

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

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

**Company Address: 1F., No. 62, Sec. 2, Huanshan Rd., Neihu Dist., Taipei City**  
**Tel.: (02) 26270383**

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.

## Table of Contents

<b>Item</b>	<b>Page No.</b>
I. Cover page	
II. Table of Contents	1
III. Independent Auditors' Review Report	2
IV. Consolidated Balance Sheet	3
V. Consolidated Statements of Comprehensive Income	4
VI. Consolidated Statement of Changes in Equity	5
VII. Consolidated Statements of Cash Flows	6
VIII. Notes to Consolidated Financial Statements	
(I) Corporate milestones	7
(II) Date and procedure for ratification of financial report	7
(III) Application of new and amended standards and interpretations	7 ~ 9
(IV) Summary of significant accounting policies	9 ~ 12
(V) Significant accounting judgments, estimations and major sources of hypotheses of uncertainty	12
(VI) Details of significant accounts	12 ~ 36
(VII) Related party transactions	36 ~ 37
(VIII) Pledged Assets	37
(IX) Major contingent liabilities and unrecognized contract commitments	37
(X) Losses from major disasters	37
(XI) Events after the balance sheet date	37
(XII) Other	38
(XIII) Additional Disclosure	
1. Information on significant transactions	38 ~ 41
2. Information on investees	41 ~ 43
3. Information about investment in Mainland China	43
(XIV) Information of operating segments	44

## **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 as of June 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024, and the consolidated statements of comprehensive income, change in equity and cash flow and the notes (including the summary of significant accounting policies) for the six months ended June 30, 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 six months ended June 30, 2025 and 2024 were NT\$2,655,694 thousand and NT\$2,850,081 thousand, respectively, representing 16.21% and 18.19% of the total consolidated assets; total liabilities were NT\$723,945 thousand and NT\$779,865 thousand, respectively, representing 10.87% and 13.37% of the total consolidated liabilities; the consolidated income or loss for the three and six months ended June 30, 2025 and 2024 were \$(1,107) thousand, \$21,277 thousand, \$(7,222) thousand, and \$87,081 thousand, representing (1.31)%, 10.38%, (1.96)% and 19.84% of the consolidated income or 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\$450,508 thousand and NT\$445,067 thousand for the six months ended June 30, 2025 and 2024, respectively, and the shares of profit or loss recognized using the equity method in affiliated companies were NT\$3,855 thousand, NT\$5,441 thousand, NT\$7,674 thousand and NT\$12,971 thousand for the three and six months ended June 30, 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 has 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 June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34, “Interim Financial Reporting,” endorsed and issued into effect by FSC.

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
August 6, 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**

**June 30, 2025 and December 31 & June 30, 2024**

**Unit: thousands of New Taiwan Dollars**

Assets		2025.6.30		2024.12.31		2024.6.30		Liabilities and Equity		2025.6.30		2024.12.31		2024.6.30	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current Assets:</b>								<b>Current Liabilities:</b>							
1100	Cash and cash equivalents (Note 6 (1))	\$ 5,474,736	33	4,502,178	29	4,005,100	26	2100	Short-term borrowings (Note 6(12))	\$ 1,801,040	11	1,225,898	8	893,524	6
1110	Current financial assets at fair value through profit or loss (Note 6(2))	684,873	4	607,137	4	546,297	3	2130	Current contract liabilities (Note 6(21))	47,729	-	86,225	1	86,147	1
1150	Notes and accounts receivable, net (Notes 6(4)(21) and 7)	3,116,396	19	3,087,159	20	2,962,966	19	2170	Accounts payable	832,432	5	928,352	6	1,117,521	7
1200	Other receivables, net (Note 6(5))	57,535	-	57,834	-	41,721	-	2180	Accounts payable to related parties (Note 7)	47,264	-	61,104	-	45,149	-
1220	Current tax assets	35,616	1	39,183	-	35,656	-	2200	Other payables (Note 6(13))	903,670	6	853,166	5	809,604	5
130X	Inventories (Note 6(6))	2,241,225	13	2,574,693	16	2,700,260	17	2216	Dividends payables (Note 6(18))	912,397	6	-	-	829,452	5
1410	Prepayments and other current assets	71,081	1	43,668	-	101,801	1	2230	Current tax liabilities	134,166	1	61,521	-	118,438	1
	<b>Total Current Assets</b>	<b>11,681,462</b>	<b>71</b>	<b>10,911,852</b>	<b>69</b>	<b>10,393,801</b>	<b>66</b>	2280	Current lease liabilities (Note 6(15))	19,827	-	17,179	-	15,576	-
<b>Non-current Assets:</b>								2322	Long-term borrowings, current portion (Note 6(14))	687,500	4	557,500	3	450,000	3
1510	Non-current financial assets at fair value through profit or loss (Note 6(2))	48,680	-	49,033	-	85,861	1		<b>Total current liabilities</b>	<b>5,386,025</b>	<b>33</b>	<b>3,790,945</b>	<b>23</b>	<b>4,365,411</b>	<b>28</b>
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(3))	48,345	-	51,697	-	56,968	-		<b>Non-current Liabilities:</b>						
1550	Investments accounted for using the equity method (Note 6(7))	450,508	3	443,036	3	445,067	3	2540	Long-term borrowings (Note 6(14))	1,135,833	7	1,510,833	10	1,323,333	8
1600	Property, plant and equipment (Note 6(9))	3,997,708	25	4,230,542	28	4,393,902	29	2570	Deferred tax liabilities	92,131	1	92,131	1	83,689	1
1755	Right-of-use assets (Note 6(10))	39,819	-	38,340	-	37,838	-	2580	Non-current lease liabilities (Notes 6(15))	21,098	-	22,397	-	23,512	-
1780	Intangible assets (Note 6(11))	2,262	-	3,030	-	3,343	-	2640	Net defined benefit liability - non-current	22,428	-	27,428	-	34,820	-
1840	Deferred tax assets	56,914	1	56,952	-	61,188	-	2670	Other non-current liabilities - other	2,338	-	2,615	-	2,650	-
1915	Prepayments for business facilities	7,305	-	1,039	-	146,870	1		<b>Total Non-current Liabilities</b>	<b>1,273,828</b>	<b>8</b>	<b>1,655,404</b>	<b>11</b>	<b>1,468,004</b>	<b>9</b>
1990	Other non-current assets- others (Note 8)	49,431	-	40,199	-	39,599	-		<b>Total Liabilities</b>	<b>6,659,853</b>	<b>41</b>	<b>5,446,349</b>	<b>34</b>	<b>5,833,415</b>	<b>37</b>
	<b>Total Non-current Assets</b>	<b>4,700,972</b>	<b>29</b>	<b>4,913,868</b>	<b>31</b>	<b>5,270,636</b>	<b>34</b>		<b>Equity Attributable to Owners of Parent (Note 4(2) and 6(8)(18)):</b>						
	<b>Total Assets</b>	<b>\$ 16,382,434</b>	<b>100</b>	<b>15,825,720</b>	<b>100</b>	<b>15,664,437</b>	<b>100</b>	3110	Ordinary share	1,658,903	10	1,658,903	11	1,658,903	11
								3200	Capital surplus	3,160,051	20	3,160,144	20	3,155,407	20
									Retained earnings:						
								3310	Legal reserve	1,821,073	11	1,723,213	11	1,723,213	11
								3320	Special reserve	94,768	1	143,624	1	143,624	1
								3350	Unappropriated retained earnings	2,939,107	18	3,391,970	21	2,860,145	18
									Total retained earnings	4,854,948	30	5,258,807	33	4,726,982	30
									Other equities:						
								3410	Exchange differences on translation of foreign financial statements	(135,082)	(1)	(12,734)	-	(27,777)	-
								3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(84,501)	(1)	(82,034)	(1)	(76,680)	(1)
									Total other equities	(219,583)	(2)	(94,768)	(1)	(104,457)	(1)
									<b>Total Equity Attributable to Owners of the Parent Company</b>	<b>9,454,319</b>	<b>58</b>	<b>9,983,086</b>	<b>63</b>	<b>9,436,835</b>	<b>60</b>
								36XX	Non-controlling interests	268,262	1	396,285	3	394,187	3
									<b>Total Equity</b>	<b>9,722,581</b>	<b>59</b>	<b>10,379,371</b>	<b>66</b>	<b>9,831,022</b>	<b>63</b>
									<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 16,382,434</b>	<b>100</b>	<b>15,825,720</b>	<b>100</b>	<b>15,664,437</b>	<b>100</b>

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

Chairman: Jing-Rong Tang

Manager: Jing-Rong Tang

Accounting Supervisor: Shu-Ying Chang

**HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three and six months ended June 30, 2025 and 2024**

Unit: thousands of New Taiwan Dollars

	For the three months ended June 30				For the six months ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenue (Note 6(21))</b>							
	\$ 3,272,093	100	3,239,323	100	6,674,085	100	6,178,810	100
5000	<b>Operating costs (Note 6(6)(15)(16)(22), 7 and 12)</b>							
	2,623,915	80	2,717,158	84	5,363,185	80	5,155,599	83
	<b>Gross profit</b>							
	648,178	20	522,165	16	1,310,900	20	1,023,211	17
	<b>Operating expenses</b>							
6100	Selling and administrative expenses (Notes 6(15)(16)(22) and 12)							
	274,263	8	271,865	8	553,644	9	534,862	9
6300	Research and development expenses (Note 6(15)(16)(22) and 12)							
	78,549	3	94,881	3	140,712	2	172,361	3
6450	Expected credit loss (gain) (Note 6(4))							
	(1,232)	-	3,592	-	(569)	-	3,149	-
	<b>Total operating expenses</b>							
	351,580	11	370,338	11	693,787	11	710,372	12
	<b>Operating profit</b>							
	296,598	9	151,827	5	617,113	9	312,839	5
	<b>Non-operating incomes and expenses:</b>							
7020	Other gains and losses (Note 6(23))							
	6,323	-	93,366	3	(14,234)	-	198,998	3
7050	Financial costs (Note 6(15))							
	(23,886)	-	(15,144)	-	(46,171)	-	(29,708)	-
7060	Share of profit (loss) of associates accounted for using the equity method							
	3,855	-	5,441	-	7,674	-	12,971	-
7100	Interest income							
	12,285	-	12,296	-	22,923	-	19,483	-
	<b>Total non-operating income and expenses</b>							
	(1,423)	-	95,959	3	(29,808)	-	201,744	3
	<b>Profit before tax</b>							
	295,175	9	247,786	8	587,305	9	514,583	8
7950	<b>Less: Income tax expense (Note 6(17))</b>							
	57,810	2	54,849	2	94,087	1	114,503	2
	<b>Profit</b>							
	237,365	7	192,937	6	493,218	8	400,080	6
8300	<b>Other comprehensive income, net of tax:</b>							
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>							
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(18))							
	(150)	-	2,046	-	(2,393)	-	(345)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss							
	-	-	-	-	-	-	-	-
	<b>Total components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>							
	(150)	-	2,046	-	(2,393)	-	(345)	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>							
8361	Exchange differences on translation of foreign financial statements (Note 6(18))							
	(153,001)	(4)	10,039	-	(122,148)	(2)	39,079	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss							
	-	-	-	-	-	-	-	-
	<b>Total components of other comprehensive income (loss) that will be reclassified to profit or loss</b>							
	(153,001)	(4)	10,039	-	(122,148)	(2)	39,079	1
8300	<b>Other comprehensive income, net of tax</b>							
	(153,151)	(4)	12,085	-	(124,541)	(2)	38,734	1
8500	<b>Total comprehensive income in the current period</b>							
	<u>\$ 84,214</u>	<u>3</u>	<u>205,022</u>	<u>6</u>	<u>368,677</u>	<u>6</u>	<u>438,814</u>	<u>7</u>
	<b>Profit, attributable to:</b>							
8610	Owners of parent							
	\$ 229,970	7	229,024	7	508,464	8	446,769	7
8620	Non-controlling interests							
	7,395	-	(36,087)	(1)	(15,246)	-	(46,689)	(1)
	<b>Profit</b>							
	<u>\$ 237,365</u>	<u>7</u>	<u>192,937</u>	<u>6</u>	<u>493,218</u>	<u>8</u>	<u>400,080</u>	<u>6</u>
	<b>Comprehensive income attributable to:</b>							
8710	Owners of parent							
	\$ 78,867	3	239,701	7	383,723	6	485,936	8
8720	Non-controlling interests							
	5,347	-	(34,679)	(1)	(15,046)	-	(47,122)	(1)
	<b>Total comprehensive income</b>							
	<u>\$ 84,214</u>	<u>3</u>	<u>205,022</u>	<u>6</u>	<u>368,677</u>	<u>6</u>	<u>438,814</u>	<u>7</u>
	<b>Earnings per share (Unit: NTD) (Note 6(20))</b>							
9750	<b>Basic earnings per share</b>							
	<u>\$ 1.39</u>		<u>1.38</u>		<u>3.07</u>		<u>2.69</u>	
9850	<b>Diluted earnings per share</b>							
	<u>\$ 1.38</u>		<u>1.37</u>		<u>3.04</u>		<u>2.67</u>	

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

Chairman: Jing-Rong Tang

Manager: Jing-Rong Tang

Accounting Supervisor: Shu-Ying Chang

**HOLY STONE ENTERPRISE CO., LTD. and Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the Six Months Ended June 30, 2025 and 2024**

Unit: thousands of New Taiwan Dollars

	Equity attributable to owners of the parent company									
	Retained earnings					Other equity				
	Common share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2024</b>	\$ 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	-	-	-	-	446,769	-	-	446,769	(46,689)	400,080
Other comprehensive income	-	-	-	-	-	39,512	(345)	39,167	(433)	38,734
Total comprehensive income (loss)	-	-	-	-	446,769	39,512	(345)	485,936	(47,122)	438,814
Appropriation and distribution of retained earnings:										
Provision of legal reserve	-	-	85,008	-	(85,008)	-	-	-	-	-
Provision of special reserve	-	-	-	9,942	(9,942)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(829,452)	-	-	(829,452)	-	(829,452)
Change in ownership interests in subsidiaries	-	(54,485)	-	-	-	-	-	(54,485)	54,936	451
Changes in non-controlling interests	-	-	-	-	-	-	-	-	185,765	185,765
<b>Balance at June 30, 2024</b>	<b>\$ 1,658,903</b>	<b>3,155,407</b>	<b>1,723,213</b>	<b>143,624</b>	<b>2,860,145</b>	<b>(27,777)</b>	<b>(76,680)</b>	<b>9,436,835</b>	<b>394,187</b>	<b>9,831,022</b>
<b>Balance at January 1, 2025</b>	\$ 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	-	-	-	-	508,464	-	-	508,464	(15,246)	493,218
Other comprehensive income	-	-	-	-	-	(122,348)	(2,393)	(124,741)	200	(124,541)
Total comprehensive income (loss)	-	-	-	-	508,464	(122,348)	(2,393)	383,723	(15,046)	368,677
Appropriation and distribution of retained earnings:										
Provision of legal reserve	-	-	97,860	-	(97,860)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(912,397)	-	-	(912,397)	-	(912,397)
Reversal of special reserve	-	-	-	(48,856)	48,856	-	-	-	-	-
Change in ownership interests in subsidiaries	-	(93)	-	-	-	-	-	(93)	404	311
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(113,381)	(113,381)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	74	-	(74)	-	-	-
<b>Balance at June 30, 2025</b>	<b>\$ 1,658,903</b>	<b>3,160,051</b>	<b>1,821,073</b>	<b>94,768</b>	<b>2,939,107</b>	<b>(135,082)</b>	<b>(84,501)</b>	<b>9,454,319</b>	<b>268,262</b>	<b>9,722,581</b>

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

Chairman: Jing-Rong Tang

Manager: Jing-Rong Tang

Accounting Supervisor: Shu-Ying Chang

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

**Consolidated Statements of Cash Flows**

**For the Six Months Ended June 30, 2025 and 2024**

**Unit: thousands of New Taiwan Dollars**

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
<b>Net income before income tax</b>	\$ 587,305	514,583
<b>Adjustments:</b>		
Adjustments to reconcile profit		
Depreciation expense	355,218	373,531
Amortization expense	1,236	1,619
Expected credit loss (gain)	(569)	3,149
Net loss (gain) on financial assets at fair value through profit or loss	(5,217)	(143,992)
Interest expense	46,171	29,708
Interest income	(22,923)	(19,483)
Dividend income	(4,269)	(6,783)
Share-based payment remuneration cost	325	459
Share of profit of associates accounted for using the equity method	(7,674)	(12,971)
Loss (gain) from disposal and retirement of property, plant and equipment	(14)	132
Others	(2)	(10)
Total adjustments to reconcile profit	362,282	225,359
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Current financial assets at fair value through profit or loss	(93,871)	(41,408)
Notes and accounts receivable	(25,991)	(196,131)
Other receivables	(948)	12,939
Inventories	333,468	427,501
Prepayments and other current assets	(27,413)	(42,447)
Total changes in operating assets	185,245	160,454
Changes in operating liabilities:		
Contract liability	(38,496)	(21,124)
Accounts payable	(95,920)	315,118
Accounts payable to related parties	(13,840)	14,909
Other payables	60,596	(11,670)
Net defined benefit liability	(5,000)	(11,170)
Total changes in operating liabilities	(92,660)	286,063
Net changes in operating assets and liabilities	92,585	446,517
Total adjustments	454,867	671,876
Cash inflow from operating activities	1,042,172	1,186,459
Interest received	24,326	17,317
Dividends received	4,113	5,035
Interest paid	(44,049)	(31,330)
Income taxes paid	(17,821)	(21,882)
<b>Net cash inflow from operating activities</b>	1,008,741	1,155,599
<b>Cash flow from investing activities:</b>		
Disposal of financial assets at fair value through other comprehensive income or loss	88	-
Acquisition of property, plant and equipment	(132,098)	(94,828)
Proceeds from disposal of property, plant and equipment	60	11
Acquisition of intangible assets	(527)	-
Increase in other non-current assets	(9,615)	(631)
Increase in prepayments for business facilities	(6,266)	(1,162)
<b>Net cash outflow from investing activities</b>	(148,358)	(96,610)
<b>Cash flow from financing activities:</b>		
Increase (decrease) in short-term borrowings	575,142	(210,136)
Repayments of long-term borrowings	(245,000)	(135,000)
Payment of lease liabilities	(10,581)	(10,657)
Increase in other non-current liabilities	-	139
Changes in non-controlling interests	(113,381)	185,757
<b>Net cash inflow (outflow) from financing activities</b>	206,180	(169,897)
Effect of exchange rate changes on cash and cash equivalents	(94,005)	35,759
Increase of cash and cash equivalent in the current period	972,558	924,851
Cash and cash equivalents at the beginning of the period	4,502,178	3,080,249
Cash and cash equivalents at the end of the period	\$ 5,474,736	4,005,100

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

Chairman: Jing-Rong Tang

Manager: Jing-Rong Tang

Accounting Supervisor: Shu-Ying Chang

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

## **Notes to Consolidated Financial Statements**

### **For the Six Months Ended June 30, 2025 and 2024**

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

#### **I. Corporate milestones**

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. Date and procedure for ratification of financial report**

The consolidated financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on August 6, 2025.

#### **III. Application of new and amended standards and interpretations**

- (I) Impacted from adopting new issued and revised standards and interpretation approved by Financial Supervisory Committee (FSC)

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) Impacted from not adopting new issued and revised standards and interpretation approved by Financial Supervisory Committee (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 17 “Insurance Contracts” and Amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- The annual improvement of IFRSs
- Amendments to IFRS 9 and IFRS 7 “Contracts Involving Dependence on Renewable Electricity”

- (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 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)**

<b>The newly pronounced or revised standards</b>			<b>Major amendments</b>	<b>The effective date pronounced by the IASB</b>
IFRS	No.	18	<p>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.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Management Performance Measurement (MPM): The new standard introduces the definition of MPM, and requires companies to provide an explanation for each measurement indicator in a single note attached to the financial statements on the reason for providing the useful information, the method of calculation and how to reconcile the indicators and the amounts recognized in accordance with the IFRSs.</li> <li>• 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.</li> </ul>	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 abovementioned 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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

**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 (“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 (“IFRSs”) as endorsed by the FSC and issued in effect.

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 subsidiaries	Main Business	Shareholding ratio			Descriptions
			2025.6.30	2024.12.31	2024.6.30	
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
The Company	Holy Stone Holdings Co., Ltd. (HSH, Samoa)	General investment	100.00%	100.00%	100.00%	-
The Company	UHOLY Investment Co., Ltd. (Uholly, 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	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 subsidiaries	Main Business	Shareholding ratio			Descriptions
			2025.6.30	2024.12.31	2024.6.30	
		Computing and Business Machinery Equipment				
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 (Shanghai) Co., Ltd (HSITC, China)	Sales of electronic parts and components	100.00%	100.00%	100.00%	-
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	Holy Stone Healthcare Co., Ltd. (HSHC, Taiwan)	Wholesale of drugs and medical goods	33.61%	33.61%	33.61%	Notes 1, 2, 3
UHOLY	Holy Young BioMedical Co., Ltd. (Holy Young, Taiwan)	Medical equipment development and marketing and biotechnology services	33.36%	33.36%	33.36%	Note 1, 2
HSHC	Global Search Holdings Ltd. (GSH, Samoa)	General investment	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 subsidiaries	Main Business	Shareholding ratio			Descriptions
			2025.6.30	2024.12.31	2024.6.30	
Holy Young	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%	Note 2, 5
JCI	Holy Stone Healthcare Co., Ltd. (HSHC, Taiwan)	Wholesale of drugs and medical goods	4.33%	4.33%	4.46%	Note 1, 2
JCI	Herztek Incorporation (Herztek, 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%	Note 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.

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 4.46%, 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\$54,893 thousand for the six months ended June 30, 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. The related statutory procedures have been completed.

Note 5: The extraordinary shareholders' meeting of OHGA, on August 21, 2024, resolved a decision on dissolution and liquidation and set September 30, 2024 as the record date for dissolution. The Company completed liquidation in February 2025, and JCI lost control over it from that date.

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.

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

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 judgments, estimations and major sources of hypotheses of uncertainty**

When preparing these interim financial statements in accordance with the Regulations Governing the Preparation of Financial Reports and UAS 34 “Interim Financial Reporting” as endorsed by the FSC, management is required to make judgments and estimates about the future (including climate-related risks and opportunities), which affect the application of accounting policies and the reported amounts of assets, liabilities, income, 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 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>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Cash on hand	\$ 908	867	1,818
Demand deposits	3,783,340	2,425,160	2,531,339
Term deposits	1,690,488	2,076,151	1,471,943
	<u>\$ 5,474,736</u>	<u>4,502,178</u>	<u>4,005,100</u>

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

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

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Current:			
Domestic stock	\$ 367,791	362,449	333,707
Global depositary receipt	23,227	22,662	19,741
Beneficiary certificate	293,855	222,026	192,849
Total	<b>\$ 684,873</b>	<b>607,137</b>	<b>546,297</b>
Non-current:			
Foreign investments in listed shares	\$ 4,627	4,669	4,042
Domestic investments in listed shares	44,053	44,364	81,819
Total	<b>\$ 48,680</b>	<b>49,033</b>	<b>85,861</b>

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

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Domestic and foreign stock	<b>\$ 48,345</b>	<b>51,697</b>	<b>56,968</b>

1. 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.

2. Please refer to Note 6(24) for more information on credit risk and market risk.

3. The aforesaid financial assets are not pledged as collateral.

(IV) Notes and accounts receivable

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Receivable notes	\$ 125,051	147,254	216,636
Accounts receivable	3,043,145	2,994,951	2,814,494
Less: loss provision	(51,800)	(55,046)	(68,164)
	<b>\$ 3,116,396</b>	<b>3,087,159</b>	<b>2,962,966</b>

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:

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

	<b>2025.6.30</b>		
	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted-ave rage rate of expected credit loss</b>	<b>Allowance for lifetime expected credit loss</b>
Not overdue	\$ 3,102,026	0%~10%	9,214
1 to 30 days	21,384	1%~40%	1,911
31 to 60 days	4,247	1%~80%	136
Overdue for over 61 days	40,539	50%~100%	40,539
	<b>\$ 3,168,196</b>		<b>51,800</b>
	<b>2024.12.31</b>		
	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted-ave rage rate of expected credit loss</b>	<b>Allowance for lifetime expected credit loss</b>
Not overdue	\$ 3,078,385	0%~10%	3,771
1 to 30 days	14,296	1%~40%	2,033
31 to 60 days	1,070	1%~80%	788
Overdue for over 61 days	48,454	50%~100%	48,454
	<b>\$ 3,142,205</b>		<b>55,046</b>
	<b>2024.6.30</b>		
	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted-ave rage rate of expected credit loss</b>	<b>Allowance for lifetime expected credit loss</b>
Not overdue	\$ 2,952,826	0%~10%	8,977
1 to 30 days	23,767	1%~40%	9,504
31 to 60 days	9,033	1%~100%	4,207
Overdue for over 61 days	45,504	50%~100%	45,476
	<b>\$ 3,031,130</b>		<b>68,164</b>

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

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

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 55,046	64,255
Impairment losses recognized	-	3,149
Impairment losses reversed	(569)	-
Foreign currency translation gains and losses	(2,677)	760
Balance at June 30	<b>\$ 51,800</b>	<b>68,164</b>

The aforesaid financial assets are not pledged as collateral.

(V) Other receivables

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Tax Refund Receivable	\$ 45,141	48,881	30,421
Interest receivable	3,360	4,763	4,902
Other	9,034	4,190	6,398
	<b>\$ 57,535</b>	<b>57,834</b>	<b>41,721</b>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had no other accounts receivable that were overdue but not impaired.

Please refer to Note 6(24) for more information on credit risk.

(VI) Inventories

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Raw materials	\$ 213,091	205,951	181,207
Materials	20,068	24,662	19,562
Work in progress	182,044	222,213	193,133
Semi-Finished products	115,897	73,171	91,783
Finished good	589,556	604,067	499,284
Merchandise	1,120,569	1,444,629	1,715,291
	<b>\$ 2,241,225</b>	<b>2,574,693</b>	<b>2,700,260</b>

For the three months ended June 30, 2025 and for the six months ended June 30, 2025, as the factors that previously caused the net realizable value of inventories to fall below cost had ceased to exist, the increases in net realizable value resulted in decreases in operating costs of NT\$2,014 thousand and NT\$3,137 thousand, respectively.

For the three months ended June 30, 2024 and six months ended June 30, 2024, the Group recognized a loss of NT\$6,917 thousand and NT\$5,525 thousand, respectively, on inventory write-downs to net realizable value and recognized cost of goods sold.

The Group's inventories are not pledged as collateral.

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

(VII) Investment valued by equity method

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

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Associate	<b>\$ 450,508</b>	<b>443,036</b>	<b>445,067</b>

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) Change in ownership interests in subsidiaries

Changes in parent's ownership interest that do not result in a change in control of the subsidiary

The Group disposed of 0.04% of its ownership interest in HSHC in June 2024, the proceeds of which amounted to NT\$232 thousand.

The effect of changes in the Group's ownership interest in the subsidiaries listed above on the equity attributable to the owners of the parent company is as follows:

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Carrying amount of disposal of ownership interest in subsidiaries	\$ -	(43)
Consideration received from non-controlling interests	-	232
Capital surplus - difference between the market value and the book value of the ownership interest in the subsidiary	<b>\$ -</b>	<b>189</b>

(IX) Property, plant and equipment

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

	<b>Land</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Other equipment</b>	<b>Equipment under Installation and Construction in Progress</b>	<b>Total</b>
Cost:						
Balance at January 1, 2025	\$ 761,642	2,930,967	5,305,574	760,694	428,074	10,186,951
Addition	-	2,138	3,199	8,429	106,118	119,884
Reclassification	-	13,934	361,129	23,366	(398,429)	-
Disposal	-	-	(8,253)	(13,885)	-	(22,138)
Effects of Changes in Exchange Rates	(1,652)	(15,996)	(4,240)	(3,163)	-	(25,051)
Balance at June 30, 2025	<b>\$ 759,990</b>	<b>2,931,043</b>	<b>5,657,409</b>	<b>775,441</b>	<b>135,763</b>	<b>10,259,646</b>

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Equipment under Installation and Construction in Progress</u>	<u>Total</u>
Balance at January 1, 2024	\$ 919,930	2,957,894	4,942,332	753,130	484,351	10,057,637
Addition	-	314	-	2,536	69,442	72,292
Reclassification	-	16,207	319,615	25,429	(361,251)	-
Disposal	-	-	(1,962)	(14,060)	-	(16,022)
Effects of Changes in Exchange Rates	(3,630)	(926)	(8,554)	1,028	-	(12,082)
Balance at June 30, 2024	<u>\$ 916,300</u>	<u>2,973,489</u>	<u>5,251,431</u>	<u>768,063</u>	<u>192,542</u>	<u>10,101,825</u>
Accumulated depreciation:						
Balance at January 1, 2025	\$ -	1,040,511	4,254,481	661,417	-	5,956,409
Depreciation	-	59,320	255,194	29,807	-	344,321
Disposal	-	-	(8,213)	(13,879)	-	(22,092)
Effects of Changes in Exchange Rates	-	(10,824)	(3,343)	(2,533)	-	(16,700)
Balance at June 30, 2025	<u>\$ -</u>	<u>1,089,007</u>	<u>4,498,119</u>	<u>674,812</u>	<u>-</u>	<u>6,261,938</u>
Balance at January 1, 2024	\$ -	934,295	3,807,811	623,691	-	5,365,797
Depreciation	-	73,200	249,164	40,537	-	362,901
Reclassification	-	(4,305)	(1,625)	5,930	-	-
Disposal	-	-	(1,953)	(13,927)	-	(15,880)
Effects of Changes in Exchange Rates	-	211	(5,949)	843	-	(4,895)
Balance at June 30, 2024	<u>\$ -</u>	<u>1,003,401</u>	<u>4,047,448</u>	<u>657,074</u>	<u>-</u>	<u>5,707,923</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 June 30, 2025	<u>\$ 759,990</u>	<u>1,842,036</u>	<u>1,159,290</u>	<u>100,629</u>	<u>135,763</u>	<u>3,997,708</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 June 30, 2024	<u>\$ 916,300</u>	<u>1,970,088</u>	<u>1,203,983</u>	<u>110,989</u>	<u>192,542</u>	<u>4,393,902</u>

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group's property, plant and equipment were not pledged as collateral.

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

(X) 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>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	13,100	1,121	14,221
Decrease	(546)	-	(546)
Effects of Changes in Exchange Rates	(6,562)	16	(6,546)
Balance at June 30, 2025	<u>\$ 145,012</u>	<u>2,969</u>	<u>147,981</u>
Balance at January 1, 2024	\$ 133,268	2,088	135,356
Increase	3,410	-	3,410
Decrease	(3,103)	-	(3,103)
Effects of Changes in Exchange Rates	2,365	(17)	2,348
Balance at June 30, 2024	<u>\$ 135,940</u>	<u>2,071</u>	<u>138,011</u>
Depreciation of right-of-use assets:			
Balance at January 1, 2025	\$ 100,917	1,595	102,512
Depreciation in the current period	10,672	225	10,897
Decrease	(273)	-	(273)
Effects of Changes in Exchange Rates	(4,987)	13	(4,974)
Balance at June 30, 2025	<u>\$ 106,329</u>	<u>1,833</u>	<u>108,162</u>
Balance at January 1, 2024	\$ 88,113	1,378	89,491
Depreciation in the current period	10,385	245	10,630
Decrease	(1,756)	-	(1,756)
Effects of Changes in Exchange Rates	1,818	(10)	1,808
Balance at June 30, 2024	<u>\$ 98,560</u>	<u>1,613</u>	<u>100,173</u>
Book value:			
Balance at January 1, 2025	<u>\$ 38,103</u>	<u>237</u>	<u>38,340</u>
Balance at June 30, 2025	<u>\$ 38,683</u>	<u>1,136</u>	<u>39,819</u>
Balance at January 1, 2024	<u>\$ 45,155</u>	<u>710</u>	<u>45,865</u>
Balance at June 30, 2024	<u>\$ 37,380</u>	<u>458</u>	<u>37,838</u>

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

(XI) 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	58,436	600,376
Intangible assets acquired separately	-	527	527
Derecognition	(541,940)	-	(541,940)
Effects of changes in exchange rates	-	16	16
Balance at June 30, 2025	<u>\$ -</u>	<u>58,979</u>	<u>58,979</u>
Balance at January 1, 2024	\$ 541,940	61,414	603,354
Effects of changes in exchange rates	-	(468)	(468)
Balance at June 30, 2024	<u>\$ 541,940</u>	<u>60,946</u>	<u>602,886</u>
Accumulated amortization and impairment loss:			
Balance at January 1, 2025	\$ 541,940	55,406	597,346
Amortization for current period	-	1,216	1,216
Derecognition	(541,940)	-	(541,940)
Effects of changes in exchange rates	-	95	95
Balance at June 30, 2025	<u>\$ -</u>	<u>56,717</u>	<u>56,717</u>
Balance at January 1, 2024	\$ 541,940	56,467	598,407
Amortization for current period	-	1,599	1,599
Effects of changes in foreign exchange rates	-	(463)	(463)
Balance at June 30, 2024	<u>\$ 541,940</u>	<u>57,603</u>	<u>599,543</u>
Book value:			
Balance at January 1, 2025	<u>\$ -</u>	<u>3,030</u>	<u>3,030</u>
Balance at June 30, 2025	<u>\$ -</u>	<u>2,262</u>	<u>2,262</u>
Balance at January 1, 2024	<u>\$ -</u>	<u>4,947</u>	<u>4,947</u>
Balance at June 30, 2024	<u>\$ -</u>	<u>3,343</u>	<u>3,343</u>

The consolidated company's goodwill arose from the subsidiaries OHGA Smarththings Co., Ltd. and Mayatek. As the consolidated company has lost control over OHGA Smarththings Co., Ltd. and Mayatek, the goodwill generated from the consolidation was derecognized as of the date control was lost.

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

(XII) Short-term borrowings

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Unsecured bank loan	\$ 1,801,040	1,225,898	893,524
Quota not used	\$ 3,932,094	4,587,907	4,840,414
Interest rate range	<u>2.36%~5.16%</u>	<u>1.7%~6.6%</u>	<u>1.7%~6.6%</u>

(XIII) Other payables

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Employee bonuses payable	\$ 342,398	268,635	306,273
Remuneration payable to directors	39,269	25,857	35,384
Accounts payable, equipment	34,959	47,173	36,992
Accrued wages and bonus	146,781	202,639	116,632
Labor and health insurance	21,131	22,992	20,482
Others	319,132	285,870	293,841
	<u>\$ 903,670</u>	<u>853,166</u>	<u>809,604</u>

(XIV) Long-term borrowings

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Unsecured bank loan	\$ 1,823,333	2,068,333	1,773,333
Less: Current portions	(687,500)	(557,500)	(450,000)
Total	<u>\$ 1,135,833</u>	<u>1,510,833</u>	<u>1,323,333</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%~1.275%</u>

1. Issuance and repayment of loans

The amount of the consolidated company's long-term borrowings repaid from January 1 to June 30, 2025 and 2024 amounting to NT\$245,000 thousand and NT\$135,000 thousand, respectively.

(XV) Lease liabilities

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

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Current	\$ 19,827	17,179	15,576
Non-current	\$ 21,098	22,397	23,512

For maturity analysis, please refer to Note 6(24) Financial Instruments.

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

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense on lease liabilities	<u>\$ 197</u>	<u>193</u>	<u>395</u>	<u>408</u>
Short-term and low-value lease expenses	<u>\$ 3,749</u>	<u>3,857</u>	<u>6,904</u>	<u>7,610</u>

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

	<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	<u>\$ 17,880</u>	<u>18,675</u>

(XVI) 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:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating cost	\$ 407	379	813	749
Operating expenses	528	556	1,068	1,131
Total	<u>\$ 935</u>	<u>935</u>	<u>1,881</u>	<u>1,880</u>

2. Defined contribution plans

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating cost	\$ 6,647	5,729	13,101	11,353
Operating expenses	9,264	8,674	18,888	18,294
Total	<u>\$ 15,911</u>	<u>14,403</u>	<u>31,989</u>	<u>29,647</u>

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

(XVII) Income Tax

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

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Current period income tax expense				
Recognized during the period	\$ 57,810	54,849	94,087	114,503
Deferred income tax expense	-	-	-	-
Income tax expenses	<u>\$ 57,810</u>	<u>54,849</u>	<u>94,087</u>	<u>114,503</u>

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

(XVIII) Capital and other equity

Except as described below, there were no significant changes in the Group's capital and other equity for the six months ended June 30, 2025 and 2024, as described in Note 6(18) to the Consolidated Financial Statements as of December 31, 2024.

1. Capital reserve

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

	2025.6.30	2024.12.31	2024.6.30
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	73,710	73,803	69,066
Expired options	130,146	130,146	130,146
	<u>\$ 3,160,051</u>	<u>3,160,144</u>	<u>3,155,407</u>

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.

(1) Making up for the previous losses accumulated (including adjustments to retained earnings)

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

- (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 the company does not have a loss, the company may issue new shares or cash from legal reserve based on the resolution of shareholders' meeting. However, such distribution can only come from the part that is over 25% of paid-in capital.

### 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

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

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

On February 27, 2025 and February 27, 2024, the Board of Directors resolved the cash dividend amounts for the 2024 and 2023 earnings distribution proposals, respectively. The amounts of dividends allocated to owners are as follows:

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

3. Other equity (net after tax)

	<b>Exchange differences on translation of the financial statements of foreign operations</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Balance at January 1, 2025	\$ (12,734)	(82,034)	(94,768)
Exchange differences on translation of net assets of foreign operations:			
The Company	(122,348)	-	(122,348)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
Subsidiary	-	(2,393)	(2,393)
Disposal of equity instruments at fair value through other comprehensive income:			
Subsidiary	-	(74)	(74)
Balance at June 30, 2025	<b><u>\$ (135,082)</u></b>	<b><u>(84,501)</u></b>	<b><u>(219,583)</u></b>
Balance at January 1, 2024	\$ (67,289)	(76,335)	(143,624)
Exchange differences on translation of net assets of foreign operations:			
The Company	39,512	-	39,512
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
Subsidiary	-	(345)	(345)
Balance at June 30, 2024	<b><u>\$ (27,777)</u></b>	<b><u>(76,680)</u></b>	<b><u>(104,457)</u></b>

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

(XIX) Share-based payment

There were no significant changes in the Group's share-based payment for the six months ended June 30, 2025 and 2024, as described in Note 6(19) to the Consolidated Financial Statements as of December 31, 2024.

(XX) Earnings per share

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Earnings per share</b>				
Net profit attributable to the Company	\$ 229,970	229,024	508,464	446,769
Weighted-average number of common shares outstanding (in thousand shares)	165,890	165,890	165,890	165,890
<b>Earnings per share (NT\$)</b>	<b>\$ 1.39</b>	<b>1.38</b>	<b>3.07</b>	<b>2.69</b>
<b>Diluted earnings per share</b>				
Net profit attributable to the Company	\$ 229,970	229,024	508,464	446,769
Net income attributable to ordinary equity holders of the Company (after adjustments to the effect of dilutive potential ordinary shares)	<b>\$ 229,970</b>	<b>229,024</b>	<b>508,464</b>	<b>446,769</b>
Weighted-average number of common shares outstanding (in thousand shares)	165,890	165,890	165,890	165,890
Effect of potentially dilutive ordinary shares				
Effect of employee stock bonus (in thousand shares)	946	709	1,443	1,128
Weighted-average number of common shares outstanding (after adjustments to the effect of dilutive potential ordinary shares) (in thousand shares)	<b>166,836</b>	<b>166,599</b>	<b>167,333</b>	<b>167,018</b>
<b>Diluted earnings per share (NT\$)</b>	<b>\$ 1.38</b>	<b>1.37</b>	<b>3.04</b>	<b>2.67</b>

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

(XXI) Revenue from contracts with customers

1. Revenue breakdown

<b>For the Three months ended June 2025</b>			
	<b>Electronic Segment</b>	<b>Other segments</b>	<b>Total</b>
Core products/services:			
Passive Components	\$ 1,470,367	-	1,470,367
Active Components	719,059	-	719,059
System Modules	460,143	-	460,143
Others	457,768	164,756	622,524
	<b>\$ 3,107,337</b>	<b>164,756</b>	<b>3,272,093</b>

<b>For the Three months ended June 2024</b>			
	<b>Electronic Segment</b>	<b>Other segments</b>	<b>Total</b>
Core products/services:			
Passive Components	\$ 1,231,730	-	1,231,730
Active Components	632,412	-	632,412
System Modules	607,897	-	607,897
Others	401,093	366,191	767,284
	<b>\$ 2,873,132</b>	<b>366,191</b>	<b>3,239,323</b>

<b>For the Six months ended June 2025</b>			
	<b>Electronic Segment</b>	<b>Other segments</b>	<b>Total</b>
Core products/services:			
Passive Components	\$ 2,906,589	-	2,906,589
Active Components	1,382,012	-	1,382,012
System Modules	942,187	-	942,187
Others	821,509	621,788	1,443,297
	<b>\$ 6,052,297</b>	<b>621,788</b>	<b>6,674,085</b>

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

	For the Six months ended June 2024		
	Electronic Segment	Other segments	Total
Core products/services:			
Passive Components	\$ 2,352,004	-	2,352,004
Active Components	1,295,096	-	1,295,096
System Modules	1,171,109	-	1,171,109
Others	598,033	762,568	1,360,601
	<b>\$ 5,416,242</b>	<b>762,568</b>	<b>6,178,810</b>

2. Contract balance

	2025.6.30	2024.12.31	2024.6.30
Receivable notes	\$ 125,051	147,254	216,636
Accounts receivable	3,043,145	2,994,951	2,814,494
Less: loss provision	(51,800)	(55,046)	(68,164)
Total	<b>\$ 3,116,396</b>	<b>3,087,159</b>	<b>2,962,966</b>
Contract liability	<b>\$ 47,729</b>	<b>86,225</b>	<b>86,147</b>

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\$50,604 thousand and NT\$82,139 thousand for the six months ended June 30, 2025 and 2024.

(XXII) Remuneration of employees and directors

On May 28, 2025, the shareholders' meeting resolved to amend the Articles of Incorporation. According to the amended Articles, the Company shall allocate employee remuneration of not less than 7% and directors' remuneration of not more than 3% from the current year's profit before tax, before deducting employee remuneration and directors' remuneration, and after retaining amounts to offset accumulated losses (including adjustments to undistributed earnings), if any balance remains. Of the amount of employee remuneration mentioned above, not less than 10% shall be allocated to entry-level employees under the conditions set by the Board of Directors. Proposals of distribution percentage and types to employees, entry-level 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 shall be in the form of cash. Employees and entry-level employee remuneration 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 Articles of

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

Incorporation before the amendment provided that the Company shall allocate employee remuneration of not less than 7% and directors' remuneration of not more than 3% from the current year's profit before tax, before deducting employee remuneration and directors' remuneration, and after retaining amounts to offset accumulated losses (including adjustments to undistributed earnings), if any balance remains. 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.

For the three and six months ended June 30, 2025 and 2024, the Company accrued employee remuneration of NT\$36,538 thousand, NT\$33,915 thousand, NT\$73,765 thousand, and NT\$66,577 thousand, respectively, and directors' remuneration of NT\$6,321 thousand, NT\$6,163 thousand, NT\$13,412 thousand, and NT\$16,808 thousand, respectively. These amounts were estimated based on the Company's profit before tax for each period, before deducting employee and directors' remuneration, multiplied by the allocation ratios stipulated in the 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 employees' remuneration 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 compensation to employees were NT\$135,747 thousand and NT\$119,195 thousand, respectively, and the estimated remuneration to directors were NT\$25,857 thousand and NT\$22,703 thousand, respectively, which did not differ from the actual distribution. Please refer to the MOPS for more information.

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

(XXIII) Other gains and losses

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Dividend revenue	\$ 768	1,349	1,467	1,953
Net gain on financial assets at fair value through profit or loss	51,292	77,329	5,217	149,084
Net exchange gains and losses	(99,129)	11,556	(77,397)	34,011
Others	53,392	3,132	56,479	13,950
	<u>\$ 6,323</u>	<u>93,366</u>	<u>(14,234)</u>	<u>198,998</u>

(XXIV) 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:

	<u>Book value</u>	<u>Contract cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
<b>June 30, 2025</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,801,040	1,815,451	1,815,451	-	-
Accounts payable	832,432	832,432	832,432	-	-
Accounts payable to related parties	47,264	47,264	47,264	-	-
Other payables	903,670	903,670	903,670	-	-
Dividends payables	912,397	912,397	912,397	-	-
Lease liabilities	40,925	41,867	20,425	21,442	-
Long-term borrowings	1,823,333	1,856,935	708,601	1,148,334	-
	<u>\$ 6,361,061</u>	<u>6,410,016</u>	<u>5,240,240</u>	<u>1,169,776</u>	<u>-</u>

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

	<u>Book value</u>	<u>Contract cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
<b>December 31, 2024</b>					
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	-
	<b>\$ 5,176,429</b>	<b>5,232,670</b>	<b>3,677,259</b>	<b>1,555,411</b>	<b>-</b>
<b>June 30, 2024</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 893,524	898,443	898,443	-	-
Accounts payable	1,117,521	1,117,521	1,117,521	-	-
Accounts payable to related parties	45,149	45,149	45,149	-	-
Other payables	809,604	809,604	809,604	-	-
Dividends payables	829,452	829,452	829,452	-	-
Lease liabilities	39,088	40,235	16,116	24,119	-
Long-term borrowings	1,773,333	1,815,628	469,694	1,345,934	-
	<b>\$ 5,507,671</b>	<b>5,556,032</b>	<b>4,185,979</b>	<b>1,370,053</b>	<b>-</b>

2. Foreign exchange rate risk

(1) Exposure to foreign exchange rate risk

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

	Unit: NT\$ thousand								
	<u>2025.6.30</u>			<u>2024.12.31</u>			<u>2024.6.30</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>
<u>Financial Asset</u>									
<u>Monetary items</u>									
USD	\$ 74,574	29.3000	2,185,006	63,264	32.7850	2,074,121	60,669	32.4500	1,968,706
EUR	1,424	34.3500	48,898	923	34.1400	31,507	2,205	34.7100	76,535
HKD	11,882	3.7320	44,345	18,660	4.2220	78,783	23,257	4.1550	96,635
GBP	-	40.1600	-	37	41.1900	1,541	38	41.0400	1,540
JPY	748,788	0.2034	152,303	374,378	0.2099	78,582	514,156	0.2017	103,705
CNY	8,227	4.0910	33,657	15,044	4.4780	67,369	26,866	4.4450	119,419
TWD	-	-	-	-	-	-	2,130	1.0000	2,130
SGD	56	23.0000	1,288	-	-	-	-	-	-
<u>Non-monetary items</u>									
USD	3,342	29.3000	97,934	4,589	32.7850	150,449	4,456	32.4500	144,581

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

	2025.6.30			2024.12.31			2024.6.30			
	Foreign currency	Exchange rate (NT\$)	NTD	Foreign currency	Exchange rate (NT\$)	NTD	Foreign currency	Exchange rate (NT\$)	NTD	
Financial liabilities										
<u>Monetary items</u>										
USD	\$	63,799	29.3000	1,869,303	46,780	32.7850	1,533,682	30,221	32.4500	980,682
EUR		-	34.3500	-	247	34.1400	8,441	221	34.7100	7,679
HKD		946	3.7320	3,532	632	4.2220	2,668	687	4.1550	2,855
GBP		288	40.1600	11,583	290	41.1900	11,928	1,153	41.0400	47,323
JPY		42,158	0.2034	8,575	81,942	0.2099	17,200	39,807	0.2017	8,029

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 June 30, 2025, and 2024, the net income would decrease by NT\$28,625 thousand and NT\$66,105 thousand for the six months ended June 30, 2025, and 2024, respectively, if the New Taiwan dollar depreciated or appreciated by 5% against the USD, EUR, JPY, HKD, GBP, and CNY (CNY). The analysis is performed on the same basis as for the 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. For the six months ended June 30, 2025 and 2024, foreign currency exchange gains and losses (including realized and unrealized) were NT\$(77,397) thousand and NT\$34,011 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:

	2025.6.30				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss	\$ 733,553	689,500	-	44,053	733,553
Financial assets at fair value through other comprehensive income	48,345	-	-	48,345	48,345

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

	2025.6.30				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at amortization					
Cash and cash equivalent	5,474,736	-	-	-	-
Notes and accounts receivable - Net	3,116,396	-	-	-	-
Other receivables	57,535	-	-	-	-
Sub-total	8,648,667	-	-	-	-
Total	<b>\$ 9,430,565</b>	<b>689,500</b>	-	<b>92,398</b>	<b>781,898</b>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 1,801,040	-	-	-	-
Accounts payable	832,432	-	-	-	-
Accounts payable to related parties	47,264	-	-	-	-
Other payables	903,670	-	-	-	-
Dividends payables	912,397	-	-	-	-
Lease liabilities	40,925	-	-	-	-
Long-term borrowings	1,823,333	-	-	-	-
Sub-total	6,361,061	-	-	-	-
Total	<b>\$ 6,361,061</b>	≡	≡	≡	≡
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
Financial assets at amortization					
Cash and cash equivalent	4,502,178	-	-	-	-
Notes and accounts receivable - Net	3,087,159	-	-	-	-
Other receivables	57,834	-	-	-	-
Sub-total	7,647,171	-	-	-	-
Total	<b>\$ 8,355,038</b>	<b>611,806</b>	-	<b>96,061</b>	<b>707,867</b>
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	<b>\$ 5,176,429</b>	-	-	-	-

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

	2024.6.30				Total
	Book value	Fair value			
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	\$ 632,158	550,339		81,819	632,158
Financial assets at fair value through other comprehensive income	56,968	-	-	56,968	56,968
Financial assets at amortization					
Cash and cash equivalent	4,005,100	-	-	-	-
Notes and accounts receivable - Net	2,962,966	-	-	-	-
Other receivables	41,721	-	-	-	-
Sub-total	7,009,787	-	-	-	-
<b>Total</b>	<b>\$ 7,698,913</b>	<b>550,339</b>	<b>-</b>	<b>138,787</b>	<b>689,126</b>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 893,524	-	-	-	-
Accounts payable	1,117,521	-	-	-	-
Accounts payable to related parties	45,149	-	-	-	-
Other payables	809,604	-	-	-	-
Dividends payables	829,452	-	-	-	-
Lease liabilities	39,088	-	-	-	-
Long-term borrowings	1,773,333	-	-	-	-
Sub-total	5,507,671	-	-	-	-
<b>Total</b>	<b>\$ 5,507,671</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(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.

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

(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, 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.

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

(4) Table of movement of Level 3

	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income or loss
<b>January 1, 2025</b>	\$ 44,364	51,697
Total gain or loss		
Recognized in profit or loss	(311)	-
Recognized in other comprehensive income	-	(2,393)
Disposal	-	(88)
Other	-	(871)
<b>June 30, 2025</b>	<b>\$ 44,053</b>	<b>48,345</b>
<b>January 1, 2024</b>	\$ 76,363	56,877
Total gain or loss		
Recognized in profit or loss	5,456	-
Recognized in other comprehensive income	-	(345)
Other	-	436
<b>June 30, 2024</b>	<b>\$ 81,819</b>	<b>56,968</b>

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 June 30, 2025 and 2024, information on related parties who still hold these assets is as follows:

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Total gain or loss		
Recognized in profit or loss (recorded as “other gains and losses, net”)	\$ (311)	5,456
Recognized in other comprehensive income (recorded as “unrealized valuation gains (losses) on financial assets at fair value through profit or loss”.	(2,393)	(345)

(XXV) 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.

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

(XXVI) Capital management

The objectives, policies and procedures of the Group's capital management are consistent with those disclosed in the consolidated financial statements as of December 31, 2024, and there are no significant changes in the aggregated quantitative information of the items used as capital management from those disclosed in the consolidated financial statements as of December 31, 2024. For related information, please refer to Note 6(26) to the Consolidated Financial Statements for the year ended December 31, 2024.

(XXVII) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities not affecting current cash flow for the six months ended June 30, 2025 and 2024 were as follows:

1. Please refer to Note 6(10) for the right-to-use assets acquired by lease.
2. Reconciliation of liabilities arising from financing activities of the Group were as follows:

	2025.1.1	Cash flows	Non-cash changes			2025.6.30
			Acquisition	Exchange rate change	Other	
Short-term borrowings	\$ 1,225,898	575,142	-	-	-	1,801,040
Long-term borrowings (including current portion)	2,068,333	(245,000)	-	-	-	1,823,333
Lease liabilities	39,576	(10,581)	14,221	(2,016)	(275)	40,925
Other non-current liabilities	2,615	-	-	(277)	-	2,338
<b>Total liabilities arising from financing activities</b>	<b>\$ 3,336,422</b>	<b>319,561</b>	<b>14,221</b>	<b>(2,293)</b>	<b>(275)</b>	<b>3,667,636</b>

	2024.1.1	Cash flows	Non-cash changes			2024.6.30
			Acquisition	Exchange rate change	Other	
Short-term borrowings	\$ 1,103,660	(210,136)	-	-	-	893,524
Long-term borrowings (including current portion)	1,908,333	(135,000)	-	-	-	1,773,333
Lease liabilities	47,074	(10,657)	3,410	618	(1,357)	39,088
Other non-current liabilities	2,511	139	-	-	-	2,650
<b>Total liabilities arising from financing activities</b>	<b>\$ 3,061,578</b>	<b>(355,654)</b>	<b>3,410</b>	<b>618</b>	<b>(1,357)</b>	<b>2,708,595</b>

**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:

<u>Name of Related Parties</u>	<u>Relationship with the merged Company</u>
eGalax_eMPIA Technology Inc.	Associate of the Group

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

(II) Important transactions with related parties

1. Purchases and payables to related parties

	Purchase				Payables to related parties		
	For the three months ended June 30		For the six months ended June 30		2025.6.30	2024.12.31	2024.6.30
	2025	2024	2025	2024			
Associate	\$ 78,222	60,620	152,656	125,937	47,264	61,104	45,149

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 June 30, 2025, December 31 and June 30, 2024, the Group and its affiliates had other receivables (included in notes and accounts receivable, net) amounting to NT\$632 thousand, NT\$799 thousand and NT\$637 thousand, respectively, for the collection of payments on behalf of the Group, fees, and other expenses.

(III) Key managers transaction

Remuneration to key managers include:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
	Short-term employee benefits	\$ 10,909	10,646	21,926

**VIII. Pledged Assets**

Book values for the pledged assets are as follows:

Asset	Object of guarantee	2025.6.30	2024.12.31	2024.6.30
Term deposits	Guarantees for purchase tax and commodity tax	\$ 33,309	24,277	23,013

**IX. Major contingent liabilities and unrecognized contract commitments**

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

	2025.6.30	2024.12.31	2024.6.30
Acquisition of property, plant and equipment	\$ 12,239	-	80,188

**X. Losses due to major disasters: N/A.**

**XI. Material Subsequent Events: N/A.**

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

**XII. Other**

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

By function  By nature	For the three months ended June 30					
	2025			2024		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits						
Salary	115,636	177,141	292,777	101,776	175,853	277,629
Labor and health insurance	13,397	12,755	26,152	11,778	12,387	24,165
Pension	7,054	9,792	16,846	6,108	9,230	15,338
Remuneration to directors	-	7,441	7,441	-	8,158	8,158
Other employee benefit	4,148	4,510	8,658	3,252	4,221	7,473
Depreciation	164,437	16,103	180,540	166,411	17,003	183,414
Amortization	-	603	603	-	809	809

By function  By nature	For the six months ended June 30					
	2025			2024		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits						
Salary	232,816	356,106	588,922	203,429	351,276	554,705
Labor and health insurance	27,186	26,764	53,950	23,952	25,999	49,951
Pension	13,914	19,956	33,870	12,102	19,425	31,527
Remuneration to directors	-	15,416	15,416	-	15,288	15,288
Other employee benefit	8,128	8,855	16,983	6,317	8,385	14,702
Depreciation	323,599	31,619	355,218	338,681	34,850	373,531
Amortization	-	1,236	1,236	-	1,619	1,619

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

**XIII. Additional Disclosure**

(I) Information on significant transactions

Extra information on significant transactions for the six months ended June 30, 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.

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

2. Endorsements/guarantees provided:

No.	Endorsement/guarantee provider	Guaranteed party		Limits on endorsement/guarantee amount provided to each guaranteed party (Note 1)	Maximum balance for the current period	Ending balance	Amount actually drawn (Note 3)	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity of the Latest Financial Statement	Maximum amount of endorsement/guarantee allowance (Note 1)	Guarantee provided by parent company	Guarantee provided by subsidiary	Guarantee provided to subsidiaries in China
		Company Name	Relationship (Note 2)										
0	The Company	Everplus Material Co., Ltd.	(2)	1,890,863	89,680	81,360	30,510	-	0.86%	4,727,159	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 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. Holding of major securities at the end of the period (excluding the portion held due to investment in a subsidiary or an affiliate, and the portion held due to an interest in a joint venture):

Unit: thousand shares/ thousands units

Holding company name	Marketable securities types and name	Relationship with the issuers	Financial statement account	End of the period				Notes
				Shares	Book value	Percent of shareholdings	Fair value	
The Company	AMUNDI PI US S/T BD	-	Current financial assets at fair value through profit or loss - Beneficiary certificate	138	32,405	-	32,405	-
The Company	BARINGS GLOB HIY BOND	-	"	8	33,102	-	33,102	-
The Company	Shares of Taiwan Semiconductor Manufacturing Co., Ltd.	-	Current financial assets at fair value through profit or loss - Domestic stock	100	106,000	-	106,000	-
UHOLY Investment Co., Ltd.	Shares of AZOTEK CO., LTD.	-	-Non-current financial assets at fair value through profit or loss	981	31,377	1.60 %	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	91,560	-	91,560	-
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	89,380	-	89,380	-

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

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	(287,020)	(5.46) %	120 days from the following month	-	-	102,500	4.30%	Note
Holy Stone Enterprise (Hong Kong) Co., Ltd.	The Company	The Company is the ultimate parent company	Purchase	287,020	26.23 %	120 days from the following month	-	-	(102,500)	(34.05)%	Note
The Company	Holy Stone International Trading (Shanghai) Co., Ltd	Third-tier subsidiary of the Company	Sales	(751,315)	(14.29) %	150 days from the following month	-	-	143,952	6.04%	Note
Holy Stone International Trading (Shanghai) Co., Ltd	The Company	The Company is the ultimate parent company	Purchase	751,315	90.29 %	150 days from the following month	-	-	(143,952)	(76.79)%	Note
The Company	Infortech (CHINA) Co., Ltd.	Third-tier subsidiary of the Company	Sales	(133,787)	(2.54) %	120 days from the invoiced month	-	-	15,091	0.63%	Note
Infortech (CHINA) Co., Ltd.	The Company	The Company is the ultimate parent company	Purchase	133,787	83.02 %	120 days from the invoiced month	-	-	(15,091)	(82.20)%	Note
EPM	The Company	The Company is the ultimate parent company	Sales	(225,715)	(100.00) %	Cash settlement of the current month	-	-	42,044	100.00%	Note
The Company	EPM	Third-tier subsidiary of the Company	Purchase	213,935	7.14 %	Cash settlement of the current month	-	-	(42,044)	(5.27)%	Note
eGalax_eMPIA	The Company	Affiliated enterprises of the Company	Sales	(152,656)	(31.25) %	30 days from the invoiced month	-	-	47,264	36.13%	-
The Company	eGalax_eMPIA	Affiliated enterprises of the Company	Purchase	152,656	5.09 %	30 days from the invoiced month	-	-	(47,264)	(5.92)%	-
Holy Stone Enterprise (Hong Kong) Co., Ltd.	The Company	The Company is the ultimate parent company	Sales	(428,876)	(39.80) %	30 days from the invoiced month	-	-	218,454	34.36%	Note
The Company	Holy Stone Enterprise (Hong Kong) Co., Ltd.	Subsidiary of the Company	Purchase	428,876	14.31 %	30 days from the invoiced month	-	-	(218,454)	(27.38)%	Note

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

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

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

Company Name	Related Party	Nature of Relationships	Balance of receivables from related parties (Note)	Turnover Rate	Overdue		Amounts Received from related parties in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Holy Stone Enterprise (Hong Kong) Co., Ltd.	Subsidiary of the Company	102,500	3.51	-	-	32,519	-
The Company	Holy Stone International Trading (Shanghai) Co., Ltd	Third-tier subsidiary of the Company	143,952	9.90	-	-	49,549	-
Holy Stone Enterprise (Hong Kong) Co., Ltd.	The Company	The Company is the ultimate parent company	218,454	3.68	-	-	92,482	-

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

6. Significant intercompany transactions:

No.	Name	Transaction party	Nature of relationship	Transaction status			
				Financial statements item	Amount	Transaction condition	Percentage of total operating revenue or total assets
0	The Company	HSHK	1	Sales	287,020	120 days from the following month	4.30%
0	The Company	HSHK	1	Accounts receivable	102,500	120 days from the following month	0.63%
0	The Company	HSITC	1	Sales	751,315	150 days from the following month	11.26%
0	The Company	HSITC	1	Accounts receivable	143,952	150 days from the following month	0.88%
0	The Company	Infortech	1	Sales	133,787	120 days from the invoiced month	2.00%
0	The Company	Infortech	1	Accounts receivable	15,091	120 days from the invoiced month	0.09%
1	EPM	The Company	2	Sales	225,715	Cash settlement of the current month	3.38%
1	EPM	The Company	2	Accounts receivable	42,044	Cash settlement of the current month	0.26%
2	HSHK	The Company	2	Sales	428,876	30 days from the invoiced month	6.43%
2	HSHK	The Company	2	Accounts receivable	218,454	30 days from the invoiced month	1.33%

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.

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

The Group's reinvestment for the six months ended June 30, 2025 is as follows:

Unit: thousand shares

Name of Investors	Names of the investees	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%	481,433	19,412	19,412	Subsidiary of the Company

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

Name of Investors	Names of the investees	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 Holdings Co., Ltd.	Samoa	General investment	2,078,392	2,078,392	30,000	100.00%	685,131	7,130	5,724	Subsidiary of the Company
The Company	UHOLY Investment Co., Ltd.	Taipei City	General investment	622,500	622,500	54,000	100.00%	664,445	26,310	27,270	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	10,500	100.00%	107,243	(2,585)	(2,585)	Subsidiary of the Company
The Company	Jung Chan Investments Co., Ltd.	Taipei City	General investment	340,000	340,000	36,000	100.00%	391,431	(3,482)	(3,482)	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%	24,213	(125)	(125)	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%	126,094	53,691	2,230	The investee accounted for under the equity method
Holy Stone Holdings Co., Ltd.	Holy Stone Investments Co., Ltd	Hong Kong	General investment	205,100	229,495	7,000	100.00%	474,895	3,095	3,095	Subsidiary of Holy Stone Holdings Co., Ltd.
Holy Stone Holdings Co., Ltd.	Holypaq Corporation	British Cayman Islands	General investment	35,160	39,342	1,200	100.00%	784	-	-	Subsidiary of Holy Stone Holdings Co., Ltd.
Holy Stone Holdings Co., Ltd.	Green Glory Holdings Ltd.	Samoa	General investment	36,350	40,674	1,310	100.00%	41,328	646	646	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	99,666	102,851	1	100.00%	115,261	257	257	Subsidiary of Holy Stone Holdings Co., Ltd.
Holy Stone Holdings Co., Ltd.	Holy Stone Holdings (Singapore) Pte. Ltd	Singapore	Electronic retail business	2,930	3,279	100	100.00%	3,235	686	686	Subsidiary of Holy Stone Holdings Co., Ltd.
Green Glory Holdings Ltd.	Milestone Global Technology Ltd.	USA	Development and sales of electronic products	14,650	16,393	500	100.00%	27,447	506	506	Subsidiary of Green Glory Holdings
Green Glory Holdings Ltd.	Holystone (Europe) Ltd.	England	Electronic retail business	20,125	22,519	350	100.00%	13,766	152	152	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%	84,085	(43,512)	(14,624)	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%	324,414	53,691	5,444	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%	59,202	17,956	5,990	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	147,147	138,698	4,866	100.00%	10,882	(2,787)	(2,787)	Subsidiary of Holy Stone Healthcare Co., Ltd.
Holy Young BioMedical Co., Ltd.	MDT INTL SA	Switzerland	Medical equipment development and marketing and biotechnology services	78,768	78,768	2,550	100.00%	100,391	5,716	5,716	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	104,377	95,851	2,400	100.00%	9,528	(2,243)	(2,243)	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%	863	(519)	(519)	Second-tier subsidiary of Holy Stone Healthcare Co., Ltd.
Jung Chan Investments Co., Ltd.	OHGA Smarththings 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.

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

Name of Investors	Names of the investees	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.	Holy Stone Healthcare Co., Ltd.	Taipei City	Wholesale of drugs and medical goods	121,547	121,547	6,326	4.33%	12,474	(43,512)	(1,884)	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%	95,066	(9,260)	(9,260)	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%	3,620	17,956	366	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.

(III) Information about investment in Mainland China:

1. Information on investments in China:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of the beginning of the period	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of the end of period	Net income of the investees in current period (Note 2)	Ownership percentage of direct or indirect investment	Investment income recognized in current period (Note 2 and 3)	Book value of investment at the end of period (Note 3)	Accumulated Repatriation of Investment Income as of the current period
					Outward remittance	Repatriation						
Holy Stone International Trading (Shanghai) Co., Ltd	Sales of electronic parts and components	117,493	(2)	105,773	-	-	105,773	13,993	100.00%	13,993	361,857	-
Infotech (CHINA) Co., Ltd.	Sales of electronic parts and components	61,530	(2)	61,530	-	-	61,530	(10,876)	100.00%	(10,876)	110,156	-

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 remittance from Taiwan to China as of June 30, 2025	Investment amount approved by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
196,603	208,323	5,672,591

3. Significant transactions:

For the significant transactions between the Group and its investees in China for the six months ended June 30, 2025 (which were eliminated in the preparation of the consolidated financial statements), please refer to the "Information on Significant Transactions."

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

**XIV. Information of operating segments**

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

For the Three months ended June 30, 2025				
	Electronic Segment	Other Segments	Adjustment and elimination	Total
Income:				
Income from external customers	\$ 3,107,337	164,756	-	3,272,093
<b>Reportable segment profit or loss</b>	<b>\$ 238,936</b>	<b>56,239</b>	-	<b>295,175</b>
For the Three months ended June 30, 2024				
	Electronic Segment	Other Segments	Adjustment and elimination	Total
Income:				
Income from external customers	\$ 2,873,132	366,191	-	3,239,323
<b>Reportable segment profit or loss</b>	<b>\$ 259,277</b>	<b>(11,491)</b>	-	<b>247,786</b>
For the Six months ended June 30, 2025				
	Electronic Segment	Other Segments	Adjustment and elimination	Total
Income:				
Income from external customers	\$ 6,052,297	621,788	-	6,674,085
<b>Reportable segment profit or loss</b>	<b>\$ 576,146</b>	<b>11,159</b>	-	<b>587,305</b>
For the Six months ended June 30, 2024				
	Electronic Segment	Other Segments	Adjustment and elimination	Total
Income:				
Income from external customers	\$ 5,416,242	762,568	-	6,178,810
<b>Reportable segment profit or loss</b>	<b>\$ 497,212</b>	<b>17,371</b>	-	<b>514,583</b>