

**HOLY STONE ENTERPRISE CO., LTD.
and Subsidiaries**

Consolidated Financial Statements

for the Three Months Ended March 31, 2025 and 2024

Independent Auditors' Review Report

Company Address: 1F., No. 62, Sec. 2, Huanshan Rd., Neihu Dist., Taipei City
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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors, HOLY STONE ENTERPRISE CO., LTD.

Introduction

We have audited the balance sheet of HOLY STONE ENTERPRISE CO., LTD. and its subsidiaries (the "Group") as of March 31, 2025, and 2024 and the related consolidated statements of comprehensive income, change in equity and cash flow and the notes (including the summary of significant accounting policies) for the three months ended March 31, 2025 and 2024. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation Governing the Presentation 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

Except as explained in the following paragraph of Conclusion, we conducted our reviews in accordance with ISRE 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.

Basis for Qualified Conclusion

As disclosed in Note 4(2) to these interim consolidated financial statements, the total assets included in certain non significant subsidiaries in the consolidated financial statements for the three months ended March 31, 2025 and 2024 were NT\$2,664,222 thousand and NT\$2,602,486 thousand, respectively, representing 16.85% and 17.40% of the total consolidated assets; total liabilities were NT\$362,976 thousand and NT\$497,417 thousand, respectively, representing 5.88% and 9.32% of the total consolidated liabilities; the consolidated income and loss were (NT\$6,115) thousand and NT\$65,804 thousand, representing (2.15)% and 28.15% of the consolidated income and loss, respectively.

In addition to the items stated in the above paragraph, the investment using the equity method in HOLY STONE ENTERPRISE CO., LTD. and its subsidiaries as stated in Note 6(7) to the interim consolidated financial statements were NT\$446,876 thousand and NT\$439,596 thousand for the three months ended March 31, 2025 and 2024, respectively, and the shares of profit or loss recognized using the equity method in affiliated companies were NT\$3,819 thousand and NT\$7,530 thousand for the three months ended March 31, 2025 and 2024, respectively, as disclosed in the unaudited financial statements of those investees for the same periods.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of those investees accounted for using the equity method as described in the Basis for Conclusions paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2025 and 2024, its consolidated financial performance for the three months ended March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months and three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting”.

KPMG Taiwan

Certified Public Accountant:

Securities and Futures Bureau Jin-Guan-Zheng-Liu-Zi No. 0960069825
Approval Document No. : Tai-Cai-Zheng-Liu-Zi No. 0920122026
May 7, 2025

Notes to Readers

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

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

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries

Consolidated Balance Sheet

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

Unit: In thousands of New Taiwan Dollars

| Assets | | 2025.3.31 | | 2024.12.31 | | 2024.3.31 | | Liabilities and equity | | 2025.3.31 | | 2024.12.31 | | 2024.3.31 | |
|------------------------|---|----------------------|------------|-------------------|------------|-------------------|------------|-----------------------------|---|----------------------|------------|-------------------|------------|-------------------|------------|
| | | Amount | % | Amount | % | Amount | % | | | Amount | % | Amount | % | Amount | % |
| Current assets: | | | | | | | | Current liabilities: | | | | | | | |
| 1100 | Cash and cash equivalents (Note 6 (1)) | \$ 4,754,492 | 31 | 4,502,178 | 29 | 3,301,398 | 22 | 2100 | Short-term borrowings (Note 6(11)) | \$ 1,285,221 | 8 | 1,225,898 | 8 | 770,562 | 5 |
| 1110 | Current financial assets at fair value through profit or loss (Note 6(2)) | 534,397 | 3 | 607,137 | 4 | 468,248 | 3 | 2130 | Current contract liabilities (Note 6(20)) | 85,031 | 1 | 86,225 | 1 | 93,875 | 1 |
| 1150 | Notes and accounts receivable, net (Notes 6(4)(20) and 7) | 3,204,385 | 20 | 3,087,159 | 20 | 2,718,270 | 18 | 2170 | Accounts payable | 744,636 | 5 | 928,352 | 6 | 731,559 | 5 |
| 1200 | Other receivables, net (Note 6(5)) | 53,581 | - | 57,834 | - | 34,402 | - | 2180 | Accounts payable to related parties (Note 7) | 62,048 | - | 61,104 | - | 47,784 | - |
| 1220 | Current tax assets | 35,654 | - | 39,183 | - | 32,734 | - | 2200 | Other payables (Note 6(12)) | 849,206 | 5 | 853,166 | 5 | 765,841 | 5 |
| 130X | Inventories (Note 6(6)) | 2,335,035 | 15 | 2,574,693 | 16 | 2,908,251 | 20 | 2216 | Dividends payable (Note 6(17)) | 912,397 | 6 | - | - | 829,452 | 6 |
| 1410 | Prepayments and other current assets | 83,632 | 1 | 43,668 | - | 93,965 | 1 | 2230 | Current tax liabilities | 128,274 | 1 | 61,521 | - | 72,307 | - |
| | Total current assets | 11,001,176 | 70 | 10,911,852 | 69 | 9,557,268 | 64 | 2280 | Current lease liabilities (Note 6(14)) | 19,771 | - | 17,179 | - | 17,988 | - |
| | Non-current assets: | | | | | | | 2322 | Long-term borrowings, current portion (Note 6(13)) | 625,000 | 4 | 557,500 | 3 | 410,000 | 3 |
| 1510 | Non-current financial assets at fair value through profit or loss (Note 6(2)) | 47,683 | - | 49,033 | - | 78,881 | 1 | | Total current liabilities | 4,711,584 | 30 | 3,790,945 | 23 | 3,739,368 | 25 |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note 6(3)) | 49,559 | - | 51,697 | - | 54,810 | - | | Non-current liabilities: | | | | | | |
| 1550 | Investments accounted for using the equity method (Note 6(7)) | 446,876 | 3 | 443,036 | 3 | 439,596 | 3 | 2540 | Long-term borrowings (Note 6(13)) | 1,323,333 | 8 | 1,510,833 | 10 | 1,448,333 | 10 |
| 1600 | Property, plant and equipment (Note 6(8)) | 4,122,249 | 27 | 4,230,542 | 28 | 4,539,124 | 31 | 2570 | Deferred tax liabilities | 92,131 | 1 | 92,131 | 1 | 83,689 | 1 |
| 1755 | Right-of-use assets (Note 6(9)) | 41,207 | - | 38,340 | - | 44,084 | - | 2580 | Non-current lease liabilities (Note 6(14)) | 22,657 | - | 22,397 | - | 27,353 | - |
| 1780 | Intangible assets (Note 6(10)) | 2,998 | - | 3,030 | - | 4,094 | - | 2640 | Net defined benefit liabilities-non-current | 22,428 | - | 27,428 | - | 34,820 | - |
| 1840 | Deferred tax assets | 56,980 | - | 56,952 | - | 60,607 | - | 2670 | Other non-current liabilities - other | 2,649 | - | 2,615 | - | 2,614 | - |
| 1915 | Prepayment for business facilities | 1,219 | - | 1,039 | - | 146,419 | 1 | | Total non-current liabilities | 1,463,198 | 9 | 1,655,404 | 11 | 1,596,809 | 11 |
| 1990 | Other non-current assets- others (Note 8) | 43,054 | - | 40,199 | - | 36,117 | - | | Total liabilities | 6,174,782 | 39 | 5,446,349 | 34 | 5,336,177 | 36 |
| | Total non-current assets | 4,811,825 | 30 | 4,913,868 | 31 | 5,403,732 | 36 | | Equity attributable to owners of parent (Notes 4(2) and 6(17)): | | | | | | |
| | Total assets | \$ 15,813,001 | 100 | 15,825,720 | 100 | 14,961,000 | 100 | 3110 | Ordinary share | 1,658,903 | 11 | 1,658,903 | 11 | 1,658,903 | 11 |
| | | | | | | | | 3200 | Capital surplus | 3,160,005 | 20 | 3,160,144 | 20 | 3,154,552 | 21 |
| | | | | | | | | | Retained earnings: | | | | | | |
| | | | | | | | | 3310 | Legal reserve | 1,723,213 | 11 | 1,723,213 | 11 | 1,638,205 | 11 |
| | | | | | | | | 3320 | Special reserve | 143,624 | 1 | 143,624 | 1 | 133,682 | 1 |
| | | | | | | | | 3350 | Unappropriated retained earnings | 2,758,067 | 17 | 3,391,970 | 21 | 2,726,071 | 18 |
| | | | | | | | | | Total retained earnings | 4,624,904 | 29 | 5,258,807 | 33 | 4,497,958 | 30 |
| | | | | | | | | | Other equities: | | | | | | |
| | | | | | | | | 3410 | Exchange differences on translation of foreign financial statements | 15,871 | - | (12,734) | - | (36,408) | - |
| | | | | | | | | 3420 | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | (84,277) | (1) | (82,034) | (1) | (78,726) | (1) |
| | | | | | | | | | Total other equities | (68,406) | (1) | (94,768) | (1) | (115,134) | (1) |
| | | | | | | | | | Total equity attributable to the owners of the parent company | 9,375,406 | 59 | 9,983,086 | 63 | 9,196,279 | 61 |
| | | | | | | | | 36XX | Non-controlling interests | 262,813 | 2 | 396,285 | 3 | 428,544 | 3 |
| | | | | | | | | | Total equity | 9,638,219 | 61 | 10,379,371 | 66 | 9,624,823 | 64 |
| | | | | | | | | | Total liabilities and equity | \$ 15,813,001 | 100 | 15,825,720 | 100 | 14,961,000 | 100 |

(Please refer to the notes to the Consolidated Financial Statements enclosed for detail)

Chairman: Jin-Rong Tang

Managerial Officer: Jing-Rong Tang

Accounting Officer: Shu-Ying Chang

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries

Consolidated Statement of Comprehensive Income

From January 1 to March 31, 2025 and 2024

Unit: In thousands of New Taiwan Dollars

| | <u>January to March 2025</u> | | <u>January to March 2024</u> | |
|--|----------------------------------|----------|----------------------------------|----------|
| | Amount | % | Amount | % |
| 4000 Operating revenue (Note 6(20)) | \$ 3,401,992 | 100 | 2,939,487 | 100 |
| 5000 Operating costs (Notes 6(6), (14), (15), (21), 7 and 12) | 2,739,270 | 81 | 2,438,441 | 83 |
| Gross profit | <u>662,722</u> | 19 | <u>501,046</u> | 17 |
| Operating expenses: | | | | |
| 6100 Selling and administrative expenses (Notes 6(14), (15), (21) and 12) | 279,381 | 8 | 262,997 | 9 |
| 6300 Research and development expenses (Notes 6(14), (15), (21) and 12) | 62,163 | 1 | 77,480 | 3 |
| 6450 Expected credit loss (gain) (Note 6(4)) | 663 | - | (443) | - |
| Total operating expenses | <u>342,207</u> | 9 | <u>340,034</u> | 12 |
| Operating profit | <u>320,515</u> | 10 | <u>161,012</u> | 5 |
| Non-operating incomes and expenses: | | | | |
| 7020 Other gains and losses (Note 6(22)) | (20,557) | - | 105,632 | 4 |
| 7050 Finance costs (Note 6(14)) | (22,285) | (1) | (14,564) | - |
| 7060 Share of profit (loss) of associates accounted for using the equity method | 3,819 | - | 7,530 | - |
| 7100 Interest income | 10,638 | - | 7,187 | - |
| Total non-operating incomes and expenses | <u>(28,385)</u> | (1) | <u>105,785</u> | 4 |
| Profit before tax | 292,130 | 9 | 266,797 | 9 |
| 7950 Less: Income tax expenses (Note 6(16)) | <u>36,277</u> | 2 | <u>59,654</u> | 2 |
| Profit | <u>255,853</u> | 7 | <u>207,143</u> | 7 |
| 8300 Other comprehensive income, net of tax: | | | | |
| 8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss | | | | |
| 8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(17)) | (2,243) | - | (2,391) | - |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - |
| Total components of other comprehensive income (loss) that will not be reclassified to profit or loss | <u>(2,243)</u> | - | <u>(2,391)</u> | - |
| 8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | |
| 8361 Exchange differences on translation of foreign financial statements (Note 6(17)) | 30,853 | 1 | 29,040 | 1 |
| 8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss | - | - | - | - |
| Total components of other comprehensive income (loss) that will be reclassified to profit or loss | <u>30,853</u> | 1 | <u>29,040</u> | 1 |
| 8300 Other comprehensive income, net of tax | <u>28,610</u> | 1 | <u>26,649</u> | 1 |
| 8500 Total comprehensive income in the current period | <u>\$ 284,463</u> | 8 | <u>233,792</u> | 8 |
| Profit. attributable to: | | | | |
| 8610 Owners of parent | \$ 278,494 | 8 | 217,745 | 7 |
| 8620 Non-controlling interests | (22,641) | (1) | (10,602) | - |
| Profit | <u>\$ 255,853</u> | 7 | <u>207,143</u> | 7 |
| Comprehensive income attributable to: | | | | |
| 8710 Owners of parent | \$ 304,856 | 9 | 246,235 | 8 |
| 8720 Non-controlling interests | (20,393) | (1) | (12,443) | - |
| Total comprehensive income | <u>\$ 284,463</u> | 8 | <u>233,792</u> | 8 |
| Earnings per share (Unit: NTD) (Note 6(19)) | | | | |
| 9750 Basic earnings per share | <u>\$ 1.68</u> | | <u>1.31</u> | |
| 9850 Diluted earnings per share | <u>\$ 1.66</u> | | <u>1.30</u> | |

(Please refer to the notes to the Consolidated Financial Statements enclosed for detail)

Chairman:

Jin-Rong Tang

Managerial Officer:

Jing-Rong Tang

Accounting Officer:

Shu-Ying Chang

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Consolidated Statement of Changes in Equity
From January 1 to March 31, 2025 and 2024

Unit: In thousands of New Taiwan Dollars

| | Equity attributable to owners of the parent company | | | | | | | | | | |
|--|---|------------------|------------------|-----------------|------------------------|---|---|------------------|---|---------------------------|--------------|
| | Retained earnings | | | | | Other equity items | | | Total equity attributable to shareholders of the parent | Non-controlling interests | Total equity |
| | Common share capital | Capital surplus | Legal reserve | Special reserve | Undistributed earnings | Exchange differences on translation of the financial statements of foreign operations | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | | | | |
| Balance at January 1, 2024 Profit | \$ 1,658,903 | 3,209,892 | 1,638,205 | 133,682 | 3,337,778 | (67,289) | (76,335) | 9,834,836 | 200,608 | 10,035,444 | |
| Profit | - | - | - | - | 217,745 | - | - | 217,745 | (10,602) | 207,143 | |
| Other comprehensive income | - | - | - | - | - | 30,881 | (2,391) | 28,490 | (1,841) | 26,649 | |
| Total comprehensive income (loss) | - | - | - | - | 217,745 | 30,881 | (2,391) | 246,235 | (12,443) | 233,792 | |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | |
| Cash dividends of ordinary shares | - | - | - | - | (829,452) | - | - | (829,452) | - | (829,452) | |
| Change in ownership interests in subsidiaries | - | (55,340) | - | - | - | - | - | (55,340) | 55,472 | 132 | |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | 184,907 | 184,907 | |
| Balance at March 31, 2024 | \$ 1,658,903 | 3,154,552 | 1,638,205 | 133,682 | 2,726,071 | (36,408) | (78,726) | 9,196,279 | 428,544 | 9,624,823 | |
| Balance at January 1, 2025 Profit | \$ 1,658,903 | 3,160,144 | 1,723,213 | 143,624 | 3,391,970 | (12,734) | (82,034) | 9,983,086 | 396,285 | 10,379,371 | |
| Profit | - | - | - | - | 278,494 | - | - | 278,494 | (22,641) | 255,853 | |
| Other comprehensive income | - | - | - | - | - | 28,605 | (2,243) | 26,362 | 2,248 | 28,610 | |
| Total comprehensive income (loss) | - | - | - | - | 278,494 | 28,605 | (2,243) | 304,856 | (20,393) | 284,463 | |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | |
| Cash dividends of ordinary shares | - | - | - | - | (912,397) | - | - | (912,397) | - | (912,397) | |
| Change in ownership interests in subsidiaries | - | (139) | - | - | - | - | - | (139) | 302 | 163 | |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | (113,381) | (113,381) | |
| Balance at March 31, 2025 | \$ 1,658,903 | 3,160,005 | 1,723,213 | 143,624 | 2,758,067 | 15,871 | (84,277) | 9,375,406 | 262,813 | 9,638,219 | |

(Please refer to the notes to the Consolidated Financial Statements enclosed for detail)

Chairman: Jin-Rong Tang

Managerial Officer: Jing-Rong Tang

Accounting Officer: Shu-Ying Chang

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to March 31, 2025 and 2024

Unit: In thousands of New Taiwan Dollars

| | January to March 2025 | January to March 2024 |
|--|----------------------------------|----------------------------------|
| Cash flows from operating activities: | | |
| Net income before income tax | \$ 292,130 | 266,797 |
| Adjustments: | | |
| Adjustments to reconcile profit | | |
| Depreciation expense | 174,678 | 190,117 |
| Amortization expense | 633 | 810 |
| Expected credit loss (gain) | 663 | (443) |
| Net loss (gain) on financial assets at fair value through profit or loss | 53,125 | (68,056) |
| Interest expense | 22,285 | 14,564 |
| Interest income | (10,638) | (7,187) |
| Dividend income | (2,657) | (4,287) |
| Share-based payment remuneration cost | 163 | 229 |
| Share of profit of associates accounted for using the equity method | (3,819) | (7,530) |
| Gain from disposal of property, plant and equipment | - | (4) |
| Total adjustments to reconcile profit and loss | 234,433 | 118,213 |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Current financial assets at fair value through profit or loss | 22,000 | (34,831) |
| Notes and accounts receivable | (119,275) | 52,455 |
| Other receivables | 5,075 | 20,338 |
| Inventories | 239,658 | 219,510 |
| Prepayments and other current assets | (39,964) | (34,611) |
| Total changes in operating assets | 107,494 | 222,861 |
| Changes in operating liabilities: | | |
| Contract liability | (1,194) | (13,396) |
| Accounts payable | (183,716) | (70,844) |
| Accounts payable to related parties | 944 | 17,544 |
| Other payables | (794) | (58,731) |
| Net defined benefit liability | (5,000) | (11,170) |
| Total changes in operating liabilities | (189,760) | (136,597) |
| Net changes in operating assets and liabilities | (82,266) | 86,264 |
| Total adjustment items | 152,167 | 204,477 |
| Cash inflow from operating activities | 444,297 | 471,274 |
| Interest received | 11,183 | 6,746 |
| Dividends received | 1,290 | 734 |
| Interest paid | (22,218) | (16,175) |
| Income tax returned (paid) | 33,993 | (9,661) |
| Net cash inflow from operating activities | 468,545 | 452,918 |
| Cash flow from investing activities: | | |
| Acquisition of property, plant and equipment | (56,648) | (53,867) |
| Proceeds from disposal of property, plant and equipment | - | 4 |
| Acquisition of intangible assets | (527) | - |
| Decrease (increase) in other non-current assets | (2,781) | 2,826 |
| Increase in prepayments for business facilities | (180) | (711) |
| Net cash outflow from investing activities | (60,136) | (51,748) |
| Cash flow from financing activities: | | |
| Increase (decrease) in short-term borrowings | 59,323 | (333,098) |
| Repayments of long-term borrowings | (120,000) | (50,000) |
| Payment of lease liabilities | (5,590) | (5,265) |
| Increase in other non-current liabilities | - | 103 |
| Changes in non-controlling interests | (113,381) | 184,810 |
| Net cash flows used in financing activities | (179,648) | (203,450) |
| Effect of exchange rate changes on cash and cash equivalents | 23,553 | 23,429 |
| Net increase (decrease) in cash and cash equivalent | 252,314 | 221,149 |
| Cash and cash equivalents at beginning of period | 4,502,178 | 3,080,249 |
| Cash and cash equivalents at end of period | \$ 4,754,492 | 3,301,398 |

(Please refer to the notes to the Consolidated Financial Statements enclosed for detail)

Chairman: Jin-Rong Tang

Managerial Officer: Jing-Rong Tang

Accounting Officer: Shu-Ying Chang

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries

Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2025 and 2024

(Unless otherwise specified, all balances are expressed in thousands of New Taiwan Dollars)

I. Company History

HOLY STONE ENTERPRISE CO., LTD. (hereinafter referred to as “the Company”) was established and approved by the Ministry of Economic Affairs on June 1, 1981, and its registered address is 1F., No. 62, Sec. 2, Huanshan Rd., Neihu Dist., Taipei City. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are mainly engaged in the production and sale of MLCC, import and export of ICs, modules and other electronic parts and components, and wholesale of drugs and medical goods.

II. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on May 7, 2025.

III. Application of New Standards, Amendments and Interpretations

(I) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission (referred to as “FSC”) which have already been adopted.

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

- Amendments to IAS No. 21 “Lack of Exchangeability”

(II) Effect of not adopting the IFRS endorsed by the FSC

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements.

- Amendments to IFRS 9 and IFRS 7 “Amendment to Classification and Measurement of Financial Instruments” and application index of Section 4.1 of IFRS 9 and relevant disclosure requirements of IFRS 7

(III) New and amended standards and interpretations not yet endorsed by FSC

The following are the standards and interpretations issued and amended by the International Accounting Standards Board (referred to as “IASB”) but not yet endorsed by the FSC that may be relevant to the Group.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| <u>New Announcement or Amendment of Standards</u> | <u>Main Content of Amendment</u> | <u>Effective Date per IASB</u> |
|---|--|------------------------------------|
| IFRS 18 “Expression and Disclosure of Financial Statements” | The new standard introduces three types of income and expense, two income statement subtotals, and a single note on management’s performance measurement. These three amendments and enhanced guidance on how information are divided into financial statements have laid the foundation for better and more consistent information provided to users, and will affect all companies. | January 1, 2027 |
| IFRS 18 “Expression and Disclosure of Financial Statements” | <ul style="list-style-type: none"> • More structured income statement: Under existing standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a newly defined subtotal of “operating income,” and stipulates that all income, expenses and losses are classified into three new different categories based on the company’s main operating activities. • Management Performance Measurements (MPMs): The new standard introduces the definition of management performance measurement, and requires companies to provide the information on each measurement indicator in a single note to the financial statements, and to explain the calculation and how to adjust the measured indicator and the amount recognized in the IFRS accounting standards. • Detailed information: The new standard includes guidance on how to strengthen the grouping of information in the financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in notes. | January 1, 2027 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”
- Amendments to IFRS 17 “Insurance Contracts” and Amendments to IFRS 17
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendment to Classification and Measurement of Financial Instruments” and application index of Sections 3.1 and 3.3 of IFRS 9 and relevant disclosure requirements of IFRS 7
- The annual improvement of IFRSs
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

IV. Summary of Significant Accounting Policies

(I) 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 (referred to as “Preparation Standard”) and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. These interim consolidated financial statements do not include all information that is required to be disclosed in an annual consolidated financial report prepared in accordance with International Financial Reporting Standards, International Accounting Standards, Interpretations and Explanatory Notes as endorsed by the FSC and issued in effect (referred to as “IFRSs” endorsed by the FSC).

Except as described below, the significant accounting policies used in these interim consolidated financial statements are the same as those used in the consolidated financial statements as of and for the year ended December 31, 2024; please refer to Note 4 to the consolidated financial statements as of and for the year ended December 31, 2024 for related information.

(II) Basis of consolidation

1. Subsidiaries incorporated in the consolidated financial statements

Subsidiaries incorporated in the consolidated financial statements:

| Name of Investors | Name of subsidiary | Nature of business | Shareholding percentage | | | Description |
|-------------------|---|--------------------------------------|-------------------------|------------|-----------|-------------|
| | | | 2025.3.31 | 2024.12.31 | 2024.3.31 | |
| The Company | Holy Stone Enterprise (Hong Kong) Co., Ltd. (HSHK, Hong Kong) | Sale of MLCC and electronic products | 100.00% | 100.00% | 100.00% | Note 2 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| Name of Investors | Name of subsidiary | Nature of business | Shareholding percentage | | | Description |
|-------------------|---|--|-------------------------|------------|-----------|-------------|
| | | | 2025.3.31 | 2024.12.31 | 2024.3.31 | |
| The Company | Holy Stone Holdings Co., Ltd. (HSH, Samoa) | General investment | 100.00% | 100.00% | 100.00% | - |
| The Company | UHOLY Investment Co., Ltd. (Uholy, Taiwan) | General investment | 100.00% | 100.00% | 100.00% | Note 2 |
| The Company | Martek Co., Ltd. (Martek, Taiwan) | Wholesale of Household Appliance, Wholesale of Precision Instruments, and Wholesale of Computing and Business Machinery Equipment | 100.00% | 100.00% | 100.00% | Note 2 |
| The Company | Holy Stone Industry India Private Limited (HSI, India) | Electronic parts and components business | 100.00% | 100.00% | 100.00% | Note 2 |
| The Company | Jung Chan Investments Co., Ltd. (JCI, Taiwan) | General investment | 100.00% | 100.00% | 100.00% | Note 2 |
| HSH | Holy Stone Investments Co., Ltd. (HSIC, Hong Kong) | General investment | 100.00% | 100.00% | 100.00% | - |
| HSH | Holypaq Corporation (HC, Cayman) | General investment | 100.00% | 100.00% | 100.00% | - |
| HSH | Green Glory Holdings Ltd. (GGH, Samoa) | General investment | 100.00% | 100.00% | 100.00% | - |
| HSH | Mayatek Co., Ltd. (Mayatek, Belize) | Wholesale of Household Appliance, Wholesale of Precision Instruments, and Wholesale of Computing and Business Machinery Equipment | - % | - % | 100.00% | Note 4 |
| HSH | Everplus Material Co., Ltd. (EPM, Japan) | Manufacture and sale of electronic products, electronic machines and instruments, as well as sales of materials of electrical machines and instruments | 100.00% | 100.00% | 100.00% | - |
| HSH | Holy Stone Holdings (Singapore) Pte. Ltd. (HSHS, Singapore) | Electronic retail business | 100.00% | 100.00% | 100.00% | - |
| HSIC | Holy Stone International Trading | Sales of electronic | 100.00% | 100.00% | 100.00% | - |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| Name of Investors | Name of subsidiary | Nature of business | Shareholding percentage | | | Description |
|---------------------------------|--|---|-------------------------|------------|-----------|---------------|
| | | | 2025.3.31 | 2024.12.31 | 2024.3.31 | |
| | (Shanghai) Co., Ltd (HSITC, China) | parts and components | | | | |
| HSIC | Infortech (CHINA) Co., Ltd. (He Chi, China) | Sales of electronic parts and components | 100.00% | 100.00% | 100.00% | - |
| GGH | Milestone Global Technology Ltd. (MGT, USA) | Development and sales of electronic products | 100.00% | 100.00% | 100.00% | - |
| GGH | Holy Stone (Europe) Ltd. (HSE, UK) | Electronic retail business | 100.00% | 100.00% | 100.00% | - |
| UHOLY Investment Co., Ltd. | Holy Stone Healthcare Co., Ltd. (HSHC, Taiwan) | Wholesale of drugs and medical goods | 33.61% | 33.61% | 33.61% | Notes 1, 2, 3 |
| UHOLY Investment Co., Ltd. | Holy Young BioMedical Co., Ltd. (Holy Young, Taiwan) | Medical equipment development and marketing and biotechnology services | 33.36% | 33.36% | 33.36% | Notes 1, 2 |
| HSHC | Global Search Holdings Ltd. (GSH, Samoa) | General investment | 100.00% | 100.00% | 100.00% | Note 2 |
| Holy Young BioMedical Co., Ltd. | MDT INT'L SA (MDT, Switzerland) | Wholesale of drugs and medical goods | 100.00% | 100.00% | 100.00% | Note 2 |
| GSH | AIHOL Corporation (AIHOL, USA) | Medicine research and development and patent filing | 100.00% | 100.00% | 100.00% | Note 2 |
| GSH | Holy Stone Biotech Co., Ltd. (Biotech, UK) | Medical equipment development and marketing and biotechnology services | 100.00% | 100.00% | 100.00% | Note 2 |
| JCI | OHGA Smarththings Co., Ltd (OHGA, Taiwan) | Manufacture of electrical and audio-visual products and sale of medical devices | - % | 71.06% | 71.06% | Notes 2, 5 |
| JCI | Holy Stone Healthcare Co., Ltd. (HSHC, Taiwan) | Wholesale of drugs and medical goods | 4.33% | 4.33% | 4.50% | Notes 1, 2 |
| JCI | Herzteck Incorporation (Herzteck, Taiwan) | Wholesale of electronic materials, and Telecom Instruments | 100.00% | 100.00% | 100.00% | Note 2 |
| JCI | Holy Young BioMedical Co., Ltd. (Holy Young, Taiwan) | Medical equipment development and marketing and biotechnology services | 2.04% | 2.04% | 2.04% | Notes 1, 2 |

Note 1: The Group has the majority voting rights at the board of directors' meetings and therefore considers HSHC and Holy Young to be its subsidiary.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Note 2: It is a non-significant subsidiary and its financial statements have not been audited by a certified public accountant.

Note 3: The Company conducted an issuance of new shares in a cash capital increase in March 2024. The percentage of shares held by UHOLY and JCI increased from 33.36% to 33.61% and 2.01% to 4.50%, respectively, because these companies did not subscribe in their respective shareholding percentages. Therefore, the Company's change in ownership interest in subsidiary was recognized as a reduction of capital surplus of NT\$55,471 thousand for the three months ended March 31, 2024.

Note 4: Mayatek was dissolved on July 10, 2024 as resolved by the Board of Directors, and July 15, 2024 was set as the base date for dissolution. In addition, relevant statutory procedures have been completed.

Note 5: The extraordinary shareholders' meeting of OHGA, on August 21, 2024, resolved a decision on liquidation and set September 30, 2024 as the base date for dissolution. The liquidation has been completed during February 2025, following which Jung Chan Investments Co., Ltd. then loses its control on OHGA.

2. Subsidiaries are not incorporated in the consolidated financial statements: None.

(III) Income tax

The Group measures and discloses its income tax expense in accordance with paragraph B12 of IAS 34, "Interim Financial Reporting" for the period.

Current period income tax expense is recognized in full using management's best estimate for the full-year effective tax rate multiplied by the profit before tax for the interim reporting period.

Income tax expense recognized directly in equity or other comprehensive income is measured at the applicable tax rate when the related assets and liabilities are expected to be realized or settled, based on the temporary difference between their carrying amounts for financial reporting purposes and their tax bases.

(IV) Employee benefits

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

V. Significant Accounting Assumptions and Judgments, And Major Sources of Estimation Uncertainty

When the management prepares these interim financial statements pursuant to the preparation standards and IAS 34, "Interim Financial Reporting" as endorsed by the FSC, it must make judgments and estimates on the future (including climate-related risks and opportunities). They will create an impact on the adoption of accounting policies and the amounts reported for assets, liabilities, revenue and expenses. The actual result may deviate from estimates.

When preparing these interim consolidated financial statements, the management has made significant judgments in the adoption of the Group's accounting policies and the key sources of estimation uncertainty are consistent with Note 5 to the Consolidated Financial Statements for the

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

year ended December 31, 2024.

VI. Details of Significant Accounts

Except as described below, there are no material differences between the details of significant accounting in these interim consolidated financial statements and the consolidated financial statements for the year ended December 31, 2024, please refer to Note 6 to the consolidated financial statements as of December 31, 2024 for related information.

(I) Cash and cash equivalent

| | <u>2025.3.31</u> | <u>2024.12.31</u> | <u>2024.3.31</u> |
|-----------------|---------------------|-------------------|------------------|
| Cash on hand | \$ 1,193 | 867 | 1,271 |
| Demand deposits | 2,394,330 | 2,425,160 | 2,024,882 |
| Term deposits | 2,358,969 | 2,076,151 | 1,275,245 |
| | <u>\$ 4,754,492</u> | <u>4,502,178</u> | <u>3,301,398</u> |

(II) Current financial assets at fair value through profit or loss

| | <u>2025.3.31</u> | <u>2024.12.31</u> | <u>2024.3.31</u> |
|---------------------------------------|-------------------|-------------------|------------------|
| Current: | | | |
| Domestic stock | \$ 333,597 | 362,449 | 279,416 |
| Global depositary receipt | 19,292 | 22,662 | 15,238 |
| Beneficiary certificate | 181,508 | 222,026 | 173,594 |
| Total | <u>\$ 534,397</u> | <u>607,137</u> | <u>468,248</u> |
| Non-current: | | | |
| Foreign investments in listed shares | \$ 3,168 | 4,669 | 5,114 |
| Domestic investments in listed shares | 44,515 | 44,364 | 73,767 |
| Total | <u>\$ 47,683</u> | <u>49,033</u> | <u>78,881</u> |

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

| | <u>2025.3.31</u> | <u>2024.12.31</u> | <u>2024.3.31</u> |
|----------------------------|------------------|-------------------|------------------|
| Domestic and foreign stock | <u>\$ 49,559</u> | <u>51,697</u> | <u>54,810</u> |

- Investments in equity instruments measured at fair value through other comprehensive income

The Group holds these investments in equity instruments as long-term strategic investments and are not held for trading purposes and therefore they have been measured at fair value through other comprehensive income or loss.

- Please refer to Note 6(23) for more information on credit risk and market risk.
- The aforesaid financial assets are not pledged as collateral.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

(IV) Notes and accounts receivable

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|----------------------|---------------------|-------------------|------------------|
| Receivable notes | \$ 153,344 | 147,254 | 281,310 |
| Accounts receivable | 3,108,136 | 2,994,951 | 2,501,017 |
| Less: loss provision | (57,095) | (55,046) | (64,057) |
| | \$ 3,204,385 | 3,087,159 | 2,718,270 |

The Group adopts the lifetime expected credit losses approach (ECL), or a simplified method assessing expected credit losses from all note and account receivables. The approach grouped receivables according to the repayment attributes of the owing customer based on the contract terms with reference to forward-looking information. An analysis of the expected credit losses on the Group's notes and accounts receivable is as follows:

| | 2025.3.31 | | |
|--------------------------|---|--|-------------------------------------|
| | Carry amount of notes and accounts receivables | Weighted- average expected credit loss rate | Loss allowance provision |
| Not overdue | \$ 3,190,074 | 0%~10% | 8,852 |
| Overdue 1~30 days | 25,106 | 1%~40% | 2,426 |
| Overdue 31 to 60 days | 1,421 | 1%~80% | 938 |
| Overdue for over 61 days | 44,879 | 50%~100% | 44,879 |
| | \$ 3,261,480 | | 57,095 |
| | 2024.12.31 | | |
| | Carry amount of notes and accounts receivables | Weighted- average expected credit loss rate | Loss allowance provision |
| Not overdue | \$ 3,078,385 | 0%~10% | 3,771 |
| Overdue 1~30 days | 14,296 | 1%~40% | 2,033 |
| Overdue 331 to 60 days | 1,070 | 1%~80% | 788 |
| Overdue for over 61 days | 48,454 | 50%~100% | 48,454 |
| | \$ 3,142,205 | | 55,046 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | 2024.3.31 | | |
|--------------------------|---|--|-------------------------------------|
| | Carry amount of notes and accounts receivables | Weighted- average expected credit loss rate | Loss allowance provision |
| Not overdue | \$ 2,691,217 | 0%~10% | 7,530 |
| Overdue 1~30 days | 42,579 | 1%~40% | 10,121 |
| Overdue 31 to 60 days | 3,255 | 1%~100% | 1,130 |
| Overdue for over 61 days | <u>45,276</u> | 50%~100% | <u>45,276</u> |
| | <u>\$ 2,782,327</u> | | <u>64,057</u> |

The changes in the allowance for losses on notes and accounts receivable of the Group were as follows:

| | January to March 2025 | January to March 2024 |
|---|----------------------------------|----------------------------------|
| Balance at January 1 | \$ 55,046 | 64,255 |
| Impairment losses recognized | 663 | - |
| Impairment losses reversed | - | (443) |
| Foreign currency translation gains and losses | 1,386 | 245 |
| Balance December 31 | <u>\$ 57,095</u> | <u>64,057</u> |

The aforesaid financial assets are not pledged as collateral.

(V) Other receivables

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|-----------------------|-------------------------|----------------------|----------------------|
| Tax refund receivable | \$ 39,594 | 48,881 | 25,516 |
| Interest receivable | 4,218 | 4,763 | 3,177 |
| Other | 9,769 | 4,190 | 5,709 |
| | <u>\$ 53,581</u> | <u>57,834</u> | <u>34,402</u> |

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had no other accounts receivable that were overdue but not impaired.

Please refer to Note 6(23) for more information on credit risk.

(VI) Inventories

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|------------------------|----------------------------|-------------------------|-------------------------|
| Raw materials | \$ 215,025 | 205,951 | 195,090 |
| Materials | 19,359 | 24,662 | 16,566 |
| Work in progress | 215,633 | 222,213 | 180,615 |
| Semi-Finished products | 97,925 | 73,171 | 114,269 |
| Finished good | 574,313 | 604,067 | 513,569 |
| Merchandise | 1,212,780 | 1,444,629 | 1,888,142 |
| | <u>\$ 2,335,035</u> | <u>2,574,693</u> | <u>2,908,251</u> |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

For the three months ended March 31, 2025 and 2024, the factors that had previously caused the net realizable value of inventories to fall below cost had ceased to exist. As a result, the net realizable value increased, leading to a reduction in operating costs of NT\$1,123 thousand and NT\$1,392 thousand, respectively.

The Group's inventories are not pledged as collateral.

(VII) Investments accounted for using the equity method

The investments accounted for with the equity method on the reporting day by the Group are as follows:

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|-----------|------------|------------|-----------|
| Associate | \$ 446,876 | 443,036 | 439,596 |

1. The Group's Investment using the equity method are not pledged as collateral.
2. The investment accounted for using the equity method and the Group's share of profit or loss therefrom and other comprehensive income or loss are determined on the basis of unaudited financial statements.

(VIII) Property, plant and equipment

The following is a schedule of the changes in property, plant and equipment of the Group:

| | Land | House and buildings | Machinery and equipment | Other equipment | Unfinished project and equipment to be inspected | Total |
|-------------------------------------|------------|---------------------|-------------------------|-----------------|--|------------|
| Cost: | | | | | | |
| Balance at January 1, 2025 | \$ 761,642 | 2,930,967 | 5,305,574 | 760,694 | 428,074 | 10,186,951 |
| Addition | - | 690 | 168 | 1,977 | 50,580 | 53,415 |
| Reclassification | - | 6,806 | 113,627 | 16,714 | (137,147) | - |
| Disposal | - | - | (90) | (7,274) | - | (7,364) |
| Effect of changes in exchange rates | 2,731 | 7,160 | 6,331 | 882 | - | 17,104 |
| Balance at March 31, 2025 | \$ 764,373 | 2,945,623 | 5,425,610 | 772,993 | 341,507 | 10,250,106 |
| Balance at January 1, 2024 | \$ 919,930 | 2,957,894 | 4,942,332 | 753,130 | 484,351 | 10,057,637 |
| Addition | - | 314 | - | 1,381 | 32,923 | 34,618 |
| Reclassification | - | 13,089 | 299,610 | 7,724 | (320,423) | - |
| Disposal | - | - | - | (11,777) | - | (11,777) |
| Effect of changes in exchange rates | (1,469) | 863 | (3,414) | 732 | - | (3,288) |
| Balance at March 31, 2024 | \$ 918,461 | 2,972,160 | 5,238,528 | 751,190 | 196,851 | 10,077,190 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | <u>Land</u> | <u>House and buildings</u> | <u>Machinery and equipment</u> | <u>Other equipment</u> | <u>Unfinished project and equipment to be inspected</u> | <u>Total</u> |
|-------------------------------------|-------------------|----------------------------|--------------------------------|------------------------|---|------------------|
| Accumulated depreciation: | | | | | | |
| Balance at January 1, 2025 | \$ - | 1,040,511 | 4,254,481 | 661,417 | - | 5,956,409 |
| Depreciation | - | 30,054 | 124,245 | 14,876 | - | 169,175 |
| Disposal | - | - | (90) | (7,274) | - | (7,364) |
| Effect of changes in exchange rates | - | 4,275 | 4,655 | 707 | - | 9,637 |
| Balance at March 31, 2025 | <u>\$ -</u> | <u>1,074,840</u> | <u>4,383,291</u> | <u>669,726</u> | <u>-</u> | <u>6,127,857</u> |
| Balance at January 1, 2024 | \$ - | 934,295 | 3,807,811 | 623,691 | - | 5,365,797 |
| Depreciation | - | 36,755 | 127,545 | 20,532 | - | 184,832 |
| Reclassification | - | (4,305) | (1,625) | 5,930 | - | - |
| Disposal | - | - | - | (11,777) | - | (11,777) |
| Effect of changes in exchange rates | - | 907 | (2,293) | 600 | - | (786) |
| Balance at March 31, 2024 | <u>\$ -</u> | <u>967,652</u> | <u>3,931,438</u> | <u>638,976</u> | <u>-</u> | <u>5,538,066</u> |
| Book value: | | | | | | |
| Balance at January 1, 2025 | <u>\$ 761,642</u> | <u>1,890,456</u> | <u>1,051,093</u> | <u>99,277</u> | <u>428,074</u> | <u>4,230,542</u> |
| Balance at March 31, 2025 | <u>\$ 764,373</u> | <u>1,870,783</u> | <u>1,042,319</u> | <u>103,267</u> | <u>341,507</u> | <u>4,122,249</u> |
| Balance at January 1, 2024 | <u>\$ 919,930</u> | <u>2,023,599</u> | <u>1,134,521</u> | <u>129,439</u> | <u>484,351</u> | <u>4,691,840</u> |
| Balance at March 31, 2024 | <u>\$ 918,461</u> | <u>2,004,508</u> | <u>1,307,090</u> | <u>112,214</u> | <u>196,851</u> | <u>4,539,124</u> |

As of March 31, 2025 and December 31 & March 31, 2024, no property, plant and equipment of the Group were pledged as collateral.

(IX) Right-of-use assets

The changes in the cost and depreciation of the Group's leased premises and building and other equipment are as follows:

| | <u>House and buildings</u> | <u>Other equipment</u> | <u>Total</u> |
|--------------------------------------|----------------------------|------------------------|----------------|
| Cost of right-to-use assets: | | | |
| Balance at January 1, 2025 | \$ 139,020 | 1,832 | 140,852 |
| Increase | 7,970 | 58 | 8,028 |
| Effects of changes in exchange rates | 1,762 | 56 | 1,818 |
| Balance at March 31, 2025 | <u>\$ 148,752</u> | <u>1,946</u> | <u>150,698</u> |
| Balance at January 1, 2024 | \$ 133,268 | 2,088 | 135,356 |
| Increase | 3,238 | - | 3,238 |
| Decrease | (159) | - | (159) |
| Effects of changes in exchange rates | 1,312 | (40) | 1,272 |
| Balance at March 31, 2024 | <u>\$ 137,659</u> | <u>2,048</u> | <u>139,707</u> |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | <u>House and buildings</u> | <u>Other equipment</u> | <u>Total</u> |
|--------------------------------------|--------------------------------|----------------------------|----------------|
| Depreciation of right-of-use assets: | | | |
| Balance at January 1, 2025 | \$ 100,917 | 1,595 | 102,512 |
| Depreciation in the current period | 5,391 | 112 | 5,503 |
| Effects of changes in exchange rates | 1,423 | 53 | 1,476 |
| Balance at March 31, 2025 | <u>\$ 107,731</u> | <u>1,760</u> | <u>109,491</u> |
| Balance at January 1, 2024 | \$ 88,113 | 1,378 | 89,491 |
| Depreciation in the current period | 5,161 | 124 | 5,285 |
| Decrease | (99) | - | (99) |
| Effects of changes in exchange rates | 973 | (27) | 946 |
| Balance at March 31, 2024 | <u>\$ 94,148</u> | <u>1,475</u> | <u>95,623</u> |
| Book value: | | | |
| Balance at January 1, 2025 | <u>\$ 38,103</u> | <u>237</u> | <u>38,340</u> |
| Balance at March 31, 2025 | <u>\$ 41,021</u> | <u>186</u> | <u>41,207</u> |
| Balance at January 1, 2024 | <u>\$ 45,155</u> | <u>710</u> | <u>45,865</u> |
| Balance at March 31, 2024 | <u>\$ 43,511</u> | <u>573</u> | <u>44,084</u> |

(X) Intangible assets

The changes in intangible assets of the Group were as follows:

| | <u>Goodwill</u> | <u>Other</u> | <u>Total</u> |
|---|-------------------|---------------|----------------|
| Costs: | | | |
| Balance at January 1, 2025 | \$ 541,940 | 62,506 | 604,446 |
| Intangible assets acquired separately | - | 527 | 527 |
| Effects of changes in exchange rates | - | 2,148 | 2,148 |
| Balance at March 31, 2025 | <u>\$ 541,940</u> | <u>65,181</u> | <u>607,121</u> |
| Balance at January 1, 2024 | \$ 541,940 | 61,414 | 603,354 |
| Effects of changes in exchange rates | - | (1,317) | (1,317) |
| Balance at March 31, 2024 | <u>\$ 541,940</u> | <u>60,097</u> | <u>602,037</u> |
| Accumulated amortization and impairment loss: | | | |
| Balance at January 1, 2025 | \$ 541,940 | 59,476 | 601,416 |
| Amortization for current period | - | 623 | 623 |
| Effects of changes in exchange rates | - | 2,084 | 2,084 |
| Balance at March 31, 2025 | <u>\$ 541,940</u> | <u>62,183</u> | <u>604,123</u> |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | <u>Goodwill</u> | <u>Other</u> | <u>Total</u> |
|--------------------------------------|-------------------|---------------|----------------|
| Balance at January 1, 2024 | \$ 541,940 | 56,467 | 598,407 |
| Amortization for current period | - | 800 | 800 |
| Effects of changes in exchange rates | - | (1,264) | (1,264) |
| Balance at March 31, 2024 | <u>\$ 541,940</u> | <u>56,003</u> | <u>597,943</u> |
| Book value: | | | |
| Balance at January 1, 2025 | <u>\$ -</u> | <u>3,030</u> | <u>3,030</u> |
| Balance at March 31, 2025 | <u>\$ -</u> | <u>2,998</u> | <u>2,998</u> |
| Balance at January 1, 2024 | <u>\$ -</u> | <u>4,947</u> | <u>4,947</u> |
| Balance at March 31, 2024 | <u>\$ -</u> | <u>4,094</u> | <u>4,094</u> |

(XI) Short-term borrowings

| | <u>2025.3.31</u> | <u>2024.12.31</u> | <u>2024.3.31</u> |
|---------------------|---------------------|-------------------|------------------|
| Unsecured bank loan | <u>\$ 1,285,221</u> | <u>1,225,898</u> | <u>770,562</u> |
| Quota not used | <u>\$ 4,581,394</u> | <u>4,587,907</u> | <u>5,891,978</u> |
| Interest rate range | <u>2.50%~5.16%</u> | <u>1.7%~6.6%</u> | <u>1.7%~6.6%</u> |

(XII) Other payables

| | <u>2025.3.31</u> | <u>2024.12.31</u> | <u>2024.3.31</u> |
|-----------------------------------|-------------------|-------------------|------------------|
| Employee bonuses payable | \$ 305,775 | 268,635 | 272,358 |
| Remuneration payable to directors | 32,948 | 25,857 | 28,924 |
| Accounts payable, equipment | 43,940 | 47,173 | 40,279 |
| Accrued wages and bonus | 123,666 | 202,639 | 111,280 |
| Labor and health insurance | 23,835 | 22,992 | 20,418 |
| Others | 319,042 | 285,870 | 292,582 |
| | <u>\$ 849,206</u> | <u>853,166</u> | <u>765,841</u> |

(XIII) Long-term borrowings

| | <u>2025.3.31</u> | <u>2024.12.31</u> | <u>2024.3.31</u> |
|------------------------|---------------------|--------------------|------------------|
| Unsecured bank loan | \$ 1,948,333 | 2,068,333 | 1,858,333 |
| Less: Current portions | (625,000) | (557,500) | (410,000) |
| Total | <u>\$ 1,323,333</u> | <u>1,510,833</u> | <u>1,448,333</u> |
| Quota not used | <u>\$ -</u> | <u>-</u> | <u>-</u> |
| Interest rate range | <u>1.275%~1.82%</u> | <u>1.15%~1.82%</u> | <u>1.15%</u> |

1. Issuance and repayment of loans

The amount of the Group's long-term borrowings repaid from January 1 to March 31, 2025 and 2024 amounting to NT\$120,000 thousand and NT\$50,000 thousand, respectively.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

(XIV) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|-------------|------------------|-------------------|------------------|
| Current | <u>\$ 19,771</u> | <u>17,179</u> | <u>17,988</u> |
| Non-current | <u>\$ 22,657</u> | <u>22,397</u> | <u>27,353</u> |

For maturity analysis, please refer to Note 6(23) Financial Instruments.

The amount of leases recognized in profit or loss was as follows:

| | January to March 2025 | January to March 2024 |
|---|----------------------------------|----------------------------------|
| Interest expense on lease liabilities | <u>\$ 198</u> | <u>215</u> |
| Short-term and low-value lease expenses | <u>\$ 3,155</u> | <u>3,753</u> |

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

| | January to March 2025 | January to March 2024 |
|-------------------------------|----------------------------------|----------------------------------|
| Total cash outflow for leases | <u>\$ 8,943</u> | <u>9,233</u> |

(XV) Employee benefits

1. Defined benefit plans

The Group has measured and disclosed pension costs for the interim periods using the actuarially determined pension costs as of December 31, 2024 and 2023 because there were no significant market fluctuations, and no significant contraction, liquidation or other significant one-time events after the reporting date in the previous year.

The details of the expenses reported by the Group are as follows:

| | January to March 2025 | January to March 2024 |
|--------------------|----------------------------------|----------------------------------|
| Operating cost | \$ 406 | 370 |
| Operating expenses | <u>540</u> | <u>575</u> |
| Total | <u>\$ 946</u> | <u>945</u> |

2. Defined contribution plans

The pension expense under the Group's defined contribution pension plan is as follows:

| | January to March 2025 | January to March 2024 |
|--------------------|----------------------------------|----------------------------------|
| Operating cost | \$ 6,454 | 5,624 |
| Operating expenses | <u>9,624</u> | <u>9,620</u> |
| Total | <u>\$ 16,078</u> | <u>15,244</u> |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

(XVI) Income taxes

1. The following is the detail of income tax expense of the Group:

| | January to March 2025 | January to March 2024 |
|-----------------------------------|----------------------------------|----------------------------------|
| Current period income tax expense | | |
| Recognized during the period | \$ 36,277 | 59,654 |
| Deferred income tax expense | - | - |
| Income tax expenses | \$ 36,277 | 59,654 |

2. The Company's income tax returns for all fiscal years up to 2022 have been assessed and approved by the tax authority, except for the year 2021.

(XVII) Capital and other equity

Except as described below, there were no significant changes in the Group's capital and other equity between January 1 to March 31, 2025 and 2024, as described in Note 6(18) to the Consolidated Financial Statements as of December 31, 2024.

1. Capital surplus

Details of the Company's additional paid-in capital balance are as follows:

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|--|---------------------|-------------------|------------------|
| Premium from the issue of shares | \$ 1,108,172 | 1,108,172 | 1,108,172 |
| Conversion premium of corporate bonds to shares | 1,500,091 | 1,500,091 | 1,500,091 |
| Consolidated | 144,225 | 144,225 | 144,225 |
| Employee stock options | 188,297 | 188,297 | 188,297 |
| Premium for capital increase from employee bonus | 15,410 | 15,410 | 15,410 |
| Recognition of change in ownership interests in subsidiaries | 73,664 | 73,803 | 68,211 |
| Expired options | 130,146 | 130,146 | 130,146 |
| | \$ 3,160,005 | 3,160,144 | 3,154,552 |

2. Retained earnings

In accordance with the Company's Articles of Incorporation, if the Company makes a profit for the year (net income for the period plus the amount included in the current year's unappropriated retained earnings in addition to net income for the period), it shall be distributed in the following order.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

- (1) Making up for the previous losses accumulated (including adjustments to unappropriated retained earnings)
- (2) Appropriating 10% earnings to legal reserve, unless the legal reserve has reached the total paid-in capital.
- (3) To appropriate or reverse special reserve as required by law or the competent authority.
- (4) After the distribution to the first three priorities, the remaining earnings, together with the undistributed retained earnings at the beginning of the period (including adjustments to unappropriated retained earnings), are available for shareholder appropriation. The Board of Directors shall prepare a proposal for the appropriation of earnings, and if the appropriation is made in the form of new shares, the proposal shall be submitted to the shareholders' meeting for resolution.

When the Company distributes dividends and bonuses under Article 240, Paragraph 5 of the Company Act or distributes cash from all or part of the legal reserve and capital reserve under Article 241, Paragraph 1 of the Company Act, the Board of Directors is authorized to distribute such dividends with the two-thirds or more of the directors present and the approval of a majority of the directors present, then report the same to the shareholders' meeting.

The Company's dividend policy takes into account the Company's medium- to long-term growth and capital needs for investment activities, as well as its financial structure. The Board of Directors shall prepare a proposal for the distribution of earnings in the range of 10% to 100% from accumulated earnings available for distribution and submit the proposal to the shareholders' meeting. The dividend distribution will be made in the form of stock dividends or cash dividends depending on future capital requirements and the extent of capital dilution. 0% to 50% of the total dividends will be paid in the form of shares and 50% to 100% of the total dividends will be paid in the form of cash.

The Company can choose to make the entire or partial distribution in accordance with laws or regulations when there is no distributable earnings, or the amount is much lower than the actual distribution made in the previous year, or due to the considerations of finance, business and operation needs of the Company.

3.1. Legal reserve

When a company incurs no loss, it may, pursuant to a resolution to be adopted by the shareholders' meeting as required, distribute its legal reserve by issuing new shares or cash; however, it shall be limited to the portion of legal reserve exceeding 25% of the issued share capital.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

3.2. Special reserve

The FSC requires that the Company shall, upon making earning distribution, set aside a special reserve that is equal to the net deduction equity items recognized during the year of the current earnings and the previous undistributed retained earnings. For equity deductions accumulated from previous periods, a same amount of special reserve shall be appropriated from the undistributed previous earnings and no distribution shall be made from the reserve. Subsequently, if there are reversals in the contra amount for other shareholders' equity, the company may distribute earnings from the parts that are reversed.

3.3. Earning distribution

The amount of cash dividends on the 2024 and 2023 earnings distribution had been approved during the board meeting on February 27, 2025 and February 27, 2024, respectively. The relevant distributions to shareholders were as follows:

| | 2024 | | 2023 | |
|---|--------------------------------|----------------|--------------------------------|----------------|
| | Amount per share (NT\$) | Amount | Amount per share (NT\$) | Amount |
| Dividends distributed to common stock shareholders: | | | | |
| Cash dividends | \$ 5.50 | <u>912,397</u> | 5.00 | <u>829,452</u> |

3. Other equity (net after tax)

| | Exchange differences on translation of the financial statements of foreign operations | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Total |
|--|--|--|-----------------|
| Balance at January 1, 2025 | \$ (12,734) | (82,034) | (94,768) |
| Exchange differences on translation of net assets of foreign operations: | | | |
| The Company | 28,605 | - | 28,605 |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income: | | | |
| Subsidiary | - | (2,243) | (2,243) |
| Balance at March 31, 2025 | <u>\$ 15,871</u> | <u>(84,277)</u> | <u>(68,406)</u> |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | Exchange differences on translation of the financial statements of foreign operations | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Total |
|--|---|---|------------------|
| Balance at January 1, 2024 | \$ (67,289) | (76,335) | (143,624) |
| Exchange differences on translation of net assets of foreign operations: | | | |
| The Company | 30,881 | - | 30,881 |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income: | | | |
| Subsidiary | - | (2,391) | (2,391) |
| Balance at March 31, 2024 | <u>\$ (36,408)</u> | <u>(78,726)</u> | <u>(115,134)</u> |

(XVIII) Share-based payments

There were no significant changes in the Group's share-based payment between January 1 to March 31, 2025 and 2024, as described in Note 6(19) to the Consolidated Financial Statements as of December 31, 2024.

(XIX) Earnings per share

The calculation of earnings per share and diluted earnings per share is as follows:

| | January to March 2025 | January to March 2024 |
|---|--------------------------|--------------------------|
| Basic earnings per share | | |
| Net profit attributable to the Company | \$ 278,494 | 217,745 |
| Weighted-average number of common shares outstanding (in thousand shares) | 165,890 | 165,890 |
| Basic earnings per share (NT\$) | <u>\$ 1.68</u> | <u>1.31</u> |
| Diluted earnings per share | | |
| Net profit attributable to the Company | \$ 278,494 | 217,745 |
| Net income attributable to ordinary equity holders of the Company (after adjustments to the effect of dilutive potential ordinary shares) | <u>\$ 278,494</u> | <u>217,745</u> |
| Weighted-average number of common shares outstanding (in thousand shares) | 165,890 | 165,890 |
| Effect of potentially dilutive ordinary shares | | |
| Effect of employee stock bonus (in thousand shares) | 1,426 | 1,176 |
| Weighted-average number of common shares outstanding (after adjustments to the effect of dilutive potential ordinary shares) (in thousand shares) | <u>167,316</u> | <u>167,066</u> |
| Diluted earnings per share (NT\$) | <u>\$ 1.66</u> | <u>1.30</u> |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

(XX) Revenue from contracts with customers

1. Revenue breakdown

| | January to March 2025 | | |
|-------------------------|-------------------------------|---------------------------|------------------|
| | Electronic segment | Other segments | Total |
| Core products/services: | | | |
| Passive Components | \$ 1,436,222 | - | 1,436,222 |
| Active Components | 662,953 | - | 662,953 |
| System Modules | 482,044 | - | 482,044 |
| Others | 363,741 | 457,032 | 820,773 |
| | \$ 2,944,960 | 457,032 | 3,401,992 |

| | January to March 2024 | | |
|-------------------------|-------------------------------|---------------------------|------------------|
| | Electronic segment | Other segments | Total |
| Core products/services: | | | |
| Passive Components | \$ 1,120,274 | - | 1,120,274 |
| Active Components | 662,684 | - | 662,684 |
| System Modules | 563,212 | - | 563,212 |
| Others | 196,940 | 396,377 | 593,317 |
| | \$ 2,543,110 | 396,377 | 2,939,487 |

2. Contract balance

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|----------------------|---------------------|-------------------|------------------|
| Receivable notes | \$ 153,344 | 147,254 | 281,310 |
| Accounts receivable | 3,108,136 | 2,994,951 | 2,501,017 |
| Less: loss provision | (57,095) | (55,046) | (64,057) |
| Total | \$ 3,204,385 | 3,087,159 | 2,718,270 |
| Contract liability | \$ 85,031 | 86,225 | 93,875 |

For disclosure on notes and account receivables and the impairments, please refer to Note 6(4).

The opening balances of contract liabilities on January 1, 2025 and 2024 were recognized as NT\$32,550 thousand and NT\$44,555 thousand for the three months ended March 31, 2025 and 2024.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

(XXI) Remuneration of employees and directors

According to the Articles of Association, the Company shall be appropriated at amount not less than 7% and not higher than 3% of earnings, respectively, as the remuneration of employees and the remuneration of directors respectively, after the accumulative losses (including adjustments to retained earnings) are completely recovered. Proposals of distribution percentage and types to employees, directors and supervisors shall be taken to the shareholders' meeting for approval after a resolution reached by a majority of the Board with two thirds in attendance. Distribution to the directors mentioned previously shall be in the form of cash. Employee compensation in the form of stock or cash may be granted to the employees of parents or subsidiaries of the company meeting certain specific requirements, as determined by the Board of Directors or its delegated authority.

The estimated amounts of remuneration of employees from January 1 to March 31, 2025 and 2024 were NT\$37,227 thousand and NT\$32,662 thousand, respectively; the estimated amounts of remuneration of directors were NT\$7,091 thousand and NT\$6,221 thousand, respectively. These amounts were estimated by multiplying the Company's profit before tax before deducting employees' compensation and directors' remuneration for the period times the distribution percentages of employees' compensation and directors' remuneration as stipulated in the Company's Articles of Incorporation and were recognized as operating costs or operating expenses for the respective periods. If the actual distribution amount differs from the estimated amount in the following year, the difference is adjusted for the change in accounting estimate and recognized as profit or loss in the following year. If the Board of Directors resolves to pay remuneration of employees in the form of shares, the number of shares shall be calculated based on the closing price of the common stock on the day before the resolution of the Board of Directors.

For the years ended December 31, 2024 and 2023, the estimated remuneration of employees were NT\$135,747 thousand and NT\$119,195 thousand, respectively, and the estimated remuneration of directors were NT\$25,857 thousand and NT\$22,703 thousand, respectively, which did not differ from the actual distribution. Please refer to the Market Observation Post System (MOPS) for more information.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

(XXII) Other gains and losses

The following is a schedule of other gains and losses of the Group:

| | January to March 2025 | January to March 2024 |
|---|----------------------------------|----------------------------------|
| Dividend revenue | \$ 699 | 604 |
| Net gain (loss) on financial assets at fair value through profit or loss | (46,075) | 71,755 |
| Net exchange gains and losses | 21,732 | 22,455 |
| Others | 3,087 | 10,818 |
| | \$ (20,557) | 105,632 |

(XXIII) Financial Instruments

Except as described below, there were no significant changes in the fair value of the financial instruments and exposure to credit risk, liquidity risk and market risk associated with the financial instruments. For related information, please refer to Note 6(24) to the Consolidated Financial Statements for the year ended December 31, 2024.

1. Liquidity risk

Financial liability maturities, including estimated impacts of interest expense was as follows:

| | Book value | Contractual cash flows | Within 1 year | 1-5 years | Over 5 years |
|--------------------------------------|---------------------|-----------------------------------|--------------------------|------------------|-------------------------|
| March 31, 2025 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Short-term borrowings | \$ 1,285,221 | 1,291,736 | 1,291,736 | - | - |
| Accounts payable | 744,636 | 744,636 | 744,636 | - | - |
| Accounts payable to related parties | 62,048 | 62,048 | 62,048 | - | - |
| Other payables | 849,206 | 849,206 | 849,206 | - | - |
| Dividends payables | 912,397 | 912,397 | 912,397 | - | - |
| Lease liabilities | 42,428 | 43,458 | 20,394 | 23,064 | - |
| Long-term borrowings | 1,948,333 | 1,988,580 | 648,459 | 1,340,121 | - |
| | \$ 5,844,269 | 5,892,061 | 4,528,876 | 1,363,185 | - |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | <u>Book value</u> | <u>Contractual cash flows</u> | <u>Within 1 year</u> | <u>1-5 years</u> | <u>Over 5 years</u> |
|--------------------------------------|----------------------------|-------------------------------|-------------------------|-------------------------|---------------------|
| December 31, 2024 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Short-term borrowings | \$ 1,225,898 | 1,233,892 | 1,233,892 | - | - |
| Accounts payable | 928,352 | 928,352 | 928,352 | - | - |
| Accounts payable to related parties | 61,104 | 61,104 | 61,104 | - | - |
| Other payables | 853,166 | 853,166 | 853,166 | - | - |
| Lease liabilities | 39,576 | 40,588 | 17,733 | 22,855 | - |
| Long-term borrowings | 2,068,333 | 2,115,568 | 583,012 | 1,532,556 | - |
| | <u>\$ 5,176,429</u> | <u>5,232,670</u> | <u>3,677,259</u> | <u>1,555,411</u> | <u>-</u> |

March 31, 2024

| | | | | | |
|--------------------------------------|----------------------------|-------------------------|-------------------------|-------------------------|-----------------|
| Non-derivative financial liabilities | | | | | |
| Short-term borrowings | \$ 770,562 | 774,731 | 774,731 | - | - |
| Accounts payable | 731,559 | 731,559 | 731,559 | - | - |
| Accounts payable to related parties | 47,784 | 47,784 | 47,784 | - | - |
| Other payables | 765,841 | 765,841 | 765,841 | - | - |
| Dividends payables | 829,452 | 829,452 | 829,452 | - | - |
| Lease liabilities | 45,341 | 46,727 | 18,622 | 28,105 | - |
| Long-term borrowings | 1,858,333 | 1,901,661 | 429,018 | 1,472,643 | - |
| | <u>\$ 5,048,872</u> | <u>5,097,755</u> | <u>3,597,007</u> | <u>1,500,748</u> | <u>-</u> |

2. Foreign exchange rate risk

(1) Exposure to foreign exchange rate risk

The Group's significant exposure to foreign currency risk was as follows:

| | <u>2025.3.31</u> | | | <u>2024.12.31</u> | | | Unit: NT\$ thousand <u>2024.3.31</u> | | |
|-----------------------|-------------------------|-----------------------------|------------|-------------------------|-----------------------------|------------|---|-----------------------------|------------|
| | <u>Foreign currency</u> | <u>Exchange rate (NT\$)</u> | <u>NTD</u> | <u>Foreign currency</u> | <u>Exchange rate (NT\$)</u> | <u>NTD</u> | <u>Foreign currency</u> | <u>Exchange rate (NT\$)</u> | <u>NTD</u> |
| Financial Asset | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | \$ 68,424 | 33.2050 | 2,272,034 | 63,264 | 32.7850 | 2,074,121 | 55,733 | 32.0000 | 1,783,471 |
| EUR | 796 | 35.9700 | 28,642 | 923 | 34.1400 | 31,507 | 2,226 | 34.4600 | 76,719 |
| HKD | 19,493 | 4.2680 | 83,197 | 18,660 | 4.2220 | 78,783 | 21,559 | 4.0890 | 88,156 |
| GBP | 223 | 43.0500 | 9,591 | 37 | 41.1900 | 1,541 | - | 40.3900 | - |
| JPY | 346,736 | 0.2227 | 77,218 | 374,378 | 0.2099 | 78,582 | 374,484 | 0.2115 | 79,203 |
| CNY | 11,402 | 4.5730 | 52,143 | 15,044 | 4.4780 | 67,369 | 5,530 | 4.4080 | 24,375 |
| NTD | - | - | - | - | - | - | 2,973 | 1.0000 | 2,973 |
| SGD | 53 | 24.7700 | 1,313 | - | - | - | 61 | 23.7200 | 1,438 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | 2025.3.31 | | | 2024.12.31 | | | 2024.3.31 | | | |
|------------------------------|------------------|----------------------|---------|------------------|----------------------|---------|------------------|----------------------|---------|-----------|
| | Foreign currency | Exchange rate (NT\$) | NTD | Foreign currency | Exchange rate (NT\$) | NTD | Foreign currency | Exchange rate (NT\$) | NTD | |
| <u>Non-monetary items</u> | | | | | | | | | | |
| USD | | 3,907 | 33.2050 | 129,736 | 4,589 | 32.7850 | 150,449 | 4,286 | 32.0000 | 137,158 |
| <u>Financial liabilities</u> | | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | | |
| USD | \$ | 49,900 | 33.2050 | 1,656,921 | 46,780 | 32.7850 | 1,533,682 | 46,190 | 32.0000 | 1,478,073 |
| EUR | | 59 | 35.9700 | 2,119 | 247 | 34.1400 | 8,441 | 262 | 34.4600 | 9,028 |
| HKD | | 764 | 4.2680 | 3,259 | 632 | 4.2220 | 2,668 | 831 | 4.0890 | 3,399 |
| GBP | | 52 | 43.0500 | 2,257 | 290 | 41.1900 | 11,928 | 413 | 40.3900 | 16,679 |
| JPY | | 38,545 | 0.2227 | 8,584 | 81,942 | 0.2099 | 17,200 | 35,114 | 0.2115 | 7,427 |
| CNY | | - | - | - | - | - | - | 1,578 | 4.4080 | 6,955 |
| NTD | | - | - | - | - | - | - | 1,039 | 1.0000 | 1,039 |

The monetary items of the Group mainly come from exchange gains and losses due to currency conversion for cash or cash equivalents, accounts receivable and other receivables, loans, accounts payable and other payables. If all else remained intact as of March 31, 2025, and 2024, the net income after tax would decrease or increase by NT\$42,550 thousand and NT\$26,687 thousand for the three months ended March 31, 2025, and 2024, respectively, if the NTD depreciated or appreciated by 5% against the USD, EUR, JPY, HKD, GBP, and CNY. The analysis is performed on the same basis as for the two respective periods.

Due to the wide selection of functional currencies of the Group, information on exchange gains and losses on monetary items are summarized as a whole. As for the three months ended March 31, 2025 and 2024, foreign currency exchange gains and losses (including realized and unrealized) were NT\$21,732 thousand and NT\$22,455 thousand, respectively.

3. Fair value information

(1) Types of financial instruments and associated fair value

The Group has measured financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis. The carrying amount and fair value of financial assets and financial liabilities (including instruments possess fair-value-level information, but carrying at values reasonably close to the fair values, and lease liability that requires no disclosure of fair value necessary) are as follows:

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | 2025.3.31 | | | | |
|---|---------------------|----------------|----------|---------------|----------------|
| | Book value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value | | | | | |
| through profit or loss | \$ 582,080 | 537,565 | - | 44,515 | 582,080 |
| Financial assets at fair value | | | | | |
| through other comprehensive income | 49,559 | - | - | 49,559 | 49,559 |
| Financial assets at amortization | | | | | |
| Cash and cash equivalent | 4,754,492 | - | - | - | - |
| Notes and accounts receivable - Net | 3,204,385 | - | - | - | - |
| Other receivables | 53,581 | - | - | - | - |
| Sub-total | 8,012,458 | - | - | - | - |
| Total | \$ 8,644,097 | 537,565 | - | 94,074 | 631,639 |
| Financial liabilities at amortized cost | | | | | |
| Short-term borrowings | \$ 1,285,221 | - | - | - | - |
| Accounts payable | 744,636 | - | - | - | - |
| Accounts payable to related parties | 62,048 | - | - | - | - |
| Other payables | 849,206 | - | - | - | - |
| Dividends payables | 912,397 | - | - | - | - |
| Lease liabilities | 42,428 | - | - | - | - |
| Long-term borrowings | 1,948,333 | - | - | - | - |
| Sub-total | 5,844,269 | - | - | - | - |
| Total | \$ 5,844,269 | - | - | - | - |

| | 2024.12.31 | | | | |
|------------------------------------|------------|------------|---------|---------|---------|
| | Book value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value | | | | | |
| through profit or loss | \$ 656,170 | 611,806 | - | 44,364 | 656,170 |
| Financial assets at fair value | | | | | |
| through other comprehensive income | 51,697 | - | - | 51,697 | 51,697 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | 2024.12.31 | | | | |
|---|---------------------|----------------|----------|---------------|----------------|
| | Book value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at amortization | | | | | |
| Cash and cash equivalent | 4,502,178 | - | - | - | - |
| Notes and accounts receivable | 3,087,159 | - | - | - | - |
| - Net | | | | | |
| Other receivables | 57,834 | - | - | - | - |
| Sub-total | 7,647,171 | - | - | - | - |
| Total | \$ 8,355,038 | 611,806 | - | 96,061 | 707,867 |
| Financial liabilities at amortized cost | | | | | |
| Short-term borrowings | \$ 1,225,898 | - | - | - | - |
| Accounts payable | 928,352 | - | - | - | - |
| Accounts payable to related parties | 61,104 | - | - | - | - |
| Other payables | 853,166 | - | - | - | - |
| Lease liabilities | 39,576 | - | - | - | - |
| Long-term borrowings | 2,068,333 | - | - | - | - |
| Sub-total | 5,176,429 | - | - | - | - |
| Total | \$ 5,176,429 | - | - | - | - |

| | 2024.3.31 | | | | |
|---|---------------------|----------------|----------|----------------|----------------|
| | Book value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value through profit or loss | \$ 547,129 | 473,362 | | 73,767 | 547,129 |
| Financial assets at fair value through other comprehensive income | 54,810 | - | - | 54,810 | 54,810 |
| Financial assets at amortization | | | | | |
| Cash and cash equivalent | 3,301,398 | - | - | - | - |
| Notes and accounts receivable - Net | 2,718,270 | - | - | - | - |
| Other receivables | 34,402 | - | - | - | - |
| Sub-total | 6,054,070 | - | - | - | - |
| Total | \$ 6,656,009 | 473,362 | - | 128,577 | 601,939 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | 2024.3.31 | | | | |
|---|---------------------|------------|---------|---------|-------|
| | Book value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial liabilities at amortized cost | | | | | |
| Short-term borrowings | \$ 770,562 | - | - | - | - |
| Accounts payable | 731,559 | - | - | - | - |
| Accounts payable to related parties | 47,784 | - | - | - | - |
| Other payables | 765,841 | - | - | - | - |
| Dividends payables | 829,452 | - | - | - | - |
| Lease liabilities | 45,341 | - | - | - | - |
| Long-term borrowings | 1,858,333 | - | - | - | - |
| Sub-total | 5,048,872 | - | - | - | - |
| Total | \$ 5,048,872 | - | - | - | - |

(2) Fair value valuation techniques for financial instruments not measured at fair value

The following are the methods and assumptions used by the Group to measure instruments not at fair value:

(2.1) Financial assets at amortization

If there is a quoted price in an active market, the fair value is based on the market price; if there is no market price available, the fair value is estimated using valuation techniques or using quotes from counterparties.

(2.2) Financial assets and financial liabilities at amortization

If quoted prices or market makers' quotation are available, the most recent closing prices and quotation are used as the basis for determining fair value. If no market value is available, the valuation method is used to estimate the value. The estimates and assumptions used in the valuation method were the estimated fair values of the discounted cash flows.

(3) Fair value valuation techniques for financial instruments measured at fair value

(3.1) Non-derivative financial instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. Quoted prices of major stock exchange and quoted prices of government bonds are the basis for measuring the fair value of stocks listed on an exchange, stocks listed on the OTC, and debt instruments with quoted prices in an active market.

If obtaining frequently and timely transparent offers from stock exchange,

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

brokers, securities underwriter, industrial union and quote service provider or competent authority that means the price is actual and frequent fair market trade. If these conditions are not met, the market is considered inactive. In general, if market price difference is very big, if the price difference is significantly higher or if the trading volume is very low, these are indicators of an inactive market.

Held by the Group that are classified as active market are shown below by category and attribute:

The fair values of the Group's listed securities, and open-end funds which are financial assets and financial liabilities with standard terms and conditions, and traded in active markets, were determined by the quoted market prices.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date. (e.g., over-the-counter (OTC) reference yield curves, Reuters average quoted interest rates for commercial paper).

(3.2) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement.

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income - equity investments.

(4) Table of movement of Level 3

| | Measured at fair value through profit or loss | Measured at fair value through other comprehensive income/loss |
|--|--|---|
| January 1, 2025 | \$ 44,364 | 51,697 |
| Total gain or loss | | |
| Recognized in profit or loss | 151 | - |
| Recognized in other comprehensive income | - | (2,243) |
| Other | - | 105 |
| March 31, 2025 | \$ 44,515 | 49,559 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| | Measured at fair value through profit or loss | Measured at fair value through other comprehensive income/loss |
|--|--|---|
| January 1, 2024 | \$ 76,363 | 56,877 |
| Total gain or loss | | |
| Recognized in profit or loss | (2,596) | - |
| Recognized in other comprehensive income | - | (2,391) |
| Other | - | 324 |
| March 31, 2024 | \$ 73,767 | 54,810 |

The above total gains or losses are shown in “Other gains and losses, net” and “unrealized valuation gains (losses) on investments in equity instruments at fair value through other comprehensive income”. As of March 31, 2025 and 2024, information on related parties who still hold these assets is as follows:

| | January to March 2025 | January to March 2024 |
|---|----------------------------------|----------------------------------|
| Total gain or loss | | |
| Recognized in profit or loss (recorded as “other gains and losses, net”) | \$ 151 | (2,596) |
| Recognized in other comprehensive income (recorded as “unrealized valuation gains (losses) on financial assets at fair value through profit or loss”. | (2,243) | (2,391) |

(XXIV) Financial risk management

There were no significant changes in the Group’s financial risk management objectives and policies from those disclosed in Note 6(25) to the Consolidated Financial Statements for the year ended December 31, 2024.

(XXV) Capital management

The objectives, policies and procedures of the Group’s capital management are consistent with those disclosed in the 2024 consolidated financial statements, and there are no significant changes in the aggregated quantitative information of the items used as capital management from those disclosed in the 2024 consolidated financial statements. For related information, please refer to Note 6(24) to the 2024 consolidated financial statements.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

(XXVI) Investing and financing activities of non-cash transactions

The Group's investing and financing activities of non-cash transactions for three months ended March 31, 2025 and 2024 were as follows:

- i. Please refer to Note 6(9) for the right-to-use assets acquired by lease.
- ii. Reconciliation of liabilities arising from financing activities of the Group were as follows:

| | 2025.1.1 | Cash flows | Non-cash changes | | | 2025.3.31 |
|---|---------------------|-----------------|------------------|----------------------|----------|------------------|
| | | | Acquisition | Exchange rate change | Other | |
| Short-term borrowings | \$ 1,225,898 | 59,323 | - | - | - | 1,285,221 |
| Long-term borrowings (including current portion) | 2,068,333 | (120,000) | - | - | - | 1,948,333 |
| Lease liabilities | 39,576 | (5,590) | 8,028 | 414 | - | 42,428 |
| Other non-current liabilities | 2,615 | - | - | 34 | - | 2,649 |
| Total liabilities arising from financing activities | <u>\$ 3,336,422</u> | <u>(66,267)</u> | <u>8,028</u> | <u>448</u> | <u>-</u> | <u>3,278,631</u> |

| | 2024.1.1 | Cash flows | Non-cash changes | | | 2024.3.31 |
|---|---------------------|------------------|------------------|----------------------|-------------|------------------|
| | | | Acquisition | Exchange rate change | Other | |
| Short-term borrowings | \$ 1,103,660 | (333,098) | - | - | - | 770,562 |
| Long-term borrowings (including the portion due in one year) | 1,908,333 | (50,000) | - | - | - | 1,858,333 |
| Lease liabilities | 47,074 | (5,265) | 3,238 | 354 | (60) | 45,341 |
| Other non-current liabilities | 2,511 | 103 | - | - | - | 2,614 |
| Total liabilities arising from financing activities | <u>\$ 3,061,578</u> | <u>(388,260)</u> | <u>3,238</u> | <u>354</u> | <u>(60)</u> | <u>2,676,850</u> |

VII. Related-party Transactions

(I) Related parties

The followings are related parties that have had transactions with the Group during the periods covered in the interim consolidated financial statements:

| Name of Related Parties | Relationship with the merged Company |
|------------------------------|--------------------------------------|
| eGalax_eMPIA Technology Inc. | Associate of the Group |

(II) Important transactions with related parties

1. Purchases and payables to related parties

| | Purchase | | Payable to related parties | | |
|-----------|-----------------------|-----------------------|----------------------------|---------------|---------------|
| | January to March 2025 | January to March 2024 | 2025.3.31 | 2024.12.31 | 2024.3.31 |
| Associate | <u>\$ 74,434</u> | <u>65,317</u> | <u>62,048</u> | <u>61,104</u> | <u>47,784</u> |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

The Group did not purchase the same type of goods from other suppliers, so it is not comparable. The credit terms for purchases from related parties are not materially different from regular suppliers.

2. As of March 31, 2025 and 2024 and December 31, 2024, the Group and its affiliates had other receivables (included in notes and accounts receivable, net) amounting to NT\$910 thousand, NT\$799 thousand and NT\$744 thousand, respectively, for the collection of payments on behalf of the Group, fees and other expenses.

(III) Key managers transaction

Remuneration of key managers include:

| | January to March 2025 | January to March 2024 |
|------------------------------|----------------------------------|----------------------------------|
| Short-term employee benefits | \$ 11,017 | 10,437 |

VIII. Pledged Assets

Book values for the pledged assets are as follows:

| Asset | Object of guarantee | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|---------------|---|------------------|-------------------|------------------|
| Term deposits | Guarantees for purchase tax and commodity tax | \$ 26,277 | 24,277 | 22,977 |

IX. Significant Contingent Liabilities and Unrecognized Commitments

- (1) The Group's unrecognized contingencies of contracts for the acquisition of property, plant and equipment were as follows:

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|--|------------------|-------------------|------------------|
| Acquisition of property, plant and equipment | \$ - | - | 84,084 |

X. Losses due to major disasters: None.

XI. Material subsequent events: None.

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

XII. Others

(I) Summary for expense natures of employee benefits, depreciation, depletion, and amortization:

| By nature | By function | January to March 2025 | | | January to March 2024 | | |
|----------------------------|-------------|---------------------------------|------------------------------------|---------|---------------------------------|------------------------------------|---------|
| | | Attributable to operating costs | Attributable to operating expenses | Total | Attributable to operating costs | Attributable to operating expenses | Total |
| Employee benefits | | | | | | | |
| Salary | | 117,180 | 178,966 | 296,146 | 101,653 | 175,423 | 277,076 |
| Labor and health insurance | | 13,789 | 14,009 | 27,798 | 12,174 | 13,612 | 25,786 |
| Pension | | 6,860 | 10,164 | 17,024 | 5,994 | 10,195 | 16,189 |
| Remuneration to directors | | - | 7,975 | 7,975 | - | 7,130 | 7,130 |
| Other employee benefit | | 3,980 | 4,345 | 8,325 | 3,065 | 4,164 | 7,229 |
| Depreciation | | 159,162 | 15,516 | 174,678 | 172,270 | 17,847 | 190,117 |
| Amortization | | - | 633 | 633 | - | 810 | 810 |

(II) Seasonality factor: The seasonality or periodicity factor does not affect the Group's operations.

XIII. Note Disclosure Items

(I) Information on significant transactions

Extra information on significant transactions from January 1 to March 31, 2025, as required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers, is as follows:

1. Funds granted to others: N/A.

2. Endorsements/guarantees provided:

| No. | Endorsement/guarantee provider | Endorsed/guaranteed individual/company name | Relationship (Note 2) | Limits on endorsement/guarantee amount provided to each guaranteed party (Note 1) | Balance of maximum amount of endorsement/guarantee of the period | Ending balance of endorsements/guarantees | Amount actually drawn (Note 3) | Amount of endorsement/guarantee collateralized by properties | Ratio of accumulated endorsement/guarantee to net equity per latest financial statements | Maximum amount of endorsement/guarantee allowance (Note 1) | Guarantee provided by parent company | Guarantee provided by subsidiary | Endorsement/guarantee provided to Mainland China |
|-----|--------------------------------|---|-----------------------|---|--|---|--------------------------------|--|--|--|--------------------------------------|----------------------------------|--|
| 0 | The Company | Everplus Material Co., Ltd. | (2) | 1,875.081 | 89,080 | 89,080 | 33,405 | - | 0.95% | 4,687,703 | Y | N | N |

Note 1: The maximum endorsement/guarantee provided to a single enterprise is 20% of the Company's net worth; the aggregate endorsement/guarantee Limit is 50% of the Company's net worth.

Note 2: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as the following 7 types:

- (1) Having a business relationship.
- (2) The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- (3) The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- (4) Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- (5) Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

another company in the same industry or joint builders for the purposes of undertaking a construction project.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.

(7) Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The transaction was eliminated in the preparation of the consolidated financial statements.

3. Significant securities held (excluding investment in subsidiaries, associates, and joint venture equity):

Unit: thousand shares/thousand units

| Holding company name | Marketable securities type and name | Relationship with the issuer | Account | End of period | | | | Remarks |
|---------------------------------|--|------------------------------|---|------------------|------------|-------------------------|------------|---------|
| | | | | Number of shares | Book value | Shareholding percentage | Fair value | |
| The Company | BARINGS GLOB HIY BOND | - | Current financial assets at fair value through profit or loss - Beneficiary certificate | 8 | 36,398 | - | 36,398 | - |
| The Company | AMUNDI FUNDS PIONEER US SHORT TERM BOND-A2 USD (C) | - | “ | 138 | 36,313 | - | 36,313 | - |
| The Company | Shares of Taiwan Semiconductor Manufacturing Co., Ltd. | - | Current financial assets at fair value through profit or loss - Domestic stock | 100 | 91,000 | - | 91,000 | - |
| UHOLY Investment Co., Ltd. | Shares of AZOTEK Co., Ltd. | - | -Non-current financial assets at fair value through profit or loss | 981 | 31,377 | 1.62 % | 31,377 | - |
| UHOLY Investment Co., Ltd. | Shares of Taiwan Semiconductor Manufacturing Co., Ltd. | - | Current financial assets at fair value through profit or loss - Domestic stock | 84 | 76,440 | - | 76,440 | - |
| UHOLY Investment Co., Ltd. | Shares of Win Win Precision Technology Co., Ltd. | - | “ | 1,101 | 39,088 | - | 39,088 | - |
| Jung Chan Investments Co., Ltd. | Shares of eMPIA Technology Inc. | - | -Non-current financial assets at fair value through other comprehensive income | 2,386 | 31,721 | 15.49 % | 31,721 | - |
| Jung Chan Investments Co., Ltd. | Shares of Taiwan Semiconductor Manufacturing Co., Ltd. | - | Financial assets at fair value through profit or loss - -Current- - Domestic stock | 82 | 74,620 | - | 74,620 | - |

4. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more:

| Buyer/ Seller | Related Party | Nature of Relationships | Transaction Details | | | | The status and reasons of the transaction terms different from common transactions | | Note/ Accounts Receivable (Payable) | | Note |
|--|---|---------------------------|---------------------|-----------|--------------------------------------|-----------------------------------|--|---------------|-------------------------------------|---|------|
| | | | Purchase/Sale | Amount | Percentage to total purchase (sales) | Payment Terms | Unit Price | Payment Terms | Ending Balance | Percentage to total notes and accounts receivable (payable) | |
| The Company | Holy Stone Enterprise (Hong Kong) Co., Ltd. | Subsidiary of the Company | Sales | (125,569) | (4.93) % | 120 days from the following month | - | - | 221,449 | 8.54% | Note |
| Holy Stone Enterprise (Hong Kong) Co., Ltd | The Company | Subsidiary of the Company | Purchase | 125,569 | 27.22 % | 120 days from the following month | - | - | (221,449) | (60.04)% | Note |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| Buyer/ Seller | Related Party | Nature of Relationships | Transaction Details | | | | The status and reasons of the transaction terms different from common transactions | | Note/ Accounts Receivable (Payable) | | Note |
|---|---|--|---------------------|-----------|--------------------------------------|--------------------------------------|--|---------------|-------------------------------------|---|------|
| | | | Purchase/ Sale | Amount | Percentage to total purchase (sales) | Payment Terms | Unit Price | Payment Terms | Ending Balance | Percentage to total notes and accounts receivable (payable) | |
| The Company | Holy Stone International Trading (Shanghai) Co., Ltd. | Third-tier subsidiary of the Company | Sales | (379,802) | (14.92) % | 150 days from the following month | - | - | 161,742 | 6.23% | Note |
| Holy Stone International Trading (Shanghai) Co., Ltd. | The Company | Third-tier subsidiary of the Company | Purchase | 379,802 | 91.43 % | 150 days from the following month | - | - | (161,742) | (77.25)% | Note |
| EPM | The Company | Third-tier subsidiary of the Company | Sales | (108,549) | (100.00) % | Cash settlement of the current month | - | - | 45,386 | 100.00% | Note |
| Holy Stone Enterprise (Hong Kong) Co., Ltd. | The Company | The Company is the ultimate parent company | Sales | (180,512) | (39.41) % | 30 days from the invoiced month | - | - | 157,702 | 30.12% | Note |
| The Company | Holy Stone Enterprise (Hong Kong) Co., Ltd. | Subsidiary of the Company | Purchase | 180,512 | 13.20 % | 30 days from the invoiced month | - | - | (157,702) | (22.56)% | Note |

Note: The transaction was eliminated in the preparation of the consolidated financial statements.

5. Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more:

| Company of accounts receivable recognized | Related Party | Nature of Relationships | Balance of receivables from related parties (Note) | Turnover rate | Overdue amount of accounts receivable from related party | | Amounts received in subsequent period | Allowance for Impairment Loss |
|---|---|--|--|---------------|--|------------------|---------------------------------------|-------------------------------|
| | | | | | Amount | Treatment method | | |
| The Company | Holy Stone Enterprise (Hong Kong) Co., Ltd. | Subsidiary of the Company | 221,449 | 2.25 | - | - | 39,201 | - |
| The Company | Holy Stone International Trading (Shanghai) Co., Ltd. | Third-tier subsidiary of the Company | 161,742 | 9.46 | - | - | 143,709 | - |
| Holy Stone Enterprise (Hong Kong) Co., Ltd. | The Company | The Company is the ultimate parent company | 157,702 | 3.56 | - | - | 67,133 | - |

Note: The transaction was eliminated in the preparation of the consolidated financial statements.

6. Significant intercompany transactions:

| No. | Name of transaction party | Transaction party | Relationship with transaction party | Transaction status | | | |
|-----|---------------------------|---|-------------------------------------|---------------------|---------|-----------------------------------|--|
| | | | | Account | Amount | Transaction terms | Percentage of consolidated total operating revenue or total assets |
| 0 | The Company | Holy Stone Enterprise (HK) Co., Ltd. | 1 | Sales | 125,569 | 120 days from the following month | 3.69% |
| 0 | The Company | Holy Stone Enterprise (HK) Co., Ltd. | 1 | Accounts receivable | 221,449 | 120 days from the following month | 1.40% |
| 0 | The Company | Holy Stone International Trading (Shanghai) Co., Ltd. | 1 | Sales | 379,802 | 150 days from the following month | 11.16% |

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Notes to Consolidated Financial Statements (continued)

| No. | Name of transaction party | Transaction party | Relationship with transaction party | Transaction status | | | |
|-----|--------------------------------------|---|-------------------------------------|---------------------|---------|--------------------------------------|--|
| | | | | Account | Amount | Transaction terms | Percentage of consolidated total operating revenue or total assets |
| 0 | The Company | Holy Stone International Trading (Shanghai) Co., Ltd. | 1 | Accounts receivable | 161,742 | 150 days from the following month | 1.02% |
| 1 | EPM | The Company | 2 | Sales | 108,549 | Cash settlement of the current month | 3.19% |
| 1 | EPM | The Company | 2 | Accounts receivable | 45,386 | Cash settlement of the current month | 0.29% |
| 2 | Holy Stone Enterprise (HK) Co., Ltd. | The Company | 2 | Sales | 180,512 | 30 days from the invoiced month | 5.31% |
| 2 | Holy Stone Enterprise (HK) Co., Ltd. | The Company | 2 | Accounts receivable | 157,702 | 30 days from the invoiced month | 1.00% |

Note 1. The number is filled in as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered according to the category starting with the Arabic number 1.

Note 2. The directional flow of the investment relationship is represented by the following numerals:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

Note 3. Only the information on sales, revenues and receivables are disclosed; the corresponding information on imports, expenses and payables are not included.

(2) Information on Investees (excluding investee in China):

The Group's reinvestment for the three months ended March 31, 2025 is as follows:

Unit: thousand shares

| Name of Investor | Name of investee | Location | Major business | Initial investment | | Holding at end of period | | | Net income of the investees in current period | Investment income recognized in current period | Note |
|------------------|---|-------------|---|---------------------------|----------------------------|--------------------------|---------|------------|---|--|--|
| | | | | End of the current period | End of the previous period | Number of shares | Ratio | Book value | | | |
| The Company | Holy Stone Enterprise (Hong Kong) Co., Ltd. | Hong Kong | Sale of MLCC and electronic products | 49,046 | 49,046 | 11,500 | 100.00% | 531,748 | 6,248 | 6,248 | Subsidiary of the Company |
| The Company | Holy Stone Holdings Co., Ltd. | Samoa | General investment | 2,078,392 | 2,078,392 | 30,000 | 100.00% | 765,231 | 6,513 | 5,687 | Subsidiary of the Company |
| The Company | UHOLY Investment Co., Ltd. | Taipei City | General investment | 622,500 | 622,500 | 54,000 | 100.00% | 628,444 | (10,594) | (9,824) | Subsidiary of the Company |
| The Company | Martek Co., Ltd. | Taipei City | Wholesale of Household Appliance, Wholesale of Precision Instruments, and Wholesale of Computing and Business Machinery Equipment | 54,000 | 54,000 | 8,500 | 100.00% | 111,425 | 1,597 | 1,597 | Subsidiary of the Company |
| The Company | Jung Chan Investments Co., Ltd. | Taipei City | General investment | 340,000 | 340,000 | 36,000 | 100.00% | 565,782 | (10,423) | (10,423) | Subsidiary of the Company |
| The Company | Holy Stone Industry India Private Limited | India | Electronic parts and components business | 29,260 | 29,260 | 7,400 | 100.00% | 27,576 | (40) | (40) | Subsidiary of the Company |
| The Company | eGalax_eMPIA Technology Inc. | Taipei City | Product Designing, Wholesale of Electronic Materials and Retail Sale of Electronic Materials | 122,683 | 122,683 | 2,252 | 3.53% | 125,107 | 25,978 | 1,185 | The investee accounted for under the equity method |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| Name of Investor | Name of investee | Location | Major business | Initial investment | | Holding at end of period | | | Net income of the investees in current period | Investment income recognized in current period | Note |
|---------------------------------|--|------------------------|--|---------------------------|----------------------------|--------------------------|---------|------------|---|--|--|
| | | | | End of the current period | End of the previous period | Number of shares | Ratio | Book value | | | |
| Holy Stone Holdings Co., Ltd. | Holy Stone Investments Co., Ltd | Hong Kong | General investment | 232,435 | 229,495 | 7,000 | 100.00% | 531,650 | 3,917 | 3,917 | Subsidiary of Holy Stone Holdings Co., Ltd. |
| Holy Stone Holdings Co., Ltd. | Holypaq Corporation | British Cayman Islands | General investment | 39,846 | 39,342 | 1,200 | 100.00% | 889 | - | - | Subsidiary of Holy Stone Holdings Co., Ltd. |
| Holy Stone Holdings Co., Ltd. | Green Glory Holdings Ltd. | Samoa | General investment | 41,195 | 40,674 | 1,310 | 100.00% | 44,646 | (645) | (645) | Subsidiary of Holy Stone Holdings Co., Ltd. |
| Holy Stone Holdings Co., Ltd. | Everplus Material Co.,Ltd. | Japan | Manufacture and sale of electronic products, electronic machines and instruments, as well as sales of materials of electrical machines and instruments | 109,123 | 102,851 | 1 | 100.00% | 129,220 | 2,587 | 2,587 | Subsidiary of Holy Stone Holdings Co., Ltd. |
| Holy Stone Holdings Co., Ltd. | Holy Stone Holdings (Singapore) Pte. Ltd | Singapore | Electronic retail business | 3,321 | 3,279 | 100 | 100.00% | 3,333 | 378 | 378 | Subsidiary of Holy Stone Holdings Co., Ltd. |
| Green Glory Holdings Ltd. | Milestone Global Technology Ltd. | USA | Development and sales of electronic products | 16,603 | 16,393 | 500 | 100.00% | 30,646 | 67 | 67 | Subsidiary of Green Glory Holdings |
| Green Glory Holdings Ltd. | Holystone (Europe) Ltd. | England | Electronic retail business | 22,808 | 22,519 | 350 | 100.00% | 13,857 | (713) | (713) | Subsidiary of Green Glory Holdings |
| UHOLY Investment Co., Ltd. | Holy Stone Healthcare Co., Ltd. | Taipei City | Wholesale of drugs and medical goods | 872,354 | 872,354 | 49,064 | 33.61% | 89,587 | (27,818) | (9,350) | The investee accounted for using the equity method by UHOLY Investment Co., Ltd. |
| UHOLY Investment Co., Ltd. | eGalax_eMPIA Technology Inc. | Taipei City | Product Designing, Wholesale of Electronic Materials and Retail Sale of Electronic Materials | 26,705 | 26,705 | 6,458 | 10.14% | 321,769 | 25,978 | 2,634 | The investee accounted for using the equity method by UHOLY Investment Co., Ltd. |
| UHOLY Investment Co., Ltd. | Holy Young BioMedical Co., Ltd. | Taipei City | Wholesale of drugs and medical goods | 53,343 | 53,343 | 2,630 | 33.36% | 51,143 | (8,567) | (2,858) | The investee accounted for using the equity method by UHOLY Investment Co., Ltd. |
| Holy Stone Healthcare Co., Ltd. | Global Search Holdings Ltd. | Samoa | General investment | 138,698 | 138,698 | 4,600 | 100.00% | 4,157 | (1,901) | (1,901) | Subsidiary of Holy Stone Healthcare Co., Ltd. |
| Holy Young BioMedical Co., Ltd. | MDT INT'L SA | Switzerland | Medical equipment development and marketing and biotechnology services | 78,768 | 78,768 | 2,550 | 100.00% | 86,753 | (10,285) | (10,285) | Subsidiary of Holy Young BioMedical Co., Ltd. |
| Global Search Holdings Ltd. | Holy Stone Biotech Co., Ltd. | England | Medical equipment development and marketing and biotechnology services | 95,851 | 95,851 | 2,200 | 100.00% | 2,253 | (1,625) | (1,625) | Second-tier subsidiary of Holy Stone Healthcare Co., Ltd. |
| Global Search Holdings Ltd. | AIHOL Corporation | USA | Medicine research and development and patent filing | 41,112 | 41,112 | 11,350 | 100.00% | 1,242 | (274) | (274) | Second-tier subsidiary of Holy Stone Healthcare Co., Ltd. |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

| Name of Investor | Name of investee | Location | Major business | Initial investment | | Holding at end of period | | | Net income of the investees in current period | Investment income recognized in current period | Note |
|---------------------------------|---------------------------------|-----------------|---|---------------------------|----------------------------|--------------------------|---------|------------|---|--|---|
| | | | | End of the current period | End of the previous period | Number of shares | Ratio | Book value | | | |
| Jung Chan Investments Co., Ltd. | OHGA Smarthings Co., Ltd | New Taipei City | Manufacture of electrical and audio-visual products and sale of medical devices | - | 334,806 | - | - | - | 544 | 386 | Subsidiary of Jung Chan Investments Co., Ltd. |
| Jung Chan Investments Co., Ltd. | Holy Stone Healthcare Co., Ltd. | Taipei City | Wholesale of drugs and medical goods | 121,547 | 121,547 | 6,326 | 4.33% | 13,183 | (27,818) | (1,204) | The investee accounted for using the equity method by Jung Chan Investments Co., Ltd. |
| Jung Chan Investments Co., Ltd. | Herzteck Incorporation | Hsinchu County | Wholesale of electronic materials, and Telecom Instruments | 100,000 | 100,000 | 10,000 | 100.00% | 103,426 | (900) | (900) | Subsidiary of Jung Chan Investments Co., Ltd. |
| Jung Chan Investments Co., Ltd. | Holy Young BioMedical Co., Ltd. | Taipei City | Wholesale of drugs and medical goods | 3,214 | 3,214 | 161 | 2.04% | 3,127 | (8,567) | (175) | The investee accounted for using the equity method by Jung Chan Investments Co., Ltd. |

Note: Except for investments accounted for using the equity method, the transaction was eliminated in the preparation of the consolidated financial statements.

(3) Information about investment in China:

1. Information on investments in China:

| Name of investee in Mainland China | Main business item | Paid-up capital | Investment method (Note 1) | Accumulated outward remittance for investment from Taiwan at beginning of the current period | Outward remittance or repatriation of investment amount at beginning of the current period | | Accumulated outward remittance for investment from Taiwan at end of the current period | Net income of the investees in current period (Note 2) | Shareholding percentage of direct or indirect investment of the Company | Investment income recognized in current period (Notes 2 and 3) | Book value of investment at the end of period (Note 3) | Accumulated repatriation of investment income as of end of current period |
|---|--|-----------------|----------------------------|--|--|--------------|--|--|---|--|--|---|
| | | | | | Outward remittance | Repatriation | | | | | | |
| Holy Stone International Trading (Shanghai) Co., Ltd. | Sales of electronic parts and components | 133,152 | (2) | 119,870 | - | - | 119,870 | 10,604 | 100.00% | 10,604 | 400,662 | - |
| Infortech (China) Co., Ltd. | Sales of electronic parts and components | 69,731 | (2) | 69,731 | - | - | 69,731 | (6,687) | 100.00% | (6,687) | 127,699 | - |

Note 1: The following are the three types of investment methods:

- (1) Direct investment in China companies.
- (2) Investments in China companies were through a company invested and established in a third region.
- (3) Other method.

Note 2: Profit or loss from investments is determined on the financial statements audited by the parent company's certified public accountants in Taiwan.

Note 3: The transaction was eliminated in the preparation of the consolidated financial statements.

2. Upper Limit on Investment in China:

| Accumulated outward remittance for investment in China region at end of the period | Investment amount approved by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|--|---|---|
| 222,806 | 236,088 | 5,625,243 |

HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

3. Significant transactions:

For the significant transactions between the Group and its investees in China from January 1 to March 31, 2025 (which were eliminated in the preparation of the consolidated financial statements), please refer to the “Information on Significant Transactions”.

XIV. Segment Information

The Group’s operating segment information and reconciliation are as follows:

| | January to March 2025 | | | |
|--|-------------------------------|---------------------------|---|------------------|
| | Electronic segment | Other segments | Adjustment and elimination | Total |
| Income: | | | | |
| Income from external customers | <u>\$ 2,944,960</u> | <u>457,032</u> | <u>-</u> | <u>3,401,992</u> |
| Reportable segment profit or loss | <u>\$ 337,210</u> | <u>(45,080)</u> | <u>-</u> | <u>292,130</u> |
| | | | | |
| | January to March 2024 | | | |
| | Electronic segment | Other segments | Adjustment and elimination | Total |
| Income: | | | | |
| Income from external customers | <u>\$ 2,543,110</u> | <u>396,377</u> | <u>-</u> | <u>2,939,487</u> |
| Reportable segment profit or loss | <u>\$ 237,935</u> | <u>28,862</u> | <u>-</u> | <u>266,797</u> |