

**TONS LIGHTOLOGY INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024**

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
JUNE 30, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tons Lightology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Tons Lightology Inc. and subsidiaries (the “Group”) as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. 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” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the consolidated financial statements as of and for the six months ended June 30, 2025 and 2024 do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and of its consolidated financial performance for

the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Wang, Yu-Chuan

Hung, Shu-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

July 30, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report 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, PricewaterhouseCoopers Taiwan 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.

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2025		December 31, 2024		June 30, 2024				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	300,501	18	\$	465,153	21	\$	370,607	17
1136	Current financial assets at	6(3) and 8									
	amortised cost			402,481	23		432,499	20		557,672	26
1150	Notes receivable, net	6(4) and 8		35,058	2		108,433	5		53,372	2
1170	Accounts receivable, net	6(4)		125,093	7		217,612	10		220,412	10
1200	Other receivables			12,477	1		15,565	1		11,358	1
1220	Current tax assets	6(26)		235	-		235	-		235	-
130X	Inventories	6(5)		126,596	7		163,142	7		169,039	8
1410	Prepayments			31,492	2		19,752	1		20,138	1
1470	Other current assets			2,196	-		3,264	-		2,531	-
11XX	Current Assets			1,036,129	60		1,425,655	65		1,405,364	65
Non-current assets											
1517	Non-current financial assets at fair	6(6)									
	value through other comprehensive										
	income			2,666	-		2,666	-		4,013	-
1535	Non-current financial assets at	6(3)									
	amortised cost			21,273	1		17,091	1		-	-
1600	Property, plant and equipment	6(7)		317,087	19		384,701	18		400,081	19
1755	Right-of-use assets	6(8)		78,866	5		94,657	4		101,143	5
1760	Investment property, net	6(9)		155,686	9		161,802	8		161,594	7
1780	Intangible assets			19,481	1		24,558	1		26,552	1
1840	Deferred income tax assets			58,142	3		51,596	2		51,137	2
1900	Other non-current assets	6(10) and 8		29,680	2		15,285	1		12,754	1
15XX	Non-current assets			682,881	40		752,356	35		757,274	35
1XXX	Total assets		\$	1,719,010	100	\$	2,178,011	100	\$	2,162,638	100

(Continued)

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 7,484	1	\$ 79,845	4	\$ 64,818	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	281	-	1,849	-	1,240	-
2130	Current contract liabilities	6(19)	34,150	2	41,157	2	41,201	2
2150	Notes payable		34,739	2	64,043	3	89,356	4
2170	Accounts payable		85,119	5	128,017	6	127,896	6
2200	Other payables	6(12)	108,231	6	136,159	6	134,094	6
2230	Current income tax liabilities	6(26)	6,773	-	18,973	1	10,950	1
2250	Provisions for liabilities - current	9(1)	8,743	1	9,013	1	301	-
2280	Current lease liabilities		5,092	-	8,520	-	8,418	-
2300	Other current liabilities		1,561	-	1,905	-	1,781	-
21XX	Current Liabilities		292,173	17	489,481	23	480,055	22
Non-current liabilities								
2550	Provisions for liabilities - non-current		8,226	-	17,043	1	24,491	1
2570	Deferred income tax liabilities		31,860	2	38,119	2	39,071	2
2580	Non-current lease liabilities		979	-	1,964	-	6,232	-
2600	Other non-current liabilities	6(13)	9,804	1	11,274	-	11,539	1
25XX	Non-current liabilities		50,869	3	68,400	3	81,333	4
2XXX	Total Liabilities		343,042	20	557,881	26	561,388	26
Equity attributable to owners of parent								
	Share capital	6(15)						
3110	Share capital - common stock		568,886	33	579,966	27	579,966	27
	Capital surplus	6(16)						
3200	Capital surplus		823,683	48	839,221	38	838,732	39
	Retained earnings	6(17)						
3310	Legal reserve		125,791	7	125,696	6	125,696	6
3320	Special reserve		42,325	3	90,929	4	90,929	4
3350	Unappropriated retained earnings		(13,086)	(1)	41,015	2	31,846	1
	Other equity interest	6(18)						
3400	Other equity interest		(160,623)	(9)	(42,325)	(2)	(51,547)	(2)
3500	Treasury shares	6(15)	(11,008)	(1)	(14,372)	(1)	(14,372)	(1)
31XX	Equity attributable to owners of the parent		1,375,968	80	1,620,130	74	1,601,250	74
3XXX	Total equity		1,375,968	80	1,620,130	74	1,601,250	74
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$ 1,719,010	100	\$ 2,178,011	100	\$ 2,162,638	100

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except (loss) earnings per share amounts)

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2025		2024		2025		2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(19) and 7	\$ 248,152	100	\$ 330,632	100	\$ 473,749	100	\$ 567,141	100
5000	Operating costs	6(5) and 7	(179,197)	(73)	(235,908)	(72)	(350,971)	(74)	(419,446)	(74)
5900	Net operating margin		<u>68,955</u>	<u>27</u>	<u>94,724</u>	<u>28</u>	<u>122,778</u>	<u>26</u>	<u>147,695</u>	<u>26</u>
	Operating expenses	6(24)(25)								
6100	Selling expenses		(34,213)	(14)	(38,975)	(12)	(68,827)	(15)	(76,705)	(14)
6200	General and administrative expenses		(37,521)	(15)	(35,766)	(11)	(76,893)	(16)	(69,613)	(12)
6300	Research and development expenses		(18,615)	(7)	(21,961)	(6)	(37,654)	(8)	(43,733)	(8)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(1,852)	(1)	(3,627)	(1)	(1,764)	-	(1,919)	-
6000	Total operating expenses		(92,201)	(37)	(100,329)	(30)	(185,138)	(39)	(191,970)	(34)
6900	Operating loss		(23,246)	(10)	(5,605)	(2)	(62,360)	(13)	(44,275)	(8)
	Non-operating income and expenses									
7100	Interest income	6(20)	4,940	2	6,791	2	10,812	2	13,443	3
7010	Other income	6(21)	6,967	3	9,783	3	14,996	3	18,077	3
7020	Other gains and losses	6(22)	(22,986)	(9)	3,303	1	(18,595)	(4)	10,933	2
7050	Finance costs	6(23)	(1,920)	(1)	(564)	-	(2,257)	-	(1,160)	-
7000	Total non-operating income and expenses		(12,999)	(5)	19,313	6	4,956	1	41,293	8
7900	(Loss) income before income tax		(36,245)	(15)	13,708	4	(57,404)	(12)	(2,982)	-
7950	Income tax benefit (expense)	6(26)	411	-	(4,184)	(1)	2,928	1	(5,234)	(1)
8200	Profit (loss) for the period		<u>(\$ 35,834)</u>	<u>(15)</u>	<u>\$ 9,524</u>	<u>3</u>	<u>(\$ 54,476)</u>	<u>(11)</u>	<u>(\$ 8,216)</u>	<u>(1)</u>
	Other comprehensive income									
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$ -	-	\$ -	-	\$ -	-	(\$ 821)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	-	-	-	-	-	-	164	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		-	-	-	-	-	-	(657)	-
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	6(18)	(147,007)	(59)	12,176	4	(118,298)	(25)	40,039	7
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		(147,007)	(59)	12,176	4	(118,298)	(25)	40,039	7
8300	Total other comprehensive income (loss) for the period		<u>(\$ 147,007)</u>	<u>(59)</u>	<u>\$ 12,176</u>	<u>4</u>	<u>(\$ 118,298)</u>	<u>(25)</u>	<u>\$ 39,382</u>	<u>7</u>
8500	Total comprehensive income (loss) for the period		<u>(\$ 182,841)</u>	<u>(74)</u>	<u>\$ 21,700</u>	<u>7</u>	<u>(\$ 172,774)</u>	<u>(36)</u>	<u>\$ 31,166</u>	<u>6</u>
	Basic (loss) earnings per share	6(27)								
9750	Total basic (loss) earnings per share		(\$ 0.63)		\$ 0.17		(\$ 0.96)		(\$ 0.14)	
9850	Total diluted (loss) earnings per share		(\$ 0.63)		\$ 0.17		(\$ 0.96)		(\$ 0.14)	

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Capital surplus			Retained earnings			Other equity interest			
								Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
	Notes	Share capital - common stock	Additional paid-in capital	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings				
<u>Six months ended June 30, 2024</u>											
Balance at January 1, 2024		\$ 579,966	\$ 836,972	\$ 1,271	\$ 122,428	\$ 78,922	\$ 95,585	(\$ 88,012)	(\$ 2,917)	(\$ 14,372)	\$1,609,843
Loss for the period		-	-	-	-	-	(8,216)	-	-	-	(8,216)
Other comprehensive income (loss)	6(18)	-	-	-	-	-	-	40,039	(657)	-	39,382
Total comprehensive income (loss)		-	-	-	-	-	(8,216)	40,039	(657)	-	31,166
Appropriation and distribution of 2023 retained earnings	6(17)										
Legal reserve		-	-	-	3,268	-	(3,268)	-	-	-	-
Special reserve		-	-	-	-	12,007	(12,007)	-	-	-	-
Cash dividends		-	-	-	-	-	(40,248)	-	-	-	(40,248)
Share-based payment transactions-employee stock options	6(14)	-	-	489	-	-	-	-	-	-	489
Balance at June 30, 2024		<u>\$ 579,966</u>	<u>\$ 836,972</u>	<u>\$ 1,760</u>	<u>\$ 125,696</u>	<u>\$ 90,929</u>	<u>\$ 31,846</u>	<u>(\$ 47,973)</u>	<u>(\$ 3,574)</u>	<u>(\$ 14,372)</u>	<u>\$1,601,250</u>
<u>Six months ended June 30, 2025</u>											
Balance at January 1, 2025		\$ 579,966	\$ 836,972	\$ 2,249	\$ 125,696	\$ 90,929	\$ 41,015	(\$ 37,673)	(\$ 4,652)	(\$ 14,372)	\$1,620,130
Loss for the period		-	-	-	-	-	(54,476)	-	-	-	(54,476)
Other comprehensive loss	6(18)	-	-	-	-	-	-	(118,298)	-	-	(118,298)
Total comprehensive loss		-	-	-	-	-	(54,476)	(118,298)	-	-	(172,774)
Appropriation and distribution of 2024 retained earnings	6(17)										
Legal reserve		-	-	-	95	-	(95)	-	-	-	-
Special reserve		-	-	-	-	(48,604)	48,604	-	-	-	-
Cash dividends		-	-	-	-	-	(45,511)	-	-	-	(45,511)
Share-based payment transactions-employee stock options	6(14)	-	57	395	-	-	-	-	-	-	452
Purchase of treasury shares	6(15)	-	-	-	-	-	-	-	-	(26,329)	(26,329)
Retirement of treasury shares	6(15)	(11,080)	(15,990)	-	-	-	(2,623)	-	-	29,693	-
Balance at June 30, 2025		<u>\$ 568,886</u>	<u>\$ 821,039</u>	<u>\$ 2,644</u>	<u>\$ 125,791</u>	<u>\$ 42,325</u>	<u>(\$ 13,086)</u>	<u>(\$ 155,971)</u>	<u>(\$ 4,652)</u>	<u>(\$ 11,008)</u>	<u>\$1,375,968</u>

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 57,404)	(\$ 2,982)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(24)	31,848	35,177
Depreciation - right-of-use assets	6(8)(24)	6,698	6,757
Depreciation - Investment properties	6(9)(24)	6,105	4,199
Amortisation	6(24)	5,348	5,427
Provision for expected credit loss	12(2)	1,764	1,919
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	6(2)(22)	(1,510)	713
Interest expense - finance lease	6(23)	2,159	1,016
Interest expense - lease liability	6(23)	98	144
Interest income	6(20)	(10,812)	(13,443)
Share-based payments	6(14)	452	489
Loss on disposal of property, plant and equipment	6(22)	459	2,075
Unrealized foreign exchange loss (gain)		18,076	(10,184)
(Reversal of) provision for warranty expense		(7,954)	(284)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		68,814	17,975
Accounts receivable, net		83,808	(19,442)
Other receivables		2,756	(826)
Inventories		24,614	(23,794)
Prepayments		(14,117)	1,539
Other current assets		855	6
Changes in operating liabilities			
Notes payable		(25,482)	14,698
Accounts payable		(34,222)	8,092
Other payables		(17,988)	(20,148)
Contract liabilities		(4,690)	(8,225)
Other current liabilities		(498)	35
Other non-current liabilities		(1,195)	43
Cash inflow generated from operations		77,982	976
Interest received		10,083	12,246
Interest paid		(2,256)	(1,198)
Income tax paid		(22,306)	(7,364)
Net cash flows from operating activities		63,503	4,660

(Continued)

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost		(\$ 3,677)	\$ 27,518
Acquisition of property, plant and equipment	6(28)	(10,614)	(13,643)
Proceeds from disposal of property, plant and equipment		320	195
Increase in refundable deposits		1,429	(446)
Acquisition of intangible deposits		(850)	(2,008)
Increase in other non-current assets		(21,478)	(5,105)
Net cash flows (used in) from investing activities		(34,870)	6,511
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	-	20,217
Decrease in short-term borrowings	6(29)	(70,177)	(44,120)
Increase in guarantee deposits received	6(29)	(80)	(383)
Repayment of principal portion of lease liabilities	6(29)	(4,225)	(4,183)
Cash dividends paid	6(17)(29)	(45,511)	(40,248)
Payments to acquire treasury shares	6(15)	(26,329)	-
Net cash flows used in financing activities		(146,322)	(68,717)
Effect of exchange rate changes on cash equivalents		(46,963)	21,459
Net decrease in cash and cash equivalents		(164,652)	(36,087)
Cash and cash equivalents at beginning of period		465,153	406,694
Cash and cash equivalents at end of period		\$ 300,501	\$ 370,607

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. ORGANISATION AND OPERATIONS

Tons Lightology Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C) on August 20, 1992. On June 17, 2013, the Company’s stocks were officially listed on the Taipei Exchange. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in manufacturing and trading of lighting equipment and lamps. On October 31, 2023, the Company merged with Strong LED Lighting Systems (Cayman) Co., Ltd. through a share swap. Strong LED Lighting Systems (Cayman) Co., Ltd. is primarily engaged in research, development, production and sales of LED semiconductor application and other products.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were approved and authorised for issuance by the Board of Directors on July 30, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			June 30, 2025	December 31, 2024	
TONS LIGHTOLOGY INC.	WORLD EXTEND HOLDING INC. (WORLD EXTEND)	Reinvestment company	100	100	
TONS LIGHTOLOGY INC.	HONG BO INVESTMENT CO., LTD. (HONG BO)	Reinvestment company	-	100	Note 2
TONS LIGHTOLOGY INC.	StrongLED Lighting Systems (Cayman) Co., Ltd. (StrongLED)	Reinvestment company	100	100	
WORLD EXTEND HOLDING INC.	GREATSUPER TECHNOLOGY LIMITED (GS)	Reinvestment company	100	100	
WORLD EXTEND HOLDING INC.	LUMINOUS HOLDING INCORPORATED (LUMINOUS)	Reinvestment company	100	100	
GREATSUPER TECHNOLOGY LIMITED	TITAN LIGHTING CO., LTD (TITAN)	Design of products, manufacturing of hardware parts, production and trading of lighting products and accessories	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			June 30, 2025	December 31, 2024	
GREATSUPER TECHNOLOGY LIMITED	ZHONGSHAN TONS LIGHTING CO., LTD (ZHONGSHAN TONS)	Design of products, manufacturing of hardware parts, production and trading of lighting products and accessories	100	100	
LUMINOUS HOLDING INCORPORATED	SHANGHAI TONS LIGHTOLOGY CO., LTD (SHANGHAI TONS)	Sales of various lighting products and accessories	100	100	
StrongLED Lighting Systems (Cayman) Co., Ltd.	Mentality International Corporation	Reinvestment company	100	100	
Mentality International Corporation	StrongLED Lighting Systems(Suzhou) Co. Ltd. (StrongLED (Suzhou))	Research, development, production and sales of LED semiconductor application and other products	100	100	
StrongLED Lighting Systems (Suzhou) Co. Ltd.	Shanghai Grand Canyon LED Lighting Systems Co., Ltd. (Shanghai Grand Canyon)	Sales of LED semiconductor application and other products	-	100	Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	Description
			June 30, 2024	
TONS LIGHTOLOGY INC.	WORLD EXTEND HOLDING INC. (WORLD EXTEND)	Reinvestment company	100	
TONS LIGHTOLOGY INC.	HONG BO INVESTMENT CO., LTD. (HONG BO)	Reinvestment company	100	
TONS LIGHTOLOGY INC.	StrongLED Lighting Systems (Cayman) Co., Ltd. (StrongLED)	Reinvestment company	100	
WORLD EXTEND HOLDING INC.	GREATSUPER TECHNOLOGY LIMITED (GS)	Reinvestment company	100	
WORLD EXTEND HOLDING INC.	LUMINOUS HOLDING INCORPORATED (LUMINOUS)	Reinvestment company	100	
GREATSUPER TECHNOLOGY LIMITED	TITAN LIGHTING CO., LTD (TITAN)	Design of products, manufacturing of hardware parts, production and trading of lighting products and accessories	100	
GREATSUPER TECHNOLOGY LIMITED	ZHONGSHAN TONS LIGHTING CO., LTD (ZHONGSHAN TONS)	Design of products, manufacturing of hardware parts, production and trading of lighting products and accessories	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	
			June 30, 2024	Description
LUMINOUS HOLDING INCORPORATED	SHANGHAI TONS LIGHTOLOGY CO., LTD (SHANGHAI TONS)	Sales of various lighting products and accessories	100	
StrongLED Lighting Systems (Cayman) Co., Ltd.	Mentality International Corporation	Reinvestment company	100	
StrongLED Lighting Systems (Cayman) Co., Ltd.	StrongLED Smart Lighting (Cayman) Co., Ltd. (Smart Lighting)	Reinvestment company	100	Note 1
Mentality International Corporation	StrongLED Lighting Systems(Suzhou) Co. Ltd. (StrongLED (Suzhou))	Research, development, production and sales of LED semiconductor application and other products	100	
StrongLED Lighting Systems(Suzhou) Co. Ltd.	Shanghai Grand Canyon LED Lighting Systems Co., Ltd. (Shanghai Grand Canyon)	Sales of LED semiconductor application and other products	100	

Note 1: Due to the completion of the merger process and no need for the operational purpose, in order to simplify the Group's investment structure and reduce maintenance costs, StrongLED Smart Lighting (Cayman) Co., Ltd. had been dissolved and liquidated as resolved by the Board of Directors on July 30, 2024. The dissolution and liquidation procedures were completed on August 19, 2024.

Note 2: As Hong Bo Investment Co., Ltd. did not intend to continue the operating of business, the Board of Directors resolved to set the date of dissolution on December 31, 2024. The dissolution registration had been approved by the New Taipei City Government on January 15, 2025. As of June 30, 2025, the liquidation is still ongoing.

Note 3: In order to simplify the Group's structure and reduce operating costs, Shanghai Grand Canyon LED Lighting Systems Co., Ltd. had been dissolved and liquidated as resolved by the Board of Directors on December 24, 2024. The dissolution and liquidation procedures were completed by the Shanghai Municipal Administration for Market Regulation on June 11, 2025.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes as of June 30, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 698	\$ 709	\$ 818
Checking accounts and demand deposits	99,092	130,150	130,990
Time deposits	200,711	334,294	238,799
	<u>\$ 300,501</u>	<u>\$ 465,153</u>	<u>\$ 370,607</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's restricted time deposits that did not meet short-term cash commitments were classified as 'financial assets at amortised cost', please refer to Note 6(3).

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

Item	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities mandatorily measured at fair value through profit or loss			
Forward foreign exchange contracts	(\$ 281)	(\$ 1,849)	(\$ 1,240)

A. The Group entered into contracts relating to derivative financial assets (liabilities) which were not accounted for using hedge accounting. The information is listed below:

June 30, 2025		
Derivative financial assets (liabilities)	Contract amount (notional principal)	Contract period
Forward foreign exchange contracts	USD 1,800 thousand	2025.7.8~2026.6.14

December 31, 2024		
Derivative financial assets (liabilities)	Contract amount (notional principal)	Contract period
Forward foreign exchange contracts	USD 1,800 thousand	2025.1.7~2025.12.14

June 30, 2024		
Derivative financial assets (liabilities)	Contract amount (notional principal)	Contract period
Forward foreign exchange contracts	USD 1,800 thousand	2024.7.10~2025.6.14

The Group entered into forward foreign exchange contracts to sell (sell USD and buy RMB) to hedge exchange rate risk of import and export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

B. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended June 30,	
	2025	2024
Net gain (loss) on financial assets (liabilities) at fair value through loss or profit	\$ 930	(\$ 45)

	Six months ended June 30,	
	2025	2024
Net gain (loss) on financial assets (liabilities) at fair value through loss or profit	\$ 1,510	(\$ 713)

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Current financial assets at amortised cost

	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Time deposits	\$ 402,481	\$ 432,499	\$ 557,672
Non-current items:			
Social bonds	\$ 21,417	\$ 17,122	\$ -
Less: Amortisation of a premium	(144)	(31)	-
	\$ 21,273	\$ 17,091	\$ -

- A. The abovementioned time deposits and social bonds are time deposits that do not meet short-term cash commitments and long-term bonds for receiving interest. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$423,754 thousand, \$449,590 thousand and \$557,672 thousand, respectively.
- B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Notes and accounts receivable (including related parties)

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 35,058	\$ 108,433	\$ 53,372
Less: Allowance for bad debts	-	-	-
	<u>\$ 35,058</u>	<u>\$ 108,433</u>	<u>\$ 53,372</u>
Accounts receivable	\$ 152,676	\$ 249,737	\$ 261,937
Less: Allowance for bad debts	(27,583)	(32,125)	(41,525)
	<u>\$ 125,093</u>	<u>\$ 217,612</u>	<u>\$ 220,412</u>

- A. The ageing analysis of notes and accounts receivable (including related parties) that were past due but not impaired is as follows:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$ 35,058	\$ 98,022	\$ 108,433	\$ 198,699	\$ 53,372	\$ 189,487
Up to 30 days	-	21,765	-	11,508	-	18,115
31 to 120 days	-	5,471	-	8,973	-	17,431
Over 120 days	-	27,418	-	30,557	-	36,904
	<u>\$ 35,058</u>	<u>\$ 152,676</u>	<u>\$ 108,433</u>	<u>\$ 249,737</u>	<u>\$ 53,372</u>	<u>\$ 261,937</u>

The above ageing analysis was based on past due date.

- B. As of June 30, 2025, December 31, 2024 and June 30, 2024, all the Group's accounts and notes receivable arose from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$269,423 thousand.
- C. Certain notes receivable that were discounted to banks (pertaining to banker's acceptance) met the derecognition criteria for financial assets. The Group has payment obligation when the acceptors (acceptance banks) of the notes refuse to pay the notes at maturity. However, the credit rating of the aforesaid acceptors (acceptance banks) of the notes is high. In general, the Group does not expect that the acceptors (acceptance banks) of the notes would refuse to pay for the notes at maturity. The summary information of the Group's derecognised notes receivable (pertaining to banker's acceptance) that were discounted to banks but not yet matured is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Derecognised amount	<u>\$ 432</u>	<u>\$ 7,051</u>	<u>\$ 2,945</u>

D. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had outstanding discounted notes receivable (pertaining to banker's acceptance) that did not meet the derecognition criteria amounting to \$7,484 thousand, \$79,845 thousand and \$20,368 thousand, respectively. The Group has payment obligation of the endorser when the acceptors (acceptance banks) of the notes refuse to pay for the notes at maturity. However, in general, the Group does not expect that the acceptors (acceptance banks) of the notes would refuse to pay for the notes at maturity. The liabilities arising on discounted notes receivable (pertaining to banker's acceptance) were presented as short-term borrowings. Refer to Note 6(11) for details.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

F. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was the carrying amount of the notes and accounts receivable.

G. The Group does not hold any collateral as security.

(5) Inventories

June 30, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 83,728	(\$ 8,689)	\$ 75,039
Work in progress	12,203	(210)	11,993
Semi-finished goods	20,678	(3,175)	17,503
Finished goods	42,228	(20,496)	21,732
Inventory in transit	329	-	329
	<u>\$ 159,166</u>	<u>(\$ 32,570)</u>	<u>\$ 126,596</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 97,798	(\$ 8,211)	\$ 89,587
Work in progress	15,673	(282)	15,391
Semi-finished goods	25,832	(3,458)	22,374
Finished goods	54,403	(18,662)	35,741
Inventory in transit	49	-	49
	<u>\$ 193,755</u>	<u>(\$ 30,613)</u>	<u>\$ 163,142</u>
June 30, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 109,336	(\$ 9,732)	\$ 99,604
Work in progress	19,558	(460)	19,098
Semi-finished goods	24,849	(4,541)	20,308
Finished goods	50,540	(20,566)	29,974
Inventory in transit	55	-	55
	<u>\$ 204,338</u>	<u>(\$ 35,299)</u>	<u>\$ 169,039</u>

The cost of inventories recognised as expense for the period:

	Three months ended June 30,	
	2025	2024
Cost of goods sold	\$ 178,758	\$ 239,109
Loss for (gain on reversal of) market value decline and obsolescence	2,001 (	7,224)
Loss on scrapping inventory	1,539	5,119
Expenses related to inventory	(3,101)	(1,096)
	<u>\$ 179,197</u>	<u>\$ 235,908</u>

	Six months ended June 30,	
	2025	2024
Cost of goods sold	\$ 353,388	\$ 420,216
Loss for (gain on reversal of) market value decline and obsolescence	4,213 (	10,303)
Loss on scrapping inventory	3,382	12,436
Expenses related to inventory	(10,012)	(2,903)
	<u>\$ 350,971</u>	<u>\$ 419,446</u>

For the three months and six months ended June 30, 2024, the Group reversed a previous inventory write-down because obsolete and slow-moving inventories were partially sold and scrapped by the Group.

(6) Financial assets at fair value through other comprehensive income - non-current

Items	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Equity instruments			
Unlisted stocks	\$ 8,481	\$ 8,481	\$ 8,481
Valuation adjustment	(5,815)	(5,815)	(4,468)
	<u>\$ 2,666</u>	<u>\$ 2,666</u>	<u>\$ 4,013</u>

A. The Group has elected to classify stock investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,666 thousand, \$2,666 thousand and \$4,013 thousand, respectively, as at June 30, 2025, December 31, 2024 and June 30, 2024.

B. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Six months ended June 30,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ -	(\$ 657)
Reclassified to retained earnings due to derecognition	-	-
	<u>\$ -</u>	<u>(\$ 657)</u>

- C. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$2,666 thousand, \$2,666 thousand and \$4,013 thousand, respectively.
- D. The Group did not pledge non-current financial assets at fair value through other comprehensive income to others as collateral.

(7) Property, plant and equipment

Six months ended June 30, 2025						
	At January 1	Additions	Disposals	Transfers	Net exchange differences	At June 30
Cost						
Buildings and structures	\$ 774,545	\$ 191	(\$ 1,258)	(\$ 24,534)	(\$ 71,032)	\$ 677,912
Molding equipment	246,566	6,564	(15,862)	987	(20,750)	217,505
Machinery and equipment	200,581	1,005	(10,972)	3,425	(16,895)	177,144
Leasehold improvements	46,884	-	-	-	(4,035)	42,849
Research and development equipment	26,894	10	(360)	28	(2,303)	24,269
Transportation equipment	15,125	651	-	-	(1,307)	14,469
Unfinished construction and equipment under acceptance	-	81	-	27	(7)	101
Others	86,120	950	(5,584)	183	(6,986)	74,683
	<u>\$ 1,396,715</u>	<u>\$ 9,452</u>	<u>(\$ 34,036)</u>	<u>(\$ 19,884)</u>	<u>(\$ 123,315)</u>	<u>\$ 1,228,932</u>
Accumulated depreciation						
Buildings and structures	(\$ 485,263)	(\$ 16,574)	\$ 1,258	\$ 11,764	\$ 43,063	(\$ 445,752)
Molding equipment	(224,990)	(6,288)	15,851	(413)	18,829	(197,011)
Machinery and equipment	(149,601)	(5,384)	10,739	-	12,569	(131,677)
Leasehold improvements	(42,481)	(443)	-	-	3,692	(39,232)
Research and development equipment	(24,759)	(378)	360	-	2,141	(22,636)
Transportation equipment	(11,434)	(570)	-	-	1,026	(10,978)
Others	(73,486)	(2,211)	5,049	-	6,089	(64,559)
	<u>(\$ 1,012,014)</u>	<u>(\$ 31,848)</u>	<u>\$ 33,257</u>	<u>\$ 11,351</u>	<u>\$ 87,409</u>	<u>(\$ 911,845)</u>
	<u>\$ 384,701</u>					<u>\$ 317,087</u>

Six months ended June 30, 2024

	<u>At January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Net exchange differences</u>	<u>At June 30</u>
Cost						
Buildings and structures	\$ 808,822	\$ 2,369	(\$ 868)	(\$ 63,549)	\$ 23,435	\$ 770,209
Molding equipment	223,905	5,104	(740)	793	6,144	235,206
Machinery and equipment	194,183	5,876	(9,729)	3,915	5,292	199,537
Leasehold improvements	43,990	1,032	(92)	-	1,193	46,123
Research and development equipment	25,528	151	(47)	129	699	26,460
Transportation equipment	16,576	-	(453)	-	449	16,572
Unfinished construction and equipment under acceptance	383	109	-	-	11	503
Others	87,343	1,643	(7,879)	770	2,280	84,157
	<u>\$ 1,400,730</u>	<u>\$ 16,284</u>	<u>(\$ 19,808)</u>	<u>(\$ 57,942)</u>	<u>\$ 39,503</u>	<u>\$ 1,378,767</u>
Accumulated depreciation						
Buildings and structures	(\$ 452,594)	(\$ 18,135)	\$ 868	\$ 18,264	(\$ 12,390)	(\$ 463,987)
Molding equipment	(206,623)	(6,829)	740	-	(5,680)	(218,392)
Machinery and equipment	(142,601)	(6,159)	7,613	-	(3,876)	(145,023)
Leasehold improvements	(40,626)	(356)	92	-	(1,104)	(41,994)
Research and development equipment	(22,965)	(530)	47	-	(630)	(24,078)
Transportation equipment	(12,457)	(520)	453	-	(340)	(12,864)
Others	(75,427)	(2,648)	7,725	-	(1,998)	(72,348)
	<u>(\$ 953,293)</u>	<u>(\$ 35,177)</u>	<u>\$ 17,538</u>	<u>\$ 18,264</u>	<u>(\$ 26,018)</u>	<u>(\$ 978,686)</u>
	<u>\$ 447,437</u>					<u>\$ 400,081</u>

1. For the six months ended June 30, 2025 and 2024, the amount of buildings and structures that was transferred to investment properties from property, plant and equipment was \$12,770 thousand and \$45,285 thousand, respectively, and the others were transferred from prepayments for business facilities.
2. The aforementioned property, plant and equipment were all for its own use.
3. For the six months ended June 30, 2025 and 2024, the Group has no property, plant and equipment that were pledged to others as collateral.
4. For the six months ended June 30, 2025 and 2024, the Group had no capitalized interests.

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(8) Leasing arrangements — lessee

A. The Group leases various assets including land and buildings and structures. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 72,738	\$ 84,134	\$ 86,440
Buildings and structures	6,128	10,523	14,703
	<u>\$ 78,866</u>	<u>\$ 94,657</u>	<u>\$ 101,143</u>

Three months ended June 30,

	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 1,227	\$ 1,336
Buildings and structures	2,088	2,004
	<u>\$ 3,315</u>	<u>\$ 3,340</u>

Six months ended June 30,

	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 2,506	\$ 2,664
Buildings and structures	4,192	4,093
	<u>\$ 6,698</u>	<u>\$ 6,757</u>

C. The movements of right-of-use assets of the Group for the six months ended June 30, 2025 and 2024 are as follows:

	2025		
	Land	Buildings	Total
At January 1	\$ 84,134	\$ 10,523	\$ 94,657
Transfers	(4,803)	-	(4,803)
Depreciation expense	(2,506)	(4,192)	(6,698)
Net exchange differences	(4,087)	(203)	(4,290)
At June 30	<u>\$ 72,738</u>	<u>\$ 6,128</u>	<u>\$ 78,866</u>
	2024		
	Land	Buildings	Total
At January 1	\$ 87,769	\$ 15,361	\$ 103,130
Additions	-	3,403	3,403
Depreciation expense	(2,664)	(4,093)	(6,757)
Net exchange differences	1,335	32	1,367
At June 30	<u>\$ 86,440</u>	<u>\$ 14,703</u>	<u>\$ 101,143</u>

D. For the six months ended June 30, 2025 and 2024, the additions to right-of-use assets amounted to \$0 thousand and \$3,403 thousand, respectively.

E. For the six months ended June 30, 2025, the amount of right-of-use assets that was transferred to investment properties was \$4,803 thousand.

F. The information on income and expense accounts relating to lease contracts is as follows:

	Three months ended June 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 42	\$ 71

	Six months ended June 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 98	\$ 144

G. For the six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases amounted to \$4,323 thousand and \$4,327 thousand, respectively.

(9) Investment property

	2025		
	Buildings	Right-of-use assets	Total
At January 1			
Cost	\$ 251,827	\$ 10,147	\$ 261,974
Accumulated depreciation	(98,461)	(1,711)	(100,172)
	<u>\$ 153,366</u>	<u>\$ 8,436</u>	<u>\$ 161,802</u>
At January 1	\$ 153,366	\$ 8,436	\$ 161,802
Transfers	12,770	4,803	17,573
Depreciation expense	(5,628)	(477)	(6,105)
Net exchange differences	(17,161)	(423)	(17,584)
At June 30	<u>\$ 143,347</u>	<u>\$ 12,339</u>	<u>\$ 155,686</u>
At June 30			
Cost	\$ 248,911	\$ 15,401	\$ 264,312
Accumulated depreciation	(105,564)	(3,062)	(108,626)
	<u>\$ 143,347</u>	<u>\$ 12,339</u>	<u>\$ 155,686</u>

	2024		
	Buildings	Right-of-use assets	Total
At January 1			
Cost	\$ 175,634	\$ 9,994	\$ 185,628
Accumulated depreciation	(68,645)	(1,027)	(69,672)
	<u>\$ 106,989</u>	<u>\$ 8,967</u>	<u>\$ 115,956</u>
At January 1	\$ 106,989	\$ 8,967	\$ 115,956
Transfers	45,285	-	45,285
Depreciation expense	(3,875)	(324)	(4,199)
Net exchange differences	4,460	92	4,552
At June 30	<u>\$ 152,859</u>	<u>\$ 8,735</u>	<u>\$ 161,594</u>
At June 30			
Cost	\$ 245,714	\$ 10,114	\$ 255,828
Accumulated depreciation	(92,855)	(1,379)	(94,234)
	<u>\$ 152,859</u>	<u>\$ 8,735</u>	<u>\$ 161,594</u>

- A. The right-of-use assets of the investment property includes land use rights located in Wujiang District, Suzhou City, Jiangsu Province, China.
- B. The Group entered into a commercial property lease contract for its investment properties, with lease terms ranging from 3 to 5 years, and the lease contract includes provisions for annual rental adjustments based on market conditions.
- C. For the six months ended June 30, 2025 and 2024, the amount of buildings and structures that was transferred to investment properties from property, plant and equipment was \$12,770 thousand and \$45,285 thousand, respectively; For the six months ended June 30, 2025 and 2024, the amount transferred to investment properties from right-of-use assets was \$4,803 thousand and \$0 thousand, respectively.
- D. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three months ended June 30,	
	2025	2024
Rental income from investment property	<u>\$ 6,147</u>	<u>\$ 5,168</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 5,820</u>	<u>\$ 4,998</u>
	Six month ended June 30,	
	2025	2024
Rental income from investment property	<u>\$ 12,148</u>	<u>\$ 10,323</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 10,588</u>	<u>\$ 9,716</u>

The Group does not measure investment property at fair value and only discloses information about its fair value, which is classified in Level 3 of the fair value hierarchy. The fair value of investment properties held by the Group amounted to \$213,282 thousand and \$120,639 thousand as of December 31, 2024 and 2023, respectively. The fair value was evaluated by a commissioned independent external appraiser using the replacement cost method and market approach.

(10) Other non-current assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Prepayment for buildings	\$ 12,000	\$ -	\$ -
Prepayments for business facilities	11,142	6,571	3,730
Guarantee deposits paid	5,893	7,736	7,656
Other non-current assets	645	978	1,368
	<u>\$ 29,680</u>	<u>\$ 15,285</u>	<u>\$ 12,754</u>

Information about the guarantee deposits paid that were pledged to others as collaterals is provided in Note 8.

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Unsecured borrowings	\$ -	\$ -	\$ 44,450
Liabilities of discounted notes receivable	7,484	79,845	20,368
Short-term borrowings	<u>\$ 7,484</u>	<u>\$ 79,845</u>	<u>\$ 64,818</u>
Interest rate range	<u>1.17%~1.36%</u>	<u>0.86%~1.8%</u>	<u>2.8%</u>

(12) Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Salary and bonus payable	\$ 29,487	\$ 46,872	\$ 32,339
Payable for consumables and expenses	12,667	15,444	14,162
Insurance and pension expense payable	40,894	51,143	56,940
Payable on exhibition and advertisement expense	3,183	-	3,944
Payable on machinery and equipment and software fee	3,373	4,902	7,283
Service fees payable	6,998	6,994	7,429
Others	11,629	10,804	11,997
	<u>\$ 108,231</u>	<u>\$ 136,159</u>	<u>\$ 134,094</u>

(13) Pensions

- A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$32 thousand, \$30 thousand, \$64 thousand and \$60 thousand for the three months and six months ended June 30, 2025 and 2024, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$34 thousand.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Titan Lighting Co. Ltd., Zhongshan Tons Lighting Co. Ltd., Grand Canyon Opto Tech (Su Zhou) Co.,Ltd. and ShangHai Grand Canyon LED Lighting Systems Co.,Ltd. have a defined contribution plan. Monthly contribution to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages. On June 30, 2025 and 2024, abovementioned contribution percentage was 16% and 15%~16%, respectively. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024 were \$6,125 thousand, \$7,116 thousand, \$12,747 thousand and \$12,844 thousand, respectively.

(14) Share-based payment

A. As at June 30, 2025 and 2024 and December 31, 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions	Actual turnover rate on June 30, 2025	Actual turnover rate on December 31, 2024	Estimated future employee turnover rate
Seventh employee stock options	2022.10.31	600	5 years	2-4 years' service	11.11%	2.70%	0.00%
Eight employee stock options	2024.12.23	600	5 years	2-4 years' service	10.00%	0.00%	0.00%

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions	Actual turnover rate on June 30, 2024	Estimated future employee turnover rate
Seventh employee stock options	2022.10.31	600	5 years	2-4 years' service	0.00%	0.00%

B. Details of the share-based payment arrangements are as follows:

(a) Seventh employee stock options

	2025		2024	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	554	\$ 27.70	558	\$ 28.40
Options forfeited (Note)	(25)	26.80	-	-
Options outstanding at June 30	<u>529</u>	26.80	<u>558</u>	27.70
Options exercisable at June 30	<u>264</u>		<u>-</u>	

Note: Price was adjusted due to the ex-dividend.

(b) Eight employee stock options

	2025		2024	
	No. of options (in thousands)	Weighted- average exercise price (in dollars)	No. of options (in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at January 1	560	\$ 23.45	-	\$ -
Options forfeited (Note)	(29)	22.70	-	-
Options outstanding at June 30	<u>531</u>	<u>22.70</u>	<u>-</u>	<u>-</u>
Options exercisable at June 30	<u>-</u>		<u>-</u>	

Note: Price was adjusted due to the ex-dividend.

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		June 30, 2025		December 31, 2024	
		No. of options (in thousands)	Exercise price (in dollars)	No. of options (in thousands)	Exercise price (in dollars)
Seventh employee stock options	<u>Expiry date</u> 2027.10.30	529	\$ 26.80	554	\$ 27.70
Eight employee stock options	2029.12.22	531	22.70	560	23.45
				June 30, 2024	
				No. of options (in thousands)	Exercise price (in dollars)
Seventh employee stock options	<u>Expiry date</u> 2027.10.30			558	\$ 27.70

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility (Note 1)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee share options	2022.10.31	30.00	30.00	17.76%	5 years	-	1.32%	5.08
Employee share options	2024.12.23	23.45	23.45	11.65%	5 years	-	1.45%	3.00

Note 1: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

E. Expenses incurred on share-based payment transactions are shown below:

	Three months ended June 30,	
	2025	2024
Equity-settled - Employee stock options	\$ 223	\$ 244
	Six months ended June 30,	
	2025	2024
Equity-settled - Employee stock options	\$ 452	\$ 489

(15) Share capital

A. As of June 30, 2025, the Company's authorized capital was \$800 million, consisting of 80,000 thousand shares of ordinary stock (including 8 million shares reserved for employee stock options). The paid-in capital was \$568,886 thousand with a par value of \$10 (in dollars) per share. The total share capital was \$568,886 thousand.

B. The Company purchased 112 thousand common shares on November 1, 2023. The acquisition price was NT\$20.9 per share. In addition, on December 20, 2023, the Board of Directors resolved to set the effective date of issuance of new shares on December 25, 2023 and the registration of changes had been completed on February 7, 2024.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	(Unit: shares in thousands)	
	2025	2024
At January 1	57,497	57,497
Purchase of treasury shares	(1,108)	-
At June 30	56,389	57,497

C. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Reason for reacquisition	Six months ended June 30, 2025			
	No. of shares at beginning of the period	Increase in the period	Decrease in the period	No. of shares at end of the period
Reissued to employees	500	500	(500)	500
Enhancing the Company's credit rating and the stockholders' equity	-	608	(608)	-
	<u>500</u>	<u>1,108</u>	<u>(1,108)</u>	<u>500</u>
Reason for reacquisition	Six months ended June 30, 2024			
	No. of shares at beginning of the period	Increase in the period	Decrease in the period	No. of shares at end of the period
Reissued to employees	500	-	-	500

- (b) In order to encourage employees and strengthen coherence of the Company, on April 15, 2025, the Board of Directors during its special meeting resolved the fifth repurchase of treasury shares which will be transferred to employees. The number of shares repurchased was 500 thousand shares. The repurchase price ranged between NT\$15 and NT\$25 (in dollars) per share. The estimated repurchase period was from April 16, 2025 to June 15, 2025. As of June 30, 2025, 500 thousand shares were all repurchased, totaling \$11,008 thousand. As of June 30, 2025 and 2024, the balances of treasury shares after repurchases and transfers to employees were \$11,008 thousand and \$14,372 thousand, respectively.
- (c) In order to encourage employees and strengthen coherence of the Company, on January 17, 2025, the Board of Directors during its meeting resolved the fourth repurchase of treasury shares which will be transferred to employees. The number of shares repurchased was 1,000 thousand shares. The repurchase price ranged between NT\$18 and NT\$28 (in dollars) per share. The original estimated repurchase period was from January 20, 2025 to March 19, 2025. However, in accordance with paragraph 4 of Question 59 in the "FAQs about the Compilation version of Treasury Stock", the Company shall not repurchase the Company's shares in the period between the ex-dividend date to two days before the book closure date, and thus the last exercise date to repurchase shares was advanced to February 26, 2025. The Company purchased a total of 608 thousand shares amounting to \$15,321 thousand. On April 30, 2025, the Board of Directors resolved to change the purpose of the 4th repurchase of treasury shares amounting to 608 thousand shares from 'Transferring shares to employees' to 'Enhancing the Company's credit rating and the stockholders' equity', which was approved by the Financial Supervisory Commission on May 8, 2025. In addition, the Board of Directors resolved the cancellation of treasury shares on May 23, 2025 and set June 2, 2025 as the effective date and the registration was completed on July 9, 2025.
- (d) The Company's shares repurchased pursuant to the 'Regulations Governing Transfer of the Company's 2nd repurchased shares' shall be reissued to employees in one time or

several times within five years commencing from the completion date of share repurchase. If the untransferred shares were past due, these shares will be treated as shares yet to be issued and should be registered for cancellation according to regulations. On July 30, 2021, the Board of Directors resolved to transfer 500 thousand shares from the 2nd repurchased shares of 1,000 thousand shares to employees. The transfer price was NT\$28.74 (in dollars) per share based on the actual average repurchase price. The proceeds from the subscription were fully collected on August 11, 2021, and the transfer of treasury shares to employees was completed on August 25, 2021. On April 9, 2025, the Board of Directors resolved to cancel the remaining 500 thousand shares from the 2nd repurchased treasury shares and set April 21, 2025 as the effective date and the registration was completed on May 12, 2025.

- (e) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (f) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (g) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

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

- (a) Offset prior years' operating losses, if any.
- (b) Set aside 10% of the remaining amount as legal reserve, and set aside or reverse special reserve when necessary.
- (c) The remainder along with the unappropriated earnings of prior years is the accumulated distributable earnings. The appropriation of accumulated distributable earnings shall be proposed by the Board of Directors and be resolved by the shareholders.

The Company is at the development stage. In line with current and future development plans and investment environment, and to respond to capital needs and domestic and foreign competition, as well as shareholders' benefits, balanced dividends and the Company's long-term financial plan, etc., the earnings shall be appropriated in compliance with the above regulations. The ratio of dividends to shareholders shall account for at least 50% of the accumulated distributable earnings, of which the ratio of cash dividends shall account for at least 10% of the total dividends distributed. However, the Board of Directors shall adjust the ratios based on current operating status and shall report to the shareholders for a resolution.

- B. Under a resolution made by the Board of Directors, where more than 2/3 of directors attended the meeting and more than 1/2 of directors who attended agreed, all or part of the distributable dividends and bonus, capital surplus or legal reserve will be distributed in the form of cash, and it will be reported to the shareholders. The regulation in relation to approval from the shareholders as abovementioned is not applicable.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amount previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be the same as the amount reclassified from accumulated translation adjustment under shareholders' equity to retained earnings for the exemptions elected by the Group. The increase in special reserve as a result of retained earnings arising from the adoption of IFRS was \$38,429 thousand.
- E. (a) The appropriations of 2024 earnings and 2023 earnings as resolved by the shareholders on May 23, 2025 and May 29, 2024, respectively, are as follows:

	Years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 95		\$ 3,268	
(Reversal of) special reserve	(48,604)		12,007	
Cash dividends	<u>45,511</u>	\$ 0.80	<u>40,248</u>	\$ 0.70
	<u>(\$ 2,998)</u>		<u>\$ 55,523</u>	

The above cash dividends have been resolved at the meeting of the Board of Directors on February 27, 2025 and February 27, 2024, respectively.

(18) Other equity items

	2025		2024	
	Currency	Unrealised	Currency	Unrealised
	translation	gains (losses)	translation	gains (losses)
		on valuation		on valuation
At January 1	(\$ 37,673)	\$ 4,652	(\$ 88,012)	(\$ 2,917)
Currency translation differences:				
–Group	-	-	40,039	-
Revaluation	(118,298)	-	-	(821)
Revaluation transferred to retained earnings – tax	-	-	-	164
At June 30	<u>(\$ 155,971)</u>	<u>\$ 4,652</u>	<u>(\$ 47,973)</u>	<u>(\$ 3,574)</u>

(19) Operating revenue

	Three months ended June 30,	
	2025	2024
Sales revenue	<u>\$ 248,152</u>	<u>\$ 330,632</u>
	Six months ended June 30,	
	2025	2024
Sales revenue	<u>\$ 473,749</u>	<u>\$ 567,141</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time.

Three months ended June 30, 2025												
	TONS LIGHTOLOGY INC.				TITAN LIGHTING CO., LTD.				ZHONGSHAN TONS LIGHTING CO., LTD.	StrongLED Lighting Systems (Cayman) Co. Ltd.	Others	Total
	Europe	Asia	Oceania	Others	Europe	Asia	Oceania	Others	Asia	Asia	Asia	
Revenue from contracts	\$ 105,852	\$ 35,562	\$ 6,934	\$ 231	\$ 12,849	\$ 2,417	\$ 153	\$ -	\$ 8,695	\$ 67,417	\$ 8,042	\$248,152
Three months ended June 30, 2024												
	TONS LIGHTOLOGY INC.				TITAN LIGHTING CO., LTD.				ZHONGSHAN TONS LIGHTING CO., LTD.	StrongLED Lighting Systems (Cayman) Co. Ltd.	Others	Total
	Europe	Asia	Oceania	Others	Europe	Asia	Oceania	Others	Asia	Asia	Asia	
Revenue from contracts	\$ 123,098	\$ 35,917	\$ 10,937	\$ 69	\$ 9,717	\$ 3,633	\$ 228	\$ 4	\$ 13,311	\$ 128,745	\$ 4,973	\$330,632

Six months ended June 30, 2025													
	TONS LIGHTOLOGY INC.				TITAN LIGHTING CO., LTD.				ZHONGSHAN TONS LIGHTING CO., LTD.	StrongLED Lighting Systems (Cayman) Co. Ltd.	Others		
	Europe	Asia	Oceania	Others	Europe	Asia	Oceania	Others	Asia	Asia	Asia	Total	
	Revenue from contracts	\$ 223,342	\$ 59,670	\$ 14,306	\$ 1,220	\$ 25,205	\$ 4,564	\$ 341	\$ -	\$ 13,933	\$ 117,162	\$14,006	\$473,749
Six months ended June 30, 2024													
	TONS LIGHTOLOGY INC.				TITAN LIGHTING CO., LTD.				ZHONGSHAN TONS LIGHTING CO., LTD.	StrongLED Lighting Systems (Cayman) Co. Ltd.	Others		
	Europe	Asia	Oceania	Others	Europe	Asia	Oceania	Others	Asia	Asia	Asia	Total	
	Revenue from contracts	\$ 210,439	\$ 67,117	\$ 23,353	\$ 461	\$ 13,854	\$ 5,071	\$ 366	\$ 42	\$ 24,849	\$ 213,994	\$ 7,595	\$567,141

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities:				
Contract liabilities –				
advance sales receipts	\$ 34,150	\$ 41,157	\$ 41,201	\$ 48,503
Revenue recognised that was included in the contract liability balance at the beginning of the period:				
		Three months ended June 30,		
		2025	2024	
Revenue recognised that was included in the contract liability balance at the beginning of the period		\$ 4,109	\$ 6,996	
		Six months ended June 30,		
		2025	2024	
Revenue recognised that was included in the contract liability balance at the beginning of the period		\$ 28,532	\$ 33,708	
(20) <u>Interest income</u>				
		Three months ended June 30,		
		2025	2024	
Interest income from bank deposits		\$ 4,940	\$ 6,791	
		Six months ended June 30,		
		2025	2024	
Interest income from bank deposits		\$ 10,812	\$ 13,443	
(21) <u>Other income</u>				
		Three months ended June 30,		
		2025	2024	
Rent income	\$ 5,580	\$ 5,268		
Grant revenues	917	4,318		
Other income - others	470	197		
	\$ 6,967	\$ 9,783		
		Six months ended June 30,		
		2025	2024	
Rent income	\$ 12,173	\$ 10,435		
Grant revenues	2,235	5,419		
Other income - others	588	2,223		
	\$ 14,996	\$ 18,077		

(22) Other gains and losses

	Three months ended June 30,	
	2025	2024
Losses on disposals of property, plant and equipment	(\$ 625)	(\$ 2,110)
Net currency exchange (loss) gain	(23,292)	5,493
Net gain (loss) on financial assets (liabilities) at fair value through profit or loss	930	(45)
Other gains (losses)	1	(35)
	<u>(\$ 22,986)</u>	<u>\$ 3,303</u>

	Six months ended June 30,	
	2025	2024
Losses on disposals of property, plant and equipment	(\$ 459)	(\$ 2,075)
Net currency exchange (loss) gain	(19,505)	13,872
Net gain (loss) on financial assets (liabilities) at fair value through profit or loss	1,510	(713)
Other losses	(141)	(151)
	<u>(\$ 18,595)</u>	<u>\$ 10,933</u>

(23) Finance costs

	Three months ended June 30,	
	2025	2024
Interest expense:		
Borrowing interests	\$ 1,878	\$ 493
Lease liabilities	42	71
	<u>\$ 1,920</u>	<u>\$ 564</u>

	Six months ended June 30,	
	2025	2024
Interest expense:		
Borrowing interests	\$ 2,159	\$ 1,016
Lease liabilities	98	144
	<u>\$ 2,257</u>	<u>\$ 1,160</u>

(24) Expenses by nature

	Three months ended June 30,	
	2025	2024
Employee benefit expense	\$ 78,495	\$ 87,314
Depreciation charges on property, plant and equipment	14,812	17,470
Depreciation charges on right-of-use assets	3,315	3,340
Depreciation expenses on investment property	3,395	2,372
Amortisation charges	2,664	2,750

	Six months ended June 30,	
	2025	2024
Employee benefit expense	\$ 163,572	\$ 167,338
Depreciation charges on property, plant and equipment	31,848	35,177
Depreciation charges on right-of-use assets	6,698	6,757
Depreciation expenses on investment property	6,105	4,199
Amortisation charges	5,348	5,427

(25) Employee benefit expense

	Three months ended June 30,	
	2025	2024
Wages and salaries	\$ 62,621	\$ 70,265
Labour and health insurance fees	3,854	4,083
Pension costs	6,157	7,146
Directors' remunerations	1,077	597
Other employee benefit expenses	4,786	5,223
	<u>\$ 78,495</u>	<u>\$ 87,314</u>

	Six months ended June 30,	
	2025	2024
Wages and salaries	\$ 131,768	\$ 135,918
Labour and health insurance fees	7,434	7,521
Pension costs	12,811	12,904
Directors' remunerations	1,815	1,167
Other employee benefit expenses	9,744	9,828
	<u>\$ 163,572</u>	<u>\$ 167,338</u>

Note: For the six months ended June 30, 2025 and 2024, the Group had 702 and 800 employees, respectively, and had 6 non-employee directors for both periods.

- A. In accordance with the Articles of Incorporation of the Company, the current year's earnings, if profit, the Company shall appropriate 5% to 15% as the employees' compensation and shall not be higher than 2.5% for directors' remuneration; if loss, shall first reserve the offset amount.
- B. The Group incurred a net loss after tax and thus did not accrue employees' compensation and directors' remuneration for the six months ended June 30, 2025 and 2024.

C. Employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 and financial statements. The employees' compensation will be distributed in the form of cash.

D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax (benefit) expense

(a) Components of income tax (benefit) expense:

	Three months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 2,100	\$ 1,355
Tax on undistributed surplus earnings	197	-
Prior year income tax underestimation	2,594	132
Total current tax	4,891	1,487
Deferred tax:		
Origination and reversal of temporary differences	(5,302)	2,697
Income tax (benefit) expense	<u>(\$ 411)</u>	<u>\$ 4,184</u>

	Six months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 8,267	\$ 18,458
Tax on undistributed surplus earnings	197	-
Prior year income tax underestimation	1,644	132
Total current tax	10,108	18,590
Deferred tax:		
Origination and reversal of temporary differences	(13,036)	(13,356)
Income tax (benefit) expense	<u>(\$ 2,928)</u>	<u>\$ 5,234</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Six months ended June 30,	
	2025	2024
Changes in fair value of financial assets at fair value through other comprehensive income	<u>\$ -</u>	<u>(\$ 164)</u>

B. The income tax returns of the Company and its domestic subsidiaries through 2022 have been assessed and approved by the Tax Authority.

(27) (Losses) earnings per share

	Three months ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(\$ 35,834)	56,569	(\$ 0.63)
<u>Diluted losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(35,834)	56,569	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation (Note)	-	-	
-Employee stock options (Note)	-	-	
Losses attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	(\$ 35,834)	56,569	(\$ 0.63)
 Three months ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,524	57,497	\$ 0.17
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	9,524	57,497	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation (Note)	-	-	
-Employee stock options (Note)	-	3	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 9,524	57,500	\$ 0.17

Six months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(\$ 54,476)	56,867	(\$ 0.96)
<u>Diluted losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(54,476)	56,867	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation (Note)	-	-	
-Employee stock options (Note)	-	-	
Losses attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	(\$ 54,476)	56,867	(\$ 0.96)

Six months ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(\$ 8,216)	57,497	(\$ 0.14)
<u>Diluted losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(8,216)	57,497	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation (Note)	-	-	
-Employee stock options (Note)	-	-	
Losses attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	(\$ 8,216)	57,497	(\$ 0.14)

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

Note: For the three months and six months ended June 30, 2025 and 2024, the Group's employee compensation and employee stock options had the anti-dilution effect, thus, they were not included in the calculation of diluted losses per share.

(28) Supplemental cash flow information

Investing activities with partial cash payments :

	Six months ended June 30,	
	2025	2024
Purchase of property, plant and equipment	\$ 9,452	\$ 16,284
Add: Opening balance of payable on equipment	2,925	1,373
Less: Ending balance of payable on equipment	(1,763)	(4,014)
Cash paid during the period	\$ 10,614	\$ 13,643

(29) Changes in liabilities from financing activities

	Guarantee			Liabilities	
	deposits received	Short-term borrowings	Lease liabilities	Dividends payable	from financing activities-gross
At January 1, 2025	\$ 3,419	\$ 79,845	\$ 10,484	\$ -	\$ 93,748
Changes in cash flow from financing activities	(80)	(70,177)	(4,225)	(45,511)	(119,993)
Impact of changes in foreign exchange rate	(195)	(2,184)	(188)	-	(2,567)
Changes in other non-cash items	-	-	-	45,515	45,515
At June 30, 2025	\$ 3,144	\$ 7,484	\$ 6,071	\$ 4	\$ 16,703
	Guarantee			Liabilities	
	deposits received	Short-term borrowings	Lease liabilities	Dividends payable	from financing activities-gross
At January 1, 2024	\$ 3,147	\$ 86,540	\$ 15,401	\$ -	\$ 105,088
Changes in cash flow from financing activities	(383)	(23,903)	(4,183)	(40,248)	(68,717)
Impact of changes in foreign exchange rate	53	2,181	29	-	2,263
Changes in other non-cash items	-	-	3,403	40,248	43,651
At June 30, 2024	\$ 2,817	\$ 64,818	\$ 14,650	\$ -	\$ 82,285

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

None.

(2) Significant related party transactions

None.

(3) Key management compensation

	Three months ended June 30,	
	2025	2024
Short-term employee benefits	\$ 7,396	\$ 5,842
Post-employment benefits	123	128
Share-based payments	109	102
	<u>\$ 7,628</u>	<u>\$ 6,072</u>

	Six months ended June 30,	
	2025	2024
Short-term employee benefits	\$ 13,627	\$ 11,698
Post-employment benefits	250	255
Share-based payments	218	204
	<u>\$ 14,095</u>	<u>\$ 12,157</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	December 31,			
	June 30, 2025	2024	June 30, 2024	
Restricted time deposits (shown as ‘financial assets at amortised cost’)	\$ 6,113	\$ 8,717	\$ 4,761	Construction and forward foreign exchange contracts
Notes receivable	7,484	79,845	-	Discounted notes receivable
Guarantee deposits paid (shown as ‘other non- current assets’)	5,893	7,736	7,656	Construction and lease security deposits
	\$ 19,490	\$ 96,298	\$ 12,417	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

The Group's customer, Krislite Pte Ltd. ("K company"), which is a Singapore company, filed an appeal with the Taiwan Taichung District Court, requesting for compensation due to faulty products. The judgement of the case was rendered in the first instance, with the compensation amounting to NT\$6,235 thousand plus interest of NT\$2,063 thousand and related litigation costs of NT\$100 thousand, for a total amount of NT\$8,398 thousand. The related compensation losses and provisions (shown as provision-current) are accrued. The case is currently in the process of the second instance. On July 4, 2025, the first mediation failed to reach an agreement. However, a second mediation is scheduled for July 30, 2025.

(2) Commitments

Considering the Company's long-term development and operating demand, on May 23, 2025, the Board of Directors resolved to purchase a factory office located in Tucheng. As of June 30, 2025, a deposit of \$12,000 thousand had been paid (shown as 'other non-current assets'). The formal contract is expected to be signed on August 4, 2025. The relevant information is as follows:

A. Counterparty: Xufeng Construction Co., Ltd.

B. Name of the construction project: Xufeng SKY16 Times Square

C. Object address: 11 F., No. 16, Chengtian Rd., Tucheng Dist., New Taipei City and parking spaces

D. Object area: 408.91 ping and 15 units of parking spaces

E. Expected amount: Approximately NT\$244,128 thousand

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	\$ 2,666	\$ 2,666	\$ 4,013
Cash and cash equivalents	300,501	465,153	370,607
Financial assets at amortised cost	402,481	432,499	557,672
Notes receivable	35,058	108,433	53,372
Accounts receivable	125,093	217,612	220,412
Other receivables	12,477	15,565	11,358
Guarantee deposits paid	5,893	7,736	7,656
	<u>\$ 884,169</u>	<u>\$ 1,249,664</u>	<u>\$ 1,225,090</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities mandatorily measured at fair value through profit or loss	\$ 281	\$ 1,849	\$ 1,240
Financial liabilities at amortised cost			
Short-term borrowings	7,484	79,845	64,818
Notes payable	34,739	64,043	89,356
Accounts payable	85,119	128,017	127,896
Other accounts payable	108,231	136,159	134,094
Guarantee deposits received	3,144	3,419	2,817
	<u>\$ 238,998</u>	<u>\$ 413,332</u>	<u>\$ 420,221</u>
Lease liability (including current portion)	<u>\$ 6,071</u>	<u>\$ 10,484</u>	<u>\$ 14,650</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB income and expenditures. Entities in the Group use natural hedge to decrease the risk exposure in the foreign currency, transacted with Group treasury.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- iv. The Group's risk management policy is to hedge anticipated cash flows (mainly from export sales and purchase of inventory) in each major foreign currency.
- v. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations and analysis of foreign currency market risk arising from significant foreign exchange variation are as follows:

	June 30, 2025						
	Foreign currency		Book value	Sensitivity analysis			
	amount	Exchange	(In thousands	Degree of	Effect on	Effect on other	
	(In thousands)	rate	of NTD)	variation	profit or loss	comprehensive	
						income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	\$ 8,094	29.300	\$ 237,154	1%	\$ 2,372	\$ -	
EUR:NTD	198	34.350	6,801	1%	68	-	
RMB:NTD	10,977	4.091	44,907	1%	449	-	
RMB:USD	6,784	0.140	27,753	-1%	(278)	-	
USD:RMB	3,071	7.162	89,980	1%	900	-	
<u>Non-monetary items</u>							
USD:NTD	\$ 81	32.785	\$ 2,666	1%	\$ -	\$ 27	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	\$ 2,063	29.300	\$ 60,446	1%	(\$ 604)	\$ -	
EUR:NTD	54	34.350	1,855	1%	(19)	-	
RMB:NTD	13,424	4.091	54,918	1%	(549)	-	
USD:RMB (Note)	1,800	7.093	281	1%	(522)	-	

Note: The Group's subsidiaries have forward foreign exchange contracts. Foreign currency amount is the notional principal. Exchange rate is forward exchange rate that is estimated to be settled at the balance sheet date, and the book value is the amount recognised.

	December 31, 2024					
	Foreign currency		Book value	Sensitivity analysis		
	amount	Exchange	(In thousands	Degree of	Effect on	Effect on other
	(In thousands)	rate	of NTD)	variation	profit or loss	comprehensive
						income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 7,646	32.785	\$ 250,674	1%	\$ 2,507	\$ -
EUR:NTD	505	34.140	17,241	1%	172	-
RMB:NTD	10,041	4.478	44,964	1%	450	-
RMB:USD	6,725	0.137	30,115	-1%	(301)	-
USD:RMB	3,916	7.321	128,386	1%	1,284	-
<u>Non-monetary items</u>						
USD:NTD	\$ 81	32.785	\$ 2,666	1%	\$ -	\$ 27
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$ 2,989	32.785	\$ 97,994	1%	(\$ 980)	\$ -
EUR:NTD	75	34.140	2,561	1%	(26)	-
RMB:NTD	8,208	4.478	36,755	1%	(368)	-
USD:RMB (Note)	1,800	7.209	1,849	1%	(581)	-

Note: The Group's subsidiaries have forward foreign exchange contracts. Foreign currency amount is the notional principal. Exchange rate is forward exchange rate that is estimated to be settled at the balance sheet date, and the book value is the amount recognised.

	June 30, 2024						
	Foreign currency		Book value	Sensitivity analysis			
	amount	Exchange	(In thousands	Degree of	Effect on	Effect on other	
	(In thousands)	rate	of NTD)	variation	profit or loss	comprehensive income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	\$ 7,825	32.450	\$ 253,921	1%	\$ 2,539	\$ -	
EUR:NTD	532	34.710	18,466	1%	185	-	
RMB:NTD	20,419	4.445	90,762	1%	908	-	
RMB:USD	6,657	0.137	29,590	-1%	(296)	-	
USD:RMB	2,652	7.300	86,057	1%	861	-	
<u>Non-monetary items</u>							
USD:NTD	\$ 131	30.655	\$ 4,013	1%	\$ -	\$ 40	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	\$ 2,843	32.450	\$ 92,255	1%	(\$ 923)	\$ -	
EUR:NTD	95	34.710	3,297	1%	(33)	-	
RMB:NTD	11,841	4.445	52,633	1%	(526)	-	
USD:RMB (Note)	1,800	7.157	(1,240)	1%	(573)	-	

Note: The Group's subsidiaries have forward foreign exchange contracts. Foreign currency amount is the notional principal. Exchange rate is forward exchange rate that is estimated to be settled at the balance sheet date, and the book value is the amount recognised.

- vi. Total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2025 and 2024 amounted to (\$23,292) thousand, \$5,493 thousand, (\$19,505) thousand and \$13,872 thousand, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.
- ii. The Group mainly invests in shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six months ended June 30, 2025 and 2024 would have decreased/increased by \$27 thousand and \$40 thousand, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings with fixed rates, which expose the Group to fair value risk. The Group manages its interest rate risk by maintaining an appropriate mix of fixed and floating interest rates, supplemented by interest rate swap. During the six months ended June 30, 2025 and 2024, the Group's borrowings at fixed interest rates were mainly denominated in RMB.
- ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes receivables and accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. For banks and financial institutions, the Group transacts with a variety of banks and financial institutions, mainly domestic and overseas well-known financial institutions, to avoid concentration in any single counterparty and to minimise credit risk. The Group can only enter into the financial services and loan agreement provided by banks and financial institutions after being approved by the Board of Directors or authorised management according to the Group's delegation of authorisation policy. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 30 days.

- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - The disappearance of an active market for that financial asset because of financial difficulties;
 - Default or delinquency in interest or principal repayments;
 - Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with product types. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss.
- vii. The Group used the forecast ability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. As of June 30, 2025, December 31, 2024 and June 30, 2024, the loss rate methodology is as follows:

	Not past due	Up to 30 days past due	31~120 days past due	Over 121 days	Total
<u>June 30, 2025</u>					
Expected loss rate	0.00%	0.00%	20.36%	96.54%	
Total book value	<u>\$ 98,022</u>	<u>\$ 21,765</u>	<u>\$ 5,471</u>	<u>\$ 27,418</u>	<u>\$ 152,676</u>
Loss allowance	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 1,114)</u>	<u>(\$ 26,469)</u>	<u>(\$ 27,583)</u>
	Not past due	Up to 30 days past due	31~120 days past due	Over 121 days	Total
<u>December 31, 2024</u>					
Expected loss rate	0.00%	0.00%	23.01%	98.37%	
Total book value	<u>\$ 198,699</u>	<u>\$ 11,508</u>	<u>\$ 8,973</u>	<u>\$ 30,557</u>	<u>\$ 249,737</u>
Loss allowance	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 2,065)</u>	<u>(\$ 30,060)</u>	<u>(\$ 32,125)</u>
	Not past due	Up to 30 days past due	31~120 days past due	Over 121 days	Total
<u>June 30, 2024</u>					
Expected loss rate	0.00%	0.00%	30.45%	98.14%	
Total book value	<u>\$ 189,487</u>	<u>\$ 18,115</u>	<u>\$ 17,431</u>	<u>\$ 36,904</u>	<u>\$ 261,937</u>
Loss allowance	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 5,307)</u>	<u>(\$ 36,218)</u>	<u>(\$ 41,525)</u>

- viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable is as follows:

	2025
	Accounts receivable
At January 1	\$ 32,125
Provision for impairment loss	1,764
Write-offs	(4,122)
Effect of exchange rate changes	(2,184)
At June 30	\$ 27,583
	2024
	Accounts receivable
At January 1	\$ 41,530
Provision for impairment loss	1,919
Write-offs	(2,930)
Effect of exchange rate changes	1,006
At June 30	\$ 41,525

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. The Group invests surplus cash in interest bearing current accounts and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's undrawn borrowing facilities amounted to \$1,134,552 thousand, \$794,172 thousand and \$612,400 thousand, respectively.
- iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

	Within 1	Between 1 and 2	Between 2 and 3	Between 3 and 5	Over 5
June 30, 2025	year	years	years	years	years
Short-term borrowings	\$ 7,484	\$ -	\$ -	\$ -	\$ -
Notes and accounts payable	119,858	-	-	-	-
Other payables	108,231	-	-	-	-
Lease liabilities	5,164	991	-	-	-

Non-derivative financial liabilities

	Within 1	Between	Between	Between	
	year	1 and 2	2 and 3	3 and 5	Over 5
December 31, 2024	year	years	years	years	years
Short-term borrowings	\$ 79,845	\$ -	\$ -	\$ -	\$ -
Notes and accounts payable	192,060	-	-	-	-
Other payables	136,159	-	-	-	-
Lease liabilities	8,671	1,700	301	-	-

Non-derivative financial liabilities

	Within 1	Between	Between	Between	
	year	1 and 2	2 and 3	3 and 5	Over 5
June 30, 2024	year	years	years	years	years
Short-term borrowings	\$ 64,818	\$ -	\$ -	\$ -	\$ -
Notes and accounts payable	217,252	-	-	-	-
Other payables	134,094	-	-	-	-
Lease liabilities	8,662	5,259	1,062	-	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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.

B. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid, notes payable, accounts payable, lease liabilities, other payables and guarantee deposits received) are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

June 30, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,666</u>	<u>\$ 2,666</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ 281</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,666</u>	<u>\$ 2,666</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>\$ 1,849</u>	<u>\$ -</u>	<u>\$ 1,849</u>
June 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,013</u>	<u>\$ 4,013</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>\$ 1,240</u>	<u>\$ -</u>	<u>\$ 1,240</u>
(b) The Group used market quoted prices as the fair values of the instruments in Level 1. Based on the characteristics, the closing prices are used for emerging shares.				
(c) Forward exchange contracts are usually valued based on the current forward exchange rate.				
D. For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.				
E. For the six months ended June 30, 2025 and 2024, movements on Level 3 are as follows:				
	<u>2025</u>	<u>2024</u>		
	<u>Equity instruments</u>	<u>Equity instruments</u>		
At January 1	\$ 2,666	\$ 4,835		
Loss recognized in other comprehensive income	-	(822)		
At June 30	<u>\$ 2,666</u>	<u>\$ 4,013</u>		

- F. For the six months ended June 30, 2025 and 2024, there was no transfer into or out from Level 3.
- G. The Group's treasury department are in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 2,666	Market comparable companies	Price to book ratio	0.68	The higher the multiple, the higher the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 2,666	Market comparable companies	Price to book ratio	0.68	The higher the multiple, the higher the fair value
	Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 4,013	Market comparable companies	Price to book ratio	0.76	The higher the multiple, the higher the fair value

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

				June 30, 2025	
				<u>Recognised in other comprehensive income</u>	
	<u>Input</u>	<u>Change</u>		<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets					
Equity securities	Price to book ratio	± 5%	\$	130	(\$ 130)
				December 31, 2024	
				<u>Recognised in other comprehensive income</u>	
	<u>Input</u>	<u>Change</u>		<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets					
Equity securities	Price to book ratio	± 5%	\$	131	(\$ 131)
				June 30, 2024	
				<u>Recognised in other comprehensive income</u>	
	<u>Input</u>	<u>Change</u>		<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets					
Equity securities	Price to book ratio	± 5%	\$	209	(\$ 209)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 2.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- F. Significant inter-company transactions during the reporting period: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:
Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area for the six months ended June 30, 2025 are provided in Note 13(1) F.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. Business

organisation is divided into Tons Lightology Inc., Titan Lighting Co., Ltd., Zhongshan Tons Lighting Co., Ltd. and StrongLED Lighting System (Cayman) Co., Ltd. based on the nature. The Group's revenue is mainly from manufacturing and trading of lighting equipment and lamps.

(2) Information about segment profit or loss, assets and liabilities

A. The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Three months ended June 30, 2025				
	TONS LIGHTOLOGY INC.	TITAN LIGHTING CO., LTD.	ZHONGSHAN TONS LIGHTING CO., LTD.	StrongLED Lighting System (Cayman) Co., Ltd.	Total
Revenue from external customers	\$ 148,579	\$ 15,419	\$ 8,695	\$ 67,417	\$ 240,110
Inter-segment revenue	-	107,833	9,013	3,227	120,073
Segment revenue	<u>\$ 148,579</u>	<u>\$ 123,252</u>	<u>\$ 17,708</u>	<u>\$ 70,644</u>	<u>\$ 360,183</u>
Segment income/(loss) before tax	<u>\$ 4,937</u>	<u>(\$ 4,162)</u>	<u>(\$ 475)</u>	<u>(\$ 36,438)</u>	<u>(\$ 36,138)</u>
	Three months ended June 30, 2024				
	TONS LIGHTOLOGY INC.	TITAN LIGHTING CO., LTD.	ZHONGSHAN TONS LIGHTING CO., LTD.	StrongLED Lighting System (Cayman) Co., Ltd.	Total
Revenue from external customers	\$ 170,021	\$ 13,582	\$ 13,311	\$ 128,745	\$ 325,659
Inter-segment revenue	-	126,781	7,440	2,946	137,167
Segment revenue	<u>\$ 170,021</u>	<u>\$ 140,363</u>	<u>\$ 20,751</u>	<u>\$ 131,691</u>	<u>\$ 462,826</u>
Segment income/(loss) before tax	<u>\$ 14,118</u>	<u>\$ 6,684</u>	<u>(\$ 1,148)</u>	<u>(\$ 4,901)</u>	<u>\$ 14,753</u>

Six months ended June 30, 2025

	TONS LIGHTOLOGY INC.	TITAN LIGHTING CO., LTD.	ZHONGSHAN TONS LIGHTING CO., LTD.	StrongLED Lighting System (Cayman) Co., Ltd.
Revenue from external customers	\$ 298,538	\$ 30,110	\$ 13,933	\$ 117,162
Inter-segment revenue	-	224,248	17,177	4,993
Segment revenue	<u>\$ 298,538</u>	<u>\$ 254,358</u>	<u>\$ 31,110</u>	<u>\$ 122,155</u>
Segment income/(loss) before tax	<u>\$ 16,847</u>	<u>(\$ 5,772)</u>	<u>(\$ 5,299)</u>	<u>(\$ 61,304)</u>

Six months ended June 30, 2024

	TONS LIGHTOLOGY INC.	TITAN LIGHTING CO., LTD.	ZHONGSHAN TONS LIGHTING CO., LTD.	StrongLED Lighting System (Cayman) Co., Ltd.
Revenue from external customers	\$ 301,370	\$ 19,333	\$ 24,849	\$ 213,994
Inter-segment revenue	-	225,497	13,094	6,085
Segment revenue	<u>\$ 301,370</u>	<u>\$ 244,830</u>	<u>\$ 37,943</u>	<u>\$ 220,079</u>
Segment income/(loss) before tax	<u>\$ 19,879</u>	<u>\$ 1,011</u>	<u>(\$ 4,069)</u>	<u>(\$ 16,928)</u>

- B. The Group's reportable operating segments are the result of the organization divided by operating business.
- C. The Group's revenue is mainly from manufacturing and trading of lighting equipment and lamps.
- D. The Group did not allocate income tax expense to reportable segments. The reportable amounts are in agreement with the amount stated in the report to the Chief Operating Decision-Maker.
- E. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4. The Group's segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segment.

(3) Reconciliation for segment income (loss)

A. A reconciliation of total revenue after adjustment to the total revenue from continuing operating during the period is provided as follows:

	Three months ended June 30,	
	2025	2024
Reportable operating segments revenue after adjustment	\$ 360,183	\$ 462,826
Other operating segments revenue after adjustment	8,042	4,973
Total operating segments revenue	368,225	467,799
Elimination of intersegment loss	(120,073)	(137,167)
Total consolidated operating revenue	<u>\$ 248,152</u>	<u>\$ 330,632</u>

	Six months ended June 30,	
	2025	2024
Reportable operating segments revenue after adjustment	\$ 706,161	\$ 804,222
Other operating segments revenue after adjustment	14,006	7,595
Total operating segments revenue	720,167	811,817
Elimination of intersegment loss	(246,418)	(244,676)
Total consolidated operating revenue	<u>\$ 473,749</u>	<u>\$ 567,141</u>

B. A reconciliation of income or loss before tax after adjustment to the income before tax from continuing operating during the period is provided as follows :

	Three months ended June 30,	
	2025	2024
Reportable operating segments (loss) income before tax after adjustment	(\$ 36,138)	\$ 14,753
Other operating segments loss before tax after adjustment	(1,145)	(1,456)
Total operating segments (loss) income	(37,283)	13,297
Elimination of intersegment income	1,038	411
(Loss) income before tax from continuing operations	<u>(\$ 36,245)</u>	<u>\$ 13,708</u>

	Six months ended June 30,	
	2025	2024
Reportable operating segments loss before tax after adjustment	(\$ 55,528)	(\$ 107)
Other operating segments loss before tax after adjustment	(3,066)	(3,689)
Total operating segments loss	(58,594)	(3,796)
Elimination of intersegment income	1,190	814
Loss before tax from continuing operations	<u>(\$ 57,404)</u>	<u>(\$ 2,982)</u>

TONS LIGHTOLOGY INC. AND SUBSIDIARIES

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of June 30, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
TONS LIGHTOLOGY INC.	Share ownership / TITAN AURORA INC.	None	Financial assets at fair value through other comprehensive income - non-current	1,900	\$ 2,666	19.00	\$ 2,666	-
TONS LIGHTOLOGY INC.	Shinhan Bank Social Bond	None	Financial assets at amortised cost - non-current	7,000	21,273	0.14	21,273	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS 9, 'Financial instruments'.

TONS LIGHTOLOGY INC. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Six months ended June 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
TONS LIGHTOLOGY INC.	TITAN LIGHTING CO., LTD.	Subsidiary of the Company	Purchases	\$ 225,506	94	90 days after monthly billing for purchases	Note 2	Note 1	(\$ 102,203)	(95)	Note 3

Note 1: Transaction amount is based on the transfer pricing policy of Tons Lightology Inc. The credit term is 90 days after monthly billing for purchases and payment is made timely according to the capital needs of subsidiaries.

Note 2: There are no purchases (sales) of the same products, thus, no third party transaction can be compared with.

Note 3: The transactions were eliminated when preparing the consolidated financial statements.

TONS LIGHTOLOGY INC. AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

Six months ended June 30, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2025 (Note 2)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts
					Amount	Action taken		
TITAN LIGHTING CO., LTD.	TONS LIGHTOLOGY INC.	Parent company	Accounts receivable \$102,203	4.08	\$ -	-	\$ 32,094	\$ -

Note 1: Subsequent collection is the amount of receivables collected from related parties as of July 30, 2025.

Note 2: The transactions were eliminated when preparing the consolidated financial statements.

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Six months ended June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 4)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	TONS LIGHTOLOGY INC.	TITAN LIGHTING CO., LTD.	(1)	(Purchases)	(\$ 225,506)	90 days after monthly billing for purchases	47.60
0	TONS LIGHTOLOGY INC.	TITAN LIGHTING CO., LTD.	(1)	(Accounts payable)	(102,203)	90 days after monthly billing for purchases	5.95

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Transaction amounts account for at least NT\$30 million.

TONS LIGHTOLOGY INC. AND SUBSIDIARIES

Information on investees

Six months ended June 30, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at June 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended	Investment income (loss) recognised by the Company for the six months ended	Footnote	
									June 30, 2025	June 30, 2025		
TONS LIGHTOLOGY INC.	WORLD EXTEND HOLDING INC.	Samoa	Reinvestment company	\$ 545,972	\$ 545,972	18,333,402	100.00	\$ 738,436	(\$ 13,542)	(\$ 13,560)	Subsidiary (Note 1, 3)	
TONS LIGHTOLOGY INC.	HONG BO INVESTMENT CO., LTD.	Taiwan	Reinvestment company	-	26,000	-	-	-	42	42	Subsidiary (Note 3, 4)	
TONS LIGHTOLOGY INC.	StrongLED Lighting System (Cayman) Co., Ltd.	Cayman Islands	Reinvestment company	600,337	600,337	37,010,000	100.00	541,095	(65,402)	(64,375)	Subsidiary (Note 3)	
StrongLED Lighting System (Cayman) Co., Ltd.	Mentality International Corporation	British Virgin Islands	Reinvestment company	280,420	280,420	8,872,410	100.00	478,340	(54,389)	-	Indirect subsidiary (Note 2, 3)	
WORLD EXTEND HOLDING INC.	LUMINOUS HOLDING INCORPORATED	Samoa	Reinvestment company	100,590	100,590	3,250,000	100.00	59,420	(4,995)	-	Indirect subsidiary (Note 2, 3)	
WORLD EXTEND HOLDING INC.	GREATSUPER TECHNOLOGY LIMITED	British Virgin Islands	Reinvestment company	500,917	500,917	27,666	100.00	635,611	(9,498)	-	Indirect subsidiary (Note 2, 3)	

Note 1: Including investment income (loss) used to offset against upstream transactions.

Note 2: The investees are the Company's second-tier subsidiaries and investee of such subsidiaries. Investment income (loss) is not disclosed.

Note 3 : The transactions were eliminated when preparing the consolidated financial statements.

Note 4: As Hong Bo Investment Co., Ltd. did not intend to continue the operating of business, the Board of Directors resolved to set the date of dissolution on December 31, 2024. The dissolution registration had been approved by the New Taipei City Government on January 15, 2025. As of June 30, 2025, the liquidation is still ongoing.

TONS LIGHTOLOGY INC. AND SUBSIDIARIES

Information on investments in Mainland China

Six months ended June 30, 2025

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2025□			Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee for the six months ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan							
TITAN LIGHTING CO., LTD.	Design of products, manufacturing of hardware parts, and production and trading of lamps and accessories	\$ 358,998	(2)	\$ 368,845	\$ -	\$ -	\$ 368,845	(\$ 5,135)	100.00	(\$ 5,135)	\$ 505,423	\$ 246,937	Note 1,2,3,4,5
ZHONGSHAN TONS LIGHTING CO., LTD.	Design of products, manufacturing of hardware parts, and production and trading of lamps and accessories	105,480	(2)	110,585	-	-	110,585	(5,299)	100.00	(5,299)	100,284	-	Note 1,2,4,5
SHANGHAI TONS LIGHTOLOGY CO., LTD.	Sales of various lighting products and accessories	93,760	(2)	42,842	-	-	42,842	(5,022)	100.00	(5,022)	58,066	-	Note 1,2,4,5,6
StrongLED Lighting Systems(Suzhou) Co. Ltd.	Research, development, production and sales of LED semiconductor application and other products	512,194	(2)	43,299	-	-	43,299	(54,315)	100.00	(54,315)	493,107	510	Note 1,2,4,5
Shanghai Grand Canyon LED Lighting Systems Co., Ltd.	Sales of LED semiconductor application and other products	-	(2)	901	-	-	901	670	-	670	-	-	Note 1,2,4,5

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China. (Titan Lighting Co., Ltd. and Zhongshan Tons Lighting Co., Ltd. and SHANGHAI TONS LIGHTOLOGY CO., LTD. reinvested through World Extend Holding Inc.; Shanghai Grand Canyon LED Lighting Systems Co., Ltd. and StrongLED Lighting Systems (Suzhou) Co. Ltd. reinvested through StrongLED Lighting System (Cayman) Co., Ltd.).

(3) Others.

Note 2: Investment income (loss) recognised by the Company for the six months ended June 30, 2025 is based on financial statements reviewed and attested by R.O.C. parent company's CPA.

Note 3: Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025, including \$34,945 thousand for the share ownership in Hong Bo Investment Co., Ltd., an investee company that has conducted a short-form merger in 2010.

Note 4: Paid-in capital of Titan Lighting Co., Ltd., Zhongshan Tons Lighting Co., Ltd., SHANGHAI TONS LIGHTOLOGY CO., LTD., StrongLED Lighting Systems (Suzhou) Co. Ltd. and Shanghai Grand Canyon LED Lighting Systems Co.,Ltd. of USD 12,253 thousand, USD 3,600 thousand, USD 3,200 thousand, USD 13,404 thousand and CYN 29,200 thousand, and CYN 7,278 thousand, respectively, was translated at the average buying and selling spot rate on June 30, 2025.

Note 5: Accumulated investment amount in Titan Lighting Co., Ltd., Zhongshan Tons Lighting Co., Ltd. and SHANGHAI TONS LIGHTOLOGY CO., LTD. , StrongLED Lighting Systems (Suzhou) Co. Ltd. and Shanghai Grand Canyon LED Lighting Systems Co.,Ltd. of USD 11,816 thousand, USD 3,577 thousand, USD 1,400 thousand, NT\$43,299 thousand and NT\$901 thousand, respectively, was translated at the exchange rate at the initial investment. The dissolution and liquidation procedures of Shanghai Grand Canyon LED Lighting Systems Co., Ltd. had been completed by the Shanghai Municipal Administration for Market Regulation on June 11, 2025.

Note 6: SHANGHAI TONS LIGHTOLOGY CO., LTD. has USD 3,200 thousand paid-in capital, which was composed by reinvestment of the third party, WORLD EXTEND HOLDING INC, through LUMINOUS HOLDING INCORPORATED of USD 1,800 thousand, and the remittances from Taiwan through WORLD EXTEND HOLDING INC and LUMINOUS HOLDING INCORPORATED to reinvest USD 1,400 thousand.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025 (Note 1)	Investment amount approved by the Department of Investment Review of the Ministry of Economic Affairs (MOEA)	
		Investment amount approved by the Department of Investment Review of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Department of Investment Review of MOEA
TONS LIGHTOLOGY INC.	\$ 566,472	\$ 861,953	\$ 825,581

Note 1: Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025 was USD 16,793 thousand and NT\$44,200 thousand, including USD 1,059 thousand for the share ownership in Hong Bo Investment Co., Ltd., an investee company that has conducted a short-form merger in 2010, the cash amounts of USD which was calculated at the actual exchange rate at outward remittance.

Note 2: Approved amount was USD 27,927 thousand and NT\$43,690 thousand (including own funds of the investee) and has been translated at the average buying and selling spot rate on June 30, 2025.

Note 3: Ceiling on investments was calculated based on the limit (60% of net assets) specified in "Regulations Governing Security Investment and Technical Cooperation in the Mainland Area" imposed by the Ministry of Economic Affairs.