

**Paiho Shih Holdings Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2025 and 2024 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Paiho Shih Holdings Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Paiho Shih Holdings Corporation and its subsidiaries (collectively, the "Group") as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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 caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Ting-Chien Su and Shao-Chun Wu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 10, 2025

Notice to Readers

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

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

# PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,791,580	10	\$ 1,581,668	9	\$ 1,962,691	10
Notes receivable (Note 8)	1,932	-	3,439	-	3,293	-
Trade receivables (Note 8)	1,580,439	9	1,360,095	7	1,478,976	8
Trade receivables - related parties (Notes 8 and 26)	6,448	-	5,968	-	6,728	-
Other receivables	34,190	-	103,694	-	35,526	-
Inventories - manufacturing (Note 9)	1,311,827	7	1,235,772	7	1,219,773	7
Inventories - constructing (Note 9)	1,343,238	7	1,596,150	9	1,903,372	10
Other current assets (Note 15)	462,229	2	334,975	2	438,007	2
Total current assets	<u>6,531,883</u>	<u>35</u>	<u>6,221,761</u>	<u>34</u>	<u>7,048,366</u>	<u>37</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at amortized cost - non-current (Notes 7 and 27)	211,582	1	10,038	-	62,505	-
Property, plant and equipment (Note 11)	8,511,410	46	9,302,244	51	7,280,392	39
Right-of-use assets (Note 12)	840,284	5	918,386	5	616,080	3
Investment properties (Note 13)	1,536,955	8	1,387,588	8	3,464,081	19
Goodwill (Note 14)	137,789	1	148,721	1	143,581	1
Other intangible assets	952	-	1,092	-	1,135	-
Deferred tax assets (Note 23)	63,338	-	71,306	-	63,686	-
Prepayments for machinery and equipment	752,378	4	144,343	1	156,541	1
Other non-current assets (Note 15)	11,564	-	12,407	-	26,593	-
Total non-current assets	<u>12,066,252</u>	<u>65</u>	<u>11,996,125</u>	<u>66</u>	<u>11,814,594</u>	<u>63</u>
<b>TOTAL</b>	<u>\$ 18,598,135</u>	<u>100</u>	<u>\$ 18,217,886</u>	<u>100</u>	<u>\$ 18,862,960</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 16 and 27)	\$ 6,649,884	36	\$ 6,177,283	34	\$ 6,874,171	36
Contract liabilities - current (Note 21)	19,452	-	25,839	-	15,714	-
Trade payables	338,179	2	331,281	2	355,202	2
Trade payables - related parties (Note 26)	38,883	-	72,338	-	53,330	-
Other payables (Notes 17 and 26)	711,836	4	524,614	3	524,613	3
Current tax liabilities (Note 23)	62,186	-	34,914	-	44,685	-
Lease liabilities - current (Note 12)	173	-	716	-	717	-
Current portion of long-term borrowings (Notes 16 and 27)	300,820	2	334,962	2	330,245	2
Other current liabilities	23,112	-	16,879	-	18,235	-
Total current liabilities	<u>8,144,525</u>	<u>44</u>	<u>7,518,826</u>	<u>41</u>	<u>8,216,912</u>	<u>43</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 16 and 27)	2,920,384	16	3,260,188	18	3,258,890	17
Deferred tax liabilities (Note 23)	576,838	3	571,118	3	553,310	3
Lease liabilities - non-current (Note 12)	-	-	-	-	183	-
Deferred revenue - non-current	102,650	-	113,407	1	116,505	1
Net defined benefit liabilities - non-current (Note 18)	136,547	1	126,558	1	147,437	1
Guarantee deposits received	17,563	-	16,361	-	16,562	-
Total non-current liabilities	<u>3,753,982</u>	<u>20</u>	<u>4,087,632</u>	<u>23</u>	<u>4,092,887</u>	<u>22</u>
Total liabilities	<u>11,898,507</u>	<u>64</u>	<u>11,606,458</u>	<u>64</u>	<u>12,309,799</u>	<u>65</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION</b>						
Common stock	4,199,338	23	3,999,370	22	3,999,370	21
Capital surplus	1,015,572	5	1,015,572	6	1,015,572	6
Retained earnings						
Special reserve	715,193	4	715,193	4	715,193	4
Unappropriated earnings	1,615,818	9	1,375,014	7	1,316,722	7
Other equity	(846,788)	(5)	(494,184)	(3)	(494,166)	(3)
Total equity attributable to owners of the Corporation	<u>6,699,133</u>	<u>36</u>	<u>6,610,965</u>	<u>36</u>	<u>6,552,691</u>	<u>35</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>495</u>	<u>-</u>	<u>463</u>	<u>-</u>	<u>470</u>	<u>-</u>
Total equity	<u>6,699,628</u>	<u>36</u>	<u>6,611,428</u>	<u>36</u>	<u>6,553,161</u>	<u>35</u>
<b>TOTAL</b>	<u>\$ 18,598,135</u>	<u>100</u>	<u>\$ 18,217,886</u>	<u>100</u>	<u>\$ 18,862,960</u>	<u>100</u>

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

## PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
SALES (Notes 21 and 26)	\$ 2,031,145	100	\$ 1,970,459	100	\$ 5,743,434	100	\$ 5,237,046	100
COST OF GOODS SOLD (Notes 9, 22 and 26)	<u>1,232,552</u>	<u>61</u>	<u>1,190,074</u>	<u>60</u>	<u>3,472,067</u>	<u>60</u>	<u>3,253,174</u>	<u>62</u>
GROSS PROFIT	<u>798,593</u>	<u>39</u>	<u>780,385</u>	<u>40</u>	<u>2,271,367</u>	<u>40</u>	<u>1,983,872</u>	<u>38</u>
OPERATING EXPENSES (Notes 22 and 26)								
Selling and marketing expenses	150,269	8	133,600	7	436,494	8	373,820	7
General and administrative expenses	170,019	8	173,029	9	506,578	9	513,447	10
Research and development expenses	101,712	5	100,131	5	292,205	5	269,300	5
Expected credit loss (Note 8)	<u>443</u>	<u>-</u>	<u>130</u>	<u>-</u>	<u>840</u>	<u>-</u>	<u>3,823</u>	<u>-</u>
Total operating expenses	<u>422,443</u>	<u>21</u>	<u>406,890</u>	<u>21</u>	<u>1,236,117</u>	<u>22</u>	<u>1,160,390</u>	<u>22</u>
PROFIT FROM OPERATIONS	<u>376,150</u>	<u>18</u>	<u>373,495</u>	<u>19</u>	<u>1,035,250</u>	<u>18</u>	<u>823,482</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Note 22)	(124,338)	(6)	(164,000)	(8)	(382,557)	(7)	(379,969)	(7)
Interest income	4,011	-	6,533	-	13,978	-	24,400	-
Other income (Notes 22 and 26)	22,959	1	22,478	1	91,860	2	55,177	1
Other gains and losses (Note 22)	<u>(12,982)</u>	<u>-</u>	<u>(18,476)</u>	<u>(1)</u>	<u>(80,883)</u>	<u>(1)</u>	<u>(45,915)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(110,350)</u>	<u>(5)</u>	<u>(153,465)</u>	<u>(8)</u>	<u>(357,602)</u>	<u>(6)</u>	<u>(346,307)</u>	<u>(7)</u>
PROFIT BEFORE INCOME TAX	265,800	13	220,030	11	677,648	12	477,175	9
INCOME TAX EXPENSE (Note 23)	<u>58,252</u>	<u>3</u>	<u>79,508</u>	<u>4</u>	<u>176,831</u>	<u>3</u>	<u>146,420</u>	<u>2</u>
NET PROFIT FOR THE PERIOD	<u>207,548</u>	<u>10</u>	<u>140,522</u>	<u>7</u>	<u>500,817</u>	<u>9</u>	<u>330,755</u>	<u>7</u>

(Continued)

## PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Foreign exchange differences on translation to presentation currency	\$ 245,792	12	\$ (161,341)	(8)	\$ (483,143)	(8)	\$ 154,003	3
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	<u>16,663</u>	<u>1</u>	<u>207,157</u>	<u>10</u>	<u>130,517</u>	<u>2</u>	<u>67,043</u>	<u>1</u>
Other comprehensive income (loss) for the period	<u>262,455</u>	<u>13</u>	<u>45,816</u>	<u>2</u>	<u>(352,626)</u>	<u>(6)</u>	<u>221,046</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 470,003</u>	<u>23</u>	<u>\$ 186,338</u>	<u>9</u>	<u>\$ 148,191</u>	<u>3</u>	<u>\$ 551,801</u>	<u>11</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 207,526	10	\$ 140,509	7	\$ 500,763	9	\$ 330,726	6
Non-controlling interests	<u>22</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>54</u>	<u>-</u>	<u>29</u>	<u>-</u>
	<u>\$ 207,548</u>	<u>10</u>	<u>\$ 140,522</u>	<u>7</u>	<u>\$ 500,817</u>	<u>9</u>	<u>\$ 330,755</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 469,961	23	\$ 186,316	9	\$ 148,159	3	\$ 551,753	11
Non-controlling interests	<u>42</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>48</u>	<u>-</u>
	<u>\$ 470,003</u>	<u>23</u>	<u>\$ 186,338</u>	<u>9</u>	<u>\$ 148,191</u>	<u>3</u>	<u>\$ 551,801</u>	<u>11</u>
EARNINGS PER SHARE								
(Note 24)								
Basic	<u>\$ 0.49</u>		<u>\$ 0.33</u>		<u>\$ 1.19</u>		<u>\$ 0.80</u>	
Diluted	<u>\$ 0.49</u>		<u>\$ 0.33</u>		<u>\$ 1.19</u>		<u>\$ 0.80</u>	

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

(Concluded)

## PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Total	Non-controlling Interests	Total Equity
	Common Stock (Note 20)	Advance Receipts of Shares (Note 20)	Capital Surplus (Note 20)	Retained Earnings (Note 20)		Exchange Differences on Translating Foreign Operations			
				Special Reserve	Unappropriated Earnings				
BALANCE ON JANUARY 1, 2024	\$ 3,309,370	\$ 69,599	\$ 466,677	\$ 568,162	\$ 1,133,027	\$ (715,193)	\$ 4,831,642	\$ 422	\$ 4,832,064
Issuance of ordinary shares of cash	690,000	(69,599)	548,895	-	-	-	1,169,296	-	1,169,296
Appropriation of 2023 earnings Special reserve	-	-	-	147,031	(147,031)	-	-	-	-
Net profit for the nine months ended September 30, 2024	-	-	-	-	330,726	-	330,726	29	330,755
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	221,027	221,027	19	221,046
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	330,726	221,027	551,753	48	551,801
BALANCE ON SEPTEMBER 30, 2024	<u>\$ 3,999,370</u>	<u>\$ -</u>	<u>\$ 1,015,572</u>	<u>\$ 715,193</u>	<u>\$ 1,316,722</u>	<u>\$ (494,166)</u>	<u>\$ 6,552,691</u>	<u>\$ 470</u>	<u>\$ 6,553,161</u>
BALANCE ON JANUARY 1, 2025	\$ 3,999,370	\$ -	\$ 1,015,572	\$ 715,193	\$ 1,375,014	\$ (494,184)	\$ 6,610,965	\$ 463	\$ 6,611,428
Appropriation of 2024 earnings Cash dividend	-	-	-	-	(59,991)	-	(59,991)	-	(59,991)
Share dividends	199,968	-	-	-	(199,968)	-	-	-	-
Net profit for the nine months ended September 30, 2025	-	-	-	-	500,763	-	500,763	54	500,817
Other comprehensive loss for the nine months ended September 30, 2025	-	-	-	-	-	(352,604)	(352,604)	(22)	(352,626)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	500,763	(352,604)	148,159	32	148,191
BALANCE ON SEPTEMBER 30, 2025	<u>\$ 4,199,338</u>	<u>\$ -</u>	<u>\$ 1,015,572</u>	<u>\$ 715,193</u>	<u>\$ 1,615,818</u>	<u>\$ (846,788)</u>	<u>\$ 6,699,133</u>	<u>\$ 495</u>	<u>\$ 6,699,628</u>

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

# PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 677,648	\$ 477,175
Adjustments for:		
Depreciation expense	637,937	575,903
Amortization expense	90	93
Expected credit loss recognized on trade receivables	840	3,823
Finance costs	382,557	379,969
Interest income	(13,978)	(24,400)
Loss on disposal of property, plant and equipment	2,554	745
(Reversal of) write-downs of inventories	(18,477)	44,751
Unrealized foreign currency exchange loss, net	32,031	22,479
Others	(5,541)	(5,701)
Changes in operating assets and liabilities		
Notes receivable	1,294	(1,075)
Trade receivables	(341,454)	(447,016)
Other receivables	64,202	(12,054)
Inventories - manufacturing	(141,351)	(25,172)
Inventories - constructing	22,859	37,143
Other current assets	(152,280)	317,491
Contract liabilities	(4,821)	(6)
Trade payables	(4,011)	35,493
Other payables	44,154	(25,976)
Other current liabilities	7,498	3,612
Net defined benefit liabilities	19,507	10,614
Cash generated from operations	<u>1,211,258</u>	<u>1,367,891</u>
Interest received	13,978	24,400
Interest paid	(386,663)	(388,856)
Income tax paid	<u>(92,034)</u>	<u>(141,079)</u>
Net cash generated from operating activities	<u>746,539</u>	<u>862,356</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(217,035)	(56,038)
Proceeds from disposal of financial assets at amortized cost	9,931	348,265
Payments for property, plant and equipment	(108,402)	(661,852)
Payments for investment properties	(10,654)	(2,998)
Proceeds from disposal of property, plant and equipment	22,784	158
Decrease in refundable deposits	4,152	848
Increase in other non-current assets	(4,113)	(1,383)
Increase in prepayments for machinery and equipment	<u>(767,259)</u>	<u>(159,247)</u>
Net cash used in investing activities	<u>(1,070,596)</u>	<u>(532,247)</u>

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# PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2025	2024
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from (repayments of) short-term borrowings	\$ 903,211	\$ (1,235,740)
Proceeds from long-term borrowings	51,030	211,718
Repayments of long-term borrowings	(226,536)	(135,906)
Refund of guarantee deposits received	2,431	3,742
Repayment of the principal portion of lease liabilities	(515)	(511)
Dividends paid to owners of the Corporation	(59,991)	-
Proceeds from issuance of ordinary shares	-	1,169,296
Net cash generated from financing activities	669,630	12,599
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	(135,661)	167,281
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	209,912	509,989
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	1,581,668	1,452,702
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	\$ 1,791,580	\$ 1,962,691

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

(Concluded)

# PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Paiho Shih Holdings Corporation (the “Corporation”) was incorporated on November 6, 2006. It was established in the Cayman Islands and its main business is international investment.

The shares of the Corporation have been listed on the Taiwan Stock Exchange (TWSE) since May 18, 2011.

The functional currency of the Corporation is the United States dollar. For greater comparability and consistency in financial reporting, the consolidated financial statements of the Corporation and its subsidiaries (collectively, the “Group”) are presented in New Taiwan dollars since the Corporation’s shares are listed on the TWSE.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on November 10, 2025.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
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
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”- The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- 1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
  - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
  - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- 2) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- 3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

## IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

## **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

### **a. Statement of compliance**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 10, Tables 6 and 7 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policy information

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

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

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Petty cash and cash on hand	\$ 12,067	\$ 11,490	\$ 18,638
Checking accounts and demand deposits	1,492,721	1,300,895	1,449,442
Cash equivalents (deposit accounts with original maturities of 3 months or less)	<u>286,792</u>	<u>269,283</u>	<u>494,611</u>
	<u>\$ 1,791,580</u>	<u>\$ 1,581,668</u>	<u>\$ 1,962,691</u>

## 7. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Non-current</u>			
Restricted deposits	<u>\$ 211,582</u>	<u>\$ 10,038</u>	<u>\$ 62,505</u>

Refer to Note 27 for information relating to investments in financial assets at amortized cost pledged as security.

## 8. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes receivable</u>			
At amortized cost	<u>\$ 1,932</u>	<u>\$ 3,439</u>	<u>\$ 3,293</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,593,435	\$ 1,374,216	\$ 1,493,084
Less: Allowance for impairment loss	<u>(6,548)</u>	<u>(8,153)</u>	<u>(7,380)</u>
	<u>\$ 1,586,887</u>	<u>\$ 1,366,063</u>	<u>\$ 1,485,704</u>

The average credit period of sales of goods was 30 to 90 days. No interest was charged on trade receivables. The Group uses its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. Lifetime ECLs are calculated using provision matrix, factoring into past default history and current financial standing of the customers, as well as industry condition and prospects. Based on the credit loss history, in terms of loss patterns, there have not been significant differences across the customer groups for the Group; therefore, a unified expected credit loss rate using the number of days overdue was determined, without assigning a provision matrix for individual customer group.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group does not have overdue notes receivable. The movements of the loss allowance of trade receivables were as follows:

	0 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 181 Days	Total
<u>September 30, 2025</u>						
Expected credit loss rate	0.0025%	5%	5%	5%	5%-100%	
Gross carrying amount	\$ 1,530,089	\$ 26,516	\$ 14,157	\$ 10,845	\$ 11,828	\$ 1,593,435
Loss allowance (Lifetime ECLs)	<u>(38)</u>	<u>(1,326)</u>	<u>(708)</u>	<u>(542)</u>	<u>(3,934)</u>	<u>(6,548)</u>
Amortized cost	<u>\$ 1,530,051</u>	<u>\$ 25,190</u>	<u>\$ 13,449</u>	<u>\$ 10,303</u>	<u>\$ 7,894</u>	<u>\$ 1,586,887</u>
<u>December 31, 2024</u>						
Expected credit loss rate	0.0029%	5%	5%	5%	5%-100%	
Gross carrying amount	\$ 1,312,937	\$ 42,335	\$ 6,469	\$ 1,852	\$ 10,623	\$ 1,374,216
Loss allowance (Lifetime ECLs)	<u>(39)</u>	<u>(2,121)</u>	<u>(323)</u>	<u>(93)</u>	<u>(5,577)</u>	<u>(8,153)</u>
Amortized cost	<u>\$ 1,312,898</u>	<u>\$ 40,214</u>	<u>\$ 6,146</u>	<u>\$ 1,759</u>	<u>\$ 5,046</u>	<u>\$ 1,366,063</u>
<u>September 30, 2024</u>						
Expected credit loss rate	0.0005%	5%	5%	5%	5%-100%	
Gross carrying amount	\$ 1,454,367	\$ 23,700	\$ 3,159	\$ 2,064	\$ 9,794	\$ 1,493,084
Loss allowance (Lifetime ECLs)	<u>(7)</u>	<u>(1,185)</u>	<u>(158)</u>	<u>(103)</u>	<u>(5,927)</u>	<u>(7,380)</u>
Amortized cost	<u>\$ 1,454,360</u>	<u>\$ 22,515</u>	<u>\$ 3,001</u>	<u>\$ 1,961</u>	<u>\$ 3,867</u>	<u>\$ 1,485,704</u>

The movements of the loss allowance of trade receivables were as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 8,153	\$ 3,406
Net remeasurement of loss allowance	840	3,823
Amounts written off	(2,066)	(67)
Foreign exchange gains and losses	<u>(379)</u>	<u>218</u>
Balance on September 30	<u>\$ 6,548</u>	<u>\$ 7,380</u>

## 9. INVENTORIES

### a. Manufacturing

	September 30, 2025	December 31, 2024	September 30, 2024	
Finished goods	\$ 350,753	\$ 329,122	\$ 328,499	
Work in process	600,610	565,866	546,288	
Raw materials and supplies	347,721	312,624	337,067	
Inventory in transit	<u>12,743</u>	<u>28,160</u>	<u>7,919</u>	
	<u>\$ 1,311,827</u>	<u>\$ 1,235,772</u>	<u>\$ 1,219,773</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Cost of inventories sold	\$ 1,271,307	\$ 1,155,438	\$ 3,465,974	\$ 3,171,158
Inventory write-downs (reversed)	<u>(40,110)</u>	<u>11,971</u>	<u>(18,477)</u>	<u>44,751</u>
	<u>\$ 1,231,197</u>	<u>\$ 1,167,409</u>	<u>\$ 3,447,497</u>	<u>\$ 3,215,909</u>

Inventory write-downs were reversed as a result of the disposal of certain obsolete items and the realization of higher selling prices in certain markets.

### b. Construction industry

	September 30, 2025	December 31, 2024	September 30, 2024	
Construction to be sold	<u>\$ 1,343,238</u>	<u>\$ 1,596,150</u>	<u>\$ 1,903,372</u>	
Location	September 30, 2025	December 31, 2024	September 30, 2024	
Xishan District, Wuxi				
Paiho International Mansion - Season One	\$ 238,927	\$ 264,901	\$ 267,617	
Paiho International Mansion - Season Two	254,927	277,898	280,748	
Paiho Business Plaza	<u>849,384</u>	<u>1,053,351</u>	<u>1,355,007</u>	
	<u>\$ 1,343,238</u>	<u>\$ 1,596,150</u>	<u>\$ 1,903,372</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Cost of inventories sold	<u>\$ 1,355</u>	<u>\$ 22,665</u>	<u>\$ 24,570</u>	<u>\$ 37,265</u>

## 10. SUBSIDIARIES

### Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			September 30, 2025	December 31, 2024	September 30, 2024
The Corporation	Hong Kong Antex Limited	International investment	100	100	100
	Hon Shin Corp.	International investment and trading	100	100	100
Hong Kong Antex Limited	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Processing of touch fastener, webbing and embroidery	99.99	99.99	99.99
	Wuxi Paiwei Biotechnology Co. Ltd	Production and sales of masks and non-woven products	100	100	100
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Dongguan Paihong Industry Co., Ltd	Production & marketing of touch fastener, elastic, various type of webbings and jacquard engineered mesh, and consumer electronic accessories, etc.	100	100	100
	Wuxi Paihong Real Estate Co., Ltd.	Commercial property management; planning consultants, sales, development & leasing of real estate and design decoration.	100	100	100
Dongguan Paihong Industry Co., Ltd	Shanghai Best Expectation Textile Trading Limited	International investment and trading	17	18	18
	Shanghai Best Expectation Textile Trading Limited	International investment and trading	83	82	82
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	International investment and trading	100	100	100
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	Production & marketing of mesh and other fabrics.	100	100	100
	PT PAIHONG PRIMA INDONESIA	Production & marketing of mesh and other fabrics.	-	-	-
Vietnam Paihong Limited Company	PT PAIHONG PRIMA INDONESIA	Production & marketing of mesh and other fabrics.	-	-	-

See Tables 6 and 7 for the information on places of incorporation and principal places of business for each subsidiary.

On December 24, 2024, the Company resolved through a board resolution to establish PT Paihong Prima Indonesia. The investment was made via Hong Kong Best Expectation International Trading Limited and Vietnam Paihong Limited Company, with capital contributions of US\$ 4,950 thousand and US\$ 50 thousand, respectively. PT Paihong Prima Indonesia completed its registration in February 2025, but as of September 30, 2025, it had not yet received the capital injection.

The Company resolved through a board resolution to dissolve and liquidate Hon Shin Corp. on July 1, 2025, and completed its liquidation on 23 October, 2025.

## 11. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance on January 1, 2025	\$ 7,625,680	\$ 6,385,451	\$ 155,051	\$ 735,354	\$ 10,196	\$ 14,911,732
Additions	16,685	41,074	1,225	6,164	66,923	132,071
Disposals	(9,108)	(244,901)	(3,687)	(21,476)	-	(279,172)
Reclassified	(35,641)	255,131	7,438	4,935	(37,341)	194,522
Translation Adjustments	(411,324)	(339,461)	(8,132)	(42,541)	(900)	(802,358)
Balance on September 30, 2025	<u>\$ 7,186,292</u>	<u>\$ 6,097,294</u>	<u>\$ 151,895</u>	<u>\$ 682,436</u>	<u>\$ 38,878</u>	<u>\$ 14,156,795</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2025	\$ 1,506,998	\$ 3,439,319	\$ 85,727	\$ 577,444	\$ -	\$ 5,609,488
Additions	179,867	348,612	10,189	48,496	-	587,164
Disposals	(9,108)	(221,869)	(3,538)	(19,319)	-	(253,834)
Reclassified	(1,677)	928	-	-	-	(749)
Translation Adjustments	(76,069)	(181,083)	(4,535)	(34,997)	-	(296,684)
Balance on September 30, 2025	<u>\$ 1,600,011</u>	<u>\$ 3,385,907</u>	<u>\$ 87,843</u>	<u>\$ 571,624</u>	<u>\$ -</u>	<u>\$ 5,645,385</u>
Carrying amount on September 30, 2025	<u>\$ 5,586,281</u>	<u>\$ 2,711,387</u>	<u>\$ 64,052</u>	<u>\$ 110,812</u>	<u>\$ 38,878</u>	<u>\$ 8,511,410</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 6,118,682</u>	<u>\$ 2,946,132</u>	<u>\$ 69,324</u>	<u>\$ 157,910</u>	<u>\$ 10,196</u>	<u>\$ 9,302,244</u>
<u>Cost</u>						
Balance on January 1, 2024	\$ 4,258,024	\$ 5,934,335	\$ 145,401	\$ 708,843	\$ 3,363,646	\$ 14,410,249
Additions	7,793	15,540	685	13,150	384,832	422,000
Disposals	(14,026)	(7,800)	(1,183)	(13,355)	-	(36,364)
Reclassified	1,068,514	69,223	6,422	(3,188)	(3,789,134)	(2,648,163)
Translation Adjustments	175,390	232,359	5,916	31,086	102,242	546,993
Balance on September 30, 2024	<u>\$ 5,495,695</u>	<u>\$ 6,243,657</u>	<u>\$ 157,241</u>	<u>\$ 736,536</u>	<u>\$ 61,586</u>	<u>\$ 12,694,715</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2024	\$ 1,278,183	\$ 2,857,215	\$ 76,851	\$ 498,267	\$ -	\$ 4,710,516
Additions	131,113	352,383	10,149	53,209	-	546,854
Disposals	(14,026)	(7,431)	(1,124)	(12,880)	-	(35,461)
Reclassified	(5,691)	865	(3,581)	(603)	-	(9,010)
Translation Adjustments	57,121	118,508	3,171	22,624	-	201,424
Balance on September 30, 2024	<u>\$ 1,446,700</u>	<u>\$ 3,321,540</u>	<u>\$ 85,466</u>	<u>\$ 560,617</u>	<u>\$ -</u>	<u>\$ 5,414,323</u>
Carrying amount on September 30, 2024	<u>\$ 4,048,995</u>	<u>\$ 2,922,117</u>	<u>\$ 71,775</u>	<u>\$ 175,919</u>	<u>\$ 61,586</u>	<u>\$ 7,280,392</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	5-40 years
Machinery and equipment	3-15 years
Transportation equipment	5-11 years
Miscellaneous equipment	3-11 years

## 12. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>	
<u>Carrying amount</u>				
Land	\$ 840,116	\$ 917,683	\$ 615,192	
Transportation equipment	<u>168</u>	<u>703</u>	<u>888</u>	
	<u>\$ 840,284</u>	<u>\$ 918,386</u>	<u>\$ 616,080</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Additions to right-of-use assets			<u>\$ -</u>	<u>\$ 1,395</u>
Depreciation charge for right-of-use assets				
Land	\$ 5,861	\$ 6,295	\$ 18,193	\$ 18,620
Transportation equipment	<u>165</u>	<u>177</u>	<u>509</u>	<u>523</u>
	<u>\$ 6,026</u>	<u>\$ 6,472</u>	<u>\$ 18,702</u>	<u>\$ 19,143</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2025 and 2024.

The Group has been subleasing its leasehold land located in Ho Chi Minh City, Vietnam to others since 2024 under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 13). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

### b. Lease liabilities

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
<u>Carrying amount</u>			
Current	\$ <u>173</u>	\$ <u>716</u>	\$ <u>717</u>
Non-current	<u>-</u>	<u>-</u>	<u>183</u>

Range of discount rates (%) for lease liabilities was as follows:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Transportation equipment	3.7	3.7	3.7

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	\$ 3,049	\$ 3,436	\$ 9,466	\$ 10,564
Total cash outflow for leases			\$ (9,994)	\$ (11,108)

13. INVESTMENT PROPERTIES

	For the nine Months Ended September 30, 2025				
	Beginning Balance	Additions	Reclassified	Translation Adjustments	Ending Balance
<u>Cost</u>					
Properties for sale	\$ 668,384	\$ 10,654	\$ 157,800	\$ (33,013)	\$ 803,825
Right-of-use land and building	<u>740,887</u>	<u>-</u>	<u>92,548</u>	<u>(44,440)</u>	<u>788,995</u>
	<u>1,409,271</u>	<u>\$ 10,654</u>	<u>\$ 250,348</u>	<u>\$ (77,453)</u>	<u>1,592,820</u>
<u>Accumulated depreciation</u>					
Properties for sale	10,068	\$ 18,739	\$ -	\$ (680)	28,127
Right-of-use land and building	<u>11,615</u>	<u>13,332</u>	<u>3,794</u>	<u>(1,003)</u>	<u>27,738</u>
	<u>21,683</u>	<u>\$ 32,071</u>	<u>\$ 3,794</u>	<u>\$ (1,683)</u>	<u>55,865</u>
	<u>\$1,387,588</u>				<u>\$1,536,955</u>
	For the nine Months Ended September 30, 2024				
	Beginning Balance	Additions	Reclassified	Translation Adjustments	Ending Balance
<u>Cost</u>					
Properties for sale	\$ 93,092	\$ 2,998	\$ 290,609	\$ 9,593	\$ 396,292
Right-of-use land and building	<u>-</u>	<u>-</u>	<u>3,112,007</u>	<u>11,895</u>	<u>3,123,902</u>
	<u>93,092</u>	<u>\$ 2,998</u>	<u>\$3,402,616</u>	<u>\$ 21,488</u>	<u>3,520,194</u>
<u>Accumulated depreciation</u>					
Properties for sale	836	\$ 4,182	\$ (462)	\$ 106	4,662
Right-of-use land and building	<u>-</u>	<u>5,724</u>	<u>45,531</u>	<u>196</u>	<u>51,451</u>
	<u>836</u>	<u>\$ 9,906</u>	<u>\$ 45,069</u>	<u>\$ 302</u>	<u>56,113</u>
	<u>\$ 92,256</u>				<u>\$3,464,081</u>

The investment properties - properties for sale were properties for sale located in Wuxi, China and were subleased under operating leases. The investment properties are leased out for 1-3 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The investment properties - the right-of-use land and building were properties for sale located in Ho Chi Minh City, Vietnam and were subleased under operating leases. The investment properties are leased out for 2-5 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Year 1	\$ 41,554	\$ 87,001	\$ 45,195
Year 2	27,855	78,305	39,143
Year 3	-	66,572	36,154
Year 4	-	47,618	28,371
Year 5	<u>-</u>	<u>23,711</u>	<u>16,550</u>
	<u>\$ 69,409</u>	<u>\$ 303,207</u>	<u>\$ 165,413</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Properties for sale	30 years
Right-of-use land and building	5-40 years

The fair values of the Group's investment properties - held-for-sale, right-of-use land and buildings were determined by the management with reference to the most recent fair value assessments conducted by independent appraisers as of each balance sheet date. Given that there were no significant changes in current market conditions, the fair values derived from those assessments remained relevant and reliable. The fair values of the investment properties are as follows:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Fair value	<u>\$ 1,674,003</u>	<u>\$ 1,498,285</u>	<u>\$ 4,014,910</u>

#### 14. GOODWILL

	<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>
<u>Cost</u>		
Balance on January 1	\$ 148,721	\$ 138,427
Effects of foreign currency exchange differences	<u>(10,932)</u>	<u>5,154</u>
Balance on September 30	<u>\$ 137,789</u>	<u>\$ 143,581</u>

## 15. OTHER ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Tax overpaid retained for offsetting future tax payable	\$ 324,810	\$ 242,686	\$ 329,093
Prepayments	43,697	36,920	66,300
Prepaid expenses	28,332	39,096	24,775
Others	<u>65,390</u>	<u>16,273</u>	<u>17,839</u>
	<u>\$ 462,229</u>	<u>\$ 334,975</u>	<u>\$ 438,007</u>
<u>Non-current</u>			
Refundable deposits	\$ 4,049	\$ 9,763	\$ 18,586
Others	<u>7,515</u>	<u>2,644</u>	<u>8,007</u>
	<u>\$ 11,564</u>	<u>\$ 12,407</u>	<u>\$ 26,593</u>

## 16. BORROWINGS

### a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 6,649,884</u>	<u>\$ 6,177,283</u>	<u>\$ 6,874,171</u>
<u>Rate of interest per annum (%)</u>			
Line of credit borrowings	2.18-6.57	2.17-7.27	2.15-7.52

### b. Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings - due in January 2026 - July 2031	\$ 3,221,204	\$ 3,595,150	\$ 3,589,135
Less: Current portion	<u>(300,820)</u>	<u>(334,962)</u>	<u>(330,245)</u>
Long-term borrowings	<u>\$ 2,920,384</u>	<u>\$ 3,260,188</u>	<u>\$ 3,258,890</u>
<u>Rate of interest per annum (%)</u>			
Unsecured loans	2.60-5.83	2.80-5.96	3.35-6.97

To meet the needs of future business development, Hong Kong Best Expectation International Trading Limited obtained a syndicated loan facility with a total credit line of US\$90 million from SinoPac Commercial Bank, E.SUN Commercial Bank, and EnTie Commercial Bank in December 2024. The purpose of the facility is to repay the existing syndicated loan originally obtained from KGI Commercial Bank and other financial institutions, and to provide adequate working capital for ongoing operations. According to the loan contract, the Group is required to maintain the following operational and financial ratios throughout the loan period:

- 1) Net financial liability [(total debt (including lease liabilities) minus cash (excluding restricted deposits)) ÷ the tangible net assets] as of December 31, 2024 and June 30, 2025 shall be maintained at 220% and 180% or lower, respectively, and thereafter.
- 2) Interest coverage ratio [profit before income tax plus interest expense, depreciation and amortization amount ÷ interest expense] shall be maintain at 2.5 and 3 or higher as of December 31, 2024 and June 30, 2025 respectively, and thereafter.
- 3) Tangible net assets [total equity minus intangible assets] shall not be less than \$4.8 billion at any time during the loan period.

Furthermore, during the loan period, the Corporation is restricted from disposing of any material assets or rights, repurchasing shares or reducing capital without the prior consent of the creditor banks.

## 17. OTHER PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Payables for salaries and bonuses	\$ 365,668	\$ 403,633	\$ 336,936
Payables for purchases of building and equipment	164,858	11,647	8,962
Others	<u>181,310</u>	<u>109,334</u>	<u>178,715</u>
	<u>\$ 711,836</u>	<u>\$ 524,614</u>	<u>\$ 524,613</u>

## 18. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the pension expenses of defined benefit plans were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023 for 2025 and 2024.

## 19. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current and non-current classifications of the Group's assets and liabilities relating to the construction business are based on the operating cycle. The amounts of assets and liabilities expected to be recovered or settled within 1 year and more than 1 year after the reporting period are as follows:

	Within 1 Year	More Than 1 Year	Total
<u>September 30, 2025</u>			
Assets			
Other receivables	\$ 1,187	\$ -	\$ 1,187
Inventories - constructing	1,343,238	-	1,343,238
Other current assets	<u>59,978</u>	<u>-</u>	<u>59,978</u>
	<u>\$ 1,404,403</u>	<u>\$ -</u>	<u>\$ 1,404,403</u>
Liabilities			
Trade payables	\$ 5,265	\$ -	\$ 5,265
Other payables	28,325	-	28,325
Contract liabilities	<u>9,326</u>	<u>-</u>	<u>9,326</u>
	<u>\$ 42,916</u>	<u>\$ -</u>	<u>\$ 42,916</u>
<u>December 31, 2024</u>			
Assets			
Other receivables	\$ 732	\$ -	\$ 732
Inventories - constructing	1,596,150	-	1,596,150
Other current assets	<u>69,750</u>	<u>-</u>	<u>69,750</u>
	<u>\$ 1,666,632</u>	<u>\$ -</u>	<u>\$ 1,666,632</u>
Liabilities			
Trade payables	\$ 32,897	\$ -	\$ 32,897
Other payables	19,104	-	19,104
Contract liabilities	<u>9,478</u>	<u>-</u>	<u>9,478</u>
	<u>\$ 61,479</u>	<u>\$ -</u>	<u>\$ 61,479</u>
<u>September 30, 2024</u>			
Assets			
Trade receivables	\$ 186	\$ -	\$ 186
Other receivables	805	-	805
Inventories - constructing	1,903,372	-	1,903,372
Other current assets	<u>80,726</u>	<u>-</u>	<u>80,726</u>
	<u>\$ 1,985,089</u>	<u>\$ -</u>	<u>\$ 1,985,089</u>

(Continued)

	<b>Within 1 Year</b>	<b>More Than 1 Year</b>	<b>Total</b>
<u>September 30, 2024</u>			
Liabilities			
Trade payables	\$ 49,860	\$ -	\$ 49,860
Other payables	21,068	-	21,068
Contract liabilities	<u>5,924</u>	<u>-</u>	<u>5,924</u>
	<u>\$ 76,852</u>	<u>\$ -</u>	<u>\$ 76,852</u> (Concluded)

## 20. EQUITY

### a. Common stock

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Number of shares authorized (in thousands)	<u>600,000</u>	<u>500,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 6,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>419,934</u>	<u>399,937</u>	<u>399,937</u>
Shares issued	<u>\$ 4,199,338</u>	<u>\$ 3,999,370</u>	<u>\$ 3,999,370</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The Corporation issued 19,997 thousand new shares at an aggregate amount of NT\$199,968 thousand through distributable earnings for the year ended December 31, 2024, which were resolved by shareholders in their meeting on June 10, 2025. The subscription base date was determined on July 30, 2025.

### b. Capital surplus

Capital surplus may be used to offset a deficit. When the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

However, capital surplus recognized from the effect of changes in percentage of ownership interests in subsidiaries, which resulted from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method may not be used for any purpose.

### c. Retained earnings and dividends policy

According to the Corporation's Articles of Incorporation, the board of directors may, before recommending the distribution of any dividends, first appropriate for reserves which may be used at their discretion to meet unforeseen needs or any appropriate purpose. The board of directors may also, at its discretion, suspend the use of the reserves and use funds in the Corporation's business or appropriate investment. The Corporation may, in accordance with the law or the applicable listing rules and pursuant to a resolution in the shareholders' meeting, make a special reserve. The annual surplus earnings, after payment of taxes, offset of previous losses, deduction for special reserve, and other adjustments for the current year, if there is still a balance, the balance together with prior years'

unappropriated earnings, if any, should be distributed upon proposal by the board of directors and approval in the shareholders' meeting. The dividends could be distributed in whole by cash after a resolution has been adopted by a majority of directors present at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

The Corporation's policy is to distribute dividends to shareholders in the form of stock dividends and cash dividends after taking into consideration the needs for future capital expenditure and operating capital demand. The distribution amount of surplus will make up the loss at not less than the current post-tax surplus, and the deduction which is based on the surplus reserve of the Corporation's shareholders' meeting, and 25% of the balance of other undistributed earnings in the current year, and The cash dividends ratio shall not be less than 20% of the total cash dividends and stock dividends.

The offset of deficit for 2024 and the appropriations of earnings for 2023, respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Special reserve	\$ -	\$ 147,031
Cash dividends	59,991	-
Share dividends	199,968	-
Cash dividends per share (NT\$)	0.15	-
Share dividends per share (NT\$)	0.5	-

The above 2024 appropriations for cash dividends were resolved by the Corporation's board of directors on March 11, 2025. The other proposed appropriations were resolved in the shareholders' meeting on June, 2025 and 2024, respectively.

## 21. REVENUE

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Revenue from contracts with customers				
Revenue from sale of goods	\$ 2,029,257	\$ 1,921,028	\$ 5,702,607	\$ 5,158,047
Revenue from sale of real estate	<u>1,888</u>	<u>49,431</u>	<u>40,827</u>	<u>78,999</u>
	<u>\$ 2,031,145</u>	<u>\$ 1,970,459</u>	<u>\$ 5,743,434</u>	<u>\$ 5,237,046</u>

### a. Contract balances

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>	<b>January 1, 2024</b>
Notes receivable and trade receivables (Note 8)	<u>\$ 1,588,819</u>	<u>\$ 1,369,502</u>	<u>\$ 1,488,997</u>	<u>\$ 1,015,034</u>
Contract liabilities - current				
Sales of real estate	\$ 9,326	\$ 9,478	\$ 5,924	\$ 3,797
Sale of goods	<u>10,126</u>	<u>16,361</u>	<u>9,790</u>	<u>11,324</u>
	<u>\$ 19,452</u>	<u>\$ 25,839</u>	<u>\$ 15,714</u>	<u>\$ 15,121</u>

b. Disaggregation of revenue

Refer to Note 32 for information on the disaggregation of revenue.

**22. NET PROFIT FROM CONTINUING OPERATIONS**

a. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest on bank loans	\$ 124,335	\$ 163,991	\$ 382,544	\$ 379,937
Interest on lease liabilities	<u>3</u>	<u>9</u>	<u>13</u>	<u>32</u>
	<u>\$ 124,338</u>	<u>\$ 164,000</u>	<u>\$ 382,557</u>	<u>\$ 379,969</u>

Information on interest capitalization is as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Capitalized interests on properties	\$ -	\$ -	\$ -	\$ 115,130
Capitalization rates (%)	-	-	-	6.75

b. Other income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Rental income	\$ 18,446	\$ 15,833	\$ 68,533	\$ 23,057
Subsidy income	3,161	4,625	10,175	15,260
Others	<u>1,352</u>	<u>2,020</u>	<u>13,152</u>	<u>16,860</u>
	<u>\$ 22,959</u>	<u>\$ 22,478</u>	<u>\$ 91,860</u>	<u>\$ 55,177</u>

c. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Depreciation expense of investment property	\$ (11,592)	\$ (7,827)	\$ (32,071)	\$ (9,906)
(Loss) gain on disposal of property, plant and equipment	(2,322)	66	(2,554)	(745)
Net foreign exchange gains (losses)	2,894	(315)	(30,623)	(12,740)
Others	<u>(1,962)</u>	<u>(10,400)</u>	<u>(15,635)</u>	<u>(22,524)</u>
	<u>\$ (12,982)</u>	<u>\$ (18,476)</u>	<u>\$ (80,883)</u>	<u>\$ (45,915)</u>

d. Employee benefits expense, depreciation and amortization expenses

	<b>Operating Costs</b>	<b>Operating Expenses and Non-Operating Expenses</b>	<b>Total</b>
<u>For the Three Months Ended September 30,</u> <u>2025</u>			
Short-term employee benefits	\$ 244,704	\$ 239,981	\$ 484,685
Post-employment benefits			
Defined contribution plans	17,300	10,578	27,878
Defined benefit plans	-	3,330	3,330
Other employee benefits	24,325	16,354	40,679
Depreciation expenses	158,108	49,681	207,789
Amortization expenses	-	29	29
<u>For the Three Months Ended September 30,</u> <u>2024</u>			
Short-term employee benefits	226,178	226,819	452,997
Post-employment benefits			
Defined contribution plans	15,944	10,593	26,537
Defined benefit plans	-	3,599	3,599
Other employee benefits	25,734	15,518	41,252
Depreciation expenses	152,224	53,132	205,356
Amortization expenses	-	32	32
<u>For the Nine Months Ended September 30,</u> <u>2025</u>			
Short-term employee benefits	703,499	660,068	1,363,567
Post-employment benefits			
Defined contribution plans	54,197	32,712	86,909
Defined benefit plans	-	9,989	9,989
Other employee benefits	73,969	45,807	119,776
Depreciation expenses	486,406	151,531	637,937
Amortization expenses	-	90	90
<u>For the Nine Months Ended September 30,</u> <u>2024</u>			
Short-term employee benefits	668,130	602,758	1,270,888
Post-employment benefits			
Defined contribution plans	48,494	29,902	78,396
Defined benefit plans	-	10,797	10,797
Other employee benefits	71,225	41,080	112,305
Depreciation expenses	445,938	129,965	575,903
Amortization expenses	-	93	93

e. Employees' compensation and remuneration of directors

Before the amendment to the articles of incorporation of the Corporation, the Corporation accrued employees' compensation and the remuneration of directors at rates of no less than 0.1% and no higher than 3%. The employees' compensation and remuneration of directors for the nine months ended September 30, 2025 and 2024 were as follows:

	<b>For the Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Accrual rate</b>		
Employees' compensation	0.11%	0.12%
Remuneration of directors	0.80%	0.83%

<b>Amount</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Employees' compensation (US Dollars)	<u>\$ 7,000</u>	<u>\$ 6,000</u>	<u>\$ 17,900</u>	<u>\$ 13,000</u>
Remuneration of directors (US Dollars)	<u>\$ 52,000</u>	<u>\$ 33,000</u>	<u>\$ 130,000</u>	<u>\$ 87,000</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The actual amount of the remuneration of directors paid for March, 2025 differed from the amount recognized in the consolidated financial statements for the year ended December 31, 2024. The difference will be adjusted to profit and loss for the year ended December 31, 2025.

	<b>For the Year Ended December 31 2024 (US Dollars)</b>	
	<b>Employees' Compensation</b>	<b>Remuneration of Directors</b>
Amounts resolved in the board of directors' meetings	<u>\$ 13,000</u>	<u>\$ 94,192</u>
Amounts recognized in the financial statements	<u>\$ 13,000</u>	<u>\$ 92,000</u>

Information on the employees' and remuneration of directors resolved is available at the Market Observation Post System website of the TWSE.

f. Gains or losses on foreign currency exchange

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Foreign exchange gains	\$ 19,208	\$ 17,457	\$ 72,980	\$ 36,427
Foreign exchange losses	<u>(16,314)</u>	<u>(17,772)</u>	<u>(103,603)</u>	<u>(49,167)</u>
Net gains (losses)	<u>\$ 2,894</u>	<u>\$ (315)</u>	<u>\$ (30,623)</u>	<u>\$ (12,740)</u>

## 23. TAXES

Major components of tax expense recognized in profit or loss:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 35,094	\$ 44,467	\$ 109,173	\$ 113,513
Adjustments for prior years	2,530	-	6,904	(30,298)
Land value increment tax	<u>364</u>	<u>23,560</u>	<u>5,700</u>	<u>36,742</u>
	<u>37,988</u>	<u>68,027</u>	<u>121,777</u>	<u>119,957</u>
Deferred tax				
In respect of the current period	<u>20,264</u>	<u>11,481</u>	<u>55,054</u>	<u>26,463</u>
Income tax expense recognized in profit or loss	<u>\$ 58,252</u>	<u>\$ 79,508</u>	<u>\$ 176,831</u>	<u>\$ 146,420</u>

## 24. EARNINGS PER SHARE

	Net profit Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings Per Share (NT\$)
<u>For the Three Months Ended September 30, 2025</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	\$ 207,526	419,934	<u>\$ 0.49</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	<u>-</u>	<u>22</u>	
Basic diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 207,526</u>	<u>419,956</u>	<u>\$ 0.49</u>
<u>For the Three Months Ended September 30, 2024</u>			
Basic earnings per share			
Profit for the period attributable to owners of the Corporation	\$ 140,509	419,934	<u>\$ 0.33</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	<u>-</u>	<u>18</u>	
Basic diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 140,509</u>	<u>419,952</u>	<u>\$ 0.33</u>

	<b>Net profit Attributable to Owners of the Corporation</b>	<b>Number of Shares (In Thousands)</b>	<b>Earnings Per Share (NT\$)</b>
<u>For the Nine Months Ended September 30, 2025</u>			
Basic earnings per share			
Profit for the period attributable to owners of the Corporation	\$ 500,763	419,934	<u>\$ 1.19</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	<u>25</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 500,763</u>	<u>419,959</u>	<u>\$ 1.19</u>

For the Nine Months Ended September 30, 2024

Basic earnings per share			
Profit for the period attributable to owners of the Corporation	\$ 330,726	414,645	<u>\$ 0.80</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	<u>18</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 330,726</u>	<u>414,663</u>	<u>\$ 0.80</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on July 30, 2025. The basic and diluted earnings per share adjusted retrospectively for the three months ended September 30, 2024 and for the nine months ended September 30, 2024 were as follows:

Unit: NT\$ Per Share

	<u>Before Retrospective Adjustment</u>		<u>After Retrospective Adjustment</u>	
	<u>For the three months ended September 30, 2024</u>	<u>For the nine months ended September 30, 2024</u>	<u>For the three months ended September 30, 2024</u>	<u>For the nine months ended September 30, 2024</u>
Basic earnings per share	<u>\$ 0.35</u>	<u>\$ 0.84</u>	<u>\$ 0.33</u>	<u>\$ 0.80</u>
Diluted earnings per share	<u>\$ 0.35</u>	<u>\$ 0.84</u>	<u>\$ 0.33</u>	<u>\$ 0.80</u>

The Group offered to settle compensation paid to employees in cash or shares; thus, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were 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.

## 25. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at other than fair value are close to their fair value or their fair value cannot be measured reliably.

### b. Categories of financial instruments

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 3,630,220	\$ 3,074,665	\$ 3,568,305
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	10,977,549	10,717,027	11,413,013

1) The balance includes financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted deposit, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balance includes financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables and long-term borrowings (including current portion) and guarantee deposits received.

### c. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

#### 1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

##### a) Foreign currency risk

The Corporation and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 30.

#### Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in functional currencies of the Group's entities against the USD. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit with the functional currencies of the Group's entities strengthening 1% against the relevant currency. For a 1% weakening of the functional currencies of the Group's entities against the relevant currency, there would be an equal and opposite impact on pre-tax profit.

	<b>Currency Impact</b>	
	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2025</b>	<b>2024</b>
USD	\$ 3,628	\$ 3,815

The above impacts are mainly attributable to exposure on outstanding receivables, payables and borrowings in USD which were not hedged at the end of the reporting period.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Fair value interest rate risk			
Financial assets	\$ 286,734	\$ 269,253	\$ 494,583
Financial liabilities	173	716	900
Cash flow interest rate risk			
Financial assets	1,704,303	1,310,933	1,511,947
Financial liabilities	9,871,088	9,772,433	10,463,306

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates of non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2025 and 2024 would have decreased/increased by \$15,313 thousand and \$16,784 thousand, respectively.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral.

In order to minimize credit risk, the Group had set up credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt periodically to ensure that adequate allowances are made for irrecoverable amounts. In this regard, Group's management believes the Group's credit risk was significantly reduced.

## 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group had available unutilized bank loan facilities of \$5,311,244 thousand, \$5,646,226 thousand and \$4,779,221 thousand, respectively.

### Liquidity and interest rate risk tables for non-derivative financial liabilities

The Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods is based on the undiscounted cash flows including both interest and principal cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	<b>Less Than 3 months</b>	<b>3 months - 1 Year</b>	<b>Over 1 Year</b>
<u>September 30, 2025</u>			
Non-interest bearing	\$ 865,183	\$ 229,368	\$ 11,910
Lease liabilities	174	-	-
Variable interest rate liabilities	<u>2,434,386</u>	<u>4,516,318</u>	<u>2,920,384</u>
	<u>\$ 3,299,743</u>	<u>\$ 4,745,686</u>	<u>\$ 2,932,294</u>
<u>December 31, 2024</u>			
Non-interest bearing	\$ 865,946	\$ 75,506	\$ 3,142
Lease liabilities	183	548	-
Variable interest rate liabilities	<u>1,751,538</u>	<u>4,760,707</u>	<u>3,260,188</u>
	<u>\$ 2,617,667</u>	<u>\$ 4,836,761</u>	<u>\$ 3,263,330</u>

	<b>Less Than 3 months</b>	<b>3 months - 1 Year</b>	<b>Over 1 Year</b>
<u>September 30, 2024</u>			
Non-interest bearing	\$ 719,352	\$ 227,940	\$ 2,415
Lease liabilities	185	554	185
Variable interest rate liabilities	<u>1,803,925</u>	<u>5,400,491</u>	<u>3,258,890</u>
	<u>\$ 2,523,462</u>	<u>\$ 5,628,985</u>	<u>\$ 3,261,490</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>
<u>September 30, 2025</u>		
Lease liabilities	\$ 174	\$ -
Variable interest rate liabilities	<u>6,950,704</u>	<u>2,920,384</u>
	<u>\$ 6,950,878</u>	<u>\$ 2,920,384</u>
<u>December 31, 2024</u>		
Lease liabilities	\$ 731	\$ -
Variable interest rate liabilities	<u>6,512,245</u>	<u>3,260,188</u>
	<u>\$ 6,512,976</u>	<u>\$ 3,260,188</u>
<u>September 30, 2024</u>		
Lease liabilities	\$ 739	\$ 185
Variable interest rate liabilities	<u>7,204,416</u>	<u>3,258,890</u>
	<u>\$ 7,205,155</u>	<u>\$ 3,259,075</u>

## 26. TRANSACTIONS WITH RELATED PARTIES

The Corporation's parent is Paiho Int'l Limited, which held 50% of the ordinary shares of the Corporation as of September 30, 2025, December 31, 2024, and September 30, 2024. The Corporation's ultimate parent is Taiwan Paiho Limited.

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party	Related Party Category
Taiwan Paiho Limited	The Corporation's ultimate parent
Vietnam Paiho Limited	Sister corporation
Paiho North America Corp.	Sister corporation
He Mei Xing Ye Company Ltd.	Sister corporation
Dongguan Paiho Business Service Co., Ltd	Sister corporation
Wuxi Paisen Commerce Co., Ltd.	Sister corporation
Pt. Paiho Indonesia	Sister corporation
Kuo-Ian Cheng	Chairman
Hsin-Long Cheng	General Manager

b. Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Sales	Taiwan Paiho Limited	\$ 3,247	\$ 2,357	\$ 8,722	\$ 7,691
	Sister corporations	<u>9,940</u>	<u>13,536</u>	<u>66,453</u>	<u>45,186</u>
		<u>\$ 13,187</u>	<u>\$ 15,893</u>	<u>\$ 75,175</u>	<u>\$ 52,877</u>

The sales of goods to parent and sister corporation were made at the market price. The credit period of sales of goods was about 3 months.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Taiwan Paiho Limited	\$ 36,185	\$ 50,790	\$ 131,025	\$ 170,335
Sister corporations	<u>929</u>	<u>1</u>	<u>1,468</u>	<u>4</u>
	<u>\$ 37,114</u>	<u>\$ 50,791</u>	<u>\$ 132,493</u>	<u>\$ 170,339</u>

Purchases were made at market price or cost plus 15% mark-up. The payment period is 3 months.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Trade receivables	Taiwan Paiho Limited	\$ 466	\$ 1,373	\$ 429
	Sister corporations			
	Vietnam Paiho Limited	4,439	1,111	6,252
	Pt. Paiho Indonesia	1,517	-	-
	Paiho North America Corp.	<u>26</u>	<u>3,484</u>	<u>47</u>
		<u>\$ 6,448</u>	<u>\$ 5,968</u>	<u>\$ 6,728</u>

e. Payables to related parties (excluding loans from related parties)

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Trade payables	Taiwan Paiho Limited	\$ 38,145	\$ 71,774	\$ 53,330
	Sister corporations	<u>738</u>	<u>564</u>	<u>-</u>
		<u>\$ 38,883</u>	<u>\$ 72,338</u>	<u>\$ 53,330</u>
Other payables	Taiwan Paiho Limited	\$ 23	\$ 44	\$ 15
	Sister corporations	<u>410</u>	<u>524</u>	<u>-</u>
		<u>\$ 433</u>	<u>\$ 568</u>	<u>\$ 15</u>

f. Lease arrangements

<b>Related Party Category/Name</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<u>Lease expenses</u>				
Taiwan Paiho Limited	\$ 595	\$ 594	\$ 1,788	\$ 1,789
Sister corporations	<u>1,206</u>	<u>1,114</u>	<u>3,731</u>	<u>3,296</u>
	<u>\$ 1,801</u>	<u>\$ 1,708</u>	<u>\$ 5,519</u>	<u>\$ 5,085</u>

Lease expenses included expenses relating to short-term leases. Future lease payables related to short-term leases are as follows:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Future lease payables	<u>\$ 2,435</u>	<u>\$ 5,170</u>	<u>\$ 1,744</u>

Rental rates are based on the rental rates of nearby properties and set out by mutual agreements.

g. Endorsements and guarantees

Endorsements and guarantees given by related parties

<b>Related Party Category/Name</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Kuo-Ian Cheng			
Amount endorsed	\$ 14,876,873	\$ 12,407,336	\$ 11,483,715
Amount utilized	<u>(8,356,126)</u>	<u>(8,668,924)</u>	<u>(9,116,528)</u>
	<u>\$ 6,520,747</u>	<u>\$ 3,738,412</u>	<u>\$ 2,367,187</u>
Hsin-Long Cheng			
Amount endorsed	\$ 2,730,738	\$ 2,897,460	\$ -
Amount utilized	<u>(2,730,738)</u>	<u>(2,897,460)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Long-term and short-term bank loans were jointly guaranteed by the Chairman and the General Manager.

h. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Other income	Sister corporations	\$ -	\$ -	\$ -	\$ 11

i. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 40,710	\$ 29,792	\$ 106,721	\$ 82,289
Post-employment benefits	<u>639</u>	<u>414</u>	<u>1,371</u>	<u>1,154</u>
	<u>\$ 41,349</u>	<u>\$ 30,206</u>	<u>\$ 108,092</u>	<u>\$ 83,443</u>

The remuneration of directors and key executives was determined by the compensation committee based on the performance of individuals and market trends.

## 27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as restricted bank deposits in accordance with the loan and corporate bond guarantee agreements, and as guarantees for obligations to a power company:

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets at amortized cost	<u>\$ 211,582</u>	<u>\$ 10,038</u>	<u>\$ 62,505</u>

## 28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments, and contingencies of the Group as of September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

a. Significant unrecognized commitments

	September 30, 2025	December 31, 2024	September 30, 2024
Acquisition of property, plant and equipment	<u>\$ 430,954</u>	<u>\$ 41,545</u>	<u>\$ 40,165</u>

b. After approval of a resolution at the extraordinary general meeting of shareholders on September 3, 2010, the Corporation and Paiho Shih Holdings Corporation signed an agreement on “Comprehensive Agreement on the Use of Trademarks and Patent Rights, Sales Area Division and Affiliates Transactions”.

After listing on the stock exchange, Paiho Shih Holdings Corporation obtained approval to purchase shares of Paiho Europe, S.A. and Paiho North America Corporation by itself or its subsidiaries on appropriate time and at a fair price according to valuation of a professional appraisal organization.

In addition, to meet the requirements for listing, after approval of a resolution at the annual shareholder's meeting on April 19, 2011, Paiho Shih Holdings Corporation revised part of the articles in the above agreement about the Sales Area Division and about the non-compete clause.

Due to decline in business and economy, Taiwan Paiho Limited has terminated the operation of Paiho Europe, S.A. Therefore, on February 27, 2014, Paiho Shih Holdings Corporation submitted a letter to Taiwan Stock Exchange to report that Paiho Europe, S.A. no longer exists, and Paiho Shih Holdings Corporation cannot continue the above agreement.

## 29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company's first domestically issued secured convertible bonds were fully subscribed on October 1, 2025, in the total amount of NT\$1,018,317 thousand.

On September 23, 2024, the Board of Directors resolved that the Company would subscribe to the cash capital increase of Vietnam Paihong Co., Ltd. The Company invested USD 30,000 thousand on October 7, 2025, and acquired a 13.825% equity interest in Vietnam Paihong Co., Ltd.

## 30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	September 30, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate (Note 1)	Carrying Amount	Foreign Currency	Exchange Rate (Note 1)	Carrying Amount
<u>Financial assets</u>						
Monetary items						
USD	\$ 12,203	7.1055 (Note 2)	\$ 370,320	\$ 15,028	7.1884 (Note 2)	\$ 483,759
<u>Financial liabilities</u>						
Monetary items						
USD	249	7.1055 (Note 2)	7,542	245	7.1884 (Note 2)	7,898

**September 30, 2024**

	<b>Foreign Currency</b>	<b>Exchange Rate (Note 1)</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 12,266	7.0074 (Note 2)	\$ 388,778

Financial liabilities

Monetary items			
USD	228	7.0074 (Note 2)	7,233

Note 1: Except as otherwise noted, exchange rate represents the amount of New Taiwan dollars for which one foreign currency could be exchanged.

Note 2: The exchange rate represents the amount of RMB for which one US dollar could be exchanged.

The Group is primarily exposed to risks of foreign currency exchange rates of USD. The information below is based on functional currencies of the entities in the Group against USD. The disclosed exchange rates indicate the rates to exchange the functional currency to presentation currency.

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	<u>For the Three Months Ended September 30, 2025</u>		<u>For the Three Months Ended September 30, 2024</u>	
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain and Loss</b>	<b>Exchange Rate</b>
RMB	4.184 (RMB:NTD)	\$ (4,222)	4.504 (RMB:NTD)	\$ (9,199)
USD	29.950 (USD:NTD)	<u>7,123</u>	32.301 (USD:NTD)	<u>8,831</u>
		<u>\$ 2,901</u>		<u>\$ (368)</u>
	<u>For the Nine Months Ended September 30, 2025</u>		<u>For the Nine Months Ended September 30, 2024</u>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain and Loss</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain and Loss</b>
RMB	4.3184 (RMB:NTD)	\$ (4,368)	4.4428 (RMB:NTD)	\$ 655
USD	31.2224 (USD:NTD)	<u>(26,295)</u>	32.0344 (USD:NTD)	<u>(13,407)</u>
		<u>\$ (30,663)</u>		<u>\$ (12,752)</u>

### 30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Significant marketable securities held. (excluding investments in subsidiaries, associates and joint ventures) (None)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 6) Intercompany relationships and significant intercompany transactions. (Table 5)
- 7) Information on investees. (Table 6)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 5)
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 5)
  - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)
  - e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds. (Tables 1, 4 and 5)
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (Table 5)

### 32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments are Production and Construction.

a. Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

	<b>For the Nine Months Ended September 30</b>			
	<b>Segment Revenue</b>		<b>Segment Profit</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Production	\$ 5,702,607	\$ 5,158,047	\$ 1,102,279	\$ 882,796
Construction	<u>40,827</u>	<u>78,999</u>	<u>(67,029)</u>	<u>(59,314)</u>
Total from continuing operations	<u>\$ 5,743,434</u>	<u>\$ 5,237,046</u>	1,035,250	823,482
Interest income			13,978	24,400
Other income and benefits			91,860	55,177
Finance costs			(382,557)	(379,969)
Other expenses and losses			<u>(80,883)</u>	<u>(45,915)</u>
Profit before income tax			<u>\$ 677,648</u>	<u>\$ 477,175</u>

Segment profit represented the profit before tax earned by each segment without interest income, subsidy revenue, net gain and loss on disposal of property, plant and equipment, net foreign exchange gain or loss, finance costs and income tax expense. This measured amount was reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

## PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025  
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 5 and 7)	Ending Balance (Notes 6 and 7)	Actual Amount Borrowed (Notes 6, 8 and 9)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2, 3 and 4)	Aggregate Financing Limit (Notes 1, 2, 3 and 4)
													Item	Value		
0	The Corporation	Vietnam Paihong Company Limited	Receivables from related parties	Yes	\$ 2,317,235 (USD 73,000)	\$ 2,222,485 (USD 73,000)	\$ 1,628,808 (USD 53,500)	3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 2,491,669	\$ 2,491,669
		Hong Kong Best Expectation International Trading Limited	Receivables from related parties	Yes	163,400 (USD 5,000)	152,225 (USD 5,000)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	2,491,669	2,491,669
1	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	Receivables from related parties	Yes	134,590 (RMB 30,000)	85,420 (RMB 20,000)	42,710 (RMB 10,000)	3.2%-3.5%	Necessary for short-term financing	-	Operating capital	-	-	-	1,810,670	1,810,670
2	Wuxi Paiwei Biotechnology Co. Ltd	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Receivables from related parties	Yes	63,705 (RMB 15,000)	64,065 (RMB 15,000)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	69,628	69,628
3	Hon Shin Corp.	Vietnam Paihong Limited Company	Receivables from related parties	Yes	310,623 (USD 9,500)	197,893 (USD 6,500)	197,893 (USD 6,500)	3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	-	Operating capital	-	-	-	341,126	341,126
4	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Receivables from related parties	Yes	218,250 (RMB 50,000)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	917,310	917,310
		Wuxi Paihong Real Estate Co., Ltd.	Receivables from related parties	Yes	413,988 (RMB 93,000)	397,203 (RMB 93,000)	269,073 (RMB 63,000)	3.3%-3.7%	Necessary for long-term financing	-	Operating capital	-	-	-	2,293,276	2,293,276
5	Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	Receivables from related parties	Yes	42,030 (RMB 10,000)	42,710 (RMB 10,000)	2,136 (RMB 500)	0.95%	Necessary for short-term financing	-	Operating capital	-	-	-	127,139	127,139

Note 1: For borrowers which the Corporation and Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly owns over 50% of the paid-in capital, the individual and aggregate maximum amounts of financing provided to others are limited to 40% of the net equity in latest financial statements of the Corporation.

Note 2: The individual and total amount of lending to the Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly, by the Dongguan Paihong Industry Co., Ltd. not exceed 40% of the net worth of lender.

Note 3: The individual and total amount of lending to the Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly, by the Wuxi Paiwei Biotechnology Co. Ltd. not exceed 40% of the net worth of lender.

Note 4: For borrowers whose voting shares are 100% owned, directly or indirectly, by the Corporation, the individual and total amount of lending to a borrower shall not exceed the lender's net worth.

Note 5: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 6: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 7: The ending balance amount has been approved by the board of directors.

Note 8: The restriction that the term of each loan for funding should not exceed one year shall not apply to inter-company loans for funding between offshore subsidiaries in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Note 9: Significant intercompany accounts and transactions have been eliminated.

## PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025  
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 3 and 5)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 6)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 7)	Actual Amount Borrowed (Note 7)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Notes 4 and 5)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Vietnam Paihong Company Limited	Note 1	\$ 15,572,930	\$ 10,163,932 (USD 305,750) (VND 450,000,000)	\$ 8,220,591 (USD 253,000) (VND 450,000,000)	\$ 5,305,900 (USD 161,285) (VND 343,644,437)	\$ -	131.97%	\$ 24,916,688	Yes	-	-
		Hong Kong Best Expectation International Trading Limited	Note 1	15,572,930	4,054,013 (USD 127,500)	3,272,838 (USD 107,500)	2,755,273 (USD 90,500)	-	52.54%	24,916,688	Yes	-	-
1	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Note 2	5,733,190	447,500 (RMB 100,000)	427,100 (RMB 100,000)	213,550 (RMB 50,000)	-	18.62%	9,173,104	-	Yes	Yes

Note 1: Holding more than 50% of the voting shares directly or indirectly.

Note 2: The company that owns directly or indirectly hold over 50% of the voting shares.

Note 3: The amount of endorsements/guarantees provided to individual subsidiaries in which the Corporation has a shareholding ratio of more than 50% shall be limited to the net worth 250% of the Corporation, and the total amount shall not exceed the guarantee limit.

Note 4: The total amount of endorsements/guarantees provided to individual subsidiaries in which the Corporation has a shareholding ratio of more than 50% shall not exceed 400% of the net worth of the Corporation.

Note 5: The amount of endorsements/guarantees provided to Thomas Dynamic Material (Jiangsu) Co., Ltd. in which the Dongguan Paihong Industry Co., Ltd. shall not exceed 250% of the net worth of the Dongguan Paihong Industry Co., Ltd. , and the guarantee limit shall not exceed 400% of the net worth of the net worth of the Dongguan Paihong Industry Co., Ltd.

Note 6: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 7: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

**PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025  
(In Thousands of New Taiwan Dollars or Foreign Currency)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited (Note 3)	Note 1	Sale	\$ 1,012,496 (USD 32,428)	(44)	About 3 months	Use market price or sales 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	\$ (55,743) (USD 1,831)	(15%)	-
	Dongguan Paihong Industry Co., Ltd (Note 3)	Note 1	Sale	194,343 (USD 2,179)	(8)	About 3 months	Use market price or sales 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	33,631 (USD 533)	9%	-
	Thomas Dynamic Material (Jiangsu) Co., Ltd. (Note 3)	Note 1	Sale	(RMB 29,321) 150,431 (USD 1,458)	(7)	About 3 months	Use market price or sales 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	(RMB 4,075) 21,148 (RMB 4,951)	6%	-
	Taiwan Paiho Limited	Note 2	Purchase	(RMB 24,308) 131,214	(8)	About 3 months	Use market price or purchase cost mark up 15% of Taiwan Paiho Limited	About 3 months	(38,145)	(7%)	-
Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	455,677 (USD 14,595)	(24)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	169,057 (USD 5,553)	30%	-
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	121,174 (RMB 28,060)	(10)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	24,722 (RMB 5,788)	7%	-
Dongguan Paihong Industry Co., Ltd.	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	234,145 (RMB 54,220)	(9)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	69,414 (RMB 16,252)	9%	-

Note 1: Refer to Note 10 to the consolidated financial statements.

Note 2: Refer to Note 26 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

**PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**SEPTEMBER 30, 2025**

**(In Thousands of New Taiwan Dollars or Foreign Currency)**

Company Name	Related Party (Note 3)	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Vietnam Paihong Company Limited	Note 2	\$ 1,642,360 (USD 53,945)	-	\$ -	-	\$ 10,494 (USD 345)	\$ -
Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	Note 2	286,556 (RMB 67,093)	-	-	-	-	-
Hon Shin Corp.	Vietnam Paihong Company Limited	Note 2	198,060 (USD 6,506)	-	-	-	198,060 (USD 6,506)	-
Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited	Note 2	169,057 (USD 5,553)	-	-	-	52,426 (USD 1,722)	-
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	Note 2	114,508 (USD 3,761)	-	-	-	114,508 (USD 3,761)	-

Note 1: Included trade receivables, other receivables and receivables from related parties.

Note 2: See Note 10 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

**PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025  
(In Thousands of Foreign Currency)**

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account (Note 2)	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
0	The Corporation	Vietnam Paihong Company Limited	1	Receivables	USD 53,945	-	9
			1	Interest revenue and other income	USD 2,948	-	2
1	Hon Shin Corp.	Vietnam Paihong Company Limited	3	Receivables	USD 6,506	-	1
2	Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	3	Receivables	RMB 67,093	-	2
		Hong Kong Best Expectation International Trading Limited	1	Sales	RMB 54,220	-	4
3	Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	1	Sales	USD 32,428	-	18
		Dongguan Paihong Industry Co., Ltd.	2	Sales	USD 2,179	-	1
			2	Sales	RMB 29,321	-	2
		Thomas Dynamic Material (Jiangsu) Co., Ltd.	2	Sales	RMB 24,308	-	2
			2	Sales	USD 1,458	-	1
4	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Hong Kong Best Expectation International Trading Limited	1	Sales	RMB 28,060	-	2
5	Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited	2	Sales	USD 14,595	-	8

Note 1: Relationship of investee to counterparty: (1) parent company to subsidiary; (2) subsidiary to parent company; (3) subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

**PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**  
(In Thousands of New Taiwan Dollars and Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				September 30, 2025	December 31, 2024	Number of Shares	%	Carrying Amount (Note 1)			
The Corporation	Hong Kong Antex Limited	Hong Kong	International investments	USD 54,335	USD 54,335	54,334,644	100	\$ 4,687,735	\$ 477,625	\$ 477,625	Subsidiary
	Hon Shin Corp.	British Samoa	International investments and trade	USD 18,000	USD 20,000	18,000,000	100	291,023	14,895	14,895	Subsidiary
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	Hong Kong	International investments and trade	USD 110,064	USD 110,064	110,063,700	100	34,456	(40,367)	(Note 3)	Sub - Subsidiary
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	Ho Chi Minh City, Vietnam	Production & marketing of mesh and other fabrics	USD 190,000	USD 190,000	-	100	2,779,040	(3,836)	(Note 3)	Sub - Subsidiary

Note 1: Significant intercompany accounts and transactions have been eliminated.

Note 2: Information on investment in mainland China is on Table 7.

Note 3: Not applicable.

**PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025  
(In Thousands of New Taiwan Dollars and Foreign Currency)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 7)	Carrying Amount as of September 30, 2025 (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of September 30, 2025
					Outward	Inward						
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Processing of Touch Fasteners, Webbing and Embroidery	\$ 1,642,594 (RMB 384,592)	(Note 1)	\$ 1,106,219 (USD 36,335)	\$ -	\$ -	\$ 1,106,219 (USD 36,335)	\$ 538,182	99.99%	\$ 538,128	\$ 5,082,441	\$ 1,756,279 (USD 2,512) (RMB 393,304)
Dongguan Paihong Industry Co., Ltd	Production & Marketing of Touch Fastener, Elastic, Various Type of Webbing and Jacquard Engineered Mesh, And Consumer Electronic Accessories, etc.	1,524,866 (RMB 357,028)	(Note 1)	548,010 (USD 18,000)	-	-	548,010 (USD 18,000)	549,745	99.99%	546,780	2,603,227	659,169 (RMB 154,336)
Wuxi Paihong Real Estate Co., Ltd.	Commercial Property Management; Planning Consultants, Sales, Development & Leasing of Real Estate and Design Decoration.	1,622,980 (RMB 380,000)	(Note 1)	(Note 2)	-	-	(Note 2)	(51,117)	99.99%	(51,112)	2,353,212	-
Wuxi Paiwei Biotechnology Co. Ltd	Production and Sales of Masks and Non-Woven Products	555,230 (RMB 130,000)	(Note 1)	(Note 3)	-	-	(Note 3)	(11,532)	100%	(11,532)	176,913	-
Shanghai Best Expectation Textile Trading Limited	International investments and trade	3,510,762 (RMB 822,000)	(Note 1)	(Note 4)	-	-	(Note 4)	(39,934)	99.99%	(44,711)	146,301	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Not applicable	Not applicable	Not applicable

Note 1: Refer to Note 10 to the consolidated financial statements.

Note 2: Established in China by Thomas Dynamic Material (Jiangsu) Co., Ltd. which was reinvested in by the Corporation through Hong Kong Antex Limited. The investment was funded by Thomas Dynamic Material (Jiangsu) Co., Ltd..

Note 3: The investment was funded by Hong Kong Antex Limited.

Note 4: The investment was funded by Thomas Dynamic Material (Jiangsu) Co., Ltd. and Dongguan Paihong Industry Co., Ltd.

Note 5: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 6: The investment gain (loss) is recognized according to the financial statements reviewed by the Corporation's independent auditors.

Note 7: Significant intercompany accounts and transactions have been eliminated.