vietnam	Manufacture and sale of tooling and plastic products	822,634 (USD 26,500 thousand)	822,634 (USD 26,500 thousand)	-	100%	612,566	2,450	2,450	
SUN NICE (SAMOA)	SAME START (Anguilla)	Anguilla	Purchase and sale of mold and plastic products	-	-	-	100%	(6,242)	(16)	1,672	
"	NISHOKU HK	HK	Holding	1,088,929 (USD 34,627 thousand)	1,131,381 (USD 35,915 thousand)	39,010	100%	3,093,216	157,841	157,841	
"	SUNNICE (BVI)	BVI	"	585,292 (USD 17,948 thousand)	585,292 (USD 17,948 thousand)	15,697	100%	1,184,771	62,394	62,394	

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

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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 March 31, 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)	221,962	100%	218,827	4,156,566	1,761,495

- (ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 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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Notes to the Consolidated Financial Statements

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

		For the three months ended March 31, 2025				
		United States	Asia	Europe	Elimination	Total
Revenue from						
external customers	\$	<u>843,767</u>	<u>55,038</u>	<u>314,391</u>	<u>-</u>	<u>1,213,196</u>
Reportable segment						
profit or loss	\$	<u>338,173</u>	<u>(6,943)</u>	<u>(22,426)</u>	<u>-</u>	<u>308,804</u>
		For the three months ended March 31, 2024				
		United States	Asia	Europe	Elimination	Total
Revenue from						
external customers	\$	<u>443,462</u>	<u>103,216</u>	<u>373,317</u>	<u>-</u>	<u>919,995</u>
Reportable segment						
profit or loss	\$	<u>146,835</u>	<u>(4,272)</u>	<u>30,686</u>	<u>-</u>	<u>173,249</u>

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