

English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker: 3189

Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Financial Statements
With Review Report of Independent Auditors
As of June 30, 2025 and 2024
And For The Six-month Periods Then Ended

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

**Consolidated Financial Statements
Index**

Item	Page
1. Cover sheet	1
2. Index	2
3. Independent Auditors' Review Report	3-5
4. Consolidated balance sheets	6-7
5. Consolidated statements of comprehensive income	8
6. Consolidated statements of changes in equity	9
7. Consolidated statements of cash flows	10
8. Footnotes to the consolidated financial statements	
(1) History and organization	11
(2) Date and procedures of authorization of financial statements for issue	11
(3) Newly issued or revised standards and interpretations	11-17
(4) Summary of material accounting policies	17-24
(5) Significant accounting judgments, estimates and assumptions	24
(6) Contents of significant accounts	24-70
(7) Related party transactions	71-76
(8) Assets pledged as collaterals	76
(9) Significant contingencies and unrecognized contract commitments	76-77
(10) Significant major disasters loss	77
(11) Significant subsequent events	77
(12) Others	78-90
(13) Additional disclosures	
1. Information on significant transactions	91
2. Information on investees	91-92
3. Information on investments in Mainland China	93-98
(14) Operating segment	98-100

English Translation of Financial Statements and a Report Originally Issued in Chinese

REVIEW REPORT OF INDEPENDENT AUDITORS

To The Board of Directors of
Kinsus Interconnect Technology Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) and its subsidiaries as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in equity and cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Note 6(9), the financial statements of the associate and joint venture accounted for under the equity method was not reviewed by independent auditors. The carrying values of the associate and joint venture under equity method amounted to NT\$391,519 thousand as of June 30, 2024. The related shares of profits from the associate and joint venture under the equity method amounted to NT\$1,368 thousand and NT\$2,743 thousand for the three-month and six-month periods ended June 30, 2024. The related shares of other comprehensive income from the associate and joint venture under the equity method amounted to NT\$0 for the three-month and six-month periods ended June 30, 2024.

Unqualified Conclusion and Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements as of June 30, 2024 of the associate and joint venture accounted for using equity method been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of June 30, 2025 and 2024, and their consolidated financial performance for the three-month and six-month periods then ended and cash flows for the six-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

/s/Chang, Chih Ming

/s/Chen, Kuo Shuai

Ernst & Young, Taiwan

July 28th, 2025

Notices to Readers

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

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets

As of June 30, 2025, December 31, 2024 and June 30, 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of June 30, 2025		As of December 31, 2024		As of June 30, 2024	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$13,227,433	18	\$14,399,651	18	\$14,415,487	18
1110	Financial assets at fair value through profit or loss	6(2)	1,038,952	1	1,121,378	1	3,272,068	4
1136	Financial assets carried at amortized cost	6(3)	2,244,316	3	1,154,989	1	681,316	1
1150	Notes receivable, net	6(5)	-	-	2,730	-	6,825	-
1170	Accounts receivable, net	6(6)	5,646,002	7	5,281,641	7	4,537,148	6
1180	Accounts receivable - related parties, net	6(6), 7	10	-	-	-	20	-
1200	Other receivables		64,835	-	34,584	-	114,513	-
1210	Other receivables from related parties	7	2,140	-	7,107	-	-	-
1310	Inventories, net	6(7)	4,260,682	5	2,981,441	4	3,036,303	4
1410	Prepayments	7	920,032	1	885,568	1	1,047,338	1
1460	Disposal groups held for sale	6(8)	-	-	3,603,466	5	-	-
1470	Other current assets		261,265	-	204,172	-	321,700	-
11xx	Total current assets		<u>27,665,667</u>	<u>35</u>	<u>29,676,727</u>	<u>37</u>	<u>27,432,718</u>	<u>34</u>
	Non-current assets							
1517	Financial assets at fair value through OCI	6(4)	118,830	-	51,000	-	51,000	-
1550	Investment accounted for under equity method	6(9)	48,971	-	49,377	-	441,131	-
1600	Property, plant and equipment, net	6(10), 7, 8	40,672,426	51	36,408,840	47	37,393,403	47
1755	Right-of-use asset	6(25)	479,631	2	370,874	-	536,879	1
1780	Intangible assets	6(11)	165,320	-	53,317	-	51,820	-
1840	Deferred income tax assets	4	87,081	-	92,918	-	80,825	-
1900	Other non-current assets	6(12), 7, 8	110,391	-	102,428	-	86,280	-
1915	Prepayment for acquiring machinery	6(10), 9	9,852,603	12	12,629,816	16	14,104,351	18
15xx	Total non-current assets		<u>51,535,253</u>	<u>65</u>	<u>49,758,570</u>	<u>63</u>	<u>52,745,689</u>	<u>66</u>
1xxx	Total Assets		<u>\$79,200,920</u>	<u>100</u>	<u>\$79,435,297</u>	<u>100</u>	<u>\$80,178,407</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets-(Continued)

As of June 30, 2025, December 31, 2024 and June 30, 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of June 30, 2025		As of December 31, 2024		As of June 30, 2024	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(13)	\$2,954,894	4	\$2,451,503	3	\$2,430,244	3
2130	Contract liability	6(23)	1,025,485	1	1,104,108	1	1,144,470	1
2150	Notes payable		42,296	-	46,166	-	21,227	-
2170	Accounts payable	7	3,167,967	4	2,453,573	3	2,466,296	3
2200	Other payables	6(14), 7	6,121,750	8	5,017,614	6	7,203,125	9
2230	Current income tax liabilities	4,6(20)	12,156	-	-	-	-	-
2250	Provision	4	954,017	1	913,316	1	1,024,885	1
2260	Liabilities directly associated with disposal groups held for sale	6(8)	-	-	1,499,857	2	-	-
2280	Lease liability	6(25)	34,655	-	31,533	-	33,308	-
2300	Other current liabilities	6(15)	4,161,712	5	3,177,799	5	2,276,531	3
2365	Refund liability	6(16)	255,273	-	294,908	-	237,752	1
21xx	Total current liabilities		18,730,205	23	16,990,377	21	16,837,838	21
	Non-current liabilities							
2527	Contract liability	6(23)	2,406,409	3	3,131,445	4	3,614,357	4
2540	Long-term loans	6(17), 8	13,364,580	18	13,779,184	18	14,951,928	19
2570	Deferred income tax liabilities	4	80,062	-	70,906	-	68,960	-
2580	Lease liability	6(25)	72,673	-	73,586	-	77,414	-
2600	Other non-current liabilities	6(18), 7	4,949,808	6	5,511,566	7	5,495,486	7
25xx	Total non-current liabilities		20,873,532	27	22,566,687	29	24,208,145	30
2xxx	Total liabilities		39,603,737	50	39,557,064	50	41,045,983	51
31xx	Equity attributable to shareholders of the parent							
3100	Capital	6(21)						
3110	Common stock		4,565,709	6	4,566,494	6	4,543,741	6
3200	Capital surplus	6(21)	7,351,496	9	7,357,577	9	7,148,049	9
3300	Retained earnings	6(21)						
3310	Legal reserve		4,799,231	6	4,792,531	6	4,792,531	6
3320	Special reserve		45,148	-	195,240	-	195,240	-
3350	Unappropriated earnings		15,133,290	19	14,832,241	19	14,878,679	19
3400	Other components of equity		(347,556)	-	(91,788)	-	(60,939)	-
36xx	Non-controlling interests	6(21)	8,049,865	10	8,225,938	10	7,635,123	9
3xxx	Total equity		39,597,183	50	39,878,233	50	39,132,424	49
	Total liabilities and equity		\$79,200,920	100	\$79,435,297	100	\$80,178,407	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month and six-month periods ended June 30, 2025 and 2024
(Amounts Expressed In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	For the three-month period ended June 30,				For the six-month period ended June 30,			
			2025		2024		2025		2024	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(23), 7	\$9,563,726	100	\$7,300,482	100	\$18,183,470	100	\$14,294,866	100
5000	Operating costs	6(7)	(7,547,958)	(79)	(5,176,565)	(71)	(14,226,163)	(78)	(10,281,004)	(72)
5900	Gross profit		2,015,768	21	2,123,917	29	3,957,307	22	4,013,862	28
6000	Operating expenses	7								
6100	Sales and marketing		(251,381)	(3)	(221,081)	(3)	(475,463)	(3)	(440,890)	(3)
6200	General and administrative		(481,830)	(5)	(962,533)	(13)	(1,014,801)	(6)	(1,802,526)	(12)
6300	Research and development		(665,449)	(7)	(584,284)	(8)	(1,351,427)	(7)	(1,148,831)	(8)
6450	Expected credit gains (losses)	6(24)	2,889	-	(707)	-	5,473	-	54,966	-
	Total operating expenses		(1,395,771)	(15)	(1,768,605)	(24)	(2,836,218)	(16)	(3,337,281)	(23)
6900	Operating income		619,997	6	355,312	5	1,121,089	6	676,581	5
7000	Non-operating incomes and expenses									
7100	Interest income	6(27)	100,209	1	141,689	2	212,562	1	282,255	2
7010	Other incomes	6(27), 7	44,471	-	36,150	-	186,435	1	105,596	1
7020	Other gains and losses	6(27)	(48,210)	-	35,793	-	(932)	-	59,015	-
7050	Finance costs	6(27), 7	(96,892)	(1)	(99,806)	(1)	(199,786)	(1)	(187,236)	(1)
7060	Share of profit or loss of associates and joint ventures	6(9)	(267)	-	1,142	-	(406)	-	2,754	-
	Total non-operating incomes and expenses		(689)	-	114,968	1	197,873	1	262,384	2
7900	Income before income tax		619,308	6	470,280	6	1,318,962	7	938,965	7
7950	Income tax expense	4, 6(29)	(64,574)	-	(49,156)	-	(152,269)	(1)	(124,951)	(1)
8200	Net income		554,734	6	421,124	6	1,166,693	6	814,014	6
8300	Other comprehensive income (loss)	6(28)								
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of foreign operations		(451,742)	(5)	24,223	-	(394,203)	(2)	166,492	1
8399	Income tax related to items that may be reclassified to profit or loss		596	-	3	-	97	-	(42)	-
	Total other comprehensive income (loss), net of tax		(451,146)	(5)	24,226	-	(394,106)	(2)	166,450	1
8500	Total comprehensive income		\$103,588	1	\$445,350	6	\$772,587	4	\$980,464	7
8600	Net income attributable to:									
8610	Shareholders of the parent		\$338,192	4	88,558	1	\$614,264	3	\$113,059	1
8620	Non-controlling interests		216,542	2	332,566	5	552,429	3	700,955	5
			\$554,734	6	\$421,124	6	\$1,166,693	6	\$814,014	6
8700	Comprehensive income attributable to:									
8710	Shareholders of the parent		\$20,596	-	\$112,480	1	\$335,252	2	\$252,633	2
8720	Non-controlling interests		82,992	1	332,870	5	437,335	2	727,831	5
			\$103,588	1	\$445,350	6	\$772,587	4	\$980,464	7
9750	Earnings per share-basic (in NTD)	6(30)	\$0.74		\$0.20		\$1.35		\$0.25	
9850	Earnings per share-diluted (in NTD)	6(30)	\$0.74		\$0.20		\$1.35		\$0.25	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the six-month periods ended June 30, 2025 and 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent								Total	Non-controlling Interests	Total Equity
		Common Stock	Capital Surplus	Retained Earnings			Others					
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Disposal groups held for sale	Unearned Employee Benefit			
3100	3200	3310	3320	3350	3410	3470	3490	31XX	36XX	3XXX		
A1	Balance as of January 1, 2024	\$4,544,231	\$7,153,073	\$4,789,190	\$147,938	\$15,270,310	\$(195,240)	\$-	\$(14,613)	\$31,694,889	\$7,464,237	\$39,159,126
	Appropriation and distribution of 2023 earnings											
B1	Legal reserve			3,341		(3,341)				-		-
B3	Special reserve				47,302	(47,302)				-		-
B5	Cash dividends-common shares					(454,423)				(454,423)		(454,423)
C7	Changes in associates and joint ventures accounted for using the equity method		42							42	17	59
D1	Net income for the six-month period ended June 30, 2024					113,059				113,059	700,955	814,014
D3	Other comprehensive income (loss), net of tax, for the six-month period ended June 30, 2024						139,574			139,574	26,876	166,450
D5	Total comprehensive income (loss)	-	-	-	-	113,059	139,574	-	-	252,633	727,831	980,464
O1	Non-controlling interests increase (decrease)										(556,962)	(556,962)
T1	Employee restricted shares for cancellation and others	(490)	(5,066)			376			9,340	4,160		4,160
Z1	Balance as of June 30, 2024	<u>\$4,543,741</u>	<u>\$7,148,049</u>	<u>\$4,792,531</u>	<u>\$195,240</u>	<u>\$14,878,679</u>	<u>\$(55,666)</u>	<u>\$-</u>	<u>\$(5,273)</u>	<u>\$31,497,301</u>	<u>\$7,635,123</u>	<u>\$39,132,424</u>
A1	Balance as of January 1, 2025	\$4,566,494	\$7,357,577	\$4,792,531	\$195,240	\$14,832,241	\$-	\$(45,148)	\$(46,640)	\$31,652,295	\$8,225,938	\$39,878,233
	Appropriation and distribution of 2024 earnings											
B1	Legal reserve			6,700		(6,700)				-		-
B3	Special reserve				(150,092)	150,092				-		-
B5	Cash dividends-common shares					(456,649)				(456,649)		(456,649)
D1	Net income for the six-month period ended June 30, 2025					614,264				614,264	552,429	1,166,693
D3	Other comprehensive income (loss), net of tax, for the six-month period ended June 30, 2025						(310,954)	31,942		(279,012)	(115,094)	(394,106)
D5	Total comprehensive income (loss)	-	-	-	-	614,264	(310,954)	31,942	-	335,252	437,335	772,587
O1	Non-controlling interests increase (decrease)										(613,408)	(613,408)
T1	Disposal groups held for sale						(13,206)	13,206		-		-
T1	Employee restricted shares for cancellation and others	(785)	(6,081)			42			23,244	16,420		16,420
Z1	Balance as of June 30, 2025	<u>\$4,565,709</u>	<u>\$7,351,496</u>	<u>\$4,799,231</u>	<u>\$45,148</u>	<u>\$15,133,290</u>	<u>\$(324,160)</u>	<u>\$-</u>	<u>\$(23,396)</u>	<u>\$31,547,318</u>	<u>\$8,049,865</u>	<u>\$39,597,183</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the six-month periods ended June 30, 2025 and 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the six-month period ended June 30,		Code	Items	For the six-month period ended June 30,	
		2025	2024			2025	2024
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$1,318,962	\$938,965	B00010	Acquisition of financial assets at fair value through OCI	(67,830)	-
A20000	Adjustments:			B00040	Disposal (acquisition) of financial assets measured at amortized cost	(1,089,327)	1,437,110
A20010	Income and expense adjustments:			B02700	Acquisition of property, plant and equipment	(3,645,687)	(6,652,900)
A20100	Depreciation(including right-of-use asset)	3,481,680	2,895,807	B02800	Proceeds from disposal of property, plant and equipment	12,536	66,113
A20200	Amortization	38,230	27,375	B03800	Decrease in refundable deposits	779	18,536
A20300	Expected credit losses (gain on recovery)	(5,473)	(54,966)	B04500	Acquisition of intangible assets	(145,572)	(37,226)
A20400	Net gain of financial assets at fair value through P/L	(8,635)	(20,515)	B05350	Proceeds from right-of-use assets	-	(110,668)
A20900	Interest expense	199,786	187,236	BBBB	Net cash provided by (used in) investing activities	(4,935,101)	(5,279,035)
A21200	Interest income	(212,562)	(282,255)				
A21900	Cost of share based payment	20,238	8,125	CCCC	Cash flows from financing activities:		
A22300	Share of profit or loss of associates and joint ventures	406	(2,754)	C00100	Increase in (repayment of) short-term loans	(387,620)	1,021,625
A22500	Loss (gain) on disposal of property, plant and equipment	(1,178)	(16,987)	C01600	Increase in long-term loans	1,755,000	769,180
A23700	Impairment loss on non-financial assets	-	19,242	C01700	Repayments of long-term loans	(1,179,395)	(766,930)
A29900	Gain on government grants	(32,201)	(13,205)	C03000	Increase (decrease) in deposits received	(544,250)	253,776
A29900	Gain on lease modification	(578)	(1,636)	C04020	Cash payments for the principal portion of the lease liability	(19,018)	(45,864)
A30000	Changes in operating assets and liabilities:			CCCC	Net cash provided by (used in) financing activities	(375,283)	1,231,787
A31110	Financial assets at fair value through P/L	91,061	(57,329)	DDDD	Effect of exchange rate changes	(166,222)	60,746
A31130	Notes receivable	2,730	(2,065)	EEEE	Increase (decrease) in cash and cash equivalents	(2,138,220)	(1,285,280)
A31150	Accounts receivable	(358,857)	(188,433)	E00100	Cash and cash equivalents at beginning of period	15,365,653	15,700,767
A31160	Accounts receivable - related parties	(10)	347	E00200	Cash and cash equivalents at end of period	\$13,227,433	\$14,415,487
A31180	Other receivables	(14,053)	5,653				
A31190	Other receivables from related parties	4,967	-				
A31200	Inventories	(931,470)	(424,621)				
A31230	Prepayments	(3,137)	(10,710)				
A31240	Other current assets	32,676	(54,186)				
A31990	Net defined benefit assets	(3,953)	(3,635)				
A32125	Contract liabilities	(803,659)	(225,945)				
A32130	Notes payable	(3,870)	(26,026)				
A32150	Accounts payable	365,193	412,737				
A32180	Other payables	275,545	(397,653)				
A32200	Provision	12,156	-				
A32230	Other current liabilities	(5,801)	(30,183)				
A32990	Refund liability	(39,635)	(14,935)				
A32990	Other operating liability	-	8				
A33000	Cash generated from (used in) operations	3,418,558	2,667,456				
A33100	Interest received	213,040	303,576				
A33300	Interest paid	(186,893)	(168,704)				
A33500	Income tax paid	(106,319)	(101,106)				
AAAA	Net cash provided by (used in) operating activities	3,338,386	2,701,222				

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

1. HISTORY AND ORGANIZATION

Kinsus Interconnect Technology Corp. (referred to “the Company”) was established on September 11, 2000. Its main business activities include the manufacture of electronic products, the whole-sale and retail-sale of electronic materials, and the consultation services of business operation and management. The Company’s stocks have been governmentally approved on May 20, 2004 to be listed and traded in Taiwan Stock Exchange starting November 1, 2004. The registered business premise and main operation address is at No. 1245, Chung Hua Rd., Hsinwu District, Taoyuan City, Taiwan 32747.

Pegatron Corporation is the ultimate controller of the Group to which the Company belongs.

2. DATE AND PROCEDURE OF AUTHORIZATION FOR FINANCIAL STATEMENTS ISSUANCE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on July 28, 2025.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

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

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(A) IFRS 17 “Insurance Contracts”

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

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

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

(B) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

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

(C) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

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

(2) Amendments to IFRS 7

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

(3) Amendments to Guidance on implementing IFRS 7

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

(4) Amendments to IFRS 9

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

(5) Amendments to IFRS 10

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

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(D) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

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

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027

- (A) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

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

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

(B) IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

(2) Enhanced transparency of management-defined performance measures

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

(3) Useful grouping of information in the financial statements

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements for the six-month periods ended June 30, 2025 and 2024 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34, "Interim Financial Reporting," as endorsed and became effective by the FSC.

Except for the following 4(4)~4(6), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024. For more details, please refer to Note 4 of the Company's consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

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

(3) Basis of consolidation

The same principles of consolidation have been applied in the Company's consolidated financial statements as those applied in the Company's consolidated financial statements for the year ended December 31, 2024. For the principles of consolidation, please refer to Note 4(3) of the Company's consolidated financial statements for the year ended December 31, 2024.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
The Company	KINSUS CORP. (USA)	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	100.00%	100.00%	100.00%
The Company	KINSUS HOLDING (SAMOA) LIMITED	Investing activities	100.00%	100.00%	100.00%
The Company	KINSUS INVESTMENT CO., LTD.	Investing activities	100.00%	100.00%	100.00%
The Company	PEGAVISION CORPORATION	Manufacture of medical equipment	2.33% (Note)	2.33% (Note)	2.33% (Note)
KINSUS HOLDING (SAMOA) LIMITED	KINSUS HOLDING (CAYMAN) LIMITED	Investing activities	100.00%	100.00%	100.00%
KINSUS HOLDING (SAMOA) LIMITED	PIOTEK HOLDINGS LTD. (CAYMAN)	Investing activities	51.00% (Note 2)	51.00% (Note 2)	51.00% (Note 2)
KINSUS INVESTMENT CO., LTD.	PEGAVISION CORPORATION	Manufacture of medical equipment	27.22% (Note)	27.22% (Note)	27.22% (Note)

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
KINSUS HOLDING (CAYMAN) LIMITED	KINSUS INTERCONNECT TECHNOLOGY SUZHOU CORP.	Manufacturing and selling printed circuit board (PCB) (not high-density fine-line)	100.00%	100.00%	100.00%
PIOTEK HOLDINGS LTD. (CAYMAN)	PIOTEK HOLDINGS LIMITED	Investing activities	100.00%	100.00%	100.00%
PIOTEK HOLDINGS LIMITED	PIOTEK COMPUTER (SUZHOU) CO., LTD.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after- sale services	83.06% (Note 2)	83.06% (Note 2)	83.06% (Note 2)
PIOTEK HOLDINGS LIMITED	PIOTEK (H.K.) TRADING LIMITED	Trading activities	-% (Note 3)	100.00%	100.00%
KINSUS INTERCONNECT TECHNOLOGY SUZHOU CORP.	PIOTEK COMPUTER (SUZHOU) CO., LTD.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after- sale services	8.64% (Note 2)	8.64% (Note 2)	8.64% (Note 2)
PEGAVISION CORPORATION	PEGAVISION JAPAN INC.	Selling medical equipment	100.00%	100.00%	100.00%

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
PEGAVISION CORPORATION	PEGAVISION (JIANGSU) LIMITED	Producing and Selling medical equipment	100.00%	100.00%	100.00%
PEGAVISION CORPORATION	MAYIN INVESTMENT CO., LTD.	Investing activities	100.00%	100.00%	100.00%
PEGAVISION CORPORATION	PEGAVISION VIETNAM COMPANY LIMITED	Producing and selling medical equipment	100.00%	100.00%	100.00%
PEGAVISION CORPORATION	PEGAVISION (SHANGHAI) CORPORATION	Selling medical equipment	100.00% (Note 1)	100.00% (Note 1)	100.00% (Note 1)
PEGAVISION CORPORATION	PEGAVISION NETHERLANDS B.V.	Selling medical equipment	100.00% (Note 4)	Not applicable	Not applicable
MAYIN INVESTMENT CO., LTD.	BEAUTYTECH PLATFORM CORPORATION	Selling medical equipment and cosmetic products	85.00%	85.00%	85.00%
MAYIN INVESTMENT CO., LTD.	FACIALBEAU INTERNATIONAL CORPORATION	Selling medical equipment and cosmetic products	55.00%	55.00%	55.00%
BEAUTYTECH PLATFORM CORPORATION	PEGAVISION CONTACT LENSES (SHANGHAI) CORPORATION	Selling medical equipment	100.00%	100.00%	100.00%

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
BEAUTYTECH PLATFORM CORPORATION	BEAUTYTECH PLATFORM (SHANGHAI) CORPORATION	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
BEAUTYTECH PLATFORM CORPORATION	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
BEAUTYTECH PLATFORM CORPORATION	FORIMART CORPORATION	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
BEAUTYTECH PLATFORM CORPORATION	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY	Selling medical equipment and cosmetic products	70.00% (Note 1)	70.00% (Note 1)	Not applicable
PEGAVISION CONTACT LENSES (SHANGHAI) CORPORATION	GEMVISION TECHNOLOGY (ZHEJIANG) LIMITED	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
FACIALBEAU INTERNATIONAL CORPORATION	FACIALBEAU (JIANGSU) CORPORATION	Selling medical equipment and cosmetic products	100.00% (Note 1)	100.00% (Note 1)	100.00% (Note 1)
FACIALBEAU INTERNATIONAL CORPORATION	IKIDO INC.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
FACIALBEAU INTERNATIONAL CORPORATION	RODNA CO., LTD.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
FACIALBEAU INTERNATIONAL CORPORATION	AQUAMAX VISION CORPORATION	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%

Note: As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had 29.55% ownership of Pegavision Corporation, respectively. However, the Group possesses control over the entity as it has been the single largest shareholder since the Group invested in Pegavision Corporation. The Group and the parent company hold more than 45% of voting right while the remaining equity is individually held by numerous shareholders without contractual rights. The Group therefore has control over the entity.

Note1: To improve the synergy of the Group, the board of directors decided to reorganize and set up the Subsidiaries on July 26, 2021:

(a) FacialBeau (Jiangsu) Corporation which is 100% held by FacialBeau International Corporation was registered on February 25, 2022. The investment amount has not been remitted as on June 30, 2025.

(b) PEGAVISION (SHANGHAI) CORPORATION which is 100% held by PEGAVISION CORPORATION was registered on April 23, 2024. The investment amount has not been remitted as of June 30, 2025.

(c) BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY which is 70% held by BeautyTech Platform Corporation was registered on October 9, 2024.

Note2: The Company's subsidiary, Piotek Computer (Suzhou) Co., Ltd., conducted a cash capital increase in September 2023. The Company's subsidiary, Piotek Holding Limited, did not participate in the cash capital increase, and its ownership percentage decreased from 100.00% to 83.06%. Instead, the Company's subsidiary, Kinsus Interconnect Technology Suzhou Corp, participated in the cash capital increase and its ownership percentage after the capital increase was 8.64%. However, the Company's subsidiary, Kinsus Holding (Samoa) Limited, maintained an ultimate consolidated ownership percentage of 51%.

Note3: Piotek (H.K.) TRADING LIMITED have completed the deregistration on 27 February 2025.

Note4: To improve the European market, the board of directors decided to reorganize on December 31, 2024. The Company which is 100% held by PEGAVISION NETHERLANDS B.V was registered by February 28, 2025.

(4) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognized progressively if the obligation event occurs over a period of time.

(5) Post-employment benefits

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

(6) Income tax

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, “Income Tax.” The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The same significant accounting judgments, estimates and assumptions have been applied in the Company’s consolidated financial statements for the three-month period ended June 30, 2025 as those applied in the Company’s consolidated financial statements for the year ended December 31, 2024. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company’s consolidated financial statements for the year ended December 31, 2024.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$’000)	(NT\$’000)	(NT\$’000)
Cash and petty cash	\$5,890	\$4,882	\$4,722
Checking and saving	4,131,397	3,031,777	2,310,083
Time deposit(Note)	9,090,146	11,362,992	12,100,682
Total	<u>\$13,227,433</u>	<u>\$14,399,651</u>	<u>\$14,415,487</u>

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

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

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

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Mandatorily measured at fair value through profit or loss:			
Money market fund	\$1,032,373	\$1,116,752	\$3,224,375
Valuation adjustment	6,579	4,626	47,693
Total	<u>\$1,038,952</u>	<u>\$1,121,378</u>	<u>\$3,272,068</u>
Current	<u>\$1,038,952</u>	<u>\$1,121,378</u>	<u>\$3,272,068</u>
Non-current	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

No financial assets at fair value through profit or loss was pledged as collateral.

(3) Financial assets measured at amortized cost

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Time deposit	<u>\$2,244,316</u>	<u>\$1,154,989</u>	<u>\$681,316</u>
Current	<u>\$2,244,316</u>	<u>\$1,154,989</u>	<u>\$681,316</u>
Non-current	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

The Group transacts with financial institutions with good credit rating. Consequently, there is no significant credit risk.

No financial assets measured at amortized cost was pledged as collateral.

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

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Equity instruments investments measured at fair value through other comprehensive income – Non-current:			
Unlisted company stocks	\$118,830	\$51,000	\$51,000

No financial assets at fair value through other comprehensive income was pledged as collateral.

(5) Notes receivable

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Notes receivable arising from operating activities	\$-	\$2,730	\$6,825
Less: loss allowance	-	-	-
Total	\$-	\$2,730	\$6,825

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(24) for more details on loss allowance and Note 12 for details on credit risk.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

(6)Accounts receivable

A.Accounts receivable, net

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Accounts receivable, gross	\$5,659,622	\$5,300,765	\$4,550,868
Less: allowance against doubtful accounts	(13,620)	(19,124)	(13,720)
Net of allowances	5,646,002	\$5,281,641	4,537,148
Accounts receivable - related parties, gross	10	-	20
Less: allowance against doubtful accounts	-	-	-
Net of allowances	10	-	20
Total accounts receivable, net	\$5,646,012	\$5,281,641	\$4,537,168

B. Account receivables were not pledged.

C. Accounts receivable are generally on 30-90 day terms. The total carrying amount as of June 30, 2025, December 31, 2024 and June 30, 2024, are NT\$5,659,632 thousand, NT\$5,300,765 thousand and NT\$4,550,888 thousand, respectively. Please refer to Note 6 (24) for more details on loss allowance of accounts receivable for the periods ended June 30, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(7)Inventories

A. Details of inventory:

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Raw material	\$600,553	\$461,253	\$477,910
Supplies	51,932	56,560	48,150
Work in process	2,235,422	1,384,055	1,366,012
Finished goods	1,326,022	1,003,255	1,112,690
Merchandises	46,753	76,318	31,541
Total	\$4,260,682	\$2,981,441	\$3,036,303

B. For the three-month periods ended June 30, 2025 and 2024, the Group recognized NT\$7,547,958 thousand and NT\$5,176,565 thousand under the caption of costs of sale, respectively. For the six-month periods ended June 30, 2025 and 2024, the Group recognized NT\$14,226,163 thousand and NT\$10,281,004 thousand under the caption of costs of sale, respectively. For the three-month periods ended June 30, 2025 and 2024, the Group recognized NT\$959,547 thousand and NT\$745,426 thousand, respectively, which included loss from inventory market decline, physical or inventory write-off obsolescence. For the six-month periods ended June 30, 2025 and 2024, the Group recognized NT\$1,856,611 thousand and NT\$1,422,950 thousand, respectively, which included loss from inventory market decline, physical or inventory write-off obsolescence.

C. The inventories were not pledged.

(8) Disposal groups held for sale

	<u>As of</u>
	12/31/2024
	<u>(NT\$'000)</u>
Assets of disposal groups held for sale	<u>\$3,603,466</u>
Liabilities directly associated with disposal groups held for sale	<u>\$1,499,857</u>

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

On December 30, 2024, the Board of Directors resolved to indirectly sell its entire 80.50% ownership in KINSUS HOLDING (CAYMAN) LTD and 100.00% ownership in PIOTEK HOLDINGS LIMITED. The details of related assets and liabilities held for sale were as follows:

	<u>As of</u>
	12/31/2024
	<u>(NT\$'000)</u>
<u>Assets of disposal groups held for sale</u>	
Cash and cash equivalents	\$966,002
Other receivables	18,125
Inventories, net	347,771
Prepayments	31,327
Other current assets	89,769
Property, plant and equipment	1,982,174
Right-of-use assets	158,477
Intangible assets	5,032
Other non-current assets	4,789
Total	<u>\$3,603,466</u>
<u>Liabilities directly associated with disposal groups held for sale</u>	
Short-term loans	\$891,011
Accounts payable	349,201
Other payables	216,867
Current tax liabilities	11,446
Other current liabilities	598
Other non-current liabilities	30,734
Total	<u>\$1,499,857</u>

As the sales proceeds of the disposal are expected to exceed the carrying amount of the related net assets, no impairment losses were recognized on the classification of these operations as disposal groups held for sale.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

On December 30, 2024, the Group's subsidiaries, KINSUS HOLDING (SAMOA) LIMITED and PIOTEK HOLDINGS LTD. (CAYMAN), entered into a share purchase agreement with Cornucopia Investment Advisory and Management Partners Inc., which materially stipulates the following:

- A. KINSUS HOLDING (SAMOA) LIMITED sells 80.5% of the equity interest in KINSUS HOLDING (CAYMAN) LTD and indirectly transfers Suzhou Tongshuo Technology Co., Ltd. - invested by KINSUS HOLDING (CAYMAN) LTD with a total transaction amount of RMB 1,218,770 thousand.
- B. PIOTEK HOLDINGS LTD. (CAYMAN) sells 100% equity interest in PIOTEK HOLDINGS LIMITED and indirectly transfers Piotek Computer (Suzhou) Co., Ltd. - invested by PIOTEK HOLDINGS LIMITED with a total transaction amount of RMB 309,111 thousand.

The equity transfer of this transaction is conducted in two phases, with the first phase involving the sale of 70% equity in KINSUS HOLDING (CAYMAN) LTD and 100% equity in PIOTEK HOLDINGS LIMITED; in the second phase, 10.5% equity in KINSUS HOLDING (CAYMAN) LTD will be sold.

Because a agreement for the plan was not reached, the case was cancelled by a resolution of the board of directors on April 28, 2025. The asset was reclassified from the Disposal groups held for sale.

(9) Investments accounted for under the equity method

	As of					
	6/30/2025		12/31/2024		6/30/2024	
	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Investees	(NT\$'000)	(%)	(NT\$'000)	(%)	(NT\$'000)	(%)
Investments in associates:						
FuYang Technology Corp.	\$-	-%	\$-	-%	\$391,519	35.65%
Zhuhe Investment Co., Ltd.	48,971	25.00%	49,377	25.00%	49,612	25.00%
Total	<u>\$48,971</u>		<u>\$49,377</u>		<u>\$441,131</u>	

A. The Company invested cash in FuYang Technology Corp. during May 2016 for interest ownership of 36%. The investment is accounted for as an investment in associates due to the Company's ability to exercise its significant influence.

In May 2017, the Company participated in FuYang's cash offering by unproportionate investing NT\$479,422 thousand for 19,176,872 shares of FuYang and, therefore, recognized a capital surplus amounting to NT\$7,484 thousand. As a result of the offering, the Company's share interest on FuYang decreased to 35.65%.

FuYang Technology Corp. was dissolved and liquidated by the resolution of the board of directors on March 5, 2024, and received the distribution of the remaining property NT\$395,835 thousand in December of the same year, and the remaining NT\$1,412 thousand to be distributed was recorded under other receivables.

In September 2023, the Group's subsidiaries, Kinsus Investment Co., Ltd. and PEGAVISION CORPORATION invested cash in Zhuhe Investment Co., Ltd. with amounts of NT\$30,000 thousand and NT\$20,000 thousand, with shareholding ratios of 17.65% and 11.76%, respectively. Each obtained one seat in the board of directors of Zhuhe Investment Co., Ltd. The investment is accounted for as an investment in associates due to the Group's ability to exercise its significant influence.

In June 12, 2024, Zhuhe Investment Co., Ltd. conducted a cash capital increase. The Group did not subscribe to the shares proportionately, thereby reducing its ownership from 29.41% to 25.00%. An additional capital surplus in the amount of NT\$42 thousand was recognized for the non-proportionate subscription.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

B. Investments in associates

As of June 30, 2025, December 31, 2024 and June 30, 2024, the aggregate carrying amount of the Group's interests in FuYang Technology Corp. and Zhuhe Investment Co., Ltd. was NT\$48,971 thousand, NT\$49,377 thousand, NT\$441,131 thousand, respectively. The aggregate financial information based on Group's share of FuYang Technology Corp. and Zhuhe Investment Co., Ltd. was as follows:

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)	2025 (NT\$'000)	2024 (NT\$'000)
Profit or loss from continuing operations	\$ (267)	\$ 1,142	\$ (406)	\$ 2,754
Other comprehensive income (post-tax)	-	-	-	-
Total comprehensive income	<u>\$ (267)</u>	<u>\$ 1,142</u>	<u>\$ (406)</u>	<u>\$ 2,754</u>

There were no contingent liabilities or capital commitments with respect to the investment in the associate as of June 30, 2025, December 31, 2024 and June 30, 2024. Nor any of the Group's share interest on FuYang was pledged as collateral.

C. The Group's investment accounted for under equity method in FuYang Technology as of June 30, 2024 amounted to NT\$391,519 thousand. The share of the profit or loss of these associates and joint ventures accounted for using the equity method amount to NT\$1,368 thousand and NT\$2,743 thousand for the three-month and six-month periods ended June 30, 2024. The share of other comprehensive income of these associates and joint ventures accounted for using the equity method amount to NT\$0 thousand for the six-month periods ended June 30, 2024. Please note that the financial statements of the investee for the same correspondent periods were not reviewed.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

The Group's investment accounted for under equity method in Zhuhe Investment as of June 30, 2025 and 2024 amounted to NT\$48,971 thousand and NT\$49,612 thousand while the related shares of investment income/loss and joint venture income accounted for using the equity method amounted to NT\$(267) thousand and NT\$(226) thousand, NT\$(406) thousand and NT\$11 thousand for the three-month and six-month period ended June 30, 2025 and 2024, respectively. And other comprehensive income were both NT\$0 for the three-month and six-month period ended June 30, 2025 and 2024, respectively. They were measured based on the reviewed financial statements of the investee for the same correspondent periods.

D. No investment accounted for under equity method was pledged as collateral as of June 30, 2025, December 31, 2024 and June 30, 2024.

(10) Property, plant and equipment

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Owner occupied property, plant and equipment	\$40,672,426	\$36,408,840	\$37,393,403

A. Property, plant and equipment for own-use

	Land (NT\$'000)	Buildings (NT\$'000)	Machinery (NT\$'000)	Office Equipment (NT\$'000)	Vehicle (NT\$'000)	Other Equipment (NT\$'000)	Construction in progress and equipment awaiting inspection (including prepayment for property and equipment)	Total (NT\$'000)
							(NT\$'000)	
Cost:								
As of 1/1/2025	\$8,228,180	\$11,797,118	\$38,912,419	\$428,135	\$19,588	\$9,594,203	\$16,582,266	\$85,561,909
Reclassification	-	2,746,614	3,652,726	60,714	12,939	1,169,299	147,467	7,789,759
Addition	-	-	13,347	-	-	235,402	2,937,289	3,186,038
Disposals	-	(262,967)	(8,075,614)	(35,198)	(3,860)	(2,333,307)	-	(10,710,946)
Effect of EX rate	(104)	(294,682)	(368,145)	(6,621)	(1,329)	(127,886)	(29,438)	(828,205)
Reclassification	-	2,732,474	412,643	46,913	1,698	4,063,167	(7,256,895)	-
As of 6/30/2025	\$8,228,076	\$16,718,557	\$34,547,376	\$493,943	\$29,036	\$12,600,878	\$12,380,689	\$84,998,555

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

	Land	Buildings	Machinery	Office Equipment	Vehicle	Other Equipment	Construction in progress and equipment awaiting inspection (including prepayment for property and equipment)	Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
As of 1/1/2024	\$6,315,776	\$11,255,795	\$37,213,996	\$432,772	\$31,893	\$8,777,126	\$21,089,836	\$85,117,194
Addition	-	20,900	842	120	-	195,198	6,664,205	6,881,265
Disposals	-	-	(373,291)	(1,022)	-	(258,015)	-	(632,328)
Effect of EX rate	(603)	138,695	140,623	2,708	606	52,977	26,017	361,023
Reclassification	1,912,695	2,918,553	3,890,916	21,479	-	1,128,546	(9,872,189)	-
As of 6/30/2024	\$8,227,868	\$14,333,943	\$40,873,086	\$456,057	\$32,499	\$9,895,832	\$17,907,869	\$91,727,154

Depreciation and impairment:

As of 1/1/2025	\$-	\$3,582,052	\$26,269,437	\$311,129	\$13,873	\$6,346,762	\$-	\$36,523,253
Reclassification	-	1,851,947	2,909,864	55,341	12,261	978,172	-	5,807,585
Depreciation	-	388,036	2,222,289	35,249	1,482	810,280	-	3,457,336
Disposal	-	(262,967)	(8,065,689)	(35,198)	(3,860)	(2,331,874)	-	(10,699,588)
Effect of EX rate	-	(200,367)	(301,827)	(6,178)	(1,276)	(105,412)	-	(615,060)
As of 6/30/2025	\$-	\$5,358,701	\$23,034,074	\$360,343	\$22,480	\$5,697,928	\$-	\$34,473,526

As of 1/1/2024	\$-	\$4,656,197	\$26,078,350	\$300,121	\$22,596	\$6,624,895	\$-	\$37,682,159
Depreciation	-	314,127	2,010,307	31,285	1,479	490,487	-	2,847,685
Impairment loss	-	19,242	-	-	-	-	-	19,242
Disposal	-	-	(324,387)	(1,022)	-	(257,793)	-	(583,202)
Effect of EX rate	-	89,302	125,817	2,587	552	45,258	-	263,516
As of 6/30/2024	\$-	\$5,078,868	\$27,890,087	\$332,971	\$24,627	\$6,902,847	\$-	\$40,229,400

Net carrying amount:

As of 6/30/2025	\$8,228,076	\$11,359,856	\$11,513,302	\$133,600	\$6,556	\$6,902,950	\$12,380,689	\$50,525,029
As of 12/31/2024	\$8,228,180	\$8,215,066	\$12,642,982	\$117,006	\$5,715	\$3,247,441	\$16,582,266	\$49,038,656
As of 6/30/2024	\$8,227,868	\$9,255,075	\$12,982,999	\$123,086	\$7,872	\$2,992,985	\$17,907,869	\$51,497,754

B. "Significant components" of buildings primarily comprised the main buildings and the facilities, which are depreciated based on their respective useful economic life of 20 to 25 years and 3 to 20 years.

C. Details of property, plant & equipment and prepayment for machinery is as follows:

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Property, plant and equipment	\$40,672,426	\$36,408,840	\$37,393,403
Prepayment for acquiring machinery	9,852,603	12,629,816	14,104,351
Total	<u>\$50,525,029</u>	<u>\$49,038,656</u>	<u>\$51,497,754</u>

D. For the three-month periods ended June 30, 2025 and 2024, NT\$0 impairment loss represented the write down of certain property, plant and equipment to the recoverable amount. For the six-month periods ended June 30, 2025 and 2024, NT\$0 and NT\$19,242 thousand impairment loss represented the write down of certain property, plant and equipment to the recoverable amount. This has been recognized in the statement of comprehensive income. The recoverable value is measured at usage values by the individual units.

E. Please refer to Note 8 for details on property, plant and equipment pledged as collaterals.

F. The Company purchased 40 parcels of land with a total area of 36,115.24 square meters. Lands are located at the addresses of No. 1113, 1114, 1438 to 1443, 1479, 1486 to 1487 at ShiLeiZi Sub-section, ShiLeiZi Section, No. 1044, 1047 to 1049 at QingHua Section, and No. 0001, 697 to 700 and 712 to 726 at RongHua Section, XinFeng Village. Due to regulatory restrictions, the agricultural land cannot be registered under the Company's name while it has been temporarily registered under the CEO and general manager's name and, to secure the Company's right to the land, mortgage registration has been set aside with the Company being the obligee.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

(11) Intangible assets

	Computer software (NT\$'000)
<u>Cost:</u>	
As of 1/1/2025	\$150,040
Reclassification	9,088
Additions – acquired separately	145,572
Derecognized upon retirement	(37,665)
Effect of exchange rate changes	(934)
As of 6/30/2025	<u>\$266,101</u>
As of 1/1/2024	\$126,660
Additions – acquired separately	37,226
Derecognized upon retirement	(40,216)
Effect of exchange rate changes	260
As of 6/30/2024	<u>\$123,930</u>
<u>Amortization and Impairment:</u>	
As of 1/1/2025	\$96,723
Reclassification	4,056
Amortization	38,230
Derecognized upon retirement	(37,665)
Effect of exchange rate changes	(563)
As of 6/30/2025	<u>\$100,781</u>
As of 1/1/2024	\$84,816
Amortization	27,375
Derecognized upon retirement	(40,216)
Effect of exchange rate changes	135
As of 6/30/2024	<u>\$72,110</u>
<u>Carrying amount, net:</u>	
As of 6/30/2025	<u>\$165,320</u>
As of 12/31/2024	<u>\$53,317</u>
As of 6/30/2024	<u>\$51,820</u>

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Amounts of amortization recognized for intangible assets are as follows:

	For the three-month period		For the six-month period	
	ended June 30,		ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Cost of goods sold	\$1,950	\$95	\$1,971	\$126
General and administrative	17,564	15,378	35,302	26,960
Research and development	476	198	957	289
Total	\$19,990	\$15,671	\$38,230	\$27,375

(12) Other non-current assets

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Refundable deposits	\$58,282	\$54,272	\$59,588
Net defined benefit assets	52,109	48,156	26,692
Total	\$110,391	\$102,428	\$86,280

(13) Short-term loans

	Interest interval (%)	As of		
		6/30/2025	12/31/2024	6/30/2024
		(NT\$'000)	(NT\$'000)	(NT\$'000)
Unsecured bank loans	1.75% ~4.95%	\$2,954,894	\$2,451,503	\$2,430,244

The Group's unused short-term lines of credits amount to NT\$14,290,663 thousand, NT\$16,284,508 thousand and NT\$15,992,751 thousand, as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

(14) Other payable

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Accrued expense	\$4,008,735	\$3,531,598	\$3,605,315
Dividend payable	1,070,057	-	1,011,385
Equipment payable	1,029,017	1,470,438	2,569,958
Accrued interest	13,941	15,578	16,467
Total	<u>\$6,121,750</u>	<u>\$5,017,614</u>	<u>\$7,203,125</u>

(15) Other current liabilities

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Other current liabilities	\$141,501	\$146,516	\$117,444
Current portion of long-term loans	3,994,125	3,016,554	2,142,449
Deferred revenue	26,086	14,729	16,638
Total	<u>\$4,161,712</u>	<u>\$3,177,799</u>	<u>\$2,276,531</u>

(16) Refund liability

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Refund liability	<u>\$255,273</u>	<u>\$294,908</u>	<u>\$237,752</u>

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

(17) Long-term loans

Details of long-term loans were as follows:

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Unsecured bank loans	\$17,163,898	\$16,565,832	\$16,846,377
Secured bank loans	194,807	229,906	248,000
Subtotal	17,358,705	16,795,738	17,094,377
Less: current portion	(3,994,125)	(3,016,554)	(2,142,449)
Total	\$13,364,580	\$13,779,184	\$14,951,928
Interest interval (%)	1.15% ~5.16%	1.15% ~6.23%	1.15% ~6.23%

A. Borrowing and repayment

In consideration of the fund use and the terms of the loan agreement, the Group repaid the long-term loans of NT\$1,179,395 thousand, NT\$1,887,641 thousand and NT\$766,930 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively. In addition, the Group proceeded with long-term loans of NT\$1,755,000 thousand, NT\$1,577,369 thousand and NT\$769,180 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively. Please refer to Note 6(27)(D) for interest expenses.

B. Collateral for bank loans

Please refer to Note 8 for details on assets pledged as collaterals.

C. Government low-interest loan

The Group obtained government low-interest loans. The loans were measured at its fair value by applying the market interest rate. The deferred differences between the amounts paid and the fair value were classified as other current liabilities and other non-current liabilities, respectively.

(18) Other non-current liabilities

(a) Details of other non-current liabilities were as follows:

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Deposits received	\$4,920,123	\$5,433,639	\$5,407,747
Deferred revenue	29,685	77,927	87,739
Total	<u>\$4,949,808</u>	<u>\$5,511,566</u>	<u>\$5,495,486</u>

(b) The details of the deferred government grants income for the six-month period ended June 30, 2025 and 2024 are as follows:

	For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)
Beginning balance	\$92,656	\$115,425
Received during the period	1,864	2,157
Released to the statement of comprehensive income	(32,201)	(13,205)
Other	(6,548)	-
Ending Balance	<u>\$55,771</u>	<u>\$104,377</u>
Current	<u>\$26,086</u>	<u>\$16,638</u>
Non-current	<u>\$29,685</u>	<u>\$87,739</u>

(c) Please refer to Note 6(17) for details on interest rate of deferred government grants income.

(19) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended June 30, 2025 and 2024 were NT\$53,320 thousand and NT\$50,503 thousand, respectively, while for the six-month periods ended June 30, 2025 and 2024 were NT\$105,572 thousand and NT\$98,745 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended June 30, 2025 and 2024 were NT\$33 thousand and NT\$12 thousand, respectively, while for the six-month periods ended June 30, 2025 and 2024 were NT\$49 thousand and NT\$23 thousand, respectively.

(20) Provisions

	<u>Carbon fees</u>
As of January 31, 2025	\$-
Arising during the period	<u>12,156</u>
As of June 30, 2025	<u><u>\$12,156</u></u>

A provision has been recognized for the carbon fee levied in accordance with the "Climate Change Response Act" and its related sub-laws. Based on relevant regulations and the estimated greenhouse gases emissions from emissions sources that are required for inventory registration and verification for the current year, the Group is subject to carbon fees. However, due to uncertainties related to factors such as the application of inventory methodologies and technologies, the impact of operational activities on emissions, or the results of auditing operations by the competent authority, or the implementation results of the self-determined reduction plan, the Group has made its best estimate based on applicable regulations and currently available information. The carbon fee is expected to be paid by the end of May in the following year. In May 2025, the Company's self-determined reduction plan was approved by the central competent authority and has assessed that the annual designated targets will be met. These factors have been taken into consideration in the Company's estimation of the carbon fee.

(21)Equity

A. Common shares

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company's authorized capital was NT\$6,000,000 thousand, each share at par value of NT\$10, divided into 600,000 thousand shares. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company's paid-in capital were NT\$4,565,709 thousand, NT\$4,566,494 thousand and NT\$4,543,741 thousand, respectively, divided into 456,571 thousand shares, 456,649 thousand shares and 454,374 thousand shares, respectively. Each share represents a voting right and a right to receive dividends.

On July 29, 2024, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT\$490 thousand, and to set August 22, 2024 as the reference date of capital reduction.

On October 28, 2024, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT\$120 thousand, and to set October 29, 2024 as the reference date of capital reduction.

On February 17, 2025, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT\$97 thousand, and to set February 18, 2025 as the reference date of capital reduction.

On April 28, 2025, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT\$422 thousand, and to set April 29, 2025 as the reference date of capital reduction.

As of June 30, 2025, the Company recovered restricted stock awards in the amount of NT\$363 thousand, which is not yet cancelled.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

On January 29, 2024 and May 30, 2024, the Company's board of directors and shareholders' meetings resolved to increase the capital through an issuance of new 2,700 thousand shares of restricted stock for employees. The application has been approved by the FSC in the Order No. Financial-Supervisory-Securities-Corporate-1130348311 issued on July 3, 2024. The Company's board of directors resolved the measurement date was on August 23, 2024. The issue price per share is NT\$59.5, and issued 2,297 thousand shares.

B. Capital surplus

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Additional paid-in capital	\$6,498,112	\$6,465,533	\$6,340,879
Differences between purchase price and carrying amount arising from acquisition or disposal of subsidiaries	52,567	52,567	52,567
Changes in ownership interests in subsidiaries	663,471	663,471	663,471
New shares of investee companies not purchased in proportion to shareholding ratio	42	42	7,526
Shared-Based Payment	8,515	8,515	8,371
Restricted stocks for employees	128,781	167,441	75,227
Other	8	8	8
Total	<u>\$7,351,496</u>	<u>\$7,357,577</u>	<u>\$7,148,049</u>

According to the Taiwan Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company up to a certain percentage of paid-in capital. The said capital surplus could be distributed in cash to its shareholders in proportion to the number of shares being held by each of them. Capital surplus related to long-term equity investments cannot be used for any purpose.

C. Appropriation of earnings and dividend policies

(a) Earning distribution

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

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount as legal reserve. This restriction shall not apply when the statutory surplus reserve has reached the paid-in capital of the company;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

If the Company's dividends are distributed to shareholders or all or part of statutory surplus reserve and capital reserve in whole may be paid in cash, the Board of Directors have been authorized to approve by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and report to the shareholder's meeting.

(b) Dividend policies

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, the Company's dividend policy aims for steadiness and balancing. Shareholder extra dividend each year cannot be less than 10% of distributed surplus earnings and cash dividends distributed each year cannot be less than 10% of the gross amount of dividends.

(c) Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(d) Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

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

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

(e) The appropriations of earnings for the Year 2024 and 2023 were approved through the shareholders’ meetings held on May 28, 2025 and May 30, 2024, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT\$)	
	2025 (NT\$'000)	2024 (NT\$'000)	2025	2024
Legal reserve	\$6,700	\$3,342		
Appropriation (reversal) of special reserve	(150,092)	47,302		
Cash dividend	456,649	454,423	\$1.00	\$1.00
Total	\$313,257	\$505,067		

Please refer to Note 6(26) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)
Beginning balance	\$8,225,938	\$7,464,237
Net income attributable to NCIs	552,429	700,955
Other comprehensive income attributable to NCIs:		
Exchange differences arising on translation of foreign operations	(115,094)	26,876
Changes in associates and joint ventures accounted for using the equity method	-	17
Non-controlling interests increase/(decrease)	(613,408)	(556,962)
Ending balance	\$8,049,865	\$7,635,123

(22) Share-based payment plans

Restricted stocks plan for employees

A. On May 27, 2022, the shareholders' meetings resolved to issue of 5,400 thousand shares of restricted stocks for employees. The grantee is limited to employees who meet certain conditions. The restricted stocks have been approved by the Securities and Futures Bureau. On July 25, 2022, the board of directors resolved to issue 2,063 thousand shares. The measurement date was on August 19, 2022 and total shares issued were 1,932 thousand. The unit market price as of the granted date was NT\$130.

On February 13, 2023, the board of directors resolved to issue of 2,036 thousand shares. The measurement date was on March 20, 2023 and total shares issued were 1,448 thousand. The unit market price as of the granted date was NT\$105.

On April 28, 2023, the board of directors resolved to issue of 456 thousand shares. The measurement date was on May 19, 2023 and total shares issued were 280 thousand. The unit market price as of the granted date was NT\$108.

The employees who acquire the above shares can subscribe shares at the price of NT\$85.6 per shares while the vesting conditions are as below.

i. Employee above level eight

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	30%(Uncondition round up to thousand shares)
Within 8 months starting the granted date	20%(Uncondition round up to thousand shares)
Within 13 months starting the granted date	20%(Uncondition round down to thousand shares)
Within 20 months starting the granted date	10%(Uncondition round up to thousand shares)
Within 25 months starting the granted date	10%(Uncondition round up to thousand shares)
Within 32 months starting the granted date	Remaining shares

ii. Employee at level six through level seven

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	30%(Uncondition round up to thousand shares)
Within 13 months starting the granted date	50%(Uncondition round down to thousand shares)
Within 25 months starting the granted date	Remaining shares

Restriction on employee's right after granted but before vested:

- (a)The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.
- (b)After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and may not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.
- (c)The restricted stock for employees can participate in receiving dividends during the vesting period.
- (d)The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.

B. On May 30, 2024, the shareholders' meetings resolved to issue of 2,700 thousand shares of restricted stocks for employees. The grantee is limited to employees who meet certain conditions. The restricted stocks have been approved by the Securities and Futures Bureau. On July 29, 2024, the board of directors resolved to issue 2,355 thousand shares. The measurement date was on August 23, 2024 and total shares issued were 2,297 thousand. The unit market price as of the granted date was NT\$106.5.

The employees who acquire the above shares can subscribe shares at the price of NT\$59.5 per shares while the vesting conditions are as below.

i. Employee above level eight

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	40%
Within 13 months starting the granted date	30%
Within 25 months starting the granted date	Remaining shares

ii. Employee at level six through level seven

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	40%
Within 13 months starting the granted date	30%
Within 25 months starting the granted date	Remaining shares

Restriction on employee's right after granted but before vested:

(a) The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.

(b) After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.

(c) The restricted stock for employees can participate in receiving dividends during the vesting period.

(d) During the vested period, if the Company conducts a capital reduction for cash return or other non-statutory capital reduction, the unvested RSAs shall be cancelled proportionally by the ration of such capital reduction. If the Company conducts a cash capital reduction for cash return, the returned cash shall be deposited in a trust/custody account and shall not be delivered to the employees until the vesting conditions are fulfilled; otherwise, the cash will be returned to the Company.

(e) Mergers and Acquisitions: Unvested RSAs may be changed by the relevant agreements or plans for the mergers and acquisitions.

(f) The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.

(g) Other important terms and conditions: During the period when the granted RSAs are deposited in a trust/custody account, each executive must enter into an agreement authorizing the Company to, among others, negotiate, execute, modify, extend, rescind, and terminate the trust/custody agreement with the trustee/custodian, and give instructions to deliver, use, and dispose of any of the properties under the trust/custody, on their behalf, with full power and authority.

C. On August 19, 2022, the issuance of 1,932 thousand restricted shares for employees resulted in the increase of capital reserve – employee stock option amounting to NT\$146,059 thousand. The restricted stocks plan was invalidated as of June 30, 2025 and 49 thousand shares were recalled. The unearned employee compensation was \$0 as of June 30, 2025.

On March 20, 2023, the issuance of 1,448 thousand restricted shares for employees resulted in the increase of capital reserve – employee stock option amounting to NT\$130,637 thousand. The restricted stocks plan was invalidated as of June 30, 2025 and 63 thousand shares were recalled. The unearned employee compensation was NT\$193 thousand as of June 30, 2025.

On May 19, 2023, the issuance of 280 thousand restricted shares for employees resulted in the increase of capital reserve—employee stock option amounting to NT\$21,168 thousand. The restricted stocks plan was invalidated as of June 30, 2025 and 43 thousand shares were recalled. The unearned employee compensation was NT\$19 thousand as of June 30, 2025.

On August 23, 2024, the issuance of 2,297 thousand restricted shares for employees resulted in the increase of capital reserve—employee stock option in the amount of NT\$113,702 thousand. The restricted stocks plan was invalidated as of June 30, 2025 and 38 thousand shares were recalled. The unearned employee compensation was NT\$23,184 thousand as of June 30, 2025.

D. The expense recognized for employee services received is shown in the following table.

	For the six-month period ended June 30,	
	2025	2024
	(NT\$'000)	(NT\$'000)
Total expense arising from equity-settled share-based payment transactions	\$20,238	\$8,125

(All share-based payments for equity delivery)

- E. The Company did not modify the share-based payment plan for the three-month period ended June 30, 2025 and 2024.
- F. The Group's paid issuance of new shares with restricted employee rights shall be granted before October 10, 2024, in accordance with the "Questions and Answers on Whether the IFRS Q&A on the Handling of Restricted Employee Rights New Shares Issued by the Accounting Research and Development Foundation is Retroactively Applied" issued by the Securities and Futures Bureau of the Financial Supervisory Commission.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

(23) Sales

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)	2025 (NT\$'000)	2024 (NT\$'000)
Revenue from customer contracts				
Sales of goods	\$9,497,541	\$ 7,254,314	\$18,080,802	\$14,160,742
Other operating revenue	66,185	46,168	102,668	134,124
Total	<u>\$9,563,726</u>	<u>\$7,300,482</u>	<u>\$18,183,470</u>	<u>\$14,294,866</u>

Analysis of revenue from contracts with customers during the six-month periods ended June 30, 2025 and 2024 are as follows:

A. Disaggregation of revenue

	For the three-month period ended June 30, 2025		
	IC Substrate (NT\$'000)	Optics (NT\$'000)	Total (NT\$'000)
Sales of goods	\$7,870,727	\$1,626,814	\$9,497,541
Other	66,185	-	66,185
Total	<u>\$7,936,912</u>	<u>\$1,626,814</u>	<u>\$9,563,726</u>

Timing of revenue recognition:

At a point in time	<u>\$7,936,912</u>	<u>\$1,626,814</u>	<u>\$9,563,726</u>
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	For the six-month period ended June 30, 2025		
	IC Substrate (NT\$'000)	Optics (NT\$'000)	Total (NT\$'000)
Sales of goods	\$14,860,489	\$3,220,313	\$18,080,802
Other	102,668	-	102,668
Total	<u>\$14,963,157</u>	<u>\$3,220,313</u>	<u>\$18,183,470</u>

Timing of revenue recognition:

At a point in time	<u>\$14,963,157</u>	<u>\$3,220,313</u>	<u>\$18,183,470</u>
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Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

	For the three-month period ended June 30, 2024		
	IC Substrate	Optics	Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Sales of goods	\$5,615,912	\$1,638,402	\$7,254,314
Other	46,168	-	46,168
Total	\$5,662,080	\$1,638,402	\$7,300,482
Timing of revenue recognition:			
At a point in time	\$5,662,080	\$1,638,402	\$7,300,482
For the six-month period ended June 30, 2024			
	IC Substrate	Optics	Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Sales of goods	\$10,797,272	\$3,363,470	\$14,160,742
Other	134,124	-	134,124
Total	\$10,931,396	\$3,363,470	\$14,294,866
Timing of revenue recognition:			
At a point in time	\$10,931,396	\$3,363,470	\$14,294,866

B. Contract balances

(a) Contract liabilities

	As of			
	6/30/2025	12/31/2024	6/30/2024	1/1/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Sales of goods	\$3,430,454	\$4,233,934	\$4,756,805	\$4,982,962
Customer loyalty programs	1,440	1,619	2,022	1,810
Total	\$3,431,894	\$4,235,553	\$4,758,827	\$4,984,772
Current	\$1,025,485	\$1,104,108	\$1,144,470	\$1,072,455
Non-Current	2,406,409	3,131,445	3,614,357	3,912,317
Total	\$3,431,894	\$4,235,553	\$4,758,827	\$4,984,772

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

The significant changes in the Group's balances of contract liabilities for the six-month periods ended June 30, 2025 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(900,085)	\$(1,619)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	96,605	1,440

The significant changes in the Group's balances of contract liabilities for the six-month periods ended June 30, 2024 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(329,678)	\$(1,810)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	103,521	2,022

(24) Expected credit losses (gains)

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Operating expenses – Expected credit losses (gains)				
Accounts receivable	\$(2,889)	\$707	\$(5,473)	\$(54,966)

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

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

The Group measures the loss allowance of its contract assets and accounts receivable (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of June 30, 2025, December 31, 2024 and June 30, 2024 are as follow:

A. The Group considers the grouping of accounts receivable by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follow:

As of June 30, 2025

Group 1	Not past due (Note) (NT\$'000)	Past due						Total (NT\$'000)
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	>=365 days	
		(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	
Gross carrying amount	\$4,676,968	\$143,698	\$-	\$-	\$-	\$-	\$-	\$4,820,666
Loss ratio	-%	5%	15%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(7,185)	-	-	-	-	-	(7,185)
Subtotal	4,676,968	136,513	-	-	-	-	-	4,813,481
Group 2	Not past due (Note) (NT\$'000)	Past due					Individual evaluate	Total (NT\$'000)
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days		
		(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)		
Gross carrying amount	\$838,927	\$-	\$-	\$-	\$39	\$-	\$-	\$838,966
Loss ratio	0.77%	-%	-%	-%	30%	-%	100%	
Lifetime expected credit losses	(6,423)	-	-	-	(12)	-	-	(6,435)
Subtotal	832,504	-	-	-	27	-	-	832,531
Carrying amount of accounts receivable	\$5,509,472	\$136,513	\$-	\$-	\$27	\$-	\$-	\$5,646,012

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

As of December 31, 2024

Group 1	Not past due (Note) (NT\$'000)	Past due						Total (NT\$'000)
		<=30 days (NT\$'000)	31-60 days (NT\$'000)	61-90 days (NT\$'000)	91-120 days (NT\$'000)	>=121 days (NT\$'000)	>=365 days (NT\$'000)	
Gross carrying amount	\$4,329,435	\$116,805	\$44,451	\$-	\$-	\$-	\$-	\$4,490,691
Loss ratio	-%	5%	15%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(5,840)	(6,668)	-	-	-	-	(12,508)
Subtotal	4,329,435	110,965	37,783	-	-	-	-	4,478,183
Group 2	Not past due (Note) (NT\$'000)	<=30 days (NT\$'000)	31-60 days (NT\$'000)	61-90 days (NT\$'000)	91-120 days (NT\$'000)	>=121 days (NT\$'000)	Individual evaluate	Total (NT\$'000)
Gross carrying amount	\$796,155	\$16,649	\$-	\$-	\$-	\$-	\$-	\$812,804
Loss ratio	0.81%	1%	5%	-%	-%	100%	100%	
Lifetime expected credit losses	(6,450)	(166)	-	-	-	-	-	(6,616)
Subtotal	789,705	16,483	-	-	-	-	-	806,188
Carrying amount of accounts receivable	\$5,119,140	\$127,448	\$37,783	\$-	\$-	\$-	\$-	\$5,284,371

As of June 30, 2024

Group 1	Not past due (Note) (NT\$'000)	Past due						Total (NT\$'000)
		<=30 days (NT\$'000)	31-60 days (NT\$'000)	61-90 days (NT\$'000)	91-120 days (NT\$'000)	>=121 days (NT\$'000)	>=365 days (NT\$'000)	
Gross carrying amount	\$3,627,589	\$127,438	\$5,384	\$153	\$-	\$-	\$-	\$3,760,564
Loss ratio	-%	5%	15%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(6,372)	(808)	(46)	-	-	-	(7,226)
Subtotal	3,627,589	121,066	4,576	107	-	-	-	3,753,338

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Group 2	Not past due (Note) (NTS'000)	Past due					Individual evaluate	Total (NTS'000)
		<=30 days (NTS'000)	31-60 days (NTS'000)	61-90 days (NTS'000)	91-120 days (NTS'000)	>=121 days (NTS'000)		
Gross carrying amount	\$791,730	\$5,419	\$-	\$-	\$-	\$-	\$-	\$797,149
Loss ratio	0.81%	1%	5%	-%	-%	100%	100%	
Lifetime expected credit losses	(6,440)	(54)	-	-	-	-	-	(6,494)
Subtotal	785,290	5,365	-	-	-	-	-	790,655
Carrying amount of accounts receivable	\$4,412,879	\$126,431	\$4,576	\$107	\$-	\$-	\$-	\$4,543,993

Note: all the Group's notes receivable were not past due.

B. The movement in the provision for impairment of notes receivable and accounts receivable during the three-month periods ended June 30, 2025 and 2024 are as follows:

	Notes receivable (NTS'000)	Accounts receivable (NTS'000)
Beginning balance as of January 1, 2025	\$-	\$19,124
Addition/(reversal) for the current period	-	(5,473)
Effect of exchange rate	-	(31)
Ending balance as of June 30, 2025	\$-	\$13,620
Beginning balance as of January 1, 2024	\$-	\$68,670
Addition/(reversal) for the current period	-	(54,966)
Effect of exchange rate	-	16
Ending balance as of June 30, 2024	\$-	\$13,720

(25)Leases

A.Group as a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment. These leases have terms of between 1 and 50 years. The Group may not allow to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

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

(a) Amounts recognized in the balance sheet

I. Right-of-use asset

	Land (NT\$'000)	Buildings (NT\$'000)	Total (NT\$'000)
<u>Cost:</u>			
As of 1/1/2025	\$274,647	\$182,035	\$456,682
Reclassification	240,374	-	240,374
Addition	-	30,892	30,892
Disposals	-	(34,316)	(34,316)
Effect of EX rate	(56,189)	(4,166)	(60,355)
As of 6/30/2025	<u>\$458,832</u>	<u>\$174,445</u>	<u>\$633,277</u>
As of 1/1/2024	\$226,946	\$512,585	\$739,531
Addition	272,520	24,871	297,391
Disposals	-	(362,234)	(362,234)
Effect of EX rate	11,908	2,536	14,444
As of 6/30/2024	<u>\$511,374</u>	<u>\$177,758</u>	<u>\$689,132</u>
<u>Depreciation and impairment:</u>			
As of 1/1/2025	\$4,391	\$81,417	\$85,808
Reclassification	81,897	-	81,897
Depreciation	5,223	19,121	24,344
Disposal	-	(27,185)	(27,185)
Effect of EX rate	(9,497)	(1,721)	(11,218)
As of 6/30/2025	<u>\$82,014</u>	<u>\$71,632</u>	<u>\$153,646</u>
As of 1/1/2024	\$72,663	\$245,965	\$318,628
Depreciation	3,854	44,268	48,122
Disposal	-	(219,429)	(219,429)
Effect of EX rate	3,861	1,071	4,932
As of 6/30/2024	<u>\$80,378</u>	<u>\$71,875</u>	<u>\$152,253</u>

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

	Land (NT\$'000)	Buildings (NT\$'000)	Total (NT\$'000)
<u>Net carrying amount:</u>			
As of 6/30/2025	\$376,818	\$102,813	\$479,631
As of 12/31/2024	\$270,256	\$100,618	\$370,874
As of 6/30/2024	\$430,996	\$105,883	\$536,879

II. Lease liabilities

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Lease liabilities	\$107,328	\$105,119	\$110,722
Current	\$34,655	\$31,533	\$33,308
Non-current	72,673	73,586	77,414
Total	\$107,328	\$105,119	\$110,722

Please refer to Note 6(27) (D) for the interest on lease liabilities recognized during the three-month and six-month periods ended June 30, 2025 and 2024, and refer to Note 12(5) for the maturity analysis for lease liabilities as on June 30, 2025, December 31, 2024 and June 30, 2024.

(b) Income and costs relating to leasing activities

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
The expense relating to short-term leases (rent expenses)	\$(15,911)	\$(12,343)	\$(28,526)	\$(23,742)
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of low-value assets)	(2,585)	(818)	(4,061)	(1,410)
Income from subleasing right-of-use assets	68	-	68	241

As of June 30, 2025, December 31, 2024, and June 30, 2024, the portfolio of short-term leases of the Group to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed above and the amount of its lease commitments is NT\$0.

(c) Cash outflow relating to leasing activities

During the six-month period ended June 30, 2025 and 2024, the Group's total cash outflow for leases amounting to NT\$51,065 thousand and NT\$71,016 thousand, respectively.

B. Group as a lessor

The Group has entered leases on plants. These leases have terms of between one and three years. These leases are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Lease income for operating leases				
Income relating to fixed lease payments	\$12,255	\$10,021	\$23,839	\$10,822

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of June 30, 2025, December 31, 2024 and June 30, 2024 are as follow:

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Less than one year	\$392	\$392	\$392
More than one year but less than five years	556	752	948
Total	\$948	\$1,144	\$1,340

(26) Summary statement of employee benefits, depreciation and amortization is as follows:

Related parties	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)	2025 (NT\$'000)	2024 (NT\$'000)
Employee benefit				
Salaries & wages	\$1,803,516	\$1,686,052	\$3,623,455	\$3,180,686
Labor and health insurance	149,522	148,438	291,516	275,780
Pension	53,353	50,515	105,621	98,768
Other employee benefit	104,894	101,348	205,222	192,885
Depreciation	1,773,162	1,488,791	3,481,680	2,895,807
Amortization	19,050	15,671	38,230	27,375

According to the resolution, not lower than 10% of profit of the current year is distributable as employees' compensation and no higher than 1% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, a report of such distribution is submitted to the shareholders' meeting. According to the amended Articles of Incorporation approved through the shareholder's meeting held on May 28, 2025, no lower than 25% of employee remuneration shall be allocated to grassroots employees. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the six-month period ended June 30, 2025, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the six-month period ended June 30, 2025 to be not lower than 10% and not higher than 1% of profit of the current six-month period, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the three-month period ended June 30, 2025 amounted to NT\$46,401 thousand and NT\$2,707 thousand, respectively, and, for the six-month period ended June 30, 2025, NT\$84,322 thousand and NT\$4,919 thousand, respectively. The employees' compensation and remuneration to directors and supervisors were recognized as salaries.

Based on profit of the six-month period ended June 30, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the six-month period ended June 30, 2024 to be not lower than 10% and not higher than 1% of profit of the current six-month period, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the three-month period ended June 30, 2024 amounted to NT\$12,124 thousand and NT\$0, respectively, and, for the six-month period ended June 30, 2024, NT\$15,257 thousand and NT\$0, respectively. The employees' compensation and remuneration to directors and supervisors were recognized as salaries.

For the year ended December 31, 2024, the company distributed the employees' compensation and directors' remuneration in the amount of NT\$6,251 thousand and NT\$0, respectively. No material difference exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2024.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

(27) Non-operating incomes and expenses

A. Interest incomes

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Interest income				
Financial assets measured at amortized cost	\$100,209	\$141,689	\$212,562	\$282,255

B. Other incomes

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Government grants	\$25,593	\$6,676	\$32,201	\$13,205
Other income-others	18,878	29,474	154,234	92,391
Total	\$44,471	\$36,150	\$186,435	\$105,596

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

C. Other gains and losses

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)	2025 (NT\$'000)	2024 (NT\$'000)
Gain (loss) on disposal of property, plant and equipment	\$(4,542)	\$11,882	\$1,178	\$16,987
Foreign exchange gain (loss), net	(48,575)	13,344	(11,136)	40,021
Gain (loss) on lease modification	(18)	-	578	1,636
Net gain of financial assets at fair value through profit or loss	4,881	10,852	8,635	20,515
Impairment losses	-	-	-	(19,242)
Other losses	44	(285)	(187)	(902)
Total	<u>\$(48,210)</u>	<u>\$35,793</u>	<u>\$(932)</u>	<u>\$59,015</u>

D. Finance costs

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)	2025 (NT\$'000)	2024 (NT\$'000)
Interest on bank loans	\$96,508	\$99,411	\$199,021	\$186,047
Interests on lease liabilities	384	395	765	1,189
Total	<u>\$96,892</u>	<u>\$99,806</u>	<u>\$199,786</u>	<u>\$187,236</u>

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

(28) Components of other comprehensive income (OCI)

For the three-month period ended June 30, 2025

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences arising on translation of foreign operations	\$ (451,742)	\$-	\$ (451,742)	\$ 596	\$ (451,146)

For the three-month period ended June 30, 2024

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences arising on translation of foreign operations	\$ 24,223	\$-	\$ 24,223	\$ 3	\$ 24,226

For the six-month period ended June 30, 2025

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences arising on translation of foreign operations	\$ (394,203)	\$-	\$ (394,203)	\$ 97	\$ (394,106)

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

For the six-month period ended June 30, 2024

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences arising on translation of foreign operations	\$166,492	\$-	\$166,492	\$(42)	\$166,450

(29)Income tax

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

Income tax expense (benefit) recognized in profit or loss

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)	2025 (NT\$'000)	2024 (NT\$'000)
Current income tax expense (income):				
Current income tax charge	\$75,091	\$79,887	\$150,156	\$165,557
Adjustments in respect of current income tax of prior periods	(8,236)	(10,782)	(12,969)	(11,224)
Deferred tax expense (income):				
Deferred tax expense (income) relating to origination and reversal of temporary differences	(2,281)	(19,949)	15,082	(29,382)
Total income tax expense	\$64,574	\$49,156	\$152,269	\$124,951

B. The assessment of income tax return

As of June 30, 2025, the assessment status of income tax returns of the Company and subsidiaries was as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022
Subsidiary - Pegavision Corporation	Assessed and approved up to 2021
Subsidiary - Kinsus Investment Co., Ltd.	Assessed and approved up to 2023
Subsidiary - BeautyTech Platform Corporation	Assessed and approved up to 2022
Subsidiary - Mayin Investment Co., Ltd.	Assessed and approved up to 2023
Subsidiary - FacialBeau International Corporation	Assessed and approved up to 2023
Subsidiary - FORIMART Corporation	It was established in 2024, so there is not yet been approved.

(30)Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common shares outstanding during the year.

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

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

A. Basic earnings per share

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)	2025 (NT\$'000)	2024 (NT\$'000)
Net income attributable to ordinary equity holders of the Company (in NT\$'000)	\$338,192	\$88,558	\$614,264	\$113,059
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	454,876	453,047	454,976	453,235
Basic earnings per share (in NT\$)	\$0.74	\$0.20	\$1.35	\$0.25

B. Diluted earnings per share

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)	2025 (NT\$'000)	2024 (NT\$'000)
Net income attributable to ordinary equity holders of the Company (in NT\$'000)	\$338,192	\$88,558	\$614,264	\$113,059
Net income attributable to ordinary equity holders of the Company after dilution (NT\$'000)	\$338,192	\$88,558	\$614,264	\$113,059
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	454,876	453,047	454,976	453,235
Effect of dilution:				
Employee compensation – stock (in thousand shares)	1,007	165	1,024	175
Restricted stocks (in thousand shares)	3	-	-	-
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	455,886	453,212	456,000	453,410
Diluted earnings per share (in NT\$)	\$0.74	\$0.20	\$1.35	\$0.25

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

No other transactions that would significantly change the outstanding common shares or potential common shares incurred during the period after reporting date and up to the approval date of financial statements.

(31) Subsidiary that has material non-controlling interests

Proportion of equity interest held by non-controlling interests:

Name	Country	As of		
		6/30/2025	12/31/2024	6/30/2024
PIOTEK HOLDINGS LTD. and its subsidiary	China	49.00%	49.00%	49.00%
Pegavision Corporation and its subsidiary	Taiwan	70.45%	70.45%	70.45%

Accumulated balances of material non-controlling interest:

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
PIOTEK HOLDINGS LTD. and its subsidiary	\$342,747	\$408,487	\$430,581
Pegavision Corporation and its subsidiary	\$7,707,118	\$7,817,451	\$7,204,542

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

	For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)
PIOTEK HOLDINGS LTD. and its subsidiary	\$(24,273)	\$(4,061)
Pegavision Corporation and its subsidiary	\$576,702	\$705,016

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

The summarized financial information of this subsidiary is provided below. This information is based on amounts before inter-company eliminations.

Summarized PIOTEK HOLDINGS LTD. and its subsidiary information of profit or loss is as follows:

	For the six-month period ended June 30,	
	2025	2024
	(NT\$'000)	(NT\$'000)
Operating revenue	\$-	\$-
Profit/loss from continuing operation	(49,551)	(8,295)
Total comprehensive income for the period	(134,178)	37,271

Summarized Pegavision Corporation and its subsidiary information of profit or loss is as follows:

	For the six-month period ended June 30,	
	2025	2024
	(NT\$'000)	(NT\$'000)
Operating revenue	\$3,220,313	\$3,363,470
Profit/loss from continuing operation	813,933	996,000
Total comprehensive income for the period	710,701	1,001,927

Summarized PIOTEK HOLDINGS LTD. and its subsidiary information of financial position is as follows:

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Current assets	\$230,123	\$264,026	\$282,843
Non-current assets	474,631	575,136	612,533
Current liabilities	5,245	5,475	8,142
Non-current liabilities	-	-	8,467

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Summarized Pegavision Corporation and its subsidiary information of financial position is as follows:

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Current assets	\$6,613,328	\$5,917,524	\$6,271,170
Non-current assets	9,180,722	8,628,239	8,417,784
Current liabilities	4,250,581	2,790,150	3,875,249
Non-current liabilities	641,073	696,918	619,015

Summarized PIOTEK HOLDINGS LTD. and its subsidiary cash flows information is as follows:

	For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)
Operating activities	\$(9,663)	\$(12,512)
Investing activities	244	(120)
Financing activities	-	(39,218)
Net increase/(decrease) in cash and cash equivalents	(36,635)	(40,137)

Summarized Pegavision Corporation and its subsidiary cash flows information is as follows:

	For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)
Operating activities	\$1,297,660	\$1,341,314
Investing activities	(1,948,770)	(1,410,948)
Financing activities	237,583	(379,314)
Net increase/(decrease) in cash and cash equivalents	(493,084)	(445,959)

7. RELATED PARTY TRANSACTIONS

1. Deal with related parties as of the end of the reporting period

Related parties and Relationship

Related parties	Relationship
Pegatron Corporation	Parent company
COTEK ELECTRONICS(SUZHOU) CO., LTD.	Other related parties
Maintek Computer (Suzhou) Co., Ltd	Other related parties
Casetek Computer (Suzhou) Co., Ltd.	Other related parties
PEGATRON JAPAN INC	Other related parties
PEGATRON CZECH S.R.O	Other related parties

2. Significant transactions with related parties

A. Sales

Related parties	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$10	\$35	\$10	\$35

Selling prices and collection terms to related parties are similar to those to third party customers for the six-month periods ended June 30, 2025 and 2024. The collection terms are 30 to 90 days from the end of delivery month by telegraphic transfer.

B. Purchase

Related parties	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$940	\$-	\$940	\$-

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

The Group purchases goods from related parties at price negotiated by both parties with reference to prevailing market rates. The payment terms for such transactions are comparable to those offered to unrelated suppliers, 90 days after monthly closing.

C. Lease

(a) Interest expense

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Related parties				
Parent company	\$13	\$-	\$26	\$449

(b) Lease payment (Rental expense)

Related parties	Nature of lease	For the three-month period ended June 30,		For the six-month period ended June 30,	
		2025	2024	2025	2024
		(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	Buildings	\$-	\$-	\$-	\$34

Note : The lease agreement for the right to use assets with Pegatron Corporation was terminated in March, 2024.

(c) Rent income

Related parties	Duration	Lease	Method of collection	For the three-month period ended June 30,		For the six-month period ended June 30,	
				2025	2024	2025	2024
				(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	2024.04.01~ 2026.03.31	Buildings	Redeemed on the 10th of each month	\$7,173	\$8,476	\$14,321	\$8,476

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

D. For the six-month periods ended June 30, 2025 and 2024, the Group recognized operating expenses of NT\$155 thousand and NT\$1,743 thousand, respectively, for services provided by other related parties.

Moreover, for the six-month periods ended June 30, 2025 and 2024, the Group recognized operating expenses of NT\$6,412 thousand and NT\$206 (tax included), respectively, for services provided by the parent.

In addition, for the six-month periods ended June 30, 2025 and 2024, the Group incurred operating expenses of NT\$7,938 thousand and NT\$45,497 thousand (tax included), respectively, for utility bills paid by the parent on behalf of the Group.

E. For the six-month periods ended June 30, 2025, the Group incurred other income of NT\$50 thousand, for provision of services by the parent on behalf of the Group.

F. Accounts receivable - related parties

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Parent company	\$10	\$-	\$20
Less: allowance for doubtful accounts	-	-	-
Net	\$10	\$-	\$20

G. Other receivable - related parties

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Parent company	\$2,140	\$7,107	\$-

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

H. Prepaid expenses

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$1,082	\$-	\$-
Other related parties	-	-	1,299
Total	\$1,082	\$-	\$1,299

I. Refundable deposits

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Other related parties	\$-	\$-	\$246

J. Accounts payables

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$987	\$-	\$-

K. Other payables

	As of		
	6/30/2025	12/31/2024	6/30/2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$9,171	\$9,376	\$14,375
Other related parties	911	14	33,765
Total	\$10,082	\$9,390	\$48,140

L. Deposit

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Parent company	\$3,000	\$3,000	\$-

M. Property transection with related party

(a)Acquisition of Assets

Variety	Related parties	Acquisition Price	Reference basis for price decision
<u>2025.04.01~2025.06.30</u> Machinery	Other related parties	<u>\$12,206</u>	By Bidding
<u>2024.04.01~2024.06.30</u> Machinery	Other related parties	<u>\$35,887</u>	By Bidding
<u>2025.01.01~2025.06.30</u> Machinery	Other related parties	<u>\$29,148</u>	By Bidding
<u>2024.01.01~2024.06.30</u> Machinery	Parent company	<u>\$5,667</u>	By Bidding
Machinery	Other related parties	<u>\$83,128</u>	By Bidding

N. On September 21, 2023, the Company's board of directors resolved to purchase Land and Buildings from the related party. Pegatron Corporation, and the total transaction amounted to NT\$3,040,000 thousand (exclude business tax). As of March 2024, Land and Buildings transfer have been completed.

O. Salaries and rewards to key management of the Group

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Short-term employee benefits	\$6,941	\$7,238	\$19,452	\$51,403
Post-employment benefits	189	216	386	432
Total	\$7,130	\$7,454	\$19,838	\$51,835

8. ASSETS PLEDGED AS COLLATERALS

The following assets of the Group are pledged as collaterals:

Item	Carrying Amount As of			Purpose
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)	
Property, plant and equipment – Land (carrying amount)	\$196,960	\$196,960	\$196,960	Long-term secured loans
Property, plant and equipment – Buildings (carrying amount)	146,297	154,090	92,331	Long-term secured loans
Refundable deposits	2,000	2,000	2,000	Security deposit to custom authority
Total	\$345,257	\$353,050	\$291,291	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Group's unused letters of credit (LC) as of June 30, 2025 are as follows:

Currency	LC Amount (in thousand)	Security (in thousand)
JPY	JPY \$1,504,515	\$-
USD	USD 3,062	-
EUR	EUR 552	-

- (2) Details of significant constructions in progress and outstanding contracts of property, plant and equipment as of June 30, 2025 are as follows:

<u>Nature of Contract</u>	<u>Contract Amount (NT\$'000)</u>	<u>Amount Paid (NT\$'000)</u>	<u>Outstanding Balance (NT\$'000)</u>
Machinery and construction contracts	\$10,735,400	\$8,081,877	\$2,653,523
Buildings	828,513	455,482	373,031
Total	<u>\$11,563,913</u>	<u>\$8,537,359</u>	<u>\$3,026,554</u>

Amount paid above was recognized as construction in progress, equipment awaiting inspection and prepayment for acquiring machinery.

- (3) The Group has entered into a long-term sales agreement with its customer. The customer should fulfill its obligation of making a certain number of orders as agreed in the agreement and the Group shall provide the products to the customer pursuant to the agreement.
- (4) The Group entered into long-term sales agreements with its customers. According to the agreement, after customers pay the deposit in advance, the Group shall provide the products to the customer pursuant to the agreement.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through P/L	\$1,038,952	\$1,121,378	\$3,272,068
Financial assets at fair value through OCI	118,830	51,000	51,000
Financial assets measured at amortized cost (Note)	21,184,736	21,864,829	19,755,309
Total	<u>\$22,342,518</u>	<u>\$23,037,207</u>	<u>\$23,078,377</u>

Financial liabilities

	As of		
	6/30/2025 (NT\$'000)	12/31/2024 (NT\$'000)	6/30/2024 (NT\$'000)
Financial liabilities at amortized cost:			
Short-term borrowings	\$2,954,894	\$3,342,514	\$2,430,244
Trade and other payables	9,332,013	8,083,421	9,690,648
Long-term borrowings (including current portion with maturity less than 1 year)	17,358,705	16,795,738	17,094,377
Lease liabilities (including current portion with maturity less than 1 year)	107,328	105,119	110,722
Total	<u>\$29,752,940</u>	<u>\$28,326,792</u>	<u>\$29,325,991</u>

Note: Financial assets measured at amortized cost include cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable (including related parties) and other receivables (including related parties).

(2) Objectives and policies of financial risk management

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

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

(3) Market risk

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

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

Foreign currency risk

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

The Group has certain foreign currency receivables denominated in the same foreign currency as certain foreign currency payables, therefore natural hedge is achieved. Thus, hedge accounting is not adopted.

Foreign currency sensitivity analysis of possible change in foreign exchange rates on the Group's profit/loss and equity is performed on significant monetary items denominated in foreign currencies as of the reporting period-end. The Group's foreign currency risk is mainly related to volatility in the exchange rates of US dollars. It is stated as follows:

If NT dollars appreciates/depreciates against US dollars by 1%, net income (loss) for the six-month periods ended June 30, 2025 and 2024 would decrease/increase by NT\$7,464 thousand and NT\$12,696 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's investments with variable interest rates and loans with fixed and variable interest rates, which are all categorized as loans and receivables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period and presumed to be held for one accounting year, including investments and loans with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the six-month periods ended June 30, 2025 and 2024 would decrease/increase by NT\$16,187 thousand and decrease/increase by NT\$17,218 thousand, respectively.

(4) Credit risk management

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

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conditions and the Group's internal credit ratings. The Group also employs some credit enhancement instruments (e.g. prepayment or insurance) to reduce certain customers' credit risk.

As of June 30, 2025, December 31, 2024 and June 30, 2024, receivables from the top ten customers were accounted for 64.38%, 54.97% and 61.05% of the Group's total accounts receivable, respectively. The concentration of credit risk is relatively insignificant for the remaining receivables.

Credit risk from balances with banks and other financial instruments is managed by the Group's finance division in accordance with the Group's policy. The counterparties that the Group transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, no significant credit risk is expected by the Group.

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the credit risk still meets the conditions of low credit risk and then further determines the method of measuring the loss allowance and the loss ratio.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group maintains financial flexibility using cash and cash equivalents, highly-liquid marketable securities, bank loans, etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Non-derivative financial instruments

	Less than					More than	Total
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years	
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
<u>As of June 30, 2025</u>							
Loans	\$7,208,018	\$4,127,942	\$3,543,685	\$3,446,313	\$1,495,546	\$1,228,232	\$21,049,736
Payables	9,332,013	-	-	-	-	-	9,332,013
Lease liabilities	35,923	28,068	21,199	14,863	7,329	2,852	110,234
<u>As of December 31, 2024</u>							
Loans	\$6,630,906	\$4,120,123	\$3,255,781	\$3,083,400	\$2,162,873	\$1,753,115	\$21,006,198
Payables	8,083,421	-	-	-	-	-	8,083,421
Lease liabilities	32,818	26,652	19,037	13,912	9,065	6,861	108,345
<u>As of June 30, 2024</u>							
Loans	\$4,847,354	\$3,905,158	\$3,456,665	\$2,901,692	\$2,786,674	\$2,573,955	\$20,471,498
Payables	9,690,648	-	-	-	-	-	9,690,648
Lease liabilities	34,646	26,763	19,623	12,875	10,172	10,185	114,264

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the six-month period ended June 30, 2025:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Leases liabilities	Total liabilities from financing activities
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
As of January 1, 2025	\$3,342,514	\$16,795,738	\$5,464,373	\$105,119	\$25,707,744
Cash flows	(387,620)	575,605	(544,250)	(19,018)	(375,283)
Non-cash changes					
Lease range changes	-	-	-	23,183	23,183
Interests on lease liabilities	-	-	-	765	765
Other	-	19,062	-	-	19,062
Currency rate change	-	(31,700)	-	(2,721)	(34,421)
As of June 30, 2025	\$2,954,894	\$17,358,705	\$4,920,123	\$107,328	\$25,341,050

Movement schedule of liabilities for the six-month period ended June 30, 2024:

	Short-term borrowings (NT\$'000)	Long-term borrowings (NT\$'000)	Refundable deposits (NT\$'000)	Leases liabilities (NT\$'000)	Total liabilities from financing activities (NT\$'000)
As of January 1, 2024	\$1,408,619	\$17,077,722	\$5,153,971	\$273,320	\$23,913,632
Cash flows	1,021,625	2,250	253,776	(45,864)	1,231,787
Non-cash changes					
Lease range changes	-	-	-	(119,571)	(119,571)
Interests on lease liabilities	-	-	-	1,189	1,189
Other	-	14,405	-	-	14,405
Currency rate change	-	-	-	1,648	1,648
As of June 30, 2024	<u>\$2,430,244</u>	<u>\$17,094,377</u>	<u>\$5,407,747</u>	<u>\$110,722</u>	<u>\$25,043,090</u>

(7) Fair values of financial instruments

A. The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Group in estimating the fair values of financial assets and liabilities:

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

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measure at amortized cost approximates their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

As of June 30, 2025

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$1,038,952	\$-	\$-	\$1,038,952
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	118,830	118,830

Financial liabilities:

None

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

As of December 31, 2024

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$1,121,378	\$-	\$-	\$ 1,121,378
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	51,000	51,000

Financial liabilities:

None

As of June 30, 2024

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$3,272,068	\$-	\$-	\$3,272,068
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	51,000	51,000

Financial liabilities:

None

Transfers between Level 1 and Level 2 during the period

For the six-month period ended June 30, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value hierarchy.

Reconciliations for fair value measurement on a recurring basis in Level 3 hierarchy

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

	<u>Assets</u>
	Financial assets at fair value through other comprehensive income
	<u>Stocks</u>
Beginning balances as of January 1, 2025	\$51,000
Total gains and losses recognized for the three-month period ended June 30, 2025:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-
Acquired for the six-month period ended June 30, 2025	67,830
Ending balances as of June 30, 2025	<u>\$118,830</u>
Beginning balances as of January 1, 2024	\$51,000
Total gains and losses recognized for the three-month period ended June 30, 2024:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-
Ending balances as of June 30, 2024	<u>\$51,000</u>

Information on significant unobservable inputs to valuation

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

As of June 30, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$5,347 thousand

As of December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,295 thousand

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

As of June 30, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,295 thousand

(9) Significant financial assets and liabilities denominated in foreign currencies

Information regarding the Group's significant financial assets and liabilities denominated in foreign currencies was listed below: (In Thousands)

	As of					
	6/30/2025			12/31/2024		
	Foreign Currencies (\$'000)	Exchange Rate	NTD (NT\$'000)	Foreign Currencies (\$'000)	Exchange Rate	NTD (NT\$'000)
<u>Financial assets</u>						
Monetary items:						
USD	\$382,655	29.3211	\$11,219,849	\$397,531	32.6584	\$12,982,751
CNY	\$102,824	4.1342	\$425,092	\$88,203	4.5615	\$402,340
<u>Financial liabilities</u>						
Monetary items:						
USD	\$356,844	29.3502	\$10,473,431	\$365,154	32.6773	\$11,932,236
CNY	\$226,977	4.0999	\$930,585	\$196,355	4.5615	\$895,675

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

	As of		
	6/30/2024		
	Foreign Currencies (\$'000)	Exchange Rate	NTD (NT\$'000)
<u>Financial assets</u>			
Monetary items:			
USD	\$403,118	32.44	\$13,076,233
CNY	\$102,754	4.556	\$468,110
 <u>Financial liabilities</u>			
Monetary items:			
USD	\$363,965	32.4388	\$11,806,588
CNY	\$176,416	4.552	\$803,016

The above information is disclosed based on the carrying amount of foreign currency (after being converted to functional currency).

Foreign exchange gain/loss on monetary financial assets and liabilities is shown as below.

Foreign currency resulting in exchange gain or loss	For the six-month period ended June 30,	
	2025 (NT\$'000)	2024 (NT\$'000)
USD	\$(12,041)	\$35,560
Other	905	4,461

(10) Capital management

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

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions

A. Financing provided to others: None.

B. Endorsement/Guarantee provided to others: None.

C. Material marketable securities held as of June 30, 2025 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 1.

D. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2025: Please refer to attachment 2.

E. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of June 30, 2025: Please refer to attachment 6.

F. Inter Group relationships and significant inter Group transactions for the six-month period ended June 30, 2025: Please refer to attachment 7.

(2) Information on investees

A. Name, locations and related information of investees (excluding investees in Mainland China): Please refer to attachment 3.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13(1):

(a) Financing provided to others: None.

(b) Endorsement/Guarantee provided to others: None.

(c) Material marketable securities held as of June 30, 2025 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 4.

- (d) Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2025: Please refer to attachment 5.

- (e) Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of June 30, 2025: Please refer to attachment 6.

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

(3) Information on investments in Mainland China:

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Jun. 30, 2025 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Jun. 30, 2025 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Jun. 30, 2025 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Jun. 30, 2025 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Kinsus Interconnect Technology Suzhou Corp.	Manufacturing and selling PCB (not high-density fine-line)	\$2,051,000 (Note 2)	(2)	\$2,051,000 (Note 2)	\$-	\$-	\$2,051,000 (Note 2)	\$(61,223) (Note 2 and Note 4)	100%	\$(61,223) (Note 2, Note 4 and Note 11)	\$1,750,581 (Note 2, Note 4 and Note 11)	\$966,960	\$1,154,420 (Note 2)	\$1,154,420 (Note 2)	No upper limit (Note 5)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Jun. 30, 2025 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Jun. 30, 2025 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Jun. 30, 2025 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Jun. 30, 2025 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Piotek Computer (Suzhou) Co., Ltd.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after-sale services	\$2,071,510 (Note 2)	(3) (Note 10)	\$2,761,634 (Note 2)	\$-	\$-	\$2,761,634 (Note 2)	\$(45,680) (Note 2 and Note 4)	51%	\$(23,297) (Note 2, Note 4 and Note 11)	\$323,371 (Note 2, Note 4 and Note 11)	\$-	\$2,761,634 (Note 2)	\$2,761,634 (Note 2)	No upper limit (Note 5)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Jun. 30, 2025 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Jun. 30, 2025 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Jun. 30, 2025 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Jun. 30, 2025 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Pegavision (Jiangsu) Limited	Producing and Selling medical equipment	\$150,150 (USD 5,000)	(1)	\$150,150	\$-	\$-	\$150,150	\$(10,060) (Note 2 and Note 4)	29.55%	\$(2,973) (Note 2, Note 4 and Note 11)	\$27,246 (Note 2, Note 4 and Note 11)	\$-	\$150,150	\$150,150	\$6,451,438
BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	\$14,885 (USD 500)	(3) (Note 3)	\$14,885	\$-	\$-	\$14,885	\$6,433 (Note 2 and Note 4)	29.55%	\$1,616 (Note 2, Note 4 and Note 11)	\$10,610 (Note 2, Note 4 and Note 11)	\$-	\$14,885	\$14,885	\$280,287 (Note 9)
Pegavision Contact Lenses (Shanghai) Corporation	Selling medical Equipment	\$112,559 (USD 3,600)	(3) (Note 7)	\$95,043	\$-	\$-	\$95,043	\$(2,599) (Note 2 and Note 4)	29.55%	\$(653) (Note 2, Note 4 and Note 11)	\$32,448 (Note 2, Note 4 and Note 11)	\$-	\$95,043	\$95,043	

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Jun. 30, 2025 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Jun. 30, 2025 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Jun. 30, 2025 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Jun. 30, 2025 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Gemvision Technology (Zhejiang) Limited	Selling medical equipment and cosmetic products	\$99,222 (RMB 22,000) (Note 2)	(3) (Note 8)	\$-	\$-	\$-	\$-	\$(2,603) (Note 2 and Note 4)	29.55%	\$(654) (Note 2, Note 4 and Note 11)	\$30,540 (Note 2, Note 4 and Note 11)	\$-	\$-	\$-	\$280,287 (Note 9)

Note 1: The investment methods are divided into the following three types, just indicate the types:

- (1) Go directly to the mainland for investment.
- (2) Reinvest in mainland China through a third-region company.
- (3) Other methods.

Note 2: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 3: 100% Shares of BeautyTech Platform (Shanghai) owned and directly invested by BeautyTech Platform Corporation.

Note 4: Gain/loss on investment is recognized based on the financial statements which were reviewed by the independent auditors of the parent company in Taiwan.

Note 5: The Company meets the conditions of corporate operation headquarter in the Principle of Evaluation for Investment and Technical Cooperation in Mainland China. Thus, there is no upper limit on investment amount.

Note 6: The upper limit on investment for Pegavision (Jiangsu) Limited is calculated as 60% of the net value of the recent financial statements reviewed by independent auditors of Pagavision Corporation.

Note 7: To improve the synergy of the Group, the equity of Pegavision Contact Lenses (Shanghai) Corporation was transferred to BeautyTech Platform Corporation from Pagavision Corporation.

Note 8: 100% Shares of Gemvision Technology owned and directly invested by Pegavision Contact Lenses (Shanghai) Corporation.

Note 9: The upper limit on investment for BeautyTech Platform (Shanghai) Corporation, Pegavision Contact Lenses (Shanghai) Corporation and Gemvision Technology (Zhejiang) Limited are calculated as 60% of the net value of the recent financial statements reviewed by independent auditors of BeautyTech Platform Corporation.

Note 10: Please refer to Note 4 (3) for details.

Note 11: Transactions are eliminated upon preparation of consolidated financial statements.

Note 12: Pegavision (Shanghai) Company Limited which is 100% held by Pegavision Corporation was registered on April 23, 2024 the investment amount has not been remitted as of June 30, 2025.

B. Significant transactions with investees in China:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, please refer to attachment 7 for details.

14. OPERATING SEGMENT

(1) For management purposes, the Group is organized into operating segments based on different products and services and has three reportable operating segments as follows:

IC Substrate: This segment produces and manufactures BGA substrates and sells the products to manufacturers of electronic products.

Optics: This segment produces, manufactures and sells contact lens.

No operating segments have been aggregated to form the above reportable operating segments.

The Group's operating segments adopts the same accounting policies as those stated in Note 4. Management monitors the operating results of its business units separately for decision-making on resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and measured consistently with methods applied to operating profit or loss in the consolidated financial statements.

For the three-month period ended June 30, 2025

	<u>IC Substrate</u> <u>(NT\$'000)</u>	<u>Optics</u> <u>(NT\$'000)</u>	<u>Elimination</u> <u>(NT\$'000)</u>	<u>Consolidated</u> <u>(NT\$'000)</u>
Revenue				
External customer	\$7,936,912	\$1,626,814	\$-	\$9,563,726
Inter-segment	-	-	-	-
Total revenue	<u>\$7,936,912</u>	<u>\$1,626,814</u>	<u>\$-</u>	<u>\$9,563,726</u>
Segment profit (loss)	<u>\$234,080</u>	<u>\$320,654</u>	<u>\$-</u>	<u>\$554,734</u>

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

For the six-month period ended June 30, 2025

	<u>IC Substrate</u> <u>(NT\$'000)</u>	<u>Optics</u> <u>(NT\$'000)</u>	<u>Elimination</u> <u>(NT\$'000)</u>	<u>Consolidated</u> <u>(NT\$'000)</u>
Revenue				
External customer	\$14,963,157	\$3,220,313	\$-	\$18,183,470
Inter-segment	-	-	-	-
Total revenue	<u>\$14,963,157</u>	<u>\$3,220,313</u>	<u>\$-</u>	<u>\$18,183,470</u>
Segment profit (loss)	<u>\$352,760</u>	<u>\$813,933</u>	<u>\$-</u>	<u>\$1,166,693</u>

For the three-month period ended June 30, 2024

	<u>IC Substrate</u> <u>(NT\$'000)</u>	<u>Optics</u> <u>(NT\$'000)</u>	<u>Elimination</u> <u>(NT\$'000)</u>	<u>Consolidated</u> <u>(NT\$'000)</u>
Revenue				
External customer	\$5,662,080	\$1,638,402	\$-	\$7,300,482
Inter-segment	-	-	-	-
Total revenue	<u>\$5,662,080</u>	<u>\$1,638,402</u>	<u>\$-</u>	<u>\$7,300,482</u>
Segment profit (loss)	<u>\$(59,894)</u>	<u>\$481,018</u>	<u>\$-</u>	<u>\$421,124</u>

For the six-month period ended June 30, 2024

	<u>IC Substrate</u> <u>(NT\$'000)</u>	<u>Optics</u> <u>(NT\$'000)</u>	<u>Elimination</u> <u>(NT\$'000)</u>	<u>Consolidated</u> <u>(NT\$'000)</u>
Revenue				
External customer	\$10,931,396	\$3,363,470	\$-	\$14,294,866
Inter-segment	-	-	-	-
Total revenue	<u>\$10,931,396</u>	<u>\$3,363,470</u>	<u>\$-</u>	<u>\$14,294,866</u>
Segment profit (loss)	<u>\$(181,934)</u>	<u>\$995,948</u>	<u>\$-</u>	<u>\$814,014</u>

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Details of assets and liabilities under the Group's operating segments are as follows:

	IC Substrate	Optics	Elimination	Consolidated
<u>Segment assets</u>	<u>(NT\$'000)</u>	<u>(NT\$'000)</u>	<u>(NT\$'000)</u>	<u>(NT\$'000)</u>
As of 6/30/2025	<u>\$63,406,870</u>	<u>\$15,794,050</u>	<u>\$-</u>	<u>\$79,200,920</u>
As of 12/31/2024	<u>\$64,889,534</u>	<u>\$14,545,763</u>	<u>\$-</u>	<u>\$79,435,297</u>
As of 6/30/2024	<u>\$65,489,453</u>	<u>\$14,688,954</u>	<u>\$-</u>	<u>\$80,178,407</u>

	IC Substrate	Optics	Elimination	Consolidated
<u>Segment liabilities</u>	<u>(NT\$'000)</u>	<u>(NT\$'000)</u>	<u>(NT\$'000)</u>	<u>(NT\$'000)</u>
As of 6/30/2025	<u>\$34,712,083</u>	<u>\$4,187,028</u>	<u>\$-</u>	<u>\$39,603,737</u>
As of 12/31/2024	<u>\$36,069,996</u>	<u>\$3,487,068</u>	<u>\$-</u>	<u>\$39,557,064</u>
As of 6/30/2024	<u>\$36,551,719</u>	<u>\$4,494,264</u>	<u>\$-</u>	<u>\$41,045,983</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Marketable Securities Held

As of June 30, 2025

Attachment 1

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of June 30, 2025			Fair Value	Note
				Shares / Units	Carrying Amount	Shareholding %		
Kinsus Interconnect Technology Corp.	Stocks: Azalea Vision BV	-	Measured at fair value through other comprehensive income	57,142	<u>\$16,950</u>	2.60%	<u>\$16,950</u>	

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Related Party Transactions with Purchase or Sales Amount of At least NT\$ 100 Million or 20% of the Paid-in Capital

For the six-month periods ended June 30, 2025

Attachment 2

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note	
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance		% to Total
Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	Investee accounted for using equity method indirectly	Purchase	\$1,852,095	25.87%	Payment within 60 days from the end of delivery month	Specs of goods purchased are different from others. Cannot be reasonably compared.	Other vendors also enjoy payment within 30~90 days from the end of delivery month	Accounts payable \$(627,340)	19.77%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Investees over Whom the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As of June 30, 2025

Attachment 3

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of June 30, 2025			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of Dec. 31, 2024	As of Jun. 31, 2025	Shares	%	Carrying Value			
Kinsus Interconnect Technology Corp.	KINSUS CORP. (USA)	CA. U.S.A.	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	USD 500	USD 500	500,000	100.00%	\$88,645	\$4,555	\$4,555	Note 1
Kinsus Interconnect Technology Corp.	KINSUS HOLDING (SAMOA) LIMITED	Samoa	Investing activities	USD 109,240	USD 109,240	109,239,940	100.00%	\$2,051,357	\$(92,017)	\$(87,395)	Note 1
Kinsus Interconnect Technology Corp.	Kinsus Investment Co., Ltd.	Taiwan	Investing activities	\$1,600,000	\$1,600,000	172,000,000	100.00%	\$3,209,335	\$220,550	\$220,550	Note 1
Kinsus Interconnect Technology Corp.	Pegavision Corporation	Taiwan	Manufacturing medical equipment	\$564,210	\$564,210	1,820,034	2.33%	\$252,259	\$802,650	\$18,729	Note 1
Kinsus Investment Co., Ltd.	Pegavision Corporation	Taiwan	Manufacturing medical equipment	\$252,455	\$252,455	21,233,736	27.22%	\$2,943,020	\$802,650	\$218,503	Note 1
Kinsus Investment Co., Ltd.	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	\$30,000	\$30,000	3,000,000	15.00%	\$29,382	\$(1,495)	\$(244)	
KINSUS HOLDING (SAMOA) LIMITED	KINSUS HOLDING (CAYMAN) LIMITED	Cayman Islands	Investing activities	USD 70,000	USD 70,000	70,000,000	100.00%	USD 59,747	USD (2,224)	USD (2,224)	Note 1
KINSUS HOLDING (SAMOA) LIMITED	PIOTEK HOLDINGS LTD. (CAYMAN)	Cayman Islands	Investing activities	USD 40,686	USD 40,686	40,686,220	51.00%	USD 10,306	USD (1,287)	USD (656)	Note 1
PIOTEK HOLDINGS LTD. (CAYMAN)	PIOTEK HOLDINGS LIMITED	British Virgin Islands	Investing activities	USD 31,863	USD 31,863	31,862,790	100.00%	USD 20,208	USD (1,287)	USD (1,287)	Note 1
Pegavision Corporation	PEGAVISION JAPAN INC.	Japan	Selling medical equipment	JPY 9,900	JPY 9,900	198	100.00%	\$193,801	\$31,464	\$31,464	Note 1
Pegavision Corporation	Mayin Investment Co., Ltd.	Taiwan	Investing activities	\$246,003	\$246,003	32,277,000	100.00%	\$647,700	\$60,786	\$60,786	Note 1
Pegavision Corporation	PEGAVISION VIETNAM COMPANY LIMITED	Vietnam	Manufacturing and selling of medical equipment	\$631,333	\$631,333	-	100.00%	\$553,729	\$(4,080)	\$(4,080)	Note 1
Pegavision Corporation	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	\$20,000	\$20,000	2,000,000	10.00%	\$19,589	\$(1,495)	\$(162)	
Pegavision Corporation	PEGAVISION NETHERLANDS B.V.	Nederland	Selling medical equipment	-	EUR 1,150	-	100.00%	\$39,202	\$(1,047)	\$(1,047)	Note 1
Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	Taiwan	Selling medical equipment and cosmetic products	\$107,500	\$107,500	8,500,000	85.00%	\$397,073	\$69,587	\$59,149	Note 1
Mayin Investment Co., Ltd.	FacialBeau International Corporation	Taiwan	Selling medical equipment and cosmetic products	\$27,500	\$27,500	2,750,000	55.00%	\$25,730	\$2,056	\$1,131	Note 1
BeautyTech Platform Corporation	Beautytech Platform (Singapore) Pte. Ltd.	Singapore	Selling medical equipment and cosmetic products	USD 200	USD 200	200,000	100.00%	\$5,686	\$(387)	\$(387)	Note 1
BeautyTech Platform Corporation	FORMART Corporation	Taiwan	Selling medical equipment and cosmetic products	\$15,000	\$15,000	1,500,000	100.00%	\$15,092	\$41	\$41	Note 1
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY	Vietnam	Selling medical equipment and cosmetic products	\$6,923	\$6,923	-	70.00%	\$4,767	\$(2,062)	\$(1,444)	Note 1
FacialBeau International Corporation	Aquamax Vision Corporation	U.S.A.	Selling medical equipment and cosmetic products	USD 1,100	USD 1,100	11,000,000	100.00%	\$6,332	\$(421)	\$(421)	Note 1
FacialBeau International Corporation	RODNA Co., Ltd.	Korea	Selling medical equipment and cosmetic products	KRW 100,000	KRW 100,000	-	100.00%	\$1,865	\$(49)	\$(49)	Note 1
FacialBeau International Corporation	IKIDO Inc.	Japan	Selling medical equipment and cosmetic products	JPY 9,900	JPY 9,900	198	100.00%	\$1,903	\$(43)	\$(43)	Note 1

Note : This includes investment losses accounted for using the equity method of NTS(92,017) thousand, realized benefits of current upstream transactions of NTS\$5,809 thousand, and unrealized benefits of current upstream transactions of NTS(1,187) thousand.

Note 1: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Jointly Ventures)

As of June 30, 2025

Attachment 4

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of June 30, 2025				Guarantee, Pledge or Other Restricted Conditions		
				Shares (Unit)	Carrying Amount	%	Fair Value	Shares	Carrying Amount	Note
Pegavision Corporation	Money market funds:									
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	366,690	\$5,753	-%	\$926,455	-	\$-	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	14,919,989	252,122	-%				
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	1,366,785	17,700	-%				
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	40,215,884	645,959	-%				
Mayin Investment Co., Ltd.	Money market funds:									
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	348,962	5,566	-%	\$5,614	-	\$-	
BeautyTech Platform Corporation	Money market funds:									
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	502,952	8,360	-%	\$106,141	-	\$-	
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	2,221,592	34,235	-%				
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	3,867,828	61,938	-%				
FacialBeau International Corporation	Money market funds:									
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	46,089	740	-%	\$742	-	\$-	
	Valuation adjustments of financial assets held for trading				6,579					
	Total				\$1,038,952					
Kinsus Investment Co., Ltd.	Stocks:									
	Ethos Original Co., Ltd.	-	Measured at fair value through other comprehensive income	5,000,000	\$50,000	7.49%	\$50,000	-	\$-	
	Li Chang Finery Inc	-	Measured at fair value through other comprehensive income	32,653	1,000	1.01%	1,000	-	-	
Pegavision Corporation	Stocks:									
	Azalea Vision BV	-	Measured at fair value through other comprehensive income	171,428	50,880	7.79%	50,880	-	-	
	Total				\$101,880		\$101,880		\$-	

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Related Party Transactions with Purchase or Sales Amount of At least NT\$ 100 Million or 20% of the Paid-in Capital

For the six-month periods ended June 30, 2025

Attachment 5

(In Thousands of Foreign Currency / New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Kinsus Interconnect Technology Suzhou Corp.	Kinsus Interconnect Technology Corp.	Parent company	Sales	USD 58,617	99.93%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts receivable USD 22,417	100.00%	Note
Pegavision Corporation	Pegavision Japan Inc.	Also a subsidiary under the Company's control	Sales	\$1,759,823	64.72%	Payment within 90 days from the end of delivery month	Similar to those to third party customers.	Payment within 90 days from telegraphic transfer.	Accounts receivable \$651,169	72.65%	Note
Pegavision Corporation	BeautyTech Platform Corporation	Also a subsidiary under the Company's control	Sales	\$186,274	6.85%	Payment within 120 days from the end of delivery month	Similar to those to third party customers.	Payment within 90 days from telegraphic transfer.	Accounts receivable \$123,785	13.81%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

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

As of June 30, 2025

Attachment 6

(In Thousands of Foreign Currency / New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Kinsus Interconnect Technology Suzhou Corp.	Kinsus Interconnect Technology Corp.	Parent company	USD 22,417	5.18	\$-	-	\$-	\$-
			(Note)					
Pegavision Corporation	Pegavision Japan Inc.	Subsidiary	\$651,169	5.29	\$-	-	\$119,404	\$-
			(Note)					
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	\$123,785	2.89	\$-	-	\$32,002	\$-
			(Note)					

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions for the Six-month Period Ended June 30, 2025

Attachment 7

(In Thousands of Foreign Currency / New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			Percentage to Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Terms	
0	2025.01.01~2025.06.30 Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Accounts payable	\$627,340	Payment within 60 days from the end of delivery month	0.79%
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Purchase	\$1,852,095	Payment within 60 days from the end of delivery month	10.19%
0	Kinsus Interconnect Technology Corp.	Kinsus Investment Co., Ltd.	1	Dividends receivable	\$516,000		0.65%
0	Kinsus Interconnect Technology Corp.	Pegavision Corporation	1	Dividends receivable	\$20,020		0.03%
1	Kinsus Investment Co., Ltd.	Pegavision Corporation	3	Dividends receivable	\$233,571		0.29%
2	Pegavision Corporation	PEGAVISION JAPAN INC.	3	Sales revenue	\$1,759,823	Payment within 90 days from the end of delivery month	9.68%
2	Pegavision Corporation	PEGAVISION JAPAN INC.	3	Accounts receivable	\$651,169	Payment within 90 days from the end of delivery month	0.82%
2	Pegavision Corporation	BeautyTech Platform Corporation	3	Sales revenue	\$186,274	Payment within 120 days from the end of delivery month	1.02%
2	Pegavision Corporation	BeautyTech Platform Corporation	3	Accounts receivable	\$123,785	Payment within 120 days from the end of delivery month	0.16%
2	Pegavision Corporation	BeautyTech Platform Corporation	3	Operating expense	\$39,002	Payment within 120 days from the end of delivery month	0.21%
2	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	3	Sales revenue	\$24,068	Payment within 180 days from the end of delivery month	0.13%
2	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	3	Unearned receipts	\$16,105	Payment within 180 days from the end of delivery month	0.02%
3	FacialBeau International Corporation	BeautyTech Platform Corporation	3	Other income	\$18,800	Payment within 30 days from the end of delivery month	0.10%
4	Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	3	Dividends receivable	\$51,000		0.06%
5	BeautyTech Platform (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	3	Service revenue	\$26,734	Payment within 30 days from the end of delivery month	0.15%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

- (1) Parent company is coded "0".
- (2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

- (1) From the parent company to a subsidiary.
- (2) From a subsidiary to the parent company.
- (3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4: Transactions exceeding NT\$15,000 thousand have been disclosed. All the transactions have been eliminated when preparing the consolidated financial statements.